

CableFAX Daily™

Tuesday — March 25, 2014

What the Industry Reads First

Volume 25 / No. 057

Video Competition: WGAW Opposes Comcast-TWC, Calls for New MVPD Definition

Comments on the state of video competition were due at the **FCC** Fri, and as you'd expect, the Commission got an earful. While **NCTA**, **Verizon** and **AT&T** talked up growing competition in the marketplace, the **Writers Guild of America**, **West** said video programming remains consolidated and lacks sufficient competition at all levels, with broadcast, cable and pay TV networks "owned by a handful of companies." In a 90-page filing, the Guild said the FCC should deny the proposed **Comcast-Time Warner Cable** merger and complained that online video offerings are being threatened from incumbent providers. "Comcast's ability to blackout one-third of television viewers would force networks to agree to terms and rates set by Comcast, harming investment in programming. A merged Comcast-Time Warner would also control approximately 30% of the broadband Internet market, giving the company the means to limit competition from online video providers like **Netflix** and **Amazon**," WGAW said. Overall, the Guild believes MVPDs want to limit online video offerings, using measures such as data caps, to discourage Internet video consumption. It wants the definition of an MVPD to be expanded. While WGAW said it is encouraged by **DISH**'s recent OTT deal with **Disney**, it is concerned that only larger incumbents like **DISH** have the power to negotiate such deals. "A change in the MVPD definition would help with content licensing, ensuring these virtual MVPD efforts become a reality," the Guild said. It also suggests the FCC require broadcasters to devote at least 25% of their primetime schedule to independently produced content, promulgate Open Internet rules (including through Title II) and keep retrans in place. Verizon, which bought **Intel**'s OTT platform, told the Commission it should keep OTT, IP-based video services free of regulatory and technology mandates. It believes the Media Bureau was correct when it ruled these types of services aren't MVPDs in the **Sky Angel** case. But it wants the agency to go further and ensure that the finding applies to all such providers. WGAW argues that **Sky Angel** and **Aereo** should be subject to the same rules so that they have the same access to programming (including negotiating retrans). Verizon also argues that MVPDs that offer a traditional service (like say, **FiOS**) should be able to enter the OTT market on the same terms as other online video providers, provided the OTT service is available separately from the broadband service it offers (such as the Intel OnCue service). **ACA** pushed for the FCC to report on the role of buying groups like **NCTC** and to argue that vertical integration is on the rise between cable ops and programming entities. It believes the FCC's video competition report should also look at small cable ops exiting the business. Data from **ACA** and **NCTC** found that between 2008 and 2012, nearly 800 member cable systems serving 35K+ subs had closed, leaving those communities without wireline MVPD service.

Sherwood Rises: OK, is there anything *Ben Sherwood* can't do? Write a best-selling novel. Check and check (See "The Man Who Ate a 747" and "The Death and Life of Charlie St. Cloud"). His latest bestseller is the nonfiction "The Survivors Club." Lead **ABC**'s "Good Morning America" to break **NBC**'s "Today Show" 16-year winning streak? Accomplished in 2012, and GMA still holds the title. Help get a news network off the ground with **Univision**? **Fusion** launched last fall. And now, Sherwood has been plucked to succeed *Anne Sweeney* as co-chmn, **Disney Media Networks** and pres, **Disney**!

West Coast HD Feeds Available April 1st!

Contact your Scripps Networks Interactive representative for more information.



LIFE LIVES HERE



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Exec Editor: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Sr Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Assoc Publisher: Amy Abbey, 301.354.1629, aabbey@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group ● Scott Gentry, Dir of Business Development, sgentry@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,599/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

ABC Television Group, effective Feb 1. Sweeney will remain in that capacity through Jan, but Sherwood's transition starts right away. He'll continue to oversee **ABC News** until a successor is named. In making the announcement, Disney chmn/CEO *Bob Iger* complimented Sherwood's strategic vision while Sweeney commented that "over the years, he has moved from success-to-success, and helped create a more vibrant, collaborative and powerful News division that embraces innovation and risk-taking." Sherwood was named ABC News pres in '10. Shortly thereafter, he reached a groundbreaking partnership with **Yahoo** to create what has become the top online news network.

An Apple a Day: The *WSJ* broke the story over the weekend that **Apple** is in talks with **Comcast** about a possible joint streaming service, and everyone went wild over the news, despite it being very early stage. **Barclays**, however, kept its head, declaring that any such development would have a marginal impact, if any. While Barclays analysts didn't see much significance in the news, "over time, we believe the Internet is likely to fragment into multiple managed services with those having the ability to pay (like Apple) seeking preferential access to the last mile. In other words, some of the content from the Internet is likely to seek an alternative, off line path to the home... While this is likely to raise questions on net neutrality, in our view, this is likely to be a completely different commercial service offered by cable companies to companies like Apple who want to have an off network presence apart from a presence on the Internet. In fact, this is likely to flip the whole net neutrality debate on its head as large internet companies like Apple and **Google**, who have been supposedly the victims of the net neutrality debate thus far, are likely to actively seek an alternative path outside the internet for higher quality of service, especially when it comes to video."

March Madness: **CBS Sports** and **Turner Sports'** coverage of the **NCAA** men's basketball championship is delivering its highest viewership in 21 years, averaging 9.2mln viewers. Turner said the tourney has had a record-setting 51mln video streams over the 1st week. That's a good sign for TV Everywhere, with last year's entire tournament generating just 49mln. Through the 1st week, NCAA March Madness Live registered more than 10.5mln hours of live video streaming (+6%). Mobile and tablet streaming is up 74% over the 1st week of the tourney. -- **ESPN.com** received more than 11mln brackets for the men's NCAA tourney, and none are perfect—and only 3 brackets correctly picked every Sweet 16 team. It was an all-time high for brackets, up 35% from last year's 8.15mln.

Deals: **MSG** bought a 50% interest in **Tribeca Ent**, which runs the Tribeca Film Festival. The deal values Tribeca at \$45mln and leverages MSG properties such as Radio City Music Hall and the Garden to support expansion of Tribeca.

Cloud: Things will get a lot more cloudy at **Cisco** as the vendor looks to invest more than \$1bln to expand its cloud businesses over the next 2 years. Partnership is front and center at Cisco's cloud initiative: The service will be offered with and through Cisco partners, including service providers, software providers and vendors worldwide. The Cisco OpenStack-enabled Intercloud aims to allow organizations and users to combine and move workloads—including data and applications—across different public or private clouds securely while maintaining associated network and security policies. The offering also seeks to enable faster rollout of new services.

SCTE: As part of **SCTE's** move to make the organization more international, it appointed *Bill Warga*, technology vp and a member of the chief architecture group for **Liberty Global**, to its board. He will assume the role when the 2014-'15 board is seated in Sept. Warga will replace *Mike LaJoie*, evp and CTO of **Time Warner Cable**, the only appointed SCTE board

TheCableFAXIES
CALL FOR ENTRIES | awards

ENTER TODAY!

Saluting Cable's Top Marketing & PR Programs and People

FINAL ENTRY DEADLINE: MARCH 28

www.CableFAXIESAwards.com

BUSINESS & FINANCE

member whose term expires this year.

Research: Social media appeared twice as effective for attracting viewers to new shows (6.8%) as returning shows (3.3%), said a **Council for Research Excellence** study. Social media activity about new shows peaked around show premieres, and special programming led among genres in socially connected TV viewing, followed by sci-fi and sports programs. The findings were based on 78K mobile-app diary entries submitted by 1,700 participants (age 15-54) across demos.

Ratings: Season 3 final of HBO's "Girls" scored 1mln viewers across its 3 plays. The 10pm telecast averaged 670K viewers, up 6% from the season 2 finale. For the season, the series averaged 4.6mln total viewers.

Marketing: Gearing up for the industry's Upfront season, **Univision Comm** launched its integrated marketing campaign dubbed "Return on Influence," which focuses on debunking common myths that US Hispanics are exclusively reached through English language media. The campaign, which runs through mid-May, targets client-side marketers and ad agency execs.

Programming: **Esquire Network** expanded "Friday Night Tykes" with "Tackling Tykes," a 90-min ep that delves into controversies raised in the docu-series. The program exploring issues around competitive youth sports, premieres Apr 1, a week after Friday Night Tykes' regular season finale.

CableFAX Daily Stockwatch

Company	03/24 Close	1-Day Ch	Company	03/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	32.27	(0.46)	GOOGLE:	1157.93	(25.11)
DIRECTV:	74.20	0.26	HARMONIC:	6.71	(0.1)
DISH:	59.14	(1.93)	INTEL:	25.12	(0.05)
DISNEY:	79.49	(0.86)	JDSU:	14.30	(0.32)
GE:	25.41	0.01	LEVEL 3:	38.28	(0.34)
MSOS					
CABLEVISION:	16.64	0.02	MICROSOFT:	40.50	0.34
CHARTER:	125.75	(1.5)	NIELSEN:	44.34	0.26
COMCAST:	50.30	0.30	RENTRAK:	57.36	(5.88)
COMCAST SPCL:	48.95	0.30	SEACHANGE:	10.35	(0.03)
GCI:	11.30	(0.09)	SONY:	17.65	(0.11)
LIBERTY GLOBAL:	41.36	(0.72)	SPRINT NEXTEL:	9.11	0.06
LIBERTY INT:	28.41	(0.62)	TIVO:	13.29	0.15
SHAW COMM:	23.15	0.07	UNIVERSAL ELEC:	39.72	(1.32)
TIME WARNER CABLE:	137.31	0.66	VONAGE:	4.40	(0.04)
PROGRAMMING					
AMC NETWORKS:	73.82	(2.61)	YAHOO:	36.68	(1.26)
CBS:	64.26	(1.43)	TELCOS		
CROWN:	3.49	(0.06)	AT&T:	34.46	0.16
DISCOVERY:	83.17	(1.35)	VERIZON:	47.01	0.10
GRUPO TELEVISA:	31.15	(0.52)	MARKET INDICES		
HSN:	60.37	(0.28)	DOW:	16276.69	(26.08)
INTERACTIVE CORP:	71.86	(0.9)	NASDAQ:	4226.39	(50.4)
LIONSGATE:	28.66	1.06	S&P 500:	1857.44	(9.08)
MADISON SQUARE GARDEN:	58.10	(0.24)			
SCRIPPS INT:	75.09	0.59			
STARZ:	31.58	(0.31)			
TIME WARNER:	65.33	(1.01)			
VALUEVISION:	5.17	(0.21)			
VIACOM:	85.96	(1.24)			
WWE:	30.05	(0.78)			
TECHNOLOGY					
ADVANTAGE:	3.15	0.01			
ALCATEL LUCENT:	3.75	(0.12)			
AMDOCS:	45.68	(0.4)			
AMPHENOL:	92.50	(0.75)			
AOL:	42.49	(1.13)			
APPLE:	539.19	6.32			
ARRIS GROUP:	28.08	(1.62)			
AVID TECH:	6.27	0.01			
BLNDER TONGUE:	0.94	(0.05)			
BROADCOM:	31.60	0.32			
CISCO:	21.57	(0.07)			
CONCURRENT:	8.47	(0.04)			
CONVERGYS:	21.00	(0.23)			
CSG SYSTEMS:	26.61	(0.69)			
ECHOSTAR:	47.98	(0.96)			

WOMEN ADD VALUE TO THEIR **COMPANIES**

WICT ADDS VALUE TO **WOMEN**

Join **WICT**, renew your membership or learn more about sponsorship opportunities today at www.wict.org



Women in Cable Telecommunications™

CableFAX TECH

A Startup's 4K Plan: Unification over IP

CO-based startup **aioTV** is trying to get ahead of the 4K wave: The OTT middleware video platform recently added 4K capabilities to its PassBox platform, which ops have been using to offer OTT and VOD content. The timing is right as “there is a desire from the operators’ community to get 4K out there,” CEO *Mike Earle* told us. “The 4K encoding vendors are ready... The TVs are starting to become available... The market is heating up.” The startup’s sales pitch to MVPDs is simple: The service allows MVPDs to add 4K and other content delivered over IP to existing linear offerings without changes to their distribution infrastructure. Specifically, aioTV would re-create the MSOs’ guide (still under the MSO’s brand) with their scheduled data and allow the providers to insert 4K and/or other OTT/VOD channels to existing linear channels. Consumers would stream 4K content over IP but not notice any difference because all channels appear in the same guide, Earle said. And because everything’s on the same interface, subs can navigate between linear and web content without switching inputs. “The goal is to get all in one stop, and present them on the screen” with minimal destruction to existing infrastructure, he said. Still, a lot needs to be worked out before ops launch such a platform. With 4 times the resolution of HD, HEVC plays a key part to transport 4K content. “We are doing some work with [HEVC vendor] **Elemental Technologies**,” Earle said. Ops are already using aioTV’s PassBox as a multiscreen solution, and Earle said “almost all of them started with the basic service” by adding content available for free on the Web to linear services. “The brave ones will add VOD as well and then the really, really brave ones will do a full IP transition.” Meanwhile, some cable ops are still using DTAs with embedded conditional access in a 3-year waiver to the **FCC** rule that prohibits the use of set-tops with integrated security functions. These one-way, limited-capability devices

don’t support VOD, program guides and pay-per-view. aioTV’s PassBox aims to allow ops to offer guides, VOD and online content without breaking the waiver conditions. “It’s like organizing all the content into a big fat playlist that can be personalized,” Earle said. Founded in 2010, the company hasn’t announced any deals with top US cable ops. That could change as the company is expected to announce a contract with a Tier 1 MSO around this year’s cable show. The company’s board member includes longtime **Time Warner Cable** engineer *John Callahan*, who’s also a former **ActiveVideo** CTO.

Research: The late millennials (age 18-24) spend 33% of their daily time watching content online versus 29% on broadcast/cable content, according to a report by **The Diffusion Group**. The next generation up, early millennials (25-34), view just 23% of content online versus 30% on traditional TV sources. For broadband users over 55, they spend 61% of their TV time on traditional TV content versus 4% online. “It is hardly breaking news that older consumers watch more live broadcast and cable programming than do younger consumers, or that younger consumers watch more OTT TV than do older consumers,” *Michael Greeson*, co-founder of TDG said in a release. “That said, the strong correlation between age and TV sourcing preferences is striking and is of tremendous import for operators and networks looking to target specific age groups.”

Rumor Mill: The streaming stick market is getting a little crowded. Differing from previous reports that **Amazon** was looking to launch a streaming box that’s similar to the likes of **Roku** and **Apple TV**, the company is expected to offer a Chromecast-like dongle in early April. According to an article in *The Wall Street Journal*, Amazon might offer the device to existing Prime members with incentives. Similar to Roku, Amazon could gain advertising and app downloads revenue from the device, according to the report.

CableFAX webinar

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

Monetizing Social TV: New Tools and Tactics for Success

Cable marketers and publicists everywhere are using Social TV to supercharge engagement and tune-in for programs spanning myriad genres. It’s all about monetization. And TV will never be the same again.

Register today: www.CableFAX.com/webinars



23508