

CableFAX Daily™

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What the Industry Reads First

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FCC Friday: Wheeler Expects 2015 Auction, Pai Talks Cable M&A

Not all delays are bad, at least not according to the **FCC** and many observers when it comes to the incentive spectrum auction originally expected by year-end '14. New agency head *Tom Wheeler* indicated in a blog post that the auction is likely to happen in mid-'15. It appears that the main reasons for the delay are to make sure the auction process is transparent and that the operating systems and the software will be tested thoroughly and be user-friendly to participants. The new timeline envisions a proposed Report and Order in early Jan that will provide specific policy recommendations, followed by a vote in the Spring. In the 2nd half of '14, the agency will release a Public Notice outlining the specific auction rules, followed by software demonstrations and "mock auctions" to eliminate technical glitch. Early reaction to the move was positive: Even the mobile carriers, which are eager to gain spectrum, seemed to accept it. And the move has given some comfort to **NAB**, which had worried that the previous timeline was too aggressive. "Given the complexity of the auction and its many moving parts, the most important goal is to get the auction done right," NAB pres/CEO *Gordon Smith* said in a statement. Wall Street analysts were not surprised. "We actually think the longer this auction is delayed, the better it is for those with unused spectrum [e.g. **DISH**]," **Wells Fargo** analysts wrote. Perhaps Wheeler's top advisor on auction issues *Gary Epstein* will elaborate the chmn's plan during Senate Commerce's auction hearing on Tues. Fri also saw plenty of chatter about cable consolidations. Citing the agency's blocking of the **AT&T-Mobile USA** merger, *Ajit Pai*, 1 of the FCC's 2 Republican commishes, told the Wall Street Journal that any effort by **Comcast** to acquire **Time Warner Cable** would face significant regulatory hurdles under the Obama Administration. "A Republican Administration likely would be more inclined to approve the deal," he said. Hurdles aside, TWC has been busy assembling a new team, the latest being a new M&A exec as current vp, investment *Christian Lee* was named the new svp, mergers and acquisitions, effective Dec 31, following the retirement of 28-year company vet *Satish Adige*. Lee has worked on numerous transactions, including the spinoff of TWC from **Time Warner** in '09 and the acquisitions of **Insight**, **NewWave** and **NaviSite**. Interestingly, CFO *Artie Minson*, who joined the firm earlier this year, reiterated that TWC will continue to "pursue our disciplined and strategic approach to investing and M&A,"



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he said in a statement on Lee's appointment. A day before, TWC announced it hired ex-Insight exec *Dinni Jain* as COO, soon-to-be CEO *Rob Marcus'* old role. Jain's compensation package includes an annual base salary of \$1mln, estimated annual cash bonus of \$2.5mln and annual long-term incentive compensation of around \$4mln, according to TWC's SEC filing Fri. TWC's stock price has jumped nearly 40% since June.

On the Hill: House Commerce will have a busy week: The full committee will start a markup on the **FCC** Process Reform Act on Tues, followed by the communications subcmte's hearing on Thurs on FCC oversight. All 5 commish are scheduled to testify. -- Sen *Mark Pryor* (D-AK) and Rep *Ed Markey* (D-MA), co-authors of the 21st Century Communications and Video Accessibility Act of '10, wants the FCC to reconsider its decision to exempt video clips from the IP closed captioning rules. In a letter to FCC chmn *Tom Wheeler* Fri, the pair said "it was our intent that full-length programming that has been broadcast on television with captions after the effective date of the Commission's rule be shown with captions" when the programming is delivered through IP. The Commission's exemption has already resulted in the denial of "significant civic, educational and entertainment opportunities to millions of Americans with disabilities," the pair said. They noted that a May report from the deaf and hard-of-hearing groups on the state of IP-delivered video programming found that a large amount of video clips surveyed online weren't closed captioned, including 77% of news video clips.

Sports Campaign: The **SEC Network**, created under a 20-year agreement between **ESPN** and the Southeastern Conference, will launch a brand campaign that includes print, TV and online ads focusing on the net and each of the 14 SEC schools. The full campaign will roll out next year, leading into the launch of the net in Aug.

So Long Mark Awards: **CTAM** is ending its 3-decade-old Mark Awards, which celebrated its 30th anniversary in Sept when 156 awards honoring cable's marketing excellence were announced. The awards recognizing marketing effectiveness has accomplished its goal over the years, svp of communications and marketing *Anne Cowan* told us Fri. When the award was launched, cable was a relatively new industry that lacked marketing experience, she said. Today, "people winning the award are world class marketers," she said, citing the CableACE Awards, which ended its 19-year run in '97 when cable nets began to get Emmy recognitions. The move came as CTAM transitions to a corporate-membership with a more targeted focus. As part of the transition, it ended its annual summit last year, of which the Mark Awards was an important part. The group hasn't decided whether to continue its Hall of Fame that recognizes exceptional marketing campaigns, Cowan said.

Carriage: **Al Jazeera America** is officially on **Time Warner Cable's** lineup. The channel is now available to nearly 55mln homes.

Ratings: Nov was **Fox Sports 1's** highest-rated month since its Aug launch. Driving the viewership was Oregon vs Oregon State football match on Nov 29 and **UFC's** "The Ultimate Fighter Finale and Prelims" the day after, which combined to make Thanksgiving week the net's most-watched full week ever in prime and total day. The net averaged 192K viewers total day during that week. For the month, total day averaged 134K viewers, up 17% over Oct and 33% over Sept.

Research: Nearly half of TV HHs in the US have at least 1 DVR, up 40% from '10, and 23% in '07, according to the **Leichtman Research Group**. In addition, half of HHs with a DVR now have DVR service on more than 1 TV set, up 30% from 5 years ago. Overall, about 23% of HHs have DVR on more than 1 TV set—compared to 20% last year, and 8% 5 years ago.

Programming: **HGTV** will premiere 3 new series in the renovation and real estate genres in Jan: "Vacation House for Free" on Jan 1, "Beat the House" on Jan 7, and "The *Brian Boitano* Project" on Jan 16. -- Following the passing of *Nelson Mandela*, **Discovery Channel** will debut documentary "The Making of Mandela," on Sun. -- **AMC** has cancelled gritty cop drama series "Low Winter Sun" after only 1 season. The show was based on a well-received British mini-series that also starred *Mark Strong*. In unrelated news, AMC will air 2 back-to-back marathons of its "Breaking Bad" and "The Walking Dead" starting Dec 30.

Editor's Note: Confused about how content marketing can supercharge your brand leadership position? Then tune in to our Dec 17 webinar. More info: http://www.cablefax.com/cfp/webinars/2013_Dec17/

CableFAX Week in Review

Company	Ticker	12/06 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

21ST CENTURY FOX:	FOXA	33.14	(1.19%)	0.00%
DIRECTV:	DTV	66.44	0.47%	32.46%
DISH:	DISH	54.77	0.90%	50.47%
DISNEY:	DIS	71.46	0.95%	43.52%
GE:	GE	26.94	0.30%	28.35%

MSOS

CABLEVISION:	CVC	16.00	(3.61%)	7.10%
CHARTER:	CHTR	127.75	(5.36%)	67.56%
COMCAST:	CMCSA	49.27	(1.12%)	31.88%
COMCAST SPCL:	CMCSK	47.48	(1.6%)	32.18%
GCI:	GNCMA	9.51	(4.71%)	(0.83%)
LIBERTY GLOBAL:	LBTYA	85.18	0.32%	35.29%
LIBERTY INT:	LINTA	27.68	(0.72%)	40.65%
SHAW COMM:	SJR	23.80	3.84%	3.57%
TIME WARNER CABLE:	TWC	131.00	(4.48%)	34.79%

PROGRAMMING

AMC NETWORKS:	AMCX	63.54	(1.12%)	28.36%
CBS:	CBS	58.90	0.12%	54.80%
CROWN:	CRWN	3.40	3.98%	83.78%
DISCOVERY:	DISCA	85.06	(2.11%)	33.99%
GRUPO TELEVISIA:	TV	28.56	(5.49%)	7.45%
HSN:	HSNI	59.85	3.01%	8.66%
INTERACTIVE CORP:	IACI	56.26	0.07%	19.09%
LIONSGATE:	LGF	30.73	(3.58%)	87.38%
MADISON SQUARE GARDEN:	MSG	56.25	0.09%	26.83%
SCRIPPS INT:	SNI	73.99	(1.08%)	27.75%
STARZ:	STRZA	28.54	1.39%	0.00%
TIME WARNER:	TWX	66.57	1.36%	39.18%
VALUEVISION:	VTV	6.39	18.77%	255.00%
VIACOM:	VIA	82.34	2.91%	51.72%
WWE:	WWE	14.45	(4.3%)	83.14%

TECHNOLOGY

ADDVANTAGE:	AEY	2.62	0.38%	31.66%
ALCATEL LUCENT:	ALU	4.50	7.14%	223.74%
AMDOCS:	DOX	40.53	0.02%	19.24%
AMPHENOL:	APH	86.11	1.25%	33.09%
AOL:	AOL	44.44	(0.56%)	50.08%
APPLE:	AAPL	560.02	2.65%	5.23%
ARRIS GROUP:	ARRS	21.26	4.94%	42.30%
AVID TECH:	AVID	8.77	(0.11%)	15.70%
BROADCOM:	BRCM	27.53	3.54%	(17.1%)
CISCO:	CSCO	21.28	0.05%	8.30%
CONCURRENT:	CCUR	7.60	1.06%	32.40%
CONVERGYS:	CVG	20.51	(0.49%)	24.98%
CSG SYSTEMS:	CSGS	28.97	1.01%	59.35%
ECHOSTAR:	SATS	48.52	(1.8%)	41.79%
GOOGLE:	GOOG	1069.87	0.63%	51.24%
HARMONIC:	HLIT	7.38	(3.78%)	45.56%
INTEL:	INTC	24.82	3.81%	20.37%
JDSU:	JDSU	12.65	5.95%	(6.3%)
LEVEL 3:	LVT	30.15	0.00%	30.46%
MICROSOFT:	MSFT	38.36	1.89%	43.62%
MOTOROLA MOBILITY:	MMI	13.88	0.51%	(64.23%)

Company	Ticker	12/06 Close	1-Week % Chg	YTD %Chg
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NIELSEN:	NLSN	43.55	1.42%	42.37%
RENTRAK:	RENT	37.43	(6.19%)	92.05%
SEACHANGE:	SEAC	12.03	(18.94%)	24.41%
SONY:	SNE	18.10	(2.43%)	61.61%
SPRINT NEXTEL:	S	7.89	(5.51%)	39.15%
TIVO:	TIVO	12.59	(0.55%)	2.27%
UNIVERSAL ELEC:	UEIC	37.11	(3.41%)	91.78%
VONAGE:	VG	3.34	0.91%	40.93%
YAHOO:	YHOO	38.86	5.08%	95.28%

TELCOS

AT&T:	T	34.53	(2.51%)	2.43%
VERIZON:	VZ	49.48	(0.92%)	14.35%

MARKET INDICES

DOW:	DJI	16020.20	(0.48%)	22.25%
NASDAQ:	IXIC	4062.52	0.44%	34.54%
S&P 500:	GSPC	1805.09	(0.12%)	26.57%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	6.39	18.77%
2. ALCATEL LUCENT:	4.50	7.14%
3. JDSU:	12.65	5.95%
4. YAHOO:	38.86	5.08%
5. ARRIS GROUP:	21.26	4.94%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SEACHANGE:	12.03	(18.94%)
2. RENTRAK:	37.43	(6.19%)
3. SPRINT NEXTEL:	7.89	(5.51%)
4. GRUPO TELEVISIA:	28.56	(5.49%)
5. CHARTER:	127.75	(5.36%)

CableFAX webinar

Tuesday, December 17 | 1:30-3:00pm ET

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