

# CableFAX Daily™

Wednesday — November 27, 2013

What the Industry Reads First

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## TiVo's Take: Linear-OTT Combo is Future of TV; Protect the CableCARDS

Once upon a time, it seemed all over-the-top articles centered on cord-cutting. But that has shifted in recent months to a belief that the TV industry is moving toward a model that combines linear TV and over-the-top video. TiVo CEO Tom Rogers said he knew it all along. "Our view has always been that the merger of linear TV and streaming OTT is where the future of TV is," Rogers said during the company's earnings conference call late Tues. TiVo reported a net income of \$12.5mln in 3Q, exceeding guidance of \$6-8mln. That compares to a net income of \$59mln last year, which included one-time litigation proceeds of \$78.4mln related to its settlement with Verizon. Cable "has the ability to jump over the experiences offered by its competitors" by merging their services with OTT services, he said, adding that Netflix has "risen to the level of a 'must have' on the OTT side" driven by its deep library of content and quality original programs. Others seem to agree, with Netflix's stock price up more than 280% YTD. TiVo is teaming with Virgin Media in the UK to offer Netflix to subs through TiVo's set-top box, following a trial that kicked off a few months ago. One obstacle of offering a Netflix-linear package in the US might be studio restrictions that limit where content on Netflix is distributed, Rogers said. What's the TiVo chief exec's view on Intel Media's OTT/virtual MSO platform, which was reportedly put on sale for \$500mln? Given the cost of programming, it's hard to provide a service that offers both streaming and linear content unless cable is a partner, he said, comments right in line with TiVo's business plan. During the quarter, TiVo added about 300K MSO subscriptions, up nearly 25% from the year-ago quarter. About 80% of the increase in net adds was driven by MSO providers other than Virgin, the company said. Spain's ONO continues to rapidly deploy with TiVo. The acceleration of MSO customer growth has led to TiVo's strongest sub addition results since it launched the cable operator business. In 4Q, expected net income is in the range of \$2mln to \$5mln, helped by a potential increase in MSO revenue. Meanwhile, TiVo continues to make noise at the FCC over CableCARDS. TiVo counsel met with FCC chmn Tom Wheeler's sr counselor last week and pushed for action on its petition. It wants the agency to clarify that CableCARD rules remain in effect following a Jan decision by the DC Court of Appeals that threw out encoding rules. "We urged the Commission to act expeditiously in order to remove uncertainty... and to provide consumers and retail manufacturers with certainty that navigation devices purchased at retail will continue to receive cable signals that consumers have subscribed to," TiVo said in an ex parte. It also told the FCC that a successor conditional access solution is needed to assure the availability of bidirectional video signals to retail devices, but that the CableCARD solution must remain in place until a new standard is ready. NCTA opposes TiVo's petition, arguing that it's not merely seeking to reinstate the CableCARD rules, but is asking to have the FCC impose them on only on cable operators and not their competitors. TiVo's CableCARD-focused day at the FCC also included a summary of its arguments against Charter's 2-year waiver to the set-top integration ban.

**Share Factor:** Sen Commerce chmn Jay Rockefeller (D-WV) is calling on FCC chmn Tom Wheeler to take a closer look at shared services agreements in proposed sales and mergers of broadcast TV stations. The senator goes so far as to

**NOT EVERYBODY GETS IT.**  
**A NEW WORLD.**  
**A NEW NETWORK.**

5 hours ago in Los Angeles, CA  
 So wait, "twerking" doesn't mean tweeting at work?

**FUSION.NET FUSION**

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suggest the FCC consider waiting to approve any pending sales and mergers until a **GAO** report on SSAs and other broadcaster coordination arrangements is released (he requested such a report in May). **ACA, Time Warner Cable** and others have raised concerns over these arrangements, particularly when it comes to retrans negotiations. "While I'm not taking a position on any particular transaction, I believe that the FCC should collect all information necessary to understand the scope and effect of the SSAs envisioned by the deals," Rockefeller wrote in a letter Mon. Broadcasters counter that SSAs add value to communities, with **NAB** pointing to an agreement between **Schurz** and **Entravision** that resulted in the first Spanish-language local television news operation in KS. Meanwhile, ACA continues its crusade, asking the FCC to prevent **Nexstar** from negotiating pay TV carriage deals for **ABC, NBC, Fox** and **MyNetworkTV** stations in Binghamton, NY. This all relates to **Mission Broadcasting's** pending application to acquire the market's Fox and MyNetworkTV affils from **Stainless Broadcasting**. Nexstar has a sharing agreement with Mission.

**IPv6:** A recently launched software upgrade from **Arris** has enabled IPv6 support for more than 4mln of its wireless gateways currently deployed across the **Comcast** broadband network, the vendor said. That is expected to enable Comcast to transition to and deploy IPv6 incrementally. More than 25% of Comcast's Xfinity Internet subs are provisioned with native dual stack broadband Internet service and IPv6 support has been implemented to more than 75% of the MSO's broadband network. The goal is to be 100% IPv6 by early next year. Comcast's initiative is the world's largest IPv6 deployment as measured by the **Internet Society's** World IPv6 Launch Measurements using data from **Google, Facebook, Yahoo** and **Akamai**.

**Spectrum Dealings:** **NTIA** is backing an agreement between the **Dept of Defence** and **NAB** on the relocation of government spectrum. Specifically, the Defense Dept agreed to relocate its communications systems to spectrum it will share with broadcasters, who currently use the band to facilitate broadcast from outside the studio. House Commerce chmn **Fred Upton** (R-MI) and tech subcmte head **Greg Walden** (R-OR) welcomed the move, saying it will help free up licensed spectrum for commercial mobile services while protecting military communications.

**Ratings:** Nov is all about football and zombies. **AMC's** "The Walking Dead" accounted for the top 2 programs on cable for the month. **ESPN's** MNF took 3rd and 4th place, followed by 2 more eps of Walking Dead. For Nov, ESPN was the top net in P2+ for prime, with 3.2mln viewers/1.3 rating. It was a 4-way tie for 2nd place with **Disney, Fox News, USA** and **Hallmark** all averaging a 0.8 P2+ rating for Nov. **Nick** was the champ in total day, edging out Disney in P2+ (0.7/1.7mln vs 9.6/1.5mln). **FX** had the only non-football or Walking Dead programming in the top 15 shows for the month, with "American Horror Story" and "Sons of Anarchy" both performing well. **Brag Book:** **BBC America's** "Doctor Who" 50th anniv special was the net's highest-rated telecast ever, delivering 3.6mln viewers (Live + SD) for the day-time simulcast and primetime encore Sat. **BBCA** was the top cable net on **Twitter** Sat, and the series set a record on **Tumblr**, with the highest level of activity of any televised event ever, surpassing the Super Bowl and **MTV's** VMAs. New series "Atlantis" benefited, drawing 838K total viewers. The Doctor Who special also did well on the big screen, with **BBCA** and **NCM Fathom** events presenting it on Mon in 3D in more than 660 movie theaters across the country. The unaudited theatrical event grosses are estimated to be approximately \$4.77mln, according to **Rentrak**. With more than 320K tickets sold, it is Fathom's most successful one-night event ever. -- **Univision** is crowing that it beat 1 or more of the Big 4 English-language broadcast nets on 72% of the nights in Nov Sweeps among 18-34s (48% of the nights for



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\*Coming soon from CableFAX.

# BUSINESS & FINANCE

18-49s). -- **Hallmark Movie Channel's** 1st-ever original holiday movie, "Christmas with Tucker," delivered a 1.2 HH rating Sun, making it the most-watched original premiere on the net among HHs and women 25-54. Sibling **Hallmark Channel's** "Window Wonderland" ranked as the #1 cable program Sat (3.3 HH rating).

**TVE:** Time Warner Cable added Showtime Anytime to its lineup of TVE apps, allowing its subs and **Bright House** customers who subscribe to **Showtime** to access live and on-demand content for free and across platforms.

**At the Portals:** The current Eligible Telecom Carrier designation process isn't suited to the **FCC's** Connect America Fund Phase II auction process, **ACA** and **NCTA** said in a joint filing this week. The groups urged the agency to opt for an alternative that maximizes auction participants. The agency created a process for determining where unsubsidized competitors are providing the requisite services, which has raised several issues about the format by which info was submitted as well as the validity of some of it, the groups said. Accordingly, the FCC should make clear that an area is served if the provider can turn-up service in a commercially reasonable amount of time. The FCC should also enable entities to file proprietary info confidentially and issue a notice setting forth for a public submission.

## CableFAX Daily Stockwatch

Company	11/26 Close	1-Day Ch	Company	11/26 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>			<b>ECHOSTAR:</b> .....48.88.....(0.47)		
21ST CENTURY FOX:	33.20	UNCH	GOOGLE:	1058.41	12.48
DIRECTV:	65.90	0.86	HARMONIC:	7.58	0.13
DISH:	54.06	2.06	INTEL:	23.65	(0.1)
DISNEY:	71.18	1.44	JDSU:	12.14	0.12
GE:	26.78	0.05	LEVEL 3:	29.90	0.70
<b>MSOS</b>			MICROSOFT:	37.35	(0.29)
CABLEVISION:	15.76	0.46	MOTOROLA MOBILITY:	13.87	(0.31)
CHARTER:	136.12	1.83	NIELSEN:	42.51	0.54
COMCAST:	49.78	(0.13)	RENTRAK:	39.79	2.05
COMCAST SPCL:	47.84	(0.15)	SEACHANGE:	14.49	0.64
GCI:	9.92	0.07	SONY:	18.16	(0.01)
LIBERTY GLOBAL:	84.27	1.40	SPRINT NEXTEL:	8.15	0.33
LIBERTY INT:	27.86	0.29	TIVO:	13.24	0.02
SHAW COMM:	23.10	(0.16)	UNIVERSAL ELEC:	38.51	2.07
TIME WARNER CABLE:	136.56	4.54	VONAGE:	3.22	UNCH
WASH POST:	657.04	3.53	YAHOO:	36.64	0.35
<b>PROGRAMMING</b>			<b>TELCOS</b>		
AMC NETWORKS:	63.92	(0.14)	AT&T:	35.28	(0.09)
CBS:	58.53	0.06	VERIZON:	50.05	0.04
CROWN:	3.23	0.02	<b>MARKET INDICES</b>		
DISCOVERY:	86.56	0.86	DOW:	16072.80	0.26
GRUPO TELEVISIA:	29.88	0.36	NASDAQ:	4017.75	23.18
HSN:	57.44	(0.39)	S&P 500:	1802.75	0.27
INTERACTIVE CORP:	55.85	0.10			
LIONSGATE:	31.21	0.98			
MADISON SQUARE GARDEN:	55.75	0.32			
SCRIPPS INT:	74.80	0.54			
STARZ:	27.97	0.60			
TIME WARNER:	65.74	(0.89)			
VALUEVISION:	5.82	0.25			
VIACOM:	79.31	(0.46)			
WWE:	14.78	0.14			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.54	(0.01)			
ALCATEL LUCENT:	4.17	0.16			
AMDOCS:	40.23	(0.28)			
AMPHENOL:	85.00	(0.05)			
AOL:	44.26	(0.2)			
APPLE:	533.40	9.66			
ARRIS GROUP:	20.07	0.31			
AVID TECH:	8.65	0.01			
BLNDER TONGUE:	0.95	(0.03)			
BROADCOM:	26.39	(0.12)			
CISCO:	21.21	(0.06)			
CONCURRENT:	7.58	0.03			
CONVERGYS:	20.56	0.34			
CSG SYSTEMS:	28.63	0.14			



## Call for Entries

**Entry Deadline:**  
December 6, 2013  
**Final Deadline:**  
December 13, 2013

CableFAX's Digital Awards is the industry's top honor in the digital space, recognizing outstanding websites, digital initiatives, and people among cable programmers, operators, and industry professionals.

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