

# CableFAX Daily™

Monday — March 3, 2014

What the Industry Reads First

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## STELA Week: Clean Bill No More

With the Satellite Television Extension and Localism Act (STELA) set to partially sunset at year-end, reauthorization takes center stage on Wed in a hearing of Rep Greg Walden's (R-OR) House communications subcmte. Witnesses include **NCTA** pres/CEO *Michael Powell*, **DirectTV** evp *Mike Palkovic*, **TiVo** svp/general counsel *Matt Zinn*, and *Marci Burdick*, svp of broadcasting at **Schurz Communications**. We're told a bill might drop before the hearing and as early as Mon. And despite Walden's earlier intention to keep the bill clean (**Cfax**, 12/5), the expected legislation would include a few video items in addition to the reauthorization, most notably provisions that would allow distributors to sell basic programming packages without the basic broadcast tier. That means retrans consent stations wouldn't be guaranteed a spot in the must-buy tier. **NAB** will likely fight the provision, which prompted broadcaster coalition **TVFreedom** to issue a statement Fri: "We are outraged by stealth efforts of pay-TV to eliminate consumer access to broadcast TV on the basic cable tier." Also expected in the coming bill: Elimination of the set-top integration ban and the "sweeps week" rule that applies during retrans disputes. Walden has indicated his reluctance to add video items to the reauthorization: "Our cable laws are in need of updating... but the satellite reauthorization is not the time or place for that debate," he said in a speech late last year. Other subcmte members such as ranking member *Anna Eshoo* (D-CA) don't want to push retrans reform into other venues such as the Communications Act overhaul, an initiative led by Walden and House Commerce head *Fred Upton* (R-MI). Meanwhile, Walden's counterparts are also on the move: Leaders from both sides of the aisle at Senate Commerce and communications subcmte recently sent a letter to a diverse array of stakeholders, including satellite TV, broadcasters, cable TV, online video and broadband service providers, asking for input on how legislators should proceed. The letter from Sens *Jay Rockefeller* (D-WV), ranking member *John Thune* (R-SD), subcmte chair *Mark Pryor* (D-AK) and ranking member *Roger Wicker* (R-MN) raises questions about whether to clarify the definition of good faith negotiations, extend competitive protections for traditional TV providers to online video providers, pursue retrans reform and address rising cable rates. And don't forget **Aereo**. The Supreme Court's decision on the battle between the over-the-air service provider and broadcasters might impact the STELA reauthorization process, as several analysts suggested. The court will hear oral arguments on April 22.

**CableFAX** webinar

Tuesday, March 25, 1:30-3:30pm ET

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# *T. Howard Foundation*

## **21<sup>st</sup> Annual Diversity Awards Dinner**

Wednesday, March 26, 2014

Partnering with media industry leaders to promote diversity

### *Recipients*

#### **CORPORATE EXCELLENCE AWARD**

**Turner Broadcasting System, Inc.**

Accepted by **John Martin**

Chief Executive Officer



#### **INNOVATIVE PROGRAM AWARD**

*for Internet Essentials*

**Comcast|NBCUniversal**

Accepted by **David L. Cohen**

Executive Vice President, Comcast Corporation



#### **CHAMPION AWARD RECIPIENT**

**Salaam Coleman Smith**

President, Strategic Initiatives, NBCUniversal Cable Entertainment

#### **DINNER CHAIRS**

**Coleman Breland**

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Turner Network Sales

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**Ray Hopkins**

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VP, Community Investment,

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For further information, including table prices, please call Maria Ducheine at (212) 997-0100, Ext. 214 or e-mail at [mducheine@projectsplusinc.com](mailto:mducheine@projectsplusinc.com)

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**Hero Monday:** The Military Channel officially changed its name to **American Heroes Channel** on Mon. Day 1 programming includes new series like “Against All Odds” and “Raw War.” With the new name comes “a whole new graphic and look... and new color scheme” across linear and digital platforms, AHC gm *Kevin Bennett* told us Fri. Beyond that, “there is this tone that purveys this feeling of heroism, this feeling of connection to our heroes, American heroes, that viewers will get right away,” he said. Targeting a broader audience, the renamed channel seeks to “bring younger viewers in and to hopefully inspire some co-viewing,” he said. AHC is still going to be a male-skewing network but by bringing “a little more heart and motion,” the net hopes to inspire some co-viewing, he said. The target demo is 25-54, although it’s probably at the older end of the demo (e.g. 35-54), Bennett acknowledged. Parent **Discovery Comm** pres/CEO *David Zaslav* called the new net “an exciting intersection of military and history programming” when the rename was announced in Jan. That means continuing the legacy of telling military stories, but through a historical lens, Bennett explained.

**C-SPAN:** Congress is “generally receptive” to the **Comcast/Time Warner Cable** merger, although legislators would look at local issues to determine whether there’s market dominance or a “disproportionate share of concentration,” Rep *Joe Barton* (R-TX), former House Commerce chmn, said during a **C-SPAN**’s “The Communicators” program on Feb 26. When it comes to FCC chmn *Tom Wheeler*’s decision to draft new net neutrality rules following the court’s ruling that struck down key parts of the Open Internet Order, Barton said the agency “just doesn’t get it.” The proposed rules “will be struck down again in court, or by the Congress,” he said. Citing **Netflix** as the biggest Internet traffic generator, Barton said “obviously Netflix should pay more than somebody who uses the Internet once a month... At some level they [ISPs] should be allowed to charge based on volume...” he said.

**Liberty Speaks:** **Comcast** might have submitted a better bid for **Time Warner Cable**, but **Charter** majority shareholder **Liberty Media** isn’t taking any option off the table, CEO *Greg Maffei* said during the company’s earnings call Fri. As to what exactly the option might be, it depends on “how onerous the conditions [to win regulatory approval] will be, not only for Comcast but for the industry as a whole,” he said. Liberty and Charter had “some talks of other forms of consolidation,” he acknowledged. Execs will be watching closely how the merger proceeds, he said. Liberty posted 4Q operating income of \$189mln versus a \$60mln loss in the year-ago period. Revenue increased by \$981mln to \$1.03bln, largely thanks to the consolidation of **SiriusXM** revenue.

**Carriage:** **BBC World News** scored a carriage deal with **AT&T U-Verse**. As a result, the net is now in more than 30mln homes in the US.

**Internet Essentials:** **Comcast** is scheduled to release the 3rd annual progress report on its Internet Essentials program this week. *David Cohen*, evp, will share details of the report and make an announcement about the future of the program during a press call on Tues.

**Research:** 4Q 2013 marks the highest number of combined CMTS and CCAP shipments on record, thanks largely to a 192% sequential jump in CCAP channel shipments, **Infonetics Research** said. Despite an 11% revenue bump in 4Q, the combined worldwide CMTS, CCAP, and edge QAM market was down 8% in 2013 YOY to \$1.3bln. The research firm now expects the global CMTS, CCAP and edge QAM market will grow to \$1.7bln in 2018, representing a 5-year compound annual growth rate of 5%.

**Ratings:** The season 2 premiere of **History**’s scripted drama “Vikings” averaged 3.6mln total viewers Thurs night, 1.8mln 25-54, 1.7mln 18-49, 1.2mln men 25-54 and 1.1mln men 18-49. Digitally, the premiere was **Twitter**’s most discussed cable show for the night, up 28% versus season 1’s debut and was the net’s most tweeted about premiere year-to-date, according to **Nielsen SocialGuide**. -- Thurs night’s season 3 premiere of **WE tv**’s original series “Mary Mary” drew nearly 1mln total viewers, up 62% over the season 2 premiere.

**Programming:** **USA**’s new comedy “Playing House” will premiere April 29, immediately following comedy series “Modern Family” with 2 back-to-back eps. Following the debut, the series will resume the half-hour ep every Tues starting May 6.

**On the Circuit:** **The Cable Academy** set for March 12-13 in Harrisburg, PA, features keynote speakers including **Comcast** evp *David Cohen*, **ACA** pres/CEO *Matt Polka*, **CTAM** pres/CEO *John Lansing* and *Matt Berry*, chief of staff for **FCC** republican commish *Ajit Pai*.

### CableFAX Week in Review

Company	Ticker	2/28 Close	1-Week % Chg	YTD %Chg
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**BROADCASTERS/DBS/MMDS**

21ST CENTURY FOX:	FOXA	33.54	1.82%	(4.63%)
DIRECTV:	DTV	77.60	3.44%	12.37%
DISH:	DISH	58.84	1.59%	1.59%
DISNEY:	DIS	80.81	0.85%	5.77%
GE:	GE	25.47	2.13%	(9.13%)

**MSOS**

CABLEVISION:	CVC	17.60	9.32%	(1.84%)
CHARTER:	CHTR	126.77	1.35%	(7.3%)
COMCAST:	CMCSA	51.69	1.25%	(0.54%)
COMCAST SPCL:	CMCSK	49.90	1.45%	0.03%
GCI:	GNCMA	10.41	2.56%	(6.64%)
LIBERTY GLOBAL:	LBTYA	86.55	(0.01%)	37.47%
LIBERTY INT:	LINTA	29.20	(2.24%)	(0.51%)
SHAW COMM:	SJR	23.15	1.62%	(4.89%)
TIME WARNER CABLE:	TWC	140.35	(0.14%)	3.58%

**PROGRAMMING**

AMC NETWORKS:	AMCX	76.02	9.52%	11.61%
CBS:	CBS	67.08	1.54%	5.24%
CROWN:	CRWN	3.35	(0.89%)	(5.1%)
DISCOVERY:	DISCA	83.32	0.62%	(7.85%)
GRUPO TELEVISIA:	TV	29.41	1.94%	(2.81%)
HSN:	HSNI	57.35	0.31%	(7.95%)
INTERACTIVE CORP:	IACI	77.53	4.26%	12.94%
LIONSGATE:	LGF	30.75	(0.71%)	(2.87%)
MADISON SQUARE GARDEN:	MSG	57.01	(2.56%)	(0.99%)
SCRIPPS INT:	SNI	81.24	0.67%	(5.98%)
STARZ:	STRZA	31.98	2.66%	9.37%
TIME WARNER:	TWX	67.13	3.71%	(3.71%)
VALUEVISION:	VTV	5.59	(3.29%)	(20.03%)
VIACOM:	VIA	87.76	0.90%	(0.01%)
WWE:	WWE	22.92	(7.09%)	38.24%

**TECHNOLOGY**

ADVANTAGE:	AEY	2.83	(3.41%)	5.20%
ALCATEL LUCENT:	ALU	4.28	0.47%	(2.73%)
AMDOCS:	DOX	44.48	(0.13%)	7.86%
AMPHENOL:	APH	88.02	(0.16%)	(1.3%)
AOL:	AOL	43.78	0.32%	(6.09%)
APPLE:	AAPL	526.24	0.19%	(6.2%)
ARRIS GROUP:	ARRS	28.70	(3.46%)	17.91%
AVID TECH:	AVID	6.60	(4.62%)	(19.02%)
BLNDER TONGUE:	BDR	1.03	21.06%	2.90%
BROADCOM:	BRCM	29.71	(3.41%)	0.20%
CISCO:	CSCO	21.80	(1.49%)	(2.81%)
CONCURRENT:	CCUR	8.26	(3.95%)	1.10%
CONVERGYS:	CVG	20.47	2.35%	(2.76%)
CSG SYSTEMS:	CSGS	28.00	5.18%	(4.76%)
ECHOSTAR:	SATS	49.82	7.16%	0.20%
GOOGLE:	GOOG	1215.65	0.99%	8.47%
HARMONIC:	HLIT	6.49	(0.61%)	(12.06%)
INTEL:	INTC	24.76	1.39%	(4.62%)
JDSU:	JDSU	13.78	2.68%	6.08%
LEVEL 3:	LVLT	36.82	(4.04%)	11.00%
MICROSOFT:	MSFT	38.31	0.87%	2.41%

Company	Ticker	2/28 Close	1-Week % Chg	YTD %Chg
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NIELSEN:	NLSN	47.34	2.22%	3.16%
RENTRAK:	RENT	64.11	(2.57%)	69.20%
SEACHANGE:	SEAC	10.55	(12.59%)	(13.24%)
SONY:	SNE	17.55	2.51%	1.50%
SPRINT NEXTEL:	S	8.74	5.43%	(18.7%)
TIVO:	TIVO	13.50	6.13%	2.90%
UNIVERSAL ELEC:	UEIC	41.79	4.16%	9.66%
VONAGE:	VG	4.61	4.77%	94.51%
YAHOO:	YHOO	38.67	3.70%	(4.38%)

**TELCOS**

AT&T:	T	31.93	(2.65%)	(9.19%)
VERIZON:	VZ	47.58	0.66%	(3.17%)

**MARKET INDICES**

DOW:	DJI	16321.71	1.36%	(1.54%)
NASDAQ:	IXIC	4308.12	1.05%	3.15%
S&P 500:	GSPC	1859.45	1.26%	0.60%

### WINNERS & LOSERS

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.03	21.06%
2. AMC NETWORKS:	76.02	9.52%
3. CABLEVISION:	17.60	9.32%
4. ECHOSTAR:	49.82	7.16%
5. TIVO:	13.50	6.13%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. SEACHANGE:	10.55	(12.59%)
2. WWE:	22.92	(7.09%)
3. AVID TECH:	6.60	(4.62%)
4. LEVEL 3:	36.82	(4.04%)
5. CONCURRENT:	8.26	(3.95%)

CableFAX's

## CABLE BUSINESS BOOT CAMP

Who in your company could benefit from increasing their knowledge of the cable industry?

The Cable Business Boot Camp is for everyone who wants to stay current and understand all the latest angles of the industry. Our expert trains are prepared to divulge the ins and outs of cable—everything from the basic ecosystem to the power dynamics to the business and technology arrangements that make cable's world go 'round.

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  - Ad Agencies
  - Executive Assistants
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