

CableFAX Daily™

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What the Industry Reads First

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ACA Asks: Is Subsidizing Urban Areas Appropriate?

Any overhaul of the Universal Service Fund has always stoked fears that it could subsidize cable competitors (*Cfax*, 1/30). And now that the **FCC** has announced initial results of Phase I funding, which aims to provide some immediate support while it works on Phase II of the program, **ACA** has questioned whether apparent USF support for major urban markets is warranted. For example, DC could get more than \$100K in annual support with more than \$34K for areas that include the National Mall, the White House, and the US Capitol. And areas containing landmarks like Logan Airport in Boston, George Bush Park in Houston, Golden Gate Park in San Francisco, Arlington National Cemetery in Arlington, VA, and Hudson River Greenway in NYC are eligible to receive more than \$150K in annual funding, ACA said in a filing. The group estimated that more than \$33mln in annual support will be allocated to the 10 most populous areas. We should point out that many of those areas are served by ACA members. For example, **RCN** serves DC, Philly, NYC, Boston and Chicago; **Wave Broadband** serves areas of Seattle and San Francisco; **Grande Communications** serves Dallas, Austin and San Antonio, and **Wavevision** serves MDUs and a few neighborhoods in Houston. But ACA said that while legitimate reasons might exist for these areas to get funding, such support is unexpected given the Connect America Fund's objective to target the unserved and underserved. As many of the cost model's calculations aren't accessible, it's unclear which particular census blocks would receive support. Back at the Commission, letters from eligible recipients indicating whether they accept the funding continue to pour in. The staff is working hard on refining the cost model, a spokesman said. Some cable competitors are eligible to receive millions, including **Verizon** (eligible for \$19.7mln), **Frontier** (\$71.9mln) and **Windstream** (60.4mln). Not every recipient would accept the full amount: **CenturyLink** said it will accept \$54mln of the \$90mln it's eligible to receive because eligibility restrictions made further deployment uneconomic. The service provider plans to invest more than \$108mln over the next 3 years to bring broadband speeds of 4 Mbps down and 1 Mbps up to rural areas in 33 of the 37 states where it offers residential broadband service.

Launch Pad: Al Jazeera America made the switch from Current at 3pm ET Tues, but not every **Current TV** affiliate saw the new channel. Shortly before launch, **AT&T U-Verse** dropped the net. "We dropped the Current TV channel,

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and will not carry Al Jazeera America, on U-verse due to contract disputes,” a spokesman said. “We could not reach an agreement with the owner that we believed provided value for our customers and our business.” It also does not have agreements with **Cablevision, Time Warner Cable** and **Charter**. After an hour-long preview of the network, the net’s 1st newscast led with stories on Egypt, shots fired at a GA school (no injuries) and Western wildfires. **Gillette** led off its 1st commercial break. For more from Al Jazeera execs, visit **CableFAX.com**.

Ratings: Last week was a good one for **Disney**, which swept total day for the 12th consecutive week among kids 2-11, 6-11 and 9-14. It also was tops among cable nets for total viewers (1.88mln). In prime, it was 2nd only to ratings powerhouse **USA** in total viewers (2.46mln vs 2.61mln). The Season 4 premiere of “Duck Dynasty” was the #1 cable program of the week (11.8mln viewers), propelling **A&E** into the #3 spot in prime for the week (2.15mln). **History** (2.04mln) and **TNT** (1.99mln) round out the week’s top 5 cable nets in prime. TNT’s “Rizzoli & Isles” and “Major Crimes” were the most-watched programs behind Duck Dynasty, followed by **AMC’s** “Breaking Bad” and **ESPN’s** NASCAR Sprint Cup coverage. -- *Oprah’s* sit-down with *Lindsay Lohan* notched 1.8mln viewers for **OWN** Sun, across its 9pm premiere and 10pm encore.

Advertising: Republican data management group **Optimus** is linking up with **FourthWall Media**, an independent source of cable set-top box viewing data, to help target political messages for the mid-term elections. FourthWall maintains a panel of 4.7mln TV viewers in 1.8mln+ homes.

Measurement: **Rentrak** purchased **iTVX**, which measures branded entertainment across TV, movies, Internet and social media. iTVX serves **Chrysler, Nissan, Pepsi, Telemundo** and others. “Combining Rentrak’s TV ratings from more than 25 million TVs and every movie screen in the world with iTVX analytics, we provide advertisers, broadcasters and content creators with the most precise measurement for any of their branded entertainment initiatives,” said iTVX’s CEO *Frank Zazza*.

Day 18: Still no deal for **CBS** and **Time Warner Cable** and little news to report. CBS’ decision to block Time Warner Cable HSD subs from its content online continues to draw criticism. **Verizon** gen counsel and vp, public policy *Randal Milch* said at the Technology Policy Institute’s annual conference Tues that similar behavior from an ISP would be met with a net neutrality complaint in a “New York minute,” *The Hill* reported. Recall that **Verizon** is suing over the **FCC’s** 2010 Open Internet order, claiming the agency overstepped its authority. Oral arguments are slated to begin next month. Meanwhile, the latest stats from **YouGov Brandindex** find that **DirecTV’s** consumer perception has risen steadily since the dispute, climbing to a 9 from a 7. Verizon FiOS also has seen its reputation increase, from a 4 to a 5. The brand index found that Time Warner Cable is at its lowest consumer perception point since Jan ’11 (it went from 0 on July 1 to -11 now) and CBS perception, which initially stayed up while TWC’s sank, is at its lowest since Aug ’11 (a -5 from a 2 at the beginning of Aug). YouGov BrandIndex’s Buzz score asks respondents if they’ve heard anything about a brand in the past 2 weeks and whether it was positive or negative.

Tech: **TiVo** launched the Roamio DVR, an all-in-one offering of live, recorded, on demand and OTT TV. There are 3 versions, ranging from \$200 to \$600. Check out our in-depth look at the new device at cablefax.com/tech.

Programming: *Tyler Perry’s* “For Better or Worse” makes its debut on **OWN** with the premiere of its 3rd season on Sept 18 at 9pm. -- **CBS Sports Net** reached a multi-year agreement with **ESPN** to televise the **American Athletic Conference** basketball and football games, beginning with the ’13-’14 season. The deal, which runs through ’19-’20, provides for 30 men’s hoops games (save year 1, which calls for 25) and 13-15 football games starting next year. -- **TBS** ordered 3rd seasons of its original series “Sullivan & Son,” slated to air next summer, and “Men at Work,” scheduled to launch early next year. It also booked a 2nd season of “Deal with It,” to be launched next year.

Online: **Netflix** scored a multi-year licensing deal with the **Weinstein Company** that will make Netflix the sole US subscription video service for first-run movies from the studio starting ’16. Content will be available across platforms. -- Yahoo! Screen, **Yahoo’s** online video service, will premiere comedy web series “Ghost Ghirls” on Sept 9.

Googlism: The Leawood, Kansas City Council voted to become the 14th Kansas City-area **Google** fiberhood.

People: Longtime **Fox News** communications exec *Brian Lewis* was fired on July 25 following an extensive internal investigation. His termination was first reported Tues by *The Hollywood Reporter*. A company spokesman said Lewis,

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BUSINESS & FINANCE

who joined the net before its launch in 1996, was terminated for cause, “specifically for issues relating to financial irregularities, as well as for multiple, material and significant breaches of his employment contract.” Lewis was named evp, corp communications in 2006. -- **Atlantic Broadband** named former **NBCU** exec *Heather McCallion* as vp, programming. It also announced that **Lightower Fiber Networks’ Leslie Brown** will replace Bartlett Leber as svp and gen counsel. Leber has been with Atlantic since its inception and is moving on to new opportunities.

Editor’s Note: We just can’t contain ourselves when it comes to **CableFAX’s** Sept 24 TV Innovation Summit featuring speakers ranging from **Penthera Partners’ Michael Willner** (founder of Insight Comm) to **Sean Besser** at social TV pioneer **GetGlue** to **Telemundo COO Jacqueline Hernandez** to **ESPN evp Sean Bratches** to **Comcast** content guru *Maggie Suniewick*. And we’ll also get some savvy insight from **Mike Lee** of **Rogers Venture Partners** and **Moffett Research’s Craig Moffett**, among many other experts and executives. With the early bird rate ending on Fri, registrations are already filling up. More info at www.cablefaxtvsummit.com, and you can even get a special rate if you register for a package that includes the Summit and the Program Awards/Top Ops breakfast the next morning.

CableFAX Daily Stockwatch

Company	08/20 Close	1-Day Ch	Company	08/20 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
21ST CENTURY FOX:	31.89	0.45	GOOGLE:	865.42	(0.23)			
DIRECTV:	58.64	(0.42)	HARMONIC:	7.52	(0.03)			
DISH:	44.46	0.39	INTEL:	22.52	0.24			
DISNEY:	61.88	0.05	JDSU:	13.40	UNCH			
GE:	23.72	(0.13)	LEVEL 3:	22.52	0.32			
MSOS								
CABLEVISION:	18.40	0.59	MICROSOFT:	31.62	0.23			
CHARTER:	124.89	1.64	RENTRAK:	23.45	0.44			
COMCAST:	42.69	0.50	SEACHANGE:	10.97	0.09			
COMCAST SPCL:	40.90	0.54	SONY:	19.95	0.03			
GCI:	8.98	0.22	SPRINT NEXTEL:	6.97	0.06			
LIBERTY GLOBAL:	75.51	0.67	TIVO:	10.99	0.51			
LIBERTY INT:	22.37	0.37	UNIVERSAL ELEC:	31.96	0.12			
SHAW COMM:	24.66	0.20	VONAGE:	3.12	(0.02)			
TIME WARNER CABLE:	108.86	0.13	YAHOO:	27.12	0.21			
WASH POST:	573.46	7.45	TELCOS					
PROGRAMMING								
AMC NETWORKS:	65.70	0.68	AT&T:	33.87	0.08			
CBS:	51.55	0.46	VERIZON:	47.91	0.41			
CROWN:	2.95	0.05	MARKET INDICES					
DISCOVERY:	80.02	(0.2)	DOW:	15002.99	(7.75)			
GRUPO TELEVISIA:	27.56	0.57	NASDAQ:	3613.59	24.50			
HSN:	57.62	0.89	S&P 500:	1652.35	6.29			
INTERACTIVE CORP:	50.84	0.69	TECHNOLOGY					
LIONSGATE:	34.41	0.57	ADDVANTAGE:	2.47	0.01			
SCRIPPS INT:	75.00	0.60	ALCATEL LUCENT:	2.54	(0.11)			
STARZ:	24.48	0.05	AMDOCS:	38.08	0.05			
TIME WARNER:	61.88	1.03	AMPHENOL:	75.53	1.41			
VALUEVISION:	5.76	0.32	AOL:	34.26	(0.12)			
VIACOM:	78.56	0.43	APPLE:	501.07	(6.67)			
WWE:	10.01	0.11	ARRIS GROUP:	16.52	0.01			
TECHNOLOGY								
ADDVANTAGE:	2.47	0.01	AVID TECH:	5.50	0.01			
ALCATEL LUCENT:	2.54	(0.11)	BLNDER TONGUE:	0.90	0.03			
AMDOCS:	38.08	0.05	BROADCOM:	25.39	0.10			
AMPHENOL:	75.53	1.41	CISCO:	24.32	0.05			
AOL:	34.26	(0.12)	CONCURRENT:	8.05	(0.06)			
APPLE:	501.07	(6.67)	CONVERGYS:	18.93	0.20			
ARRIS GROUP:	16.52	0.01	CSG SYSTEMS:	24.75	UNCH			
AVID TECH:	5.50	0.01	ECHOSTAR:	41.73	0.25			
BLNDER TONGUE:	0.90	0.03						
BROADCOM:	25.39	0.10						
CISCO:	24.32	0.05						
CONCURRENT:	8.05	(0.06)						
CONVERGYS:	18.93	0.20						
CSG SYSTEMS:	24.75	UNCH						
ECHOSTAR:	41.73	0.25						

Celebrate and Reach the Most Influential Minorities in Cable

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