

# CableFAX Daily™

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What the Industry Reads First

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## Year Ahead: NCTA's Powell Talks Comm Act, Broadband and Online Video

2013 felt relatively quiet for cable on a public policy front. No big fires or hot button issues that drew a lot of Hill attention. And there was still plenty of work being done, much of it in tax policy, cyber security, energy consumption, basic tier encryption. Not the sexiest topics, but important. "2014 is going to be a lot busier than 2013," NCTA chief *Michael Powell* told us during a recent interview. "I think something will come to a head on cyber. We'll finalize our energy work. And there's a very active **FCC**," particularly in regards to its IP network proceeding. And then there's the **House E&C's** plan to begin work on an update of the Communications Act. Sure, there has been talk of this before, but with leadership laying it out as a priority, NCTA is taking this very seriously. But how do you tackle a rewrite when the sector is changing so rapidly? Powell believes it'll be much more difficult than the '96 Act, which had the **AT&T** consent decree guiding it. "I would still argue that a very substantial part of the '96 Act is about the telephone deregulation effort, basically untangling the court decree as the principal governing authority. Look how hard it was anyway, but there was something to work off of," the former FCC chmn said. "Markets were fundamentally ones that had been in existence for a century. And people were pretty familiar with cable, broadcasting. The Internet wasn't really in the conversation. It still took 4 years to write." Not surprisingly, Powell wants a light regulatory touch for any update. "I would argue a very creative, new act would be much simpler..." with breathing room for experimentation, he said. "The biggest mistake we could make is to create a whole new locked-in regulatory environment that we have to live with for 25 years knowing what we know about what could happen in 25 years." Does an update mean we need a govt definition to what an online video provider is? Not necessarily, said Powell, who stressed he hasn't made a decision one way or the other. Instead, he warned against regulating just for regulation's sake. "Even though I'm in a regulated industry, I would still very much defend the starting proposition that you've got to prove to me why they need to be regulated. These are vibrant services, growing fast... I think the arrival of those services, whether it's **Netflix** or anything else, has sharpened the cable industry to its better," he said, adding he's troubled by **Sen Commerce** chmn *Jay Rockefeller's* (D-WV) bill, which would apply Cable Act competition protections and more to online video providers. "You have to be really clear with me on what broken thing are you trying to fix. What burden are you trying to eliminate." Overall, NCTA's #1 priority always will be broadband, he said. "Getting broadband policy right and keeping

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it right is mission critical for every company in our membership,” Powell said, rattling off a list of upcoming issues on that front, including the fallout over whatever the court decides on **Verizon’s** net neutrality challenge.

**Tensions at NCTA?** With a messy **CBS-Time Warner Cable** dispute, growing calls for retrans reform and rising sports costs making headlines, the age-old question of whether **NCTA** can really continue to exist with a membership base of programmers and operators reared its head once again in 2013. “NCTA has a very special quality. It’s kind of an internal United Nations,” *Michael Powell*, the trade group’s pres/CEO, told us. Every group has tensions, he said, pointing to **CTIA**, which is composed of competitive companies that try to buy each other from time-to-time. At NCTA, “the leading network providers and the leading content creators come to the same table. They get to talk, and they get to yell. And they get to resolve and share a meal and go to a [Cable] Show and celebrate their story together. And that has more value than I could ever convey to you, even if I wrote a book,” Powell said. “Yes, stuff can get hot... People want to turn that into a story about weakening NCTA. I don’t agree because I see it firsthand. It can make them stronger, and frequently does.” NCTA’s position gets even more interesting with the possibility that some of its largest members could merge. Not only would the trade group possibly be involved in the process (such as the scope of appropriate conditions), but its members would be distracted. “Good luck trying to ask a company to send a witness to a video hearing while they have a merger pending. Not going to happen,” Powell said. “We often have an important role in doing more things for companies that they normally would do for themselves or would do with us that they can’t because of a merger pending.”

**Cable WiFi:** With nearly 28K WiFi hotspots, **Time Warner Cable** has grown WiFi hotspot coverage by 160% since a year ago. The latest launch is 500 hotspots in Myrtle Beach, SC. The MSO expects to add “thousands of additional hotspots” in ’14. Existing WiFi markets span Southern CA, NYC, Charlotte, Myrtle Beach, Austin, Kansas City and Hawaii. With the Cable WiFi initiative, TWC Internet subs with standard service and above can access other ISPs’ hotspots across the country.

**Online:** **Roku** is giving out Christmas presents early. Following the launch of a **YouTube** Channel on Roku, the **Time Warner Cable** TV channel on Roku was upgraded to include VOD. Other updates include a new scaled video window featuring a live stream of the last viewed channel, better browsing and VOD search functionality, all available for free for TWC subs.

**Advertising:** **The National Advertising Division** has recommended **Charter** revise or discontinue some superior performance and pricing claims in advertising. Having said that, NAD found that the MSO offered “a reasonable basis for certain claims” regarding its commercial phone features and for its HSD speed superiority claims when compared to DSL services offered by competitor **AT&T**. AT&T challenged Charter’s advertising, saying it’s not limited to comparisons to DSL but could be interpreted by consumers to compare Charter to all of AT&T’s business services, including U-verse. Upon a review, NAD recommended Charter identify AT&T DSL when making such claims and avoid general references to “AT&T” or “the phone company” when referring to Internet service, in areas where U-Verse is available and AT&T is the main telecom company.

**User Interface:** **Time Warner Cable** is accelerating the rollout of a new guide with cloud-based navigation services that seek to offer simplified navigation, more program information, a new VOD portal and better search capability. The new features are available on more than 2mln set-tops and will reach more than 6mln boxes by the end of next year.

**Social TV:** TV show companion app **zeebox** wants to expand viewer engagement with TV beyond the time they sit in front of the screen. An upgrade of zeebox’s MyTV app allows users to follow TV shows and chat with fans before



**Juicy.\***

\*Coming soon from CableFAX.

# BUSINESS & FINANCE

an episode airs. The app, which creates a personalized content feed based on the shows a user follows, is also expected to allow easy access to zeebox's TV Rooms. The company is trying to make its TV Rooms a hub for structured conversation around specific shows and to extend the reach to websites where TV fans congregate.

**From the Streets:** Speculation about DISH mulling a bid for wireless carriers like T-Mobile USA never dies. And as much as Wall Street analysts approve of Charlie Ergen's plan to add mobile broadband, they want clarity regarding DISH's spectrum, Wells Fargo analysts wrote in a report. Given Ergen's track record, "we are not concerned about him entering into a bidding war or overpaying for an asset," they said (recall DISH's bid for Clearwire earlier this year). Despite the M&A rumors, many still believe a DirectTV/DISH tie-up can happen. Should DISH enter into a telco deal, the timing of any deal between DISH and DirecTV "would be pushed that much further out," the analysts said.

**Ratings:** The Weather Channel's "Wake Up With Al" is averaging 86K in 25-54 since the network relaunch on Nov 12, up 30% vs the prior 5 weeks and +12% vs the same period last year. To learn more about Al Roker's take on weather programming, check out **CableFAX.com**.

## CableFAX Daily Stockwatch

Company	12/19 Close	1-Day Ch	Company	12/19 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
21ST CENTURY FOX:	33.97	0.51	GOOGLE:	1086.22	1.47
DIRECTV:	65.93	(0.56)	HARMONIC:	6.90	0.02
DISH:	55.83	0.54	INTEL:	25.14	(0.01)
DISNEY:	72.97	0.77	JDSU:	12.36	(0.03)
GE:	27.32	(0.09)	LEVEL 3:	31.99	1.39
<b>MSOS</b>					
CABLEVISION:	17.16	0.68	MICROSOFT:	36.25	(0.33)
CHARTER:	129.12	(1.22)	MOTOROLA MOBILITY:	14.97	0.06
COMCAST:	50.78	0.51	NIELSEN:	45.13	(0.01)
COMCAST SPCL:	48.72	0.40	RENTRAK:	36.01	0.23
GCI:	9.82	(0.12)	SEACHANGE:	11.62	(0.03)
LIBERTY GLOBAL:	85.64	0.93	SONY:	17.48	(0.07)
LIBERTY INT:	28.22	(0.18)	SPRINT NEXTEL:	9.24	0.29
SHAW COMM:	23.74	0.16	TIVO:	12.35	(0.28)
TIME WARNER CABLE:	133.74	(0.75)	UNIVERSAL ELEC:	37.55	(0.67)
<b>PROGRAMMING</b>					
AMC NETWORKS:	63.31	0.62	VONAGE:	3.10	(0.01)
CBS:	60.72	0.93	YAHOO:	40.20	0.16
CROWN:	3.36	(0.02)	<b>TELCOS</b>		
DISCOVERY:	86.32	0.03	AT&T:	34.45	0.07
GRUPO TELEVISA:	29.48	0.25	VERIZON:	48.43	(0.04)
HSN:	61.50	0.06	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	68.49	8.40	DOW:	16179.08	11.11
LIONSGATE:	30.21	0.80	NASDAQ:	4058.14	(11.93)
MADISON SQUARE GARDEN:	55.03	0.13	S&P 500:	1809.60	(1.05)
SCRIPPS INT:	83.36	0.45			
STARZ:	28.18	0.65			
TIME WARNER:	67.90	0.30			
VALUEVISION:	6.63	(0.14)			
VIACOM:	84.32	0.75			
WWE:	15.06	(0.05)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.54	0.06			
ALCATEL LUCENT:	4.54	(0.03)			
AMDOCS:	40.95	0.13			
AMPHENOL:	87.03	(0.18)			
AOL:	43.82	(0.52)			
APPLE:	544.46	(6.31)			
ARRIS GROUP:	21.82	(0.34)			
AVID TECH:	8.09	(0.06)			
BLNDER TONGUE:	0.93	0.03			
BROADCOM:	28.74	0.14			
CISCO:	21.07	0.07			
CONCURRENT:	7.58	(0.09)			
CONVERGYS:	20.75	(0.13)			
CSG SYSTEMS:	29.19	(0.27)			
ECHOSTAR:	46.74	(0.24)			

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## PROGRAMMER'S PAGE

### ICYMI: Our Favorite New Shows of '13

With cable nets putting out record numbers of originals and the abundance of quality programs from OTT, there was more to watch on TV than our multi-room DVRs and high-speed connections could keep up with. Here's a rundown of the **CableFAX** team's favorite debuts of '13. **Michael Grebb:** *Nick Kroll* is a comedic chameleon on **Comedy Central's** "Kroll Show" where characters range from the neurotic *Liz* pair of PR firm "Publizity" to the vapid Beverly Hills trust funders known as "Rich Dicks." Consistently biting and hilarious. Then there's the scheming Sen *Frank Underwood* (*Kevin Spacey*), whose Machiavellian malevolence knows no boundaries on **Netflix's** "House of Cards." **HBO's** "Vice," meanwhile, is the best news program you're probably not watching. **Joyce Wang:** The best thing about **A&E's** "Bates Motel" is nothing is what it seems and the twisted mother and son might be the town's most normal residents. "Total Divas" on **E!** is my new guilty pleasure. All the usual reality TV drama aside, it felt more real than other shows in its demo. **Seth Arenstein:** I liked a pair of small-town-based crime series, where everyone had something to hide and nobody was above suspicion: **BBC America's** tense, beach-resort mini-series "Broadchurch" and **Sundance's** "Top of the Lake," whose New Zealand locale seemed too bucolic for crime, but wasn't. And then there's HBO's "Getting On," an exceedingly dark comedy about nurses caring for elderly women in a dysfunctional hospital. **Amy Maclean:** In a glut of late night shows, **TBS' "Pete Holmes Show"** is easily missed. Too bad. The comedian's sincerity makes it a winner. Also refreshing to see different guests than the celebs on the talk show circuit promoting projects. For my drama fix, it's **Showtime's** "Ray Donovan." *Liev Schreiber's* Globe nom is well deserved. **Colin Surguine:** I'm all about the action and **FX's** "The Americans" is just that. Married covert Cold War enemy spies live in Washington, DC, fulfilling missions for the Soviet Union while maintaining their American persona of a loving family with a white picket fence. **History's** "Vikings," pays great detail to Viking history while mixing in some grisly action sequences. **Kaylee Hultgren:** HBO's "Hello Ladies" and "Derek" on Netflix are comedic gold from *Ricky Gervais*, *Stephen Merchant* and their cohorts—who, incidentally, are the highlight of "Derek" despite Gervais's moving performance as a loyal caretaker in a home for the elderly. As for "Ladies," watching the 6-foot-7 Merchant approach LA's army of unavailable actresses is irresistible stuff. **Sundance's** "Rectify" masters an intense, meditative beauty as it explores one man's return home after 19 years on death row.

**Reviews:** "Masters of Sex," season finale, Fri, 8p, **Showtime**. It seems appropriate as we bid farewell to 2013 that 2 fine cable series end also, one temporarily. "Masters" began tentatively but gained considerable depth and viewers (premiering at 1mln, ending last Sun at 1.2mln). It's become a rich sociological exploration of American morals during the late 50s. The professional and private lives of *William Masters* (*Michael Sheen*) and *Virginia Johnson* (*Lizzy Caplan*) are interesting, as are those around them, including a university chief who considers shock therapy to 'cure' his homosexuality. Caplan and Sheen are marvelous, so too are *Allison Janney*, *Beau Bridges* and *Caitlin Fitzgerald* in supporting roles. — "Treme," Sun, 9p, **HBO**. This post-Katrina New Orleans series ends permanently after 4 seasons 12/29. Sun's penultimate ep is a musical gem, beginning with a cover of "Sing, Sing, Sing," featuring *Duke Heitger's* trumpet. Food and family get their due, the latter with a touching farewell to a loveable curmudgeon. It's too late now for newcomers to fully appreciate Treme, but a look-in Sun might whet their appetite to visit HBO Go. -- "Buying Log Homes," premiere, Sat, Dec 28, 10p, **Destination America**. Viewers follow couples deciding which log home to purchase. The series' snappy pace, interesting narration, gorgeous footage and rustically beautiful homes could become an addiction. - *Seth Arenstein*

### Basic Cable Rankings (12/16/13-12/22/13)

	Mon-Sun	Prime	
1	ESPN	2.7	2608
2	HALL	1.9	1601
3	DSNY	1.7	1625
4	USA	1.6	1603
5	A&E	1.5	1440
5	FX	1.5	1410
7	FOXN	1.4	1394
8	HIST	1.3	1282
8	TBSC	1.3	1278
8	NFLN	1.3	960
11	FAM	1.2	1166
11	AMC	1.2	1154
11	DISC	1.2	1139
14	TNT	1.1	1082
14	LIFE	1.1	1078
16	DSE	1.0	75
17	ADSM	0.9	888
17	BRAV	0.9	869
17	HGTV	0.9	866
20	NAN	0.8	751
20	FOOD	0.8	744
20	ID	0.8	687
23	TLC	0.7	719
23	SYFY	0.7	682
23	TVLD	0.7	667
23	SPK	0.7	657
27	CMDY	0.6	629
27	BET	0.6	529
27	DSJR	0.6	361
30	MSNB	0.5	511
30	APL	0.5	499
30	VH1	0.5	487
30	TRU	0.5	448
30	H2	0.5	313
35	NGC	0.4	346
35	CNN	0.4	346
35	EN	0.4	345
35	MTV	0.4	342
35	LMN	0.4	336
35	OXYG	0.4	328
35	OWN	0.4	295
35	NKJR	0.4	290
35	INSP	0.4	268
35	HMC	0.4	203
45	ESP2	0.3	310
45	TRAV	0.3	306
45	WE	0.3	277
45	GSN	0.3	253
45	DXD	0.3	237
45	SCI	0.3	211
45	UP	0.3	210
45	MIL	0.3	187
45	TNNK	0.3	186
45	WGNA	0.3	184
45	DAM	0.3	182
45	NBAT	0.3	164
45	NGWD	0.3	147
45	FOXD	0.3	69

\*Nielsen data supplied by ABC/Disney