

# CableFAX Daily™

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What the Industry Reads First

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## Touchdown At Last: TWC, Bright House Subs Start Getting NFL Net Sun

Fri's news that **Time Warner Cable** and **NFL Net** had finally reached a deal brought back oh, so many memories. The multi-year deal, first reported by *Bloomberg*, literally came together Fri morning, but had been in the making for months. "The additional games this year and the proven appeal of **NFL RedZone** will certainly prove to be a draw for our customers. We look forward to a long and productive relationship with the NFL," TWC's *Melinda Wittmer* said in a release. **Bright House's Steve Miron** called it "especially rewarding" to say yes to customers who have requested the channel. With TWC and Bright House slated to launch NFL Net on digital basic and RedZone on a sports tier beginning Sun, the decade-long journey to carriage is finally over. But oh, what a trip. NFL Net launched in Nov '03, but lacked carriage deals from the get-go with Time Warner Cable and **Cablevision** (which only inked a deal itself last month). The net really began ratcheting the pressure up in early '06 when it secured an 8-game Thurs and Sat night package for the upcoming season. At its upfront in Apr '06 it gave buyers free 1-year subscriptions to **DirecTV**, a move meant to tweak TWC and Cablevision, the MSOs most likely to serve the Madison Ave crowd. In the summer of '06, NFL Net started gearing up for a \$100mIn ad campaign to get the channel on cable systems. Then came the infamous **Adelphia** fumble. Time Warner Cable dropped the channel in Adelphia and Comcast markets it acquired in Aug 1, 2006, a day after the acquisition was complete. We call the incident infamous because the **FCC** stepped in and agreed with NFL Net that Time Warner violated rules requiring cable ops to provide a 30-day notice before dropping a channel. TWC restored the net in those markets, but promptly dropped it again after adequate notice was given (remember NFL's on-screen bug declaring "In 3/2/1 days you won't get live NFL games"?). The FCC ruling forever changed the notification process for possible channel drops in the industry. Shortly before the NFL Net's 8-game package went live in Nov, Time Warner Cable and Cablevision got some support from an unlikely place. *Al Sharpton* penned a *NY Daily News* editorial supporting the MSOs' decision not to carry the channel unless it could be a part of a sports package. If the NFL "gets away with bamboozling consumers, then every sport will be emboldened to do the same, littering our cable bills with additional increases," Sharpton wrote. In Nov, the net also drew Congress' attention with then-**Sen Judiciary** chmn *Arlen Specter* (R-PA) holding a hearing on whether the League's decision to put the 8-game package on its own net and DirecTV's Sun Ticket could signify antitrust viola-


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## Killer Cable Apps: Using Online Games and Apps to Drive Consumer Engagement

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tions. Despite the distance between the 2, both TWC and NFL told the govt to stay out of negotiations. Various skirmishes popped up over the years (including NFL arranging for a broadcast simulcast of NFL Net's historic Patriots-Giants game in Dec '07 and **Comcast** and NFL Net reaching their key agreement that moved the net off a sports tier in '09 and created the live, Sun look-in channel RedZone). More recently, there have been a number of false starts with reports that Time Warner Cable and NFL were close, only for it to all fall apart in the 11th hour. This time it's for real. The full launch of the nets should be complete before Thurs.

**DirecTV Doings:**  **DirecTV** has checked out wireless broadband offerings, and doesn't find them compelling, CEO *Mike White* said at the **Goldman Sachs'** Communacopia Conference Fri. He specifically mentioned the "Cantenna" wireless 4G Internet solution it has offered through **Verizon**. "You'd need a certain amount of spectrum and a substantial tower buildout to do that on national basis, and I'm not yet convinced that the price performance from a customer standpoint—ie, MBPS, caps and the pricing that goes with that—is compelling enough to make that a smart thing for us to do," he said. DirecTV continues to look at it, but the offerings won't be better than cable's DOCSIS and don't seem to be worth the expense, he said. In addition to synthetic bundles with telco partners, "there's a lot more naked broadband at a reasonable \$40 intro price that our customers can get. Our view is that we can continue to compete quite well," White said. The DirecTV CEO reiterated comments CFO *Pat Doyle* made last week at another investor conference that a DISH merger could be pro-consumer (9/14). That attraction has nothing to do with DISH's wireless spectrum, though, White said.

**On the Hill:** Half a year after the **FCC** moved to block **LightSquared's** proposal to offer LTE services nationwide, lawmakers questioned the agency's handling of the matter, again (**Cfax** 4/16). It came Fri during a **House Oversight and Investigations** subcmte hearing. The FCC initially granted the startup a conditional waiver but revoked it in Feb due to concerns that the L-band spectrum that the planned network will use would interference with GPS services. The company, which has committed billions of dollars and years of time into developing the network, is in "regulatory limbo" now, said subcmte chmn *Cliff Stearns* (R-FL). Its 40Mhz of spectrum is left unused "in a time when demand for wireless service and broadband is exploding," he said. "We must not permit regulatory uncertainty at the FCC to deter companies from investments that will bring more competition to the industry and more innovation for consumers." Specifically, some Republican subcmte members questioned whether the FCC rushed its original waiver approval. Additionally, companies shouldn't be allowed to "squat" on spectrum bands that don't belong to them, according to Rep *Brian Bilbray* (R-CA). Democratic member *Diana DeGette* (CO) defended the FCC, saying the agency based its decision on plenty of data and public comments. "I would be concerned if the FCC made politically motivated decisions or was swayed by political process" but "I don't think anybody here thinks that's the case in this situation." Stearns threw several "yes or no" questions at the FCC's *Julius Knapp*, chief of engineering and technology, asking if there's a solution. The answer is "there are ideas that are on the table that we will consider." Stearns concluded by saying "all of us are a little frustrated by this huge innovation leap here and the loss of this company." The FCC's process is open and it's incumbent on all parties to participate, Knapp said. "This situation has been, in my 38 years at the FCC, an anomaly." The GPS industry didn't raise the interference issues until late in the process, FCC witnesses said. "The FCC would have investigated any complaints as soon as they were raised and attempted to mitigate at that stage," Knapp said. The hearing will be the last for Stearns, who lost the Republican primary earlier.

**Marketing:** What does a **NFL** quarterback and **Cablevision's** OMGFAST broadband service have in common? Speed. To promote the service, the MSO tapped NFL Hall of Famer *Joe Namath* and his daughter *Jessica Namath* to star in a 60-sec commercial. "OMGFAST brings peak performance to every device you have," the former NY Jets quarterback says in the spot. "Remember Dad, OMG delivers up to 50 megabits per second. It's like a Joe Namath pass," says Jessica.

**Programming:** **Weather Channel** greenlit another original series "Prospectors" (wt), which follows a group of miners searching for the rarest gems in order to strike it rich. The 30-min series will premiere '13. -- **Lifetime** renewed "Army Wives" for a 7th season with a 13-ep order for a '13 return.

**Ratings:** While football dominated the top cable program list for the week of Sept 10, crime series from **USA** and **TNT** continued to be the big winners among top DVRed cable shows during the week of Aug 27. Between the NFL games and crimes are the *Kardashians*, who are determined to stay in the spotlight. Season 7 of E!'s "Keeping up with the Kardashians" made both lists. Check out the latest ranking at **CableFAXDaily.com**.

**CableFAX Week in Review**

Company	Ticker	9/21 Close	1-Week % Chg	YTD %Chg
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**BROADCASTERS/DBS/MMDS**

DIRECTV:	DTV	52.30	(3.28%)	22.32%
DISH:	DISH	31.91	(3.48%)	12.04%
DISNEY:	DIS	52.74	0.92%	40.64%
GE:	GE	22.53	2.18%	25.80%
NEWS CORP:	NWS	25.08	0.84%	37.95%

**MSOS**

CABLEVISION:	CVC	16.32	(3.6%)	14.77%
CHARTER:	CHTR	79.43	(3.64%)	39.50%
COMCAST:	CMCSA	36.23	2.71%	52.78%
COMCAST SPCL:	CMCSK	35.11	2.00%	49.02%
GCI:	GNCMA	10.25	13.64%	4.70%
LIBERTY GLOBAL:	LBTYA	59.57	2.07%	45.19%
LIBERTY INT:	LINTA	18.25	(5.15%)	12.52%
SHAW COMM:	SJR	20.62	(0.1%)	6.45%
TIME WARNER CABLE:	TWC	94.46	2.40%	48.59%
VIRGIN MEDIA:	VMED	29.61	0.99%	38.49%
WASH POST:	WPO	369.25	2.85%	(2.01%)

**PROGRAMMING**

AMC NETWORKS:	AMCX	42.62	2.01%	13.41%
CBS:	CBS	37.90	2.29%	39.65%
CROWN:	CRWN	1.65	(4.07%)	36.36%
DISCOVERY:	DISCA	59.90	2.01%	46.20%
GRUPO TELEVISA:	TV	23.12	(4.66%)	9.78%
HSN:	HSNI	48.89	1.62%	34.83%
INTERACTIVE CORP:	IACI	53.22	1.14%	24.93%
LIONSGATE:	LGF	15.37	(2.41%)	84.74%
LODGENET:	LNET	0.38	(1.54%)	(83.93%)
NEW FRONTIER:	NOOF	1.31	(4.38%)	27.18%
OUTDOOR:	OUTD	7.20	2.27%	(3.49%)
SCRIPPS INT:	SNI	61.62	(0.93%)	45.26%
TIME WARNER:	TWX	45.90	2.78%	27.01%
VALUEVISION:	VVTV	2.34	8.84%	24.47%
VIACOM:	VIA	54.67	3.56%	2.51%
WWE:	WWE	8.60	(2.82%)	(7.73%)

**TECHNOLOGY**

ADVANTAGE:	AEY	2.16	2.86%	2.86%
ALCATEL LUCENT:	ALU	1.19	(5.56%)	(23.72%)
AMDOCS:	DOX	33.25	(0.06%)	16.54%
AMPHENOL:	APH	61.89	(1.84%)	36.35%
AOL:	AOL	33.79	(0.5%)	123.77%
APPLE:	AAPL	700.10	1.32%	72.86%
ARRIS GROUP:	ARRS	13.55	(3.7%)	25.23%
AVID TECH:	AVID	9.76	(0.81%)	14.42%
BLNDER TONGUE:	BDR	1.10	8.91%	(9.84%)
BROADCOM:	BRCM	36.23	0.07%	23.42%
CISCO:	CSCO	18.90	(2.78%)	4.54%
CLEARWIRE:	CLWR	1.55	(6.63%)	(20.1%)
CONCURRENT:	CCUR	4.74	6.52%	25.07%
CONVERGYS:	CVG	16.25	0.99%	27.25%
CSG SYSTEMS:	CSGS	22.98	1.28%	56.22%
ECHOSTAR:	SATS	28.38	(5.08%)	35.53%
GOOGLE:	GOOG	733.99	3.60%	13.64%
HARMONIC:	HLIT	4.83	(2.23%)	(4.17%)
INTEL:	INTC	23.12	(0.84%)	(4.64%)

Company	Ticker	9/21 Close	1-Week % Chg	YTD %Chg
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JDSU:	JDSU	12.90	4.96%	23.56%
LEVEL 3:	LVL3	23.54	(4.89%)	38.55%
MICROSOFT:	MSFT	31.19	0.06%	20.15%
RENTRAK:	RENT	16.90	(2.14%)	18.35%
SEACHANGE:	SEAC	8.01	(1.84%)	13.94%
SONY:	SNE	12.70	(2.38%)	(29.6%)
SPRINT NEXTEL:	S	5.65	7.41%	141.45%
TIVO:	TIVO	9.56	(2.75%)	6.58%
UNIVERSAL ELEC:	UEIC	17.40	(0.17%)	3.14%
VONAGE:	VG	2.40	(2.83%)	(2.04%)
YAHOO:	YHOO	15.73	7.41%	(2.45%)

**TELCOS**

AT&T:	T	38.08	2.42%	25.93%
VERIZON:	VZ	45.64	4.39%	13.76%

**MARKET INDICES**

DOW:	DJI	13579.47	(0.1%)	11.15%
NASDAQ:	IXIC	3179.96	(0.13%)	22.06%
S&P 500:	GSPC	1460.15	(0.38%)	16.11%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. GCI:	10.25	13.64%
2. BLNDER TONGUE:	1.10	8.91%
3. VALUEVISION:	2.34	8.84%
4. SPRINT NEXTEL:	5.65	7.41%
5. YAHOO:	15.73	7.41%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. CLEARWIRE:	1.55	(6.63%)
2. ALCATEL LUCENT:	1.19	(5.56%)
3. LIBERTY INT:	18.25	(5.15%)
4. ECHOSTAR:	28.38	(5.08%)
5. LEVEL 3:	23.54	(4.89%)

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