

CableFAX Daily™

Friday — December 7, 2012

What the Industry Reads First

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Energy Savers: No Deal with Energy Advocates So Cable Goes It Alone

Captain Planet would be proud. 15 MVPDs across cable, satellite and telco TV have agreed to the voluntary 5-year Set-Top Box Energy Conservation Agreement, which goes into effect Jan 1. NCTA and CEA announced the news Thurs, saying the pact will result in annual residential electricity savings of \$1.5bln or more as the commitment is fully realized. The agreement is the outcome of discussions spurred by a Dept of Energy proceeding proposing govt regulation to make cable's boxes more energy efficient (Cfax, 8/30). DOE had suspended its regulatory process until the end of Oct (extended from an original deadline of Oct 1) with the expectation that the industry work out a voluntary agreement with energy advocates, such as National Resources Defense Council and the American Council for an Energy Efficient Economy. Negotiations continued through the end of Oct, and then the energy advocates walked away from discussions, an NCTA spokesman said. The affected companies kept talking and Thurs' agreement is the result. DOE is expected to still examine the area, but cable is hopeful it will see the benefits of the voluntary agreement as a reason not to move forward with a formal rulemaking. The industry is highlighting how the voluntary deal will implement standards 5 years earlier than the 2018 timetable the DOE had proposed. The agreement's participants are Comcast, DirecTV, DISH, Time Warner Cable, Cox, Verizon, Charter, AT&T, Cablevision, Bright House and CenturyLink, along with manufacturers Cisco, Motorola, EchoStar and Arris. The companies have committed to having at least 90% of all new set-tops bought and deployed after 2012 meet US EPA Energy Star 3.0 efficiency levels. They also have agreed to publishing reports on set-top box performances and appointing an independent admin to collect auditable annual reports of new boxes. For immediate residential electricity savings, "light sleep" capabilities will be downloaded by cable operators to more than 10mlm DVRs that are already in homes. In '13, telco will offer light sleep capabilities and DBS providers will include an "automatic power down" feature in 90% of boxes purchased and deployed. Energy efficient whole-home DVR solutions will be available as an alternative to multiple in-home DVRs for subscribers of satellite and some telco providers beginning in '13. And cable plans to field test "deep sleep" functionality in next-gen boxes that will be deployed if successful. "Multichannel video providers and device manufacturers are proud to participate in this unprecedented initiative, and we will continue to pursue even more ways to reduce the

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overall energy footprint of our services,” NCTA pres/CEO *Michael Powell* said in a statement. The agreement received praise from some lawmakers Thurs, including Sens *Lisa Murkowski* (R-AK) and *Dianne Feinstein* (D-CA). “I hope the industry will continue to work with stakeholders to develop and deploy more efficient equipment that meets Energy Star 4.0 specifications as soon as they are finalized next year,” Feinstein said.

Rate Hike: Analysts thought **Cablevision** might delay a rate increase in '13 because of the impact of Hurricane Sandy, but the MSO is pulling the trigger on a \$5/month HSD increase that will take effect early next year. Video rates were not raised in 2012, and there was no word in Thurs' announcement of an increase for the service. The HSD rate hike is the 1st for the service in a decade, and will result in an avg increase of 3.2% on the monthly bills of Internet customers who are not currently in a promotional package. Cablevision notes that it's significantly improved the service over the past 10 years— spending \$140mln on network augmentation, building a WiFi network that spans 50K indoor and outdoor hotspots (with free usage for CVC HSD subs) and ramping up speeds.

Pai Warning: The most important action on broadband might take place a mile down the road on Constitution Ave, **FCC** commish *Ajit Pai* said at a **Phoenix Center** conference Thurs, referring to the net neutrality case pending at the DC Circuit. Here's a warning from Pai: “Should the DC Circuit uphold the FCC's order, I would expect to see revitalized efforts to expand the Commission's regulation of the Internet.” Specifically, “I would not be surprised if the FCC looked into whether we should stiffen our oversight of the network management practices of wireless broadband providers and whether we should begin to regulate usage-based pricing,” said the Republican. Since the Commission approved the order, it has received few complaints on alleged violations of the rules. A court victory could mean more complaints and the agency could “spring into action adjudicating them,” he said. As a result, uncertainty over how the FCC would resolve the complaints could persist for some time. What happens if the court decides the FCC lacked the authority to adopt the order? The big question then becomes whether to abandon the drive to regulate network management practices or instead to “sidestep the court's decision by reclassifying broadband as a Title II service.” Pai's stand on reclassification is clear: “Under no circumstance will I support Title II reclassification.” Additionally, any effort to reclassify broadband next year or beyond could face bipartisan opposition, he said, citing a letter from 74 House Democrats to the FCC opposing Title II reclassification. Aside from dealing with net neutrality, the FCC will have a full plate in '13 when it comes to broadband policy. The greatest challenge at the Commission is creating a modern regulatory framework to expedite the Internet transformation and transition to an all-IP world, said Pai, who had proposed to create an IP Transition Task Force at the agency. *Michael McCurry*, ex-press sec to President *Bill Clinton*, told the D.C. crowd that the broadband industry needs to focus on educating new members of Congress as they know little about how the industry's regulated and the competition faced. And it doesn't matter what committee assignments the new members get. “As soon as they start to assemble, you can start the education process... I would design a pitch directly at them looking at broadband,” said *Rich Galen*, ex-press sec to Vice President *Dan Quayle* and former Speaker *Newt Gingrich*.

At the Portals: The **FCC** will begin accepting reports of VoIP service outages Dec 17. This stems from the VoIP Outage Order the Commission adopted in Feb, which requires mandatory reporting of outages. While the order was approved in Feb, the rules don't go into effect until 90 days after OMB approves the information collection, which it did Sept 17.

On the Hill: Sen Commerce member *Jim DeMint's* (R-SC) announcement that he'll leave the Senate at the beginning of Jan to run conservative national think tank The Heritage Foundation will mean the loss of one lawmaker with an interest in retrans reform. DeMint and Rep *Steve Scalise* (R-LA) introduced a comprehensive video bill that would have repealed retrans consent provisions and the Copyright Act's compulsory license provisions as well as ownership limits imposed on local media operators.

In the Courts: A federal judge ruled that fan can go forward with a lawsuit accusing the **NHL**, **MLB**, various RSNs and media companies of eliminating competition in distribution of games by dividing them into market exclusive territories that are protected by blackout rules. They also allege defendants collude to sell out-of-market packages that require them to buy all out-of-market games, taking umbrage with **MLB Extra Innings**, **NHL Center Ice** and **MLB.tv**. The judge did dismiss claims against **Comcast**, **DirecTV** and RSNs that alleged they conspired to monopolize markets. But Judge *Shira Scheindlin* allowed similar claims against the Leagues to go through. “Making all games available as part of a package,

BUSINESS & FINANCE

while it may increase output overall, does not, as a matter of law, eliminate the harm to competition wrought by preventing the individual teams from competing to sell their games outside their home territories in the first place,” Scheindlin wrote. “And plaintiffs in this case—the consumers—have plausibly alleged that they are the direct victims of this harm to competition.”

Netflix Doings: SEC staff informed Netflix that they are recommending that the Commission bring a civil action against the company for CEO Reed Hastings’ July 1 billion hour public blog post, asserting the company violated “Reg FD.” The rules are designed to ensure that individual investors have equal access to information as large institutional investors, by prohibiting selective disclosure of material information. The SEC staff believes that Hastings gave all “material” investor information in his post and that the company needed to instead release the June viewing fact “publicly” with an 8-K filing or press release. Hastings’ response, according to his Facebook post Thurs: Posting to over 200K people is very public; we don’t currently use Facebook and other social media to get material information to investors; Netflix shares rose the day of the public post, but the increase started well before the post was out; The company remains optimistic the issue can be cleared up quickly through the SEC’s review process.

CableFAX Daily Stockwatch

Company	12/06 Close	1-Day Ch	Company	12/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	50.05	0.48	CONVERGYS:	15.89	(0.03)
DISH:	37.33	1.20	CSG SYSTEMS:	18.67	(0.29)
DISNEY:	49.06	0.22	ECHOSTAR:	32.74	(0.03)
GE:	21.37	0.14	GOOGLE:	691.13	3.31
NEWS CORP:	25.26	0.32	HARMONIC:	4.74	0.02
MSOS					
CABLEVISION:	14.16	0.36	INTEL:	20.16	0.31
CHARTER:	69.60	(0.14)	JDSU:	12.34	(0.03)
COMCAST:	37.14	0.26	LEVEL 3:	19.36	0.12
COMCAST SPCL:	35.99	0.21	MICROSOFT:	26.73	0.06
GCI:	8.23	(0.11)	RENTRAK:	18.99	(0.02)
LIBERTY GLOBAL:	60.04	1.28	SEACHANGE:	10.29	0.29
LIBERTY INT:	19.28	0.03	SONY:	10.01	0.31
SHAW COMM:	21.99	0.05	SPRINT NEXTEL:	5.73	0.01
TIME WARNER CABLE:	94.39	(0.06)	TIVO:	11.98	0.42
VIRGIN MEDIA:	35.27	(0.13)	UNIVERSAL ELEC:	17.01	0.14
WASH POST:	367.30	3.00	VONAGE:	2.47	0.02
PROGRAMMING					
AMC NETWORKS:	52.49	0.08	YAHOO:	19.20	0.31
CBS:	35.65	0.18	TELCOS		
CROWN:	1.79	UNCH	AT&T:	33.65	(0.26)
DISCOVERY:	61.84	0.10	VERIZON:	44.45	0.35
GRUPO TELEVISA:	24.79	0.61	MARKET INDICES		
HSN:	52.09	-0.00	DOW:	13074.04	39.55
INTERACTIVE CORP:	44.97	1.12	NASDAQ:	2989.27	15.57
LIONSGATE:	15.49	(0.48)	S&P 500:	1413.94	4.66
LODGENET:	0.15	UNCH			
OUTDOOR:	7.42	(0.03)			
SCRIPPS INT:	56.50	(1.2)			
TIME WARNER:	46.57	0.52			
VALUEVISION:	1.79	(0.01)			
VIACOM:	52.94	0.92			
WWE:	8.07	0.01			
TECHNOLOGY					
ADVANTAGE:	1.99	0.01			
ALCATEL LUCENT:	1.14	(0.04)			
AMDOCS:	33.48	(0.25)			
AMPHENOL:	61.11	0.14			
AOL:	31.37	(0.36)			
APPLE:	547.24	8.45			
ARRIS GROUP:	14.21	0.13			
AVID TECH:	6.70	(0.07)			
BLNDER TONGUE:	1.10	(0.02)			
BROADCOM:	33.36	1.02			
CISCO:	19.48	0.27			
CLEARWIRE:	2.53	0.16			
CONCURRENT:	5.49	(0.11)			

CableFAX Webinar: Tuesday, December 11 | 1:30 – 3:00 pm ET

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PROGRAMMER'S PAGE

I Spy Scripted

Following the success of Sundance Channel's mini-series "Carlos" and "Appropriate Adult," the net is about to roll out 3 more original scripted productions. The first is the British spy thriller "Restless," premiering in 2 installments Fri and Dec 14 (Critic's review below). This week we chat with the production's British-born exec producer Hilary Bevan Jones, producer of "State of Play" and the Emmy Award-winning HBO film, "The Girl in the Café." For the full interview go to CableFAX.com. **What are some of the challenges of adapting a novel to a TV production?** Luckily for "Restless," we've got 2 90 minute [windows] so it's better than just a single movie. With a single 90 minutes you have to make bigger sacrifices than normally, in cutting any novel down to television or film format, you're going to have to make quite brutal cuts. In our case, William Boyd, the author, did the adaptation himself... So that was brilliant. He's absolutely open to discuss where we might think we might make it better, taking it to a visual medium. **What do you think will make this appealing to American audiences?** Well there is a piece of American history and there are sequences that are set in America in the early 1940s, based on the fact that there was a massive covert operation by the British to try to entice America into the 2nd World War and this is that story. It was all filmed in Cape Town, but the film goes to Washington, it goes to New Mexico, it goes to Canada, as well as lots of European countries. And also I think it's a universal story, of a young woman discovering her mother isn't who she thought. Hopefully it will appeal internationally. **Is there a particular topic you simply must cover in a TV series in the future?** I think the film that I want to do more than anything is the story about my grandfather [E.H. Jones], based on my grandfather's book called "The Road to Endor," which is what I've named my company after... It's the story of how he escaped from a prisoner of war camp in Turkey by pretending he was in touch with a spirit... and during the process he had to feign madness to be believed. KH

Reviews: "Restless," Fri, 9p, **Sundance**. Another impressive piece from Sundance. "Restless" creates the mood immediately, inculcating viewers into the dark world of WWII British spies, prior to Pearl Harbor, using costumes, production values and strong writing. Hayley Atwell shines as an initially reluctant recruit and Rufus Sewell is perfect as her enigmatic boss. Part II (Dec 14, 9p) drags at times, but ends strongly. -- "Pearl Harbor: Declassified," Fri, 10p, **Military**. This is a fascinating look at the initial 15 mins of 12/7/41, using Japanese and US footage digitally up-converted. An excellent combo of history and technology. -- "You Don't Know Bo," Sat, 9p, **ESPN**. For nearly 20 mins, we're told about the inhuman athletic feats of Vincent "Bo" Jackson. Later we actually see, through footage, evidence of his dominance. He's bigger, but also faster than mortals. "It's something out of Homer," ESPN's Jeremy Schaap says. The Heisman winner chooses baseball; his "hobby" is pro football. Jackson remains the only person to be an All-Star and All-Pro. This fine film nourishes his all-too-brief legend. -- "Black in America," Sun, 8, 11p, **CNN**. With 15% of new marriages interracial, Soledad O'Brien explores who is black in America and how it's defined in this interesting special. Seth Arenstein

Basic Cable Rankings (11/26/12-12/02/12)

Mon-Sun Prime			
1	USA	2.1	2053
1	ESPN	2.1	2050
3	HALL	1.7	1441
4	DSNY	1.6	1559
5	TBSC	1.4	1393
5	FOXN	1.4	1392
7	HIST	1.3	1316
7	FAM	1.3	1282
9	TNT	1.2	1195
9	A&E	1.2	1150
11	FX	1.1	1090
11	DISC	1.1	1047
11	NFLN	1.1	752
14	AMC	1.0	977
14	ADSM	1.0	960
14	DSE	1.0	73
17	HGTV	0.9	846
18	NAN	0.8	828
18	MSNB	0.8	802
18	LIFE	0.8	776
18	BRAV	0.8	764
18	TLC	0.8	754
18	TRU	0.8	730
18	ID	0.8	605
25	FOOD	0.7	694
25	SYFY	0.7	686
25	TVLD	0.7	660
28	CMDY	0.6	631
28	MTV	0.6	592
28	BET	0.6	587
28	SPK	0.6	560
28	LMN	0.6	495
33	APL	0.5	471
33	VH1	0.5	440
33	NGC	0.5	397
33	NKJR	0.5	361
37	ESP2	0.4	419
37	CNN	0.4	383
37	DXD	0.4	299
37	HMC	0.4	191
41	EN	0.3	328
41	TRAV	0.3	312
41	HLN	0.3	283
41	OWN	0.3	272
41	OXYG	0.3	259
41	GSN	0.3	240

*Nielsen data supplied by ABC/Disney

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