

CableFAX Daily™

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What the Industry Reads First

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That Other Dispute: Viacom Dismisses CVC Claims as Bundles Draw Criticism

While **Time Warner Cable** and **CBS'** retrans dispute continues to burn, there is another programming showdown percolating. It has been relatively quiet since **Cablevision** filed its antitrust lawsuit against **Viacom** in Feb, claiming it essentially forced it to carry a suite of nets by imposing a financial penalty if the MSO licensed only the core nets of **Nick**, **MTV**, **BET** and **Comedy Central**. But the litigation is still active, with Viacom on Fri filing a motion to dismiss Cablevision's amended complaint submitted to the court in July. Take note TWC: one of the additions to the complaint was Cablevision saying it lost a redacted number of subs because of its inability to offer **Fox** in the NY area in 2010 during a dispute that lasted 2 weeks and included part of the World Series. "These losses vividly demonstrate the substantial market power that commercially critical networks confer," Cablevision said. TWC-CBS has surpassed the 3-week mark. While CVC added details to its complaint, Viacom argued that it still does not allege anywhere that rival programmers are foreclosed from competing in the marketplace. "The amended complaint merely identifies a handful of independent programmers—none of whom is alleged to have been unable to enter or compete in the programming market—whose services Cablevision alleges that it would 'prefer' to buy and indicates that other distributors accepted similar bundled distribution deals from Viacom," the programmer said in its filing Fri. Cablevision rejected Viacom's arguments and continued to claim tying less popular nets to the core 4 nets is illegal. "Viacom's assertions are again predictable and do not change the fact that its all-or-nothing approach to selling programming is illegal and anti-consumer," the MSO said Mon. "By forcing Cablevision's customers to pay for more than a dozen unpopular channels—or pay a penalty of more than \$1bln—in order to receive the channels they actually want, Viacom is abusing its market power." While some of the issues, such as digital rights, are different, there are some similarities to the TWC-CBS spat. Earlier this month, TWC complained to the FCC that CBS has maintained that any retrans consent deal for its O&O stations must also include the purchase of CBS-affiliated pay TV services "at rates and terms that CBS could never obtain if those programming services were sold separately." Similar to CVC, TWC said CBS offered a smaller package that still sought to bundle CBS with **Showtime**, but it would have required the MSO to pay even higher fees than the larger, previously proposed bundle. Similar story, but Cablevision went ahead and did the deal last Dec, then turned around and sued

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with the upshot being that customers didn't lose channels as the case makes its way through the courts.

Twerk It Out: Huge bump (and grind) for MTV's VMAs Sun, which increased 66% YOY to 10.1mln total viewers. "Put another way, the VMAs had 2 million fewer viewers than #DuckDynasty," tweeted **The Parents TV Council** public policy dir *Dan Isett*, who made the rounds Mon publicly blasting the net for rating the program as appropriate for kids as young as 14. He has a point on the ratings. **A&E's** wholesome duck hunters bagged 11.8mln viewers for the show's Season 4 debut 2 weeks ago. MTV's still happy with the numbers. Online, MTV Digital had its biggest VMA day ever (more than 15mln total streams) and stats show the controversial *Miley Cyrus-Robin Thicke* performance set a new record for tweets per minute (306K/min). While Sun's ratings were a big boost, the show still failed to top the '11 VMAs, which went down as the net's largest audience ever (12.4mln). An encore Sun added 2.8mln viewers.

Cable WiFi: In cable, competitors can be partners. After launching WiFi in VA and CT markets, **Cox** expanded the WiFi offering for subs with Preferred, Premiere or Ultimate High Speed Internet service to its entire footprint as part of its initiative with **Bright House, Cablevision, Time Warner Cable** and **Comcast** to allow each other's HSD subs to access more than 150K WiFi hotspots across the country. Eligible Cox subs also can access hotspots in Comcast, Cablevision and Bright House markets. More hotspots are expected to be added before the end of the year as the integration with other cable operators continues, including TWC.

AT&T U-Verse: AT&T upgraded its U-Verse broadband services following initial deployments in CA and NV: It launched U-Verse Power featuring broadband speeds of up to 45 Mbps down and up to 6 Mbps up in 40 markets across 15 states. The new tier, available to residential subs in eligible areas for an intro price of \$49.95 a month under a TV/voice bundle with a 2-year contract, is part of the telco's Project VIP, a 3-year investment plan for wireless and wireline.

TVE: Tennis Channel teamed with distribution partners **Verizon FiOS** and **NCTC** to launch its 1st TVE app Mon, Day 1 of the 2-week US Open. The app allows FiOS subs and customers of NCTC affiliates to access the linear stream across platforms. The Tennis Channel Everywhere app, free to all Apple and Android users regardless of whether they currently subscribe to the net, will have a new authentication feature that allows subs of distribution partners to access the net's linear stream. The net expects to expand the feature to additional distributors in a few months. -- **Disney/ABC's** "Watch ABC" authenticated service is now available to viewers with participating TV subscription services in Houston. Disney has TVE agreements in place with **Comcast, Cablevision, Cox, Charter, Midcontinent, Verizon FiOS** and **AT&T U-verse**. Watch ABC will be available in Fresno, the final ABC O&O market to make the service available, before the launch of the new fall broadcast TV season in Sept. **Hearst** also plans to launch the service in its markets in the coming months.

In the States: Mid-Atlantic service provider **Shenandoah Telecommunications Company** (Shentel) realigned its business into cable, wireless and wireline, the company said Mon. Also as part of the restructuring, *Thomas Whitaker* was named cable vp. He was previously vp, operations.

Programming: Even **Little League** will cost you these days. **ESPN's** deal for the exclusive US Little League Intl rights through '22 will cost it \$60mln (\$7.5mln/year), according to *Sports Business Daily*. Under the deal, ESPN will add more multi-platform rights, including the ability to televise every game from the US regionals and World Series of each Little League Intl's divisions. -- **National Council of La Raza (NCLR)** partnered with **Comcast NBCU** to air the "2013 NCLR ALMA (American Latino Media Arts) Awards" live, for the 1st time since its inception in '95, on **MSNBC**. The program will also be on **digital platforms** including mun2.tv and Telemundo.com. The telecast, during National Hispanic Heritage Month, will celebrate the contributions of Latinos in the entertainment industry and recognize this year's achievements, career excellence, outstanding causes and philanthropy, among others. In addition, MSNBC will air a 1-hour news special featuring issues impacting the Latino community.

Rebrand: WealthTV will change its name to **AWE** come Oct 1. The rebrand is an acronym for "A Wealth of Entertainment" and is meant to better reflect the broad appeal of its programming. No changes are planned for existing programming. "Our rebranding to AWE refreshes the network and addresses misperceptions that the old network name was financial related or elitist," said pres, *Charles Herring*. "Our programming lineup, featuring exotic travel destinations, fast cars, and outrageous homes, is awe-inspiring and now the name properly captures those viewing emotions."

Research: On-demand TV is poised to grow, according to **Research and Markets'** new study, which expects

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worldwide digital cable on-demand TV revenues to increase by \$1bn before '18 to \$2.77bn. IPTV on-demand revenues could double over the same period to \$1bn while satellite on-demand revenues would also rise, though more modestly, to \$1.79bn. On-demand TV revenues from movies and TV programs (excluding revenues from other sources like sports, SVOD packages and over-the-top content) are expected to reach \$6bn during the same period, up by 44% from '12. Last year, on-demand TV generated around 2.3% of the \$184bn total pay-TV revenues. In mature markets, growth in on-demand TV revenues won't be enough to offset falling subscription revenues, according to the study.

People: Discovery promoted **Robert Scanlon** to gm, **Velocity**. He's been svp of the upscale male-focused net since Oct '11. -- **E!** named **Noah Pollack** svp, programming & development. Pollack, former vp of reality programming at **Lifetime**, will start this fall. -- **QVC** upped **Alex Miller** to svp, digital commerce and **Dave Caputo** to svp, TV production and operations. -- **Matthew Anderson** became chief marketing officer at **Roku**, after serving as strategic advisor to the company.

On the Circuit: AETN pres/CEO **Nancy Dubuc** will serve as honorary co-chair for the **NAMIC** Conference, Oct 8-9 in NYC.

CableFAX Daily Stockwatch

Company	08/26 Close	1-Day Ch	Company	08/26 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
21ST CENTURY FOX:	32.08	(0.11)	GOOGLE:	866.39	(3.82)			
DIRECTV:	57.49	(0.39)	HARMONIC:	7.50	0.04			
DISH:	44.96	0.05	INTEL:	22.27	(0.17)			
DISNEY:	61.35	(0.38)	JDSU:	13.49	(0.06)			
GE:	23.61	(0.17)	LEVEL 3:	22.96	0.11			
MSOS								
CABLEVISION:	17.68	(0.1)	MICROSOFT:	34.15	(0.6)			
CHARTER:	122.17	(0.53)	RENTRAK:	23.79	0.08			
COMCAST:	41.44	(0.42)	SEACHANGE:	10.52	(0.36)			
COMCAST SPCL:	40.02	(0.41)	SONY:	20.10	(0.11)			
GCI:	8.97	(0.04)	SPRINT NEXTEL:	6.91	(0.05)			
LIBERTY GLOBAL:	76.05	(0.18)	TIVO:	11.15	(0.18)			
LIBERTY INT:	22.78	0.09	UNIVERSAL ELEC:	31.67	(0.11)			
SHAW COMM:	24.02	(0.21)	VONAGE:	3.20	0.05			
TIME WARNER CABLE:	108.20	(0.53)	YAHOO:	27.70	(0.28)			
WASH POST:	578.31	(1)	TELCOS					
PROGRAMMING								
AMC NETWORKS:	63.23	(1.47)	AT&T:	33.82	(0.47)			
CBS:	52.91	(0.29)	VERIZON:	46.94	(0.67)			
CROWN:	2.94	0.06	MARKET INDICES					
DISCOVERY:	80.49	(0.07)	DOW:	14946.46	(64.05)			
GRUPO TELEVISIA:	26.93	0.07	NASDAQ:	3657.57	(0.22)			
HSN:	56.71	0.15	S&P 500:	1656.78	(6.72)			
INTERACTIVE CORP:	50.29	(0.31)	TECHNOLOGY					
LIONSGATE:	35.96	0.45	ADDVANTAGE:	2.44	(0.01)			
SCRIPPS INT:	74.59	(0.01)	ALCATEL LUCENT:	2.71	(0.05)			
STARZ:	24.62	(0.13)	AMDOCS:	37.77	(0.21)			
TIME WARNER:	62.09	(0.27)	AMPHENOL:	77.04	(0.76)			
VALUEVISION:	5.01	0.14	AOL:	34.87	(0.07)			
VIACOM:	80.00	0.27	APPLE:	502.97	1.95			
WWE:	10.04	(0.04)	ARRIS GROUP:	16.21	(0.04)			
TECHNOLOGY								
ADDVANTAGE:	2.44	(0.01)	AVID TECH:	5.46	(0.08)			
ALCATEL LUCENT:	2.71	(0.05)	BLNDER TONGUE:	0.87	UNCH			
AMDOCS:	37.77	(0.21)	BROADCOM:	25.01	(0.23)			
AMPHENOL:	77.04	(0.76)	CISCO:	23.83	(0.03)			
AOL:	34.87	(0.07)	CONCURRENT:	8.88	0.21			
APPLE:	502.97	1.95	CONVERGYS:	18.70	(0.01)			
ARRIS GROUP:	16.21	(0.04)	CSG SYSTEMS:	24.52	(0.26)			
AVID TECH:	5.46	(0.08)	ECHOSTAR:	41.35	(0.04)			
BLNDER TONGUE:	0.87	UNCH						
BROADCOM:	25.01	(0.23)						
CISCO:	23.83	(0.03)						
CONCURRENT:	8.88	0.21						
CONVERGYS:	18.70	(0.01)						
CSG SYSTEMS:	24.52	(0.26)						
ECHOSTAR:	41.35	(0.04)						



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CableFAX TECH

IP Video: Challenges and Solutions

While everyone talks about the opportunities TV Everywhere presents, the problem in getting it wrong is that consumers aren't inclined to be forgiving. They may ditch their MVPDs even if the only bad experience they have is with TVE because they have the same expectations for it as linear TV, **Parks Associates'** Brett Sappington said during an IPTV webinar hosted by the research firm last week. What does the crystal ball say about the future of TV? VOD and live TV will be completely integrated in an on-demand world, **Microsoft** gm, global solutions **John Hargrave** said during the presentation. "The notion of live TV will disappear," he said. "Content determines how quickly TV evolves," he said. On-demand will rule, as **CenturyLink's** vp of video strategy and development **Steve Sklar** envisioned "on-demand moving from the side load to the center of customer experience" and the path for future services will be driven by TV apps. In addition, he predicted "OTT content will become a core part of service providers' offerings." But there will be pitfalls before we get to that. He repeated the familiar stance that the technology is there to broaden TVE's reach, it's the rights that are the biggest hurdle. **Chris Munford**, dir of system engineering with multiplatform tech firm **Azuki Systems**, said ops need to ask themselves how they'll get rights in and out of home and whether they have the technology to enforce new rights. Other questions include how to support closed captioning. Munford added that though many major content providers today are open to letting content flow in and out of the home, "they aren't ready to relinquish control." The good news is "we are starting to see better rights for certain operators" across platforms. Real-time service control is another difficult problem for ops. Specifically, when changes on things like content rights, authentication and network features occur, "how do you update systems across various platforms altogether?" said **David Cox**, **VIDDEC Consulting**. Another challenge is around device support and proliferation. Ops need to deliver content in its best form across platforms and the

obstacle is to have one operation to cover lots of different devices, speakers said. Consistency across platforms is key to IP video customer experience, said Sklar. Solutions to these challenges? Personalized content delivery for today's viewing habits, agile managed service with real-time provisioning for Web-speed service deployment and universal client model that unifies user experience across all screens, the panel said.

Video Delivery: France-based **Thomson Video Networks**, which has OTT clients in the US, upgraded its ViBE VS7000 encoding/transcoding platform and Audio/video codec analyzer for the emerging High Efficiency Video Coding compression standard. The enhanced platform seeks to lower operators' OPEX for delivery of a wide range of convergent TV services including over-the-top and traditional cable TV. "With HEVC support, we are clearing a path for our customers to deliver the most advanced HD and Ultra HD video offerings on any type of device and over any type of network," said Eric Gallier, marketing vp. In addition to HEVC, the VS7000 supports major industry codecs and formats including MPEG transport streams, **Adobe** Flash, **Apple** HTTP Live Streaming, **Microsoft** Smooth Streaming, and MPEG-DASH. In addition, the VS7000 adds statistical encoding, WebTV subtitles, and MPEG-DASH content protection (MPEG-CENC) to features such as support for progressive and interlaced video up to 1920x1080, multiple output formats per channel, automatic loudness control (EBU R128), and content protection support for Apple HTTP Live Streaming and Microsoft Smooth Streaming.

Vertical Markets: **Lightpath**, a **Cablevision** unit, is deploying a network for doctors at **Palisades Medical Center** in NJ to use virtually any smart device to remotely connect to hospital applications, patient records and radiology images immediately after they are taken. Palisades is considering connecting more providers to its data and remotely communicating with their patients about care before and after the visit.

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