

CableFAX Daily™

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What the Industry Reads First

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Liberty Maneuvers: Charter's Still In, Sirius XM is Out

Liberty's not backing away from **Charter** after its unsuccessful attempt to buy **Time Warner Cable**. No, it's stepping things up, outlining a plan late Thurs to fund the MSO's expansion by creating a tracking stock called **Liberty Broadband**. Yep, Liberty just loves those tracking stocks. Recall Liberty Capital, Liberty Starz and Liberty Interactive... The stock will include Liberty's 25% stake in Charter, with rights being sold for investments in new business opportunities. At the same time, Liberty said it is abandoning its bid for full control of **Sirius XM**, a move some had seen as a way to fund a TWC deal. Everything non-cable will be in the **Liberty Media Group** stock. Investors approved of the move, with shares closing up more than 7% Fri. "We remain very excited about our investments in the cable sector and Charter Communications," Liberty chmn *John Malone* said in a statement. "We think *Tom Rutledge* and his team are successfully executing their strategy to upgrade the network to all digital and accelerate Charter's growth. We believe the creation of the Liberty Broadband tracking stock and the concurrent rights offering will provide us greater flexibility to, among other things, support Charter in its expansion efforts." **Northland Capital** analyst *Tom Eagan* expects longer term options will remain with the split into tracking stocks. "We expect that Liberty is still willing to support CHTR's investment in future cable system purchases (or invest in cable systems), such as the **Cox** systems or the systems (serving three million subscribers) that CMCSA has agreed to sell to win regulatory approval of its TWC merger," Eagan wrote in a research note. Liberty's other cable investments, including its investments in Time Warner Cable and **TruePosition Technologies**, will be housed under Liberty Broadband. The new tracking stocks are expected to be completed by 3Q. Sirius XM ownership may not be completely off the table, with CEO *Greg Maffei* saying that "depending on market conditions, we look forward to further discussions with the Sirius XM special committee. We remain enthusiastic owners of 53% of Sirius XM."

In the Courts: The City of L.A. announced the filing of a \$10mln lawsuit against **Time Warner Cable** Fri, alleging the MSO has refused to pay franchise and PEG fees owed to the city. "The City of Los Angeles enabled Time Warner to make billions and in turn they shortchanged the taxpayers millions," City Attorney *Mike Feuer* said in a statement. TWC said it was disappointed, adding it has been a responsible corporate citizen and the suit is without merit. There has been



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bad blood here for some time. Last year, the county and TWC announced a settlement over franchise fees.

Complaint Dept: Cablevision may be planning on filing a motion for summary judgment in GSN's carriage complaint against it (*CFX, 3/10*), but the FCC Administrative Law Judge presiding over the case has some words of caution. "It is difficult to succeed on a motion for summary decision in a complex case," ALJ *Richard Sippel* wrote in an order posted on the FCC's site Fri that granted GSN's request to postpone a status report in the case until Apr 7. Sippel said he anticipates additional discovery will be needed, and that CVC will have the burden of convincing him that a summary decision shouldn't be delayed for any further discovery. GSN filed the complaint in Oct 2011 after it was moved to CVC's Sports & Entertainment tier. The net argued it should be offered in a similar fashion to previously owned CVC-nets **WE tv** and the now defunct **Wedding Central**. In other carriage complaint news, last week **Tennis Channel** asked the FCC to re-examine its complaint against **Comcast**. The Commission found in its favor in 2012, but the DC Circuit vacated the case. A play-by-play on the saga is available at CableFAX.com.

Retrans: Cox and Lin Media reached a retrans deal ahead of their Fri deadline. The MSO was facing potential blackouts in 6 markets: Providence, Hartford, Springfield (MA), Norfolk, Pensacola and Wichita/Topeka.

At the Portals: The FCC Wireline Competition Bureau authorized \$16.7mln in additional Phase I second round incremental support to AT&T and Windstream from the Connect America Fund. The 2 companies had modified their original elections, with the Bureau authorizing \$5.2mln more for AT&T in exchange for its commitment to deploy broadband-capable infrastructure to 6772 additional locations. All of the locations appear to be in the Southeast, under AT&T's **BellSouth Telecom** operating company. The Bureau authorized nearly \$11.5mln for Windstream in exchange for it deploying to an additional 13,273 locations. -- As cable and telecom work to transition to an all-IP infrastructure, the FCC's public safety and homeland security bureau will host a workshop on "Public Safety Imperatives for All-IP Networks" Apr 17-18. The workshop will be focused on issues like current public safety, emergency response and national security dependencies on legacy switched telecom infrastructure. It will also address challenges in 4 categories: day-to-day public safety operations in an all-IP world; disaster preparation and responses in an all-IP world; additional risk factors from cyber exploits on commercial, public and government networks; and the impact of technology transitions on national security and federal government systems.

Research: The 13 largest video providers had a somewhat disappointing 2013: They lost 105K net video subs in total last year, compared to the 175K net new subs they added in 2012, according to a report by the **Leichtman Research**. These top MVPDs, representing some 94% of the market, accounted for more than 94.6mln video subs, including 49.7mln cable subs, 34.3mln satellite subs and 10.7mln telco subs. The top 9 cable ops lost about 1.74mln video subs in '13 versus a loss of 1.41mln subs a year earlier. Telco providers had a solid year, adding 1.46mln video subs versus 1.3mln a year earlier. Satellite providers added 170K video subs last year, compared to 288K net additions in '12. Cable providers now have a 52% share of the top multichannel video subs in the US, compared to a 58% market share 3 years ago.

Ratings: ESPN scored its most-viewed and highest-rated regular season ever with its '13-'14 men's college basketball coverage, averaging 1.45mln viewers and a 1.0 HH US rating (up 11% YOY). The net's telecast of then-No. 2 Syracuse defeating then-No. 17 Duke 91-89 in overtime on Feb 1 is its 3rd most-viewed regular-season men's college basketball game on record, averaging 4.75mln viewers. Digitally, some 4.5mln unique devices were used to access ESPN platforms, up 36% over the last season.

Programming: Univision Deportes will interview *President Obama* on its weeknight analysis and commentary show "Locura Deportiva" (Sports Madness) on Mon, 6pm ET. In a phone conversation, the President will discuss the Affordable Care Act for Hispanics. And since it is Deportes, Obama also will talk futbol.

People: Rovi tapped former Arris exec *John Burke* as evp/COO effective Tues. He will lead the company's business groups in discovery technologies, reporting directly to pres/CEO *Tom Carson*. Burke was Arris' svp, corporate development and strategy, and pres of cloud solutions business.

CableFAXIES: You can't win if you don't enter. Friday (3/21) is the deadline to enter the **CableFAXIES** Awards, which salute outstanding communications initiatives and programs in marketing and PR. All the details, including entry form, can be found [here](#).

CableFAX Week in Review

Company	Ticker	3/14 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

21ST CENTURY FOX:	FOXA	32.29	(4.78%)	(8.19%)
DIRECTV:	DTV	76.88	(3.47%)	11.32%
DISH:	DISH	61.58	(1.17%)	6.32%
DISNEY:	DIS	80.07	(2.6%)	4.80%
GE:	GE	25.11	(3.9%)	(10.42%)

MSOS

CABLEVISION:	CVC	16.98	(6.45%)	(5.3%)
CHARTER:	CHTR	127.00	0.00%	(7.14%)
COMCAST:	CMCSA	50.64	(1.92%)	(2.56%)
COMCAST SPCL:	CMCSK	49.50	(1.43%)	(0.76%)
GCI:	GNCMA	10.62	1.92%	(4.75%)
LIBERTY GLOBAL:	LBTYA	43.26	(0.67%)	(31.29%)
LIBERTY INT:	LINTA	29.00	(1.16%)	(1.19%)
SHAW COMM:	SJR	23.22	(1.4%)	(4.6%)
TIME WARNER CABLE:	TWC	138.02	(1.56%)	1.86%

PROGRAMMING

AMC NETWORKS:	AMCX	74.40	(3.54%)	9.24%
CBS:	CBS	65.37	(3.01%)	2.56%
CROWN:	CRWN	3.82	2.69%	8.22%
DISCOVERY:	DISCA	83.16	(2.76%)	(8.03%)
GRUPO TELEVISIA:	TV	30.92	(0.64%)	2.18%
HSN:	HSNI	60.82	5.06%	(2.38%)
INTERACTIVE CORP:	IACI	74.45	(3.31%)	8.45%
LIONSGATE:	LGF	31.97	(0.03%)	0.98%
MADISON SQUARE GARDEN:	MSG	57.99	0.47%	0.71%
SCRIPPS INT:	SNI	78.74	(3.85%)	(8.88%)
STARZ:	STRZA	32.33	(2.03%)	10.57%
TIME WARNER:	TWX	66.58	(2.52%)	(4.5%)
VALUEVISION:	VTV	5.50	(4.68%)	(21.32%)
VIACOM:	VIA	87.15	(1.28%)	(0.71%)
WWE:	WWE	30.94	4.39%	86.61%

TECHNOLOGY

ADDVANTAGE:	AEY	2.96	4.59%	10.04%
ALCATEL LUCENT:	ALU	3.84	(6.8%)	(12.73%)
AMDOCS:	DOX	45.12	0.07%	9.41%
AMPHENOL:	APH	90.49	0.09%	1.47%
AOL:	AOL	41.25	(6.34%)	(11.52%)
APPLE:	AAPL	524.69	(1.08%)	(6.48%)
ARRIS GROUP:	ARRS	28.34	(2.54%)	16.43%
AVID TECH:	AVID	6.70	(1.76%)	(17.79%)
BLNDER TONGUE:	BDR	0.90	5.88%	(10%)
BROADCOM:	BRCM	29.94	(2.06%)	0.98%
CISCO:	CSCO	21.35	(1.75%)	(4.82%)
CONCURRENT:	CCUR	8.26	(3.84%)	1.10%
CONVERGYS:	CVG	20.52	(1.44%)	(2.52%)
CSG SYSTEMS:	CSGS	26.99	(4.9%)	(8.2%)
ECHOSTAR:	SATS	50.03	(1.03%)	0.62%
GOOGLE:	GOOG	1172.80	(3.46%)	4.65%
HARMONIC:	HLIT	6.49	(2.99%)	(12.06%)
INTEL:	INTC	24.50	(1.05%)	(5.62%)
JDSU:	JDSU	14.35	4.06%	10.47%
LEVEL 3:	LVT	37.23	(1.04%)	12.24%
MICROSOFT:	MSFT	37.70	(0.53%)	0.78%

Company	Ticker	3/14 Close	1-Week % Chg	YTD %Chg
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NIELSEN:	NLSN	43.86	(5.23%)	(4.42%)
RENTRAK:	RENT	63.18	(1.91%)	66.75%
SEACHANGE:	SEAC	10.17	(1.17%)	(16.37%)
SONY:	SNE	17.17	(4.35%)	(0.69%)
SPRINT NEXTEL:	S	8.78	1.74%	(18.33%)
TIVO:	TIVO	12.93	(2.27%)	(1.45%)
UNIVERSAL ELEC:	UEIC	40.96	(5.29%)	7.48%
VONAGE:	VG	4.45	0.45%	87.76%
YAHOO:	YHOO	37.60	(2.84%)	(7.02%)

TELCOS

AT&T:	T	32.49	(0.15%)	(7.59%)
VERIZON:	VZ	46.08	(2.27%)	(6.23%)

MARKET INDICES

DOW:	DJI	16065.67	(2.35%)	(3.08%)
NASDAQ:	IXIC	4245.40	(2.09%)	1.65%
S&P 500:	GSPC	1841.13	(1.97%)	(0.39%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	0.90	5.88%
2. HSN:	60.82	5.06%
3. ADDVANTAGE:	2.96	4.59%
4. WWE:	30.94	4.39%
5. JDSU:	14.35	4.06%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. ALCATEL LUCENT:	3.84	(6.8%)
2. CABLEVISION:	16.98	(6.45%)
3. AOL:	41.25	(6.34%)
4. UNIVERSAL ELEC:	40.96	(5.29%)
5. NIELSEN:	43.86	(5.23%)

CableFAX webinar

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

Monetizing Social TV: New Tools and Tactics for Success

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