

CableFAX Daily™

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What the Industry Reads First

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Boxing Day: Cablevision Files Lawsuit Against CWA District 1, Local 1109

Cablevision has filed a lawsuit against CWA Union District 1 and Local 1109, alleging they've made "false and defamatory claims" about the speed and quality of Cablevision's Internet service in Brooklyn. The MSO said the union has ignored repeated cease and desist requests. The complaint, filed Wed in the Supreme Court of the State of NY, Nassau County, claims the defendants have been engaged in an unlawful campaign to discredit and libel Cablevision and its business since Oct. Specifically, the union has said CVC's Internet speeds in Brooklyn are 25% slower than its speeds in the Bronx, and generally slower than in the rest of NYC, the complaint said. "These statements are patently false. As Defendants are aware, Cablevision delivers services over identically provisioned, substantively equivalent infrastructure to both Brooklyn and the Bronx, and its Internet speeds in Brooklyn are comparable to its other services in NYC," CVC told the court. The MSO said it has received letters of concern from elected officials as a result. In talking about speed, CWA has cited **SpeedMatters.org**, a Website it sponsors. In the lawsuit, Cablevision questioned the site's ability to accurately measure speeds, partly because tests are conducted outside of its network and because it relies in part on servers located thousands of miles from Brooklyn. "Data collected from CWAs SpeedMatters.org consistently shows slower speeds for Cablevision's Brooklyn customers," said *Tim Dubnau* of CWA. "The actions and statements of *James Dolan* and Cablevision executives couldn't be clearer: Dolan's threats to technicians that he would 'leave Brooklyn behind' in technology because of workers' votes to join CWA and Cablevision's refusal to offer automatic refunds to customers after Sandy shows that Dolan is abusive to both workers and customers. James Dolan can file all the bogus lawsuits he wants, we won't be bullied and will continue to advocate for Cablevision workers and customers." CWA represents a small number of employees at a Cablevision facility in Brooklyn. The bargaining process is ongoing between management and the union. In late June, after much publicity leading up to the vote, Cablevision technicians in the Bronx voted 123-41 against joining the CWA union. Cablevision also has accused the defendants of misrepresenting its rebate policy following Hurricane Sandy. Cablevision offered a rebate to all customers who reported a loss of service from the storm, even if it was due to a loss of power. In a *New York Daily* news article, Cablevision said Dubnau was quoted as saying the MSO's policies promote "the inhuman argument that people with no power, no heat and nothing left need to find a way to drive somewhere, charge

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Wednesday — January 11, 2012 What the Industry Reads First Volume 23 / No. 006

OTT Musings: Stakeholders Debate Evolving Content Delivery at CES

With the **Comcast/Disney** distribution deal a harbinger for TV Everywhere and Fox's move last summer to put select content behind a pay wall, panelists mulled the ins and outs of over-the-top delivery at an OTT panel at CES. "The tablet, the device, is going to control the TV experience at U-verse," said *Jeff Weber*, AT&T VP, product and strategy, noting the company's drive into tablet apps and model of providing APIs for developers to send content from device to television. But discernment is critical, panelists agreed. While AT&T has an approval process in place, YouTube abandoned its API-based partnership model two years ago "because we ended up with different apps on different TV, and performance differed," said *Francisco Valera*, dir/global head of platform and games partnerships. "Touting YouTube's deals with Samsung, LG and its new XBox partnership, 'I can't control the app, and update features quickly, it's a lost cause,' he said. YouTube's recent-day model of investment in original content will stretch the company's presence in specific categories such as "niche cooking and unique travel" channels. "We don't see ourselves becoming a large studio, but we're more than dogs on skateboards," Valera quipped. "We want to bring in proven providers of broadcast quality content that's not sustainable in the cable universe." Valera said YouTube is working on its fourth UI, and moving toward the HTML 5 standard. Noting that unlike other video distributors YouTube always owns its TV and mobile content rights. "Can we bring our content to an AT&T, Cox or Comcast? We can, and that's where we are excited," he said. Initial deals with distributors are rolling out in Europe and Asia, he said. At Cox, focus remains on the UI. "It's important to get the user interface right, especially as more content is added in," said *Lisa Pickelsimer*, executive director, video product development. Integrated search, recommendations and social media will become more key, Pickelsimer said, noting the bigger role of metadata and the need for standards in referencing content. Social media is tricky, she noted. "Just because we are friends on Facebook doesn't mean we share content interests." Social TV is a top of mind at Sony, said *Shawn Laydon*, Sony Networked Entertainment COO. A goal of the **Playstation** Network is to enable cameras and other interfaces to let users share a more dynamic real-time experience than just pausing to tweet a score," Laydon said. But AT&T's Weber sounded a more reluctant note. "It's not an experience our customers want... It seemed so forced on the TV," he said. "Part of what drove U-verse-enabled [device] thinking is now you have a device that knows what you're watching and it is a more natural social environment." — *Cathy Applefeld Olson*

ABC Exec Session: As with Fox (*Clax*, 1/10), ABC's TCA presentation offered further evidence to how the Big 4 are keeping an eye on cable. *Paul Lee* accentuated the positive Tues, praising ABC hits like "Revenge" and "Once Upon a Time" but also giving props to his cable sensibility Lee, who famously supercharged **ABC Family** before taking over as pres, **ABC Ent** in Aug '10, partially credited a cable-like push for *Once*. [ABC exp. planning and scheduling] *Jeff Bader* did a

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their cell phones and call Cablevision to inform the company that they have no service.” CVC said defendants were “well aware” that customers had 30 days after the restoration of their service to report any outage, and that it placed a robocall to tens of thousands of customers further damaging the company’s reputation. Another NYC-area MSO, **Time Warner Cable**, opted for automatic credits because of Sandy. The robocall stated that it’s from CWA and informed customers that they can press 1 to be connected directly to Cablevision. “CWA Union represents Cablevision’s technicians and we are providing this information to support our neighbors who may be entitled to a refund by Cablevision,” the message said. The 2 also clashed after the **Lustgarten** fundraiser for pancreatic cancer research earlier this month, with about 18 union protesters outside the event (**Cfax**, 12/10).

Retrans: As Dec 31 nears, the retrans skirmishes begin popping up. **Media General** has started warning **Time Warner Cable** subs that they could lose stations if a new deal is not reached by 11:59pm ET on Dec 31. Potentially impacted markets include: Charleston, SC (**NBC, CW**), Raleigh/Durham (NBC, **Antenna TV**), Columbus, OH (NBC, **MeTV**), Greenville-New Bern, NC (**CBS, CW**), Greenville-Spartanburg, SC (CBS), Myrtle Beach-Florence, SC (CBS, MyNet), Savannah, GA (NBC, MyNet, MeTV) and Tri Cities TN/VA (CBS). Time Warner Cable claims the broadcaster seeking a price increase of up to 200%, while Media General says it’s seeking a fair market price. Media General has recently struck deals with **Mediacom** and **DirectTV**. TWC is telling subs that if the channels go dark, NBC national primetime programming will continue to be available on VOD for no additional cost. It also noted that NBC (which will have some NFL playoffs) and CBS (which has the Super Bowl) have announced plans to carry their games online. -- **Morgan Murphy Media** is telling **DirectTV** customers in Yakima, Pasco and Richland, WA, as well as Madison, WI, that they could lose the stations Jan 1. DirecTV said on its DirecTVPromise.com site that those stations’ deals don’t even expire until next year. While it said it expects to come to an agreement, it recommended customers buy a digital antenna for over-the-air reception so they won’t have to worry about “any station owner’s threats or blackouts anymore.” Morgan Murphy and DISH had a spat earlier this year, with stations returning in less than a day.

Remembering Mooney: The cable industry is mourning the loss of *Jim Mooney*, former **NCTA** pres/CEO, who passed away at his home on Bainbridge Island, WA, Fri following a long illness. He was 69. Mooney served as head of NCTA from '84 to '93, and was the industry’s principal strategist in the effort that resulted in the Cable Deregulation Act in '84. “Jim’s leadership in Washington aided in enabling development of the modern cable industry. During his tenure, cable saw a dramatic rise in the number of households subscribing to multichannel video as well as the appearance of precursors to many of today’s consumer-friendly and highly-interactive services and technologies,” said current NCTA chief *Michael Powell*. Mooney went on to form communications firm **JLM Partners** with his wife, *Louise Mooney*. He is survived by Louise and his son, *James Mooney IV*. Memorial contributions can be made to the **Hospice Kitsap County** in Bremerton, WA.

At the Portals: **Free Press** slammed the **FCC**’s proposal to relax its media ownership rules, again. In comments filed at the Commission, the public interest group said the FCC’s recent report on the ownership of commercial broadcast stations confirmed that women and people of color remain “disproportionately underrepresented” in broadcast ownership, with some numbers still moving in the wrong direction. “The FCC must thoroughly examine and analyze its broadcast ownership data, and then act accordingly to promote and protect diversity instead of allowing it to disappear. It must go beyond capturing a snapshot of the state of ownership, and actually study the impact proposed rule changes would have on opportunities for women and people of color. Seeing that complete picture would make it all too clear that the FCC cannot justify further relaxing these rules,” the group’s policy dir *Matt Wood* said in a statement. -- The **FCC** Media Bureau partially granted a request by the **Natl Assoc of Telecom Officers and Advisers** to extend the reply comment deadline for Cable Television Technical and Operational Requirements. NATOA requested the Jan 7 deadline be extended by 5 weeks to allow for additional time to compile records in response to commenters. The Bureau believed extra time was warranted, but that 5 weeks was unnecessarily long. It extended the deadline 18 days, until Jan 25. -- The Consumer and Governmental Affairs Bureau extended the deadline for comments on 12 petitions for exemption from the **FCC**’s closed captioning requirements for video programming. Comments and oppositions will now be due Jan 14 instead of Dec 31. Reply comments are due Feb 4. Consumer Groups filed a joint request to extend the deadline, saying their counsel’s offices at the **Institute for Public Representation** will be closed Dec 24-Jan 1.

BUSINESS & FINANCE

Deals: Time Warner Cable, Charter and Suddenlink are said to still be in the running for **Optimum West**, the former **Bresnan** systems purchased by **Cablevision** in '10. **Bloomberg** reported that the companies had made offers, but a deal isn't expected to be announced until Jan or Feb.

Netflix Outage: The **Netflix** outage on Christmas Eve due to issues with **Amazon's** Web service was resolved on Christmas Day. "Special thanks to our awesome members for being patient. We're back to normal streaming levels..." the streaming service said on its **Twitter** and **Facebook** page Tues. The outage affected subs across the US, Canada and Latin America. The problem was the result of an outage at an Amazon Web Services' cloud computing center in VA.

Ratings: The **NBA's** 5-game Christmas Day scheduled scored big numbers for the NBA on **ESPN**, according to **Nielsen's** overnight ratings. Christmas Day '12 was the highest-rated tripleheader ever on ESPN, averaging a 2.1 rating, up 17% from a 1.8 in '10. Meanwhile, **Denver Nuggets** vs. **L.A. Clippers** generated a 2.0 overnight rating, up 54% vs. **Portland Trail Blazers vs. Golden State Warriors** in '10. That made the game the 2nd highest-rated ESPN Christmas Day primetime game ever. -- Check out **CableFAXDaily.com** for the latest rankings on top shows for 18-49s and top DVRed programs.

CableFAX Daily Stockwatch

Company	12/26 Close	1-Day Ch	Company	12/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	49.55	(0.59)	CONVERGYS:	16.29	(0.02)
DISH:	35.00	(0.14)	CSG SYSTEMS:	18.42	(0.24)
DISNEY:	49.83	(0.05)	ECHOSTAR:	33.95	(0.76)
GE:	20.77	(0.06)	GOOGLE:	708.42	(1.08)
NEWS CORP:	25.52	(0.19)	HARMONIC:	4.97	(0.02)
MSOS					
CABLEVISION:	14.94	0.04	INTEL:	20.65	0.01
CHARTER:	73.30	(0.13)	JDSU:	13.34	0.18
COMCAST:	37.25	(0.11)	LEVEL 3:	22.66	(0.26)
COMCAST SPCL:	35.84	(0.16)	MICROSOFT:	26.84	(0.22)
GCI:	9.39	(0.01)	RENTRAK:	19.45	(0.19)
LIBERTY GLOBAL:	61.75	(0.53)	SEACHANGE:	9.63	(0.01)
LIBERTY INT:	19.18	(0.35)	SONY:	11.11	0.20
SHAW COMM:	22.61	0.04	SPRINT NEXTEL:	5.55	0.05
TIME WARNER CABLE:	96.06	(0.68)	TIVO:	12.34	(0.03)
VIRGIN MEDIA:	36.31	(0.38)	UNIVERSAL ELEC:	18.59	(0.29)
WASH POST:	360.36	(0.4)	VONAGE:	2.29	0.02
PROGRAMMING					
AMC NETWORKS:	49.62	(0.44)	YAHOO:	19.59	(0.06)
CBS:	37.32	(0.15)	TELCOS		
CROWN:	1.78	(0.08)	AT&T:	33.77	0.03
DISCOVERY:	63.07	(0.14)	VERIZON:	43.38	(0.16)
GRUPO TELEVISIA:	26.12	(0.11)	MARKET INDICES		
HSN:	53.91	(1.26)	DOW:	13116.66	(22.42)
INTERACTIVE CORP:	45.96	(0.55)	S&P 500:	1419.96	(6.7)
LIONSGATE:	15.71	(0.17)			
LODGENET:	0.09	0.01			
OUTDOOR:	7.51	(0.01)			
SCRIPPS INT:	56.76	(0.76)			
TIME WARNER:	47.53	0.08			
VALUEVISION:	1.81	(0.03)			
VIACOM:	53.27	(0.36)			
WWE:	7.89	(0.06)			
TECHNOLOGY					
ADVANTAGE:	1.95	(0.05)			
ALCATEL LUCENT:	1.37	(0.01)			
AMDOCS:	34.11	(0.24)			
AMPHENOL:	64.55	(0.16)			
AOL:	30.04	(0.13)			
APPLE:	512.87	(7.3)			
ARRIS GROUP:	15.06	(0.05)			
AVID TECH:	7.55	(0.03)			
BLNDER TONGUE:	1.06	(0.08)			
BROADCOM:	32.84	(0.27)			
CISCO:	19.88	0.05			
CLEARWIRE:	2.87	(0.01)			
CONCURRENT:	5.28	0.07			

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Think about that for a minute...

A Mayan Miscalculation

Commentary by Steve Effros

It's amazing how this happens. Once a year around this time I have to write "end of year" pieces, like every other columnist, and with the exception of the movie critics, who get to write their "Best 10" lists, all the rest of us know that the odds of being read, around Christmas or New Year are pretty poor.

One friend sent out a piece last week excusing the comments he was imparting on the basis that he didn't really expect to have to write a column



because the Mayan calendar makers had foretold that the world would end, conveniently eliminating the need. Didn't happen. Everyone seems to have missed the point on the Mayan thing. The Mayan prognosticators were right, their calendar was wrong. They

miscalculated. Their civilization did end...a long time ago. The prognosticators had the events right, they just didn't know when they were going to actually happen.

Does that sound familiar? For instance, how many of you are old enough to remember the "analysts" saying that radio would be the end of newspapers, or television would be the end of radio, or cable would finish off the television industry, and now, that "over the top" will kill cable? Of course these foretellings all put timetables on events that have proved wrong. To be sure, all of those industries have had to change because of the introduction of the others, and they still are. It's also true that over time many papers have seen their demise, and the radio stations have had to consolidate as they changed. Television stations are about to go through the same thing with the upcoming auctioning of the spectrum and cable has been morphing almost constantly in response to its newest service offering; broadband. But the Armageddon-like prognostications have had just one consistent attribute; they have all been essentially wrong.

Why do we do that? Why do we "buy in," especially the consumer press and to some degree the stock market, to the notion that the introduction of new technologies will quickly eliminate the old ones and those who are part of them? The only real way that happens is when government jumps in and says that the "old" player should not be allowed to participate in the "new" technology. If AT&T and its progeny had not been allowed to get into the "wireless" phone business, then yes, they would be in very serious straits today. But the "phone" business is still fine.

If newspapers were not allowed to use the Web to disseminate their information, or the magazines that are in many cases now moving to "all electronic" printing were not allowed to do so, then it's certainly true those players would see a lot of casualties. But that's not what's happening. Those who compete based on the information they provide are in many cases moving with the advances in the technologies to deliver their information. That's a good thing.

And industries like cable, competing to be the delivery infrastructure, are in constant "upgrade" mode to deliver not only in the format folks have found most useful, for instance the aggregated package of program channels, but also the broadband Internet a la carte for those programmers and users wanting to sell or consume that way.

As we end 2012 there's one thing that's clear, except to the Mayans; it's not the calendar that makes the difference. It's what we do, how we do it, and a willingness to compete. We'll all be just fine.

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Final Deadline:
December 28, 2012

CableFAX's Best of the Web Awards is the industry's top honor in the digital space, recognizing outstanding websites and digital initiatives among cable programmers, operators, industry partners. The CableFAX Best of the Web Awards will also salute the cable executives behind the scenes who make these digital initiatives shine.