

CableFAX Daily™

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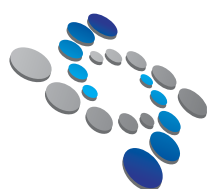
What the Industry Reads First

Volume 24 / No. 234

Aloha Rate Regulation: Time Warner Cable Request Gets OK from FCC

Yes, Hawaii. You do have effective competition. So sayeth the **FCC** Media Bureau in an order released Tues and that revokes the Big Island's certification to regulate basic cable service rates. It's the first effective competition declaration **Time Warner Cable** has received in the state. It also has a petition pending for rate deregulation of Oahu based on the LEC test, with TWC arguing that **Hawaiian Telecom** provides effective competition. For the Big Island (Hawaii), TWC told the FCC that the availability of **DirecTV** and **DISH** should qualify as effective competition. However, the state's cable franchise authority sees it differently. For effective competition to be declared, TWC needed to show that the franchise area is served by at least 2 unaffiliated MVPDs, each of which offers service to at least 50% of HHs in the area. One of the state's objections was TWC's assertion that DBS providers offer service to at least 50% of the HHs on the Big Island. TWC had pointed to DBS' national satellite footprint and the FCC's presumption that DBS has universal reach. But the state argued that satellite is significantly less available on the Big Island than in the continental US because of the "relatively low elevation angle" between DBS providers' satellites and the island along with the several volcanoes that block lines of sight between homes and DBS satellites in West Hawaii. "These claims are generalities," the Bureau concluded. "They are not detailed factual evidence that rebuts our presumption that DBS service has nationwide reach and therefore is offered to at least 50 percent of the households on the Big Island's franchise areas." In fact, all but 2 of West HI's 12 zips have more than 100 DBS subs, the FCC said, leading it to conclude that DBS does offer service to at least half of the HHs in both East and West Hawaii. The state also tried to argue that because marketing of DBS on the island is different than the continental US, residents aren't reasonably aware of its availability. The Bureau also said that TWC's petition met the 2nd part of the test for effective competition, which is that the number of HHs subscribing to the competing MVPD exceed 15%.

On the Hill: It's official. After several failed attempts from both sides of the aisle, a pair of House Republicans said they will start working on rewriting the Communications Act with a series of hearings in '14 and a process to launch an update in '15, said *Fred Upton* (R-MI), head of House Commerce, and *Greg Walden* (R-OH), chmn of



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Enter At: www.cablefaxdigitalawards.com

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

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the communications and tech subcmte, during a **Google** Hangout Tues. “This is a really good time to start a thorough and thoughtful process,” Walden said. “We need to hear from them all and have a very open process.” That process includes a series of white papers on the state of the industry and different ways to achieve an update, Upton said. The committee also seeks input on **Twitter** through #CommActUpdate. Walden noted he had a meeting with cable MSOs earlier in the day where the companies talked about their obligation to pay franchise fees while OTT players like **Netflix** aren’t subject to transportation costs. Former **FCC** Republican commish and vocal rewrite backer *Robert McDowell* also joined the Hangout. “Let’s look at what’s holding back innovation,” said **Hudson Institute** fellow McDowell, who emphasized the need to maximize consumer benefits in any regulatory overhaul. In a statement, **NCTA** pres/CEO *Michael Powell* welcomed working with the committee to re-examine “the aging Communications Act.” **Comcast** is on the same page, according to a statement from evp *David Cohen*. Rep *John Dingell* (D-MI) said he’s “ready, willing, and able to work” with the committee on the initiative but cautioned the Republican pair to approach the rewrite with “great care and attention to detail... Changes should not be made simply for change’s sake, but rather based on clear and documented need.” It’s uncertain whether other Democrats are on board with the initiative. Republican FCC commish *Ajit Pai* quickly sent out a statement supporting the move, arguing that the FCC would be better off if regulations recognize that convergence is now the norm.

Retrans: In a typical fee-related retrans dispute fashion, 2 stations in MA, **WGGB-TV**, an **ABC** affil, and **FOX6**, went dark on **DirecTV** after the op’s contract with **Gormally Broadcasting** expired on Sun. Negotiations will continue until a new agreement can be reached, owner *John Gormally* said in a message posted on the WGGB-TV website.

TWC Doings: More than a month after **Comcast** started to offer a light package featuring a basic TV lineup that includes **HBO**, **Time Warner Cable** launched its Starter TV package that includes over 20 channels and HBO for \$29.99 a month (excluding equipment costs) for the 1st 12 months. The channels include broadcast nets like **ABC**, **CBS**, **NBC** and **PBS**, as well as nets like **HSN**.

Standards: **SCTE** began its work on 3 new standards and recommended practices designed to support business continuity and improve energy management for cable ops. The initiative will address preparation for and response to natural and man-made disasters, opportunities to simplify network electrical systems and ways to help cable ops to map their carbon footprints to identify opportunities to increase energy efficiency and cost savings.

Carriage: **AT&T U-Verse** dropped horse racing net **TVG** on Nov 26. Citing “an outstanding compliance issue,” the telco said the companies were unable to reach “mutually beneficial terms.”

Apps: **AT&T** developed and launched the **Weather Channel** on-screen TV app for U-Verse subs, which can be customized to show relevant and up-to-the-minute weather. Subs also can add up to 5 cities and get current conditions, hourly forecasts, 5-day forecasts, radar maps and other services.

Online: **Netflix** is expanding its original slate with its first kid-focused original series “Turbo Fast.” Produced by **DreamWorks Animation Television**, the series will debut on Christmas Eve.

As the M&A Turns: And so it continues. Say something positive, suggesting consolidation, and cable stocks go up. Say something that indicates it might now happen, and down they go. The latest bit of deal talk came during **Charter** CEO *Tom Rutledge*’s appearance on **CNBC** Tues, in which he told “Squawk Box” that the MSO “doesn’t need to do any acquisitions to be a successful company.” Cut to Charter shares closing down nearly 2.6%. Most-talked about target **Time Warner Cable** shed nearly 2%, while **Comcast** closed down 0.7% and **Cablevision** fell 3.8%. How many times have we played this game since July?

Technology: **Sandvine** said it received a follow-on order for more than \$5mln from a Tier 1 North American fixed line operator that became a customer in ’07. Additionally, it won 25 new communications service provider customers during 4Q. No details on the new customers, but Sandvine said they represent providers in mobile, DSL, cable, fixed wireless and fiber networks across 22 countries.

Ratings: **BET** and **Centric** nabbed 4.6mln viewers for the “Soul Train Awards” Sun, with the show ranking as

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the #1 Soul Train Awards telecast in BET history among HHs and total viewers. Also of note, more than twice as many users went to BET.com on the day of the show vs '12's show.

Social Circle: #SoulTrainAwards trended for 6 hours the night of **BET** and **Centric's** Soul Train Awards on **Twitter**. Some 3.5mln people tweeted the hashtag, according to **Nielsen's** Twitter TV rating. -- **Sportsman Channel** has amped up its **Facebook** presence, growing users by 77% in 11 months to 500K fans.

People: *Peter Fontana*, most recently dir, digital ad sales at **AMC Networks**, was named vp of ad sales at **Precision Health Media**, which helps advertisers reach digital health audiences. -- **Life-style Media Partners** hired *Susan Wyland*, who has advised nets like **Scripps Networks**, to be chief content officer for EdibleFeast.com. Founder/CEO *Eric Thorkilsen* was a former **Time Warner** and **Scripps** exec.

Editor's Note: Just a reminder that Fri is the deadline for the **Cable-FAX** Best of the Web & Digital Marketing Awards. Don't miss the chance to gain recognition for your digital and social media initiatives, as well as execs worthy of the annual Digital Hot List. More info: <http://www.cablefax.com/cfp/BOW13/>

CableFAX Daily Stockwatch

Company	12/03 Close	1-Day Ch	Company	12/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	33.22	(0.31)	GOOGLE:	1053.26	(1.22)
DIRECTV:	66.02	(0.92)	HARMONIC:	7.23	(0.1)
DISH:	53.73	(0.11)	INTEL:	23.55	(0.15)
DISNEY:	69.90	(1.01)	JDSU:	11.92	(0.18)
GE:	26.56	(0.1)	LEVEL 3:	30.26	(0.02)
MSOS					
CABLEVISION:	16.16	(0.64)	MICROSOFT:	38.31	(0.14)
CHARTER:	129.31	(3.41)	MOTOROLA MOBILITY:	14.75	0.51
COMCAST:	48.77	(0.35)	NIELSEN:	42.68	(0.08)
COMCAST SPCL:	47.30	(0.36)	RENTRAK:	39.17	0.35
GCI:	9.63	0.05	SEACHANGE:	14.61	0.18
LIBERTY GLOBAL:	84.21	(0.86)	SONY:	18.41	(0.19)
LIBERTY INT:	28.07	(0.17)	SPRINT NEXTEL:	8.04	(0.16)
SHAW COMM:	22.97	(0.09)	TIVO:	12.75	(0.02)
TIME WARNER CABLE:	134.14	(2.67)	UNIVERSAL ELEC:	37.64	1.22
PROGRAMMING					
AMC NETWORKS:	63.88	(0.95)	VONAGE:	3.24	0.04
CBS:	58.46	(0.25)	YAHOO:	36.56	(0.45)
CROWN:	3.32	(0.01)	TELCOS		
DISCOVERY:	85.41	(0.8)	AT&T:	34.74	(0.06)
GRUPO TELEVISA:	29.39	(0.59)	VERIZON:	49.60	0.34
HSN:	57.88	0.88	MARKET INDICES		
INTERACTIVE CORP:	57.06	(0.06)	DOW:	15914.62	(94.15)
LIONSGATE:	30.36	(1.12)	NASDAQ:	4037.20	(8.06)
MADISON SQUARE GARDEN:	55.98	0.11	S&P 500:	1795.15	(5.75)
SCRIPPS INT:	73.25	(0.72)	TECHNOLOGY		
STARZ:	27.88	0.07	ADVANTAGE:	2.62	0.03
TIME WARNER:	65.46	(0.15)	ALCATEL LUCENT:	4.42	(0.09)
VALUEVISION:	5.92	0.14	AMDOCS:	40.49	0.14
VIACOM:	81.20	0.35	AMPHENOL:	85.34	0.29
WWE:	14.58	0.19	AOL:	45.58	0.23
MARKET INDICES					
DOW:	15914.62	(94.15)	APPLE:	566.32	15.09
NASDAQ:	4037.20	(8.06)	ARRIS GROUP:	20.52	(0.16)
S&P 500:	1795.15	(5.75)	AVID TECH:	8.89	0.05
TECHNOLOGY					
ADVANTAGE:	2.62	0.03	BLNDER TONGUE:	0.94	0.03
ALCATEL LUCENT:	4.42	(0.09)	BROADCOM:	26.97	(0.01)
AMDOCS:	40.49	0.14	CISCO:	21.26	0.17
AMPHENOL:	85.34	0.29	CONCURRENT:	7.69	0.21
AOL:	45.58	0.23	CONVERGYS:	20.46	0.21
APPLE:	566.32	15.09	CSG SYSTEMS:	28.69	(0.05)
ARRIS GROUP:	20.52	(0.16)	ECHOSTAR:	49.92	(0.04)
AVID TECH:	8.89	0.05			
BLNDER TONGUE:	0.94	0.03			
BROADCOM:	26.97	(0.01)			
CISCO:	21.26	0.17			
CONCURRENT:	7.69	0.21			
CONVERGYS:	20.46	0.21			
CSG SYSTEMS:	28.69	(0.05)			
ECHOSTAR:	49.92	(0.04)			



Fresh.*

*Coming soon from CableFAX.