

# CableFAX Daily™

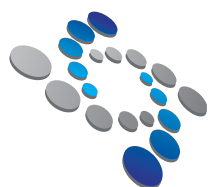
Friday — December 13, 2013

What the Industry Reads First

Volume 24 / No. 241

## FCC Oversight: Video Reform, Unlicensed Spectrum on 2014 To-Do-List

The House communications subcommittee's FCC oversight hearing on Thurs is a good peek into what regulators and legislators will focus on in 2014. Between the spectrum auction and IP transition, the priority list for team-Wheeler and the House panel also includes a close look at the video market for a potential overhaul. "Our video laws on in need of reform," and independent of such legislation, the FCC needs to promote better competition, consumer choice and localism across the video market, ranking member *Anne Eshoo* (D-CA) said in her opening remarks. Eshoo and *Zoe Lofgren* (D-CA), sr member o the Judiciary Committee, released the Video CHOICE (Consumers Have Options in Choosing Entertainment) Act on the same day, aimed at eliminating blackouts and allowing greater flexibility to choose channels. The bill has already signed on supporters including **ACA, Bright House, DirecTV, Suddenlink, Charter and Time Warner Cable**. It would grant the FCC authority to allow interim carriage during a retrans dispute and would direct the FCC to examine whether the blocking of a broadcast station's owned or affiliated online content during a dispute constitutes a failure to negotiate in good faith. It also called on the FCC to study programming costs for regional and national sports nets in the top 20 regional sports markets. The bill takes a different approach from Rep *Steve Scalise* (R-LA)'s proposal, **NCTA** said in a statement. Scalise proposed a retrans bill in '11 and on Thurs reintroduced a bill that would update many of the video laws. NCTA welcomes "an examination of a retransmission consent regime that is increasingly fractured and in need of some repair," it said. Meanwhile, Eshoo wants the FCC to develop a successor to the current CableCARD policy, whether by FCC rule or more preferably by voluntary industry agreement, to encourage technology innovation, she said. Unlike cable MSOs, **TiVo** seeks to save the cable integration ban, which calls for cable ops to use CableCARDS instead of built-in security in set-tops. Subcommittee vice chmn *Bob Latta* (R-OH) introduced a bill earlier proposing to end the integration ban. And as the subcommittee reexamines the Communications Act (**Cfax**, 12/4), Republican commish *Ajit Pai* wants members to also consider giving the FCC authority to relieve MVPDs from obsolete rules (cable forbearance) as the agency currently has for telecom carriers, in light of new entrants in the video market such as **Netflix**, which has more subs than the #1 cable op in the country **Comcast**, and more than every other cable op in the country combined, Pai said. Take spectrum. The commissioners might have their differences, but they are on the same page when it comes to more use of unlicensed



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spectrum. Cable MSOs can count on Wheeler to move forward to allow more unlicensed spectrum use, including the 5GHz band, which cable already uses to offer WiFi hotspots. As long as interference issues that have concerned Reps like *John Dingell* (D-MI) get addressed, the agency should move quickly to rulemaking on the 5GHz spectrum proceeding, Wheeler said. Pai said the agency should modify service rules for the band, making it attractive for commercial WiFi while protecting incumbent users. Cable is all for it, as major cable MSOs are expanding their national WiFi footprint through the CableWiFi initiative. Beyond planned spectrum auctions and WiFi, Wheeler said he's looking at better use of existing spectrum. The agency will run a test on spectrum sharing, he said.

**In the Courts:** **Aereo** on Thurs asked the Supreme Court not to oppose the broadcasters' petition to review the legality of Aereo's over-the-air service. "While the law is clear and the Second Circuit Court of Appeals and two different federal courts have ruled in favor of Aereo, broadcasters appear determined to keep litigating the same issues against Aereo in every jurisdiction that we enter. We want this resolved on the merits rather than through a wasteful war of attrition," founder/CEO *Chet Kanojia* said in a statement. Aiming to protect its network DVR services, **Cablevision**, on the other hand, said in a whitepaper that while Aereo violates copyright rules, it "strongly rejects anti-Aereo arguments" made by the broadcasters, arguing that their acceptance by the Court could cripple cloud-based DVR innovation in the country.

**At the Portals:** After their Hill trip, the 5 FCC commish ran back to the agency for its Open Commission Meeting, where chmn *Tom Wheeler* announced the agency will conduct IP transition trials. **ACA** pres/CEO *Matt Polka* said while it supports the effort, the agency needs to ensure that its interconnection regime applies to managed VoIP traffic, a key service for subs of many ACA members. "There is no need to wait on addressing that issue while the trials are under way," he said.

**DTV Investor Day:** When it comes to future growth for **DirecTV**, the DBS provider is eyeing some out-of-the-satellite areas. One of those is advertising, which has historically been lower than cable because it can't compete on a local level. CMO and chief rev officer *Paul Guyardo* believes DTV's addressability product should change this. He thinks ad sales can jump from about \$550mln to \$750mln in '16, noting that 90% of clients who used the product have returned. DirecTV also is keen on home security, linking with **LifeShield** to offer it. "It's very fragmented... there are 10K players and a lot of them are moms and pops. We think they'll have a hard time keeping up," Guyardo said, pointing to the network and customer support it already has in place. Initial projections are that LifeShield can provide DirecTV with \$300mln in incremental revenue by year-end '18 by bringing in about 600K subs. The company is also exploring a non-traditional business model (think OTT with lower SAC for customers who may not pass its credit tests, but few details were available. And watch out cable. Those clever DirecTV ads warning about the effects of cable are back with 3 new spots debuting next month. Yes, programming costs "continue to be the biggest issue facing our industry," according to CFO *Patrick Doyle*, but he doesn't expect any dramatic changes in them over the next 3 years. "There's no silver bullet," he said. "We're going to use our scale, and we're going to continue to look at marginal channels and be prepared to drop those."

**Golden TV:** The big story of this year's **Golden Globes** nominations isn't what got the nod, but what didn't. **HBO's** "Game of Thrones" was snubbed completely, and the pay TV net didn't have a single nomination in the Best Drama category. Instead, **Netflix's** "House of Cards" is up for the award, along with **AMC's** "Breaking Bad," **Showtime's** "Masters of Sex," **PBS's** "Downton Abbey" and **CBS's** "The Good Wife." Don't cry too much for HBO. It still led all the TV nets with 9 nominations. **Netflix** scored 6 noms, more than the broadcast nets. Showtime and **Starz** also received 6 nominations each (the most ever for Starz). The OTT service had nice representation in the actor categories with *Taylor Schilling* ("Orange is the New Black"), *Robin Wright* (House of Cards), *Jason Bateman* ("Arrested Development") and *Kevin Spacey* (Cards) all receiving nods. HBO's "Girls" was the only cable comedy nominated (Netflix was shut out). HBO only had 1 nom in the Best Mini or Made-for-TV Movie category ("Behind the Candelabra"), while rival Starz had 2: "White Queen" and "Dancing on the Edge." **Sundance's** "Top of the Lake" and **FX's** "American Horror Story: Coven" also are in the running. **BBC America** tied with AMC for the most noms for basic cable with 3 ("Orphan Black," "Luther," and "Burton and Taylor"). All of AMC's were for Breaking Bad.

**Online:** **Hulu** acquired 4 projects, including 3D sci-fi motion novel "State of Syn," which debuts Jan 18, drama series "Long Story, Short," which premieres Feb 15, and tween series "Unlikely Heroes" and "Totally Amp'd."

**Ratings:** It's hard to resist the holiday festivities with the Robertson family as 8.9mln total viewers tuned in Wed night during

# BUSINESS & FINANCE

**A&E's** "Duck Dynasty Christmas Special." That's a 37% jump over last year's holiday special. The program averaged 4.6mIn 25-54 and 4.5mIn 18-49, according to Fast Nielsen Ratings.

**Programming:** **NUVOtv** scored **Showtime's** "Dexter" through a content licensing agreement. The series will make its basic cable premiere on Jan 13 with all 8 seasons.

**Honors:** **Bravo** and **Oxygen** pres **Frances Berwick** was honored at The New York Women in Film & Television Thurs at its 33rd annual Muse Awards. The exec said she was humbled to be accepting the honors alongside the high-powered talents of *Ellen Barkin*, *Connie Britton*, *Robin Wright* and *Sonia Manzano*, and thanked fellow Muse recipient *Bonnie Hammer* for her guidance, her husband Mark and her 10-year-old son, who constantly teaches her the lesson of "how not to be a workaholic." Bravo's *Andy Cohen*, also an emcee, praised Berwick's "incredible stamina," fantastic memory and the "great ease and grace" with which she does her job.

**People:** **Comcast** hired *Alexander Evans* from **Providence Equity Partners** as evp, global corporate dev and strategy. -- Digital video content provider **Silver Chalice** named *Dana Golden* evp, audience development. -- **Univision** named *Mehul Nagrani* to svp/gm, digital. -- **FCC** appointed multimedia and cloud firm **Genband's** CTO *Fred Kemmerer* to its Technological Advisory Council.

## CableFAX Daily Stockwatch

Company	12/12 Close	1-Day Ch	Company	12/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
21ST CENTURY FOX:	32.66	(0.03)	GOOGLE:	1069.96	(7.33)
DIRECTV:	67.02	0.10	HARMONIC:	6.66	(0.3)
DISH:	53.03	(0.73)	INTEL:	24.47	0.05
DISNEY:	69.63	(0.89)	JDSU:	11.80	(0.38)
GE:	26.54	(0.04)	LEVEL 3:	30.00	(0.16)
<b>MSOS</b>					
CABLEVISION:	16.02	(0.2)	MICROSOFT:	37.22	(0.39)
CHARTER:	131.99	1.17	MOTOROLA MOBILITY:	14.09	(0.32)
COMCAST:	48.67	0.01	NIELSEN:	42.96	(0.34)
COMCAST SPCL:	47.22	0.10	RENTRAK:	35.25	(0.04)
GCI:	9.76	0.49	SEACHANGE:	11.23	0.12
LIBERTY GLOBAL:	84.59	(0.08)	SONY:	17.67	0.23
LIBERTY INT:	27.30	0.08	SPRINT NEXTEL:	8.15	0.04
SHAW COMM:	23.38	(0.14)	TIVO:	12.38	UNCH
TIME WARNER CABLE:	131.06	(0.44)	UNIVERSAL ELEC:	36.20	0.24
<b>PROGRAMMING</b>					
AMC NETWORKS:	65.04	0.06	VONAGE:	3.22	(0.04)
CBS:	58.17	(0.27)	YAHOO:	39.35	0.20
CROWN:	3.33	(0.01)	<b>TELCOS</b>		
DISCOVERY:	82.94	(1.59)	AT&T:	33.89	(0.06)
GRUPO TELEVISA:	29.47	(0.24)	VERIZON:	48.13	(0.36)
HSN:	60.04	0.29	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	58.44	(0.44)	DOW:	15739.43	(104.1)
LIONSGATE:	28.76	0.47	NASDAQ:	3998.40	(5.41)
MADISON SQUARE GARDEN:	54.30	(0.86)	S&P 500:	1775.50	(6.72)
SCRIPPS INT:	80.33	(0.67)			
STARZ:	27.71	0.28			
TIME WARNER:	65.82	(0.6)			
VALUEVISION:	6.25	0.03			
VIACOM:	80.81	(0.22)			
WWE:	14.30	0.13			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.55	(0.02)			
ALCATEL LUCENT:	4.54	UNCH			
AMDOCS:	40.47	0.18			
AMPHENOL:	85.06	0.11			
AOL:	43.88	1.23			
APPLE:	560.54	(0.82)			
ARRIS GROUP:	21.50	(0.01)			
AVID TECH:	8.16	(0.01)			
BLNDER TONGUE:	0.95	(0.03)			
BROADCOM:	28.32	(0.36)			
CISCO:	20.51	(0.37)			
CONCURRENT:	7.71	(0.01)			
CONVERGYS:	19.72	(0.05)			
CSG SYSTEMS:	28.81	(0.13)			
ECHOSTAR:	49.10	0.38			



# Satisfying.\*

\*Coming soon from CableFAX.

# PROGRAMMER'S PAGE

## Sound of Psych

Move over *Carrie Underwood*, there's a new musical in town. Joining the ranks of "Scrubs," "Buffy the Vampire Slayer," "Community" and "How I Met Your Mother"—USA's long-running "Psych" will debut its much anticipated 2-hour special, "Psych: The Musical," this weekend. Created by *Steve Franks*, this foot-tapping, finger-snapping musical extravaganza will certainly tickle your funny bone. The crime solving duo of Shawn (*James Roday*) and Gus (*Dulé Hill*) sing and dance their way through the episode while solving a crime committed by a serial killer in of all places, a theater, killing off members of an upcoming musical. Why make a musical episode? "It was an itch that needed to be scratched. For me it was the moment that I had hoped would be the pinnacle of the show," Franks said. He went out on a limb announcing at **Comic-Con** last year that Psych would do a musical before a concept or anything was locked in, a move he believes "forced everybody's hand," including USA's. The announcement drummed up huge support from the show's fanbase. Franks completed 37 original songs for the musical that were eventually narrowed down to 14. "He wrote the whole thing, he conceived it, he composed it with [composer] *Adam Cohen*, he directed it. It was a gargantuan, Herculean task that he took on," said Roday of Franks. Behind the curtains, Franks and the cast of Psych had the monumental task of producing a 2-hour musical special in the same time it takes to produce a regular episode. "I can't begin to tell you how many times, how many takes we did of these enormous dance pieces," said Franks, but "not only were they [the cast] willing to do another take, but often times I would yell cut and they would just immediately say let's do another one." While most of the cast seemed to be able to carry a tune, including *Kurt Fuller* who claimed to be tone-deaf, *Corbin Bernsen* got off without singing a note. The special will air on Sun at 9pm, with USA hoping to release the digital soundtrack on iTunes a few hours after the East Coast premiere. — *Colin Surguine*

**Reviews:** "Youngstown Boys," premiere, Sat, 9p ET, **ESPN**. The all-sports net's usually terrific "30 for 30" doc series returns with the tragic tale of OH State tailback *Maurice Clarett*, who led the Buckeyes to the National Championship in '02 as a true freshman, an unheard-of achievement. Almost immediately after, though, he was suspended. The film implies the **NCAA** made an example of Clarett because he'd dared to consider leaving college after 1 year to turn pro. Clarett never played college ball again and his NFL dreams have been shattered. -- "Monsters & Mysteries in America," Season 2 premiere, Sun, 10p, **Destination America**. 'Ya gotta believe' scary creatures exist, like a half man-half goat, to watch this series. If not, you'll dismiss its stories as bunk. -- "Chosen," Season 2 premiere, Thurs, **Crackle**. This dark mystery series, whose six, 30-minute eps can be streamed in one sitting, has been Crackle's biggest hit. Deservedly so. In Season 2, *Ian Mitchell* (*Milo Ventimiglia*) again is dealing with a mysterious box—you receive it, a gun and a photo of someone you're supposed to kill. -- **A Holiday Thought:** Send a contribution to **The V Foundation for Cancer Research** during Jimmy V Week, as the **ESPN** nets raise funds during the 20th anniversary year of *Jim Valvano's* passing ([jimmyv.org](http://jimmyv.org)). - *Seth Arenstein*

Basic Cable Rankings (12/09/13-12/15/13)			
		Mon-Sun Prime	
1	ESPN	2.7	2573
2	DSNY	1.7	1665
2	USA	1.7	1663
4	HALL	1.6	1379
5	FOXN	1.5	1468
5	FAM	1.5	1409
7	HIST	1.4	1396
8	TBSC	1.3	1292
8	TNT	1.3	1226
10	A&E	1.2	1194
10	LIFE	1.2	1127
12	DISC	1.1	1079
12	FX	1.1	1039
14	DSE	1.0	74
15	HGTV	0.9	896
15	ADSM	0.9	853
15	NAN	0.9	836
18	AMC	0.8	825
18	BRAV	0.8	789
18	TVLD	0.8	759
18	ID	0.8	684
18	NFLN	0.8	543
23	TLC	0.7	727
23	FOOD	0.7	724
23	SYFY	0.7	719
23	SPK	0.7	662
23	CMDY	0.7	660
28	VH1	0.6	569
28	BET	0.6	533
28	DSJR	0.6	379
31	MSNB	0.5	502
31	TRU	0.5	478
31	APL	0.5	439
31	NGC	0.5	405
31	HMC	0.5	262
31	UDN	0.5	144
37	ESP2	0.4	429
37	EN	0.4	385
37	LMN	0.4	364
37	MTV	0.4	355
37	TRAV	0.4	341
37	H2	0.4	306
37	NKJR	0.4	286
37	DXD	0.4	286
37	OXYG	0.4	275
37	INSP	0.4	269

\*Nielsen data supplied by ABC/Disney

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