

CableFAX Daily™

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What the Industry Reads First

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Comcast/TWC Merger: Cohen Defends Deal, Charter Challenges It

Charter's battle over the Comcast/Time Warner Cable merger is heating up as the Senate Judiciary Committee readies to tackle the \$45bln deal on April 9. In an SEC filing Fri, Charter urged TWC shareholders to reject the deal as it faces significant uncertainty, including regulatory barriers. And before Charter's filing, Comcast evp David Cohen defended the deal during C-SPAN's "The Communicators" program (airs Sat). The company plans to file its public interest statement, a major merger filing, with the FCC in early April, he said. Cohen is scheduled to testify at the Senate hearing. Of course, Charter has a different take. "From the regulatory perspective, it is difficult to imagine a transaction that could concentrate the industry more than the proposed Comcast merger," it stated in its filing. And notwithstanding the chance of a regulatory opposition to the deal, the merger agreement includes no regulatory breakup fee, "giving Comcast no incentive to seek solutions beyond these limited commitments." The uncertainty could mean a delay in completing the deal, during which TWC investors could face the risk of TWC operating results under the impact of the pending deal, Charter said. There's more: The recent decline of Comcast's stock price means the value of the merger has decreased to around \$141.16 per TWC share, versus the proposed \$158.82 a share. The company also criticized Comcast for not detailing plans to divest up to 3mln cable subs in order to win regulatory approvals. Time Warner Cable simply responded that "we are fully committed to our merger with Comcast, which we believe is in the best interests of shareholders." Cohen argued that the transaction is "a lot less scary, a lot less large and a lot less complicated than some people would like to make it," he said. Unlike claims by some opponents, the deal isn't a horizontal one in the video space as "we don't compete with Time Warner Cable anywhere," he said. "There isn't a consumer in America who has a choice between buying Comcast products and Time Warner Cable products." The combined company would have less than 30% of the cable market, less than 40% of the wireline broadband market and as low as 20% if mobile internet is counted, he said. "National share and broadband, I am not sure what that matters. The issue is local share... In no local market will there be any less choice in broadband after the transaction than before the transaction," Cohen said. And big isn't always bad. "Sometimes big is really important, really necessary and really good. And that

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would tend to be in high capital expenditure industries, in industries where innovation is fast moving and where you need a lot of investment in R&D and innovation to keep pace. And that is our industry," said Cohen. The deal also puts Comcast execs' and Cohen's political ties under scrutiny. "I enjoy my relationships with them [political figures]," Cohen said. "I like to believe the many elected officials who are my friends are all great elected officials... They are going to make decisions on the merits based on what they believe is the truth and the facts and the law at the time they look at it."

More from Cohen: Peering agreements, or interconnection agreements, like the one **Comcast** just signed with **Netflix**, has nothing to do with access to the Internet, Comcast evp *David Cohen* said. "That has nothing to do with net neutrality," he said. **Netflix** CEO *Reed Hastings* was critical of such arrangements, calling for stricter net neutrality rules in a recent blog post. Hastings' argument was "essentially hogwash," Cohen said, calling the interconnection market "intensely competitive... Netflix was the one that's the moving party in terms of making this deal with Comcast" because it wanted to go directly to Comcast rather than going through a 3rd party for peering arrangements, Cohen said. Regarding Comcast's reported talks with **Apple** for a potential streaming deal, Cohen said "we talk to people all the time," and such deals are evidence of "how intensely competitive and fastly evolving the multichannel video space is."

Viacom/Cable One Talk Continues: **Viacom** and **Cable One** continues to negotiate, trying to reach a carriage deal before the current contract expires on Mar 31. In a statement, the MSO's CEO *Tom Might* said the programmer proposed a rate increase of more than 100%. "If Viacom is unwilling to negotiate a fair agreement, we will let these networks go in favor of bringing you some of the top-rated networks you've been requesting and expanding several other highly-requested networks to our most popular level of service," Might said. **NCTC** has been warning members and their subs about the potential loss of Viacom programming on Mon if a deal can't be reached.

ESPN's First Pitch: As part of **ESPN's** coverage of the 25th **MLB** season (1st year of ESPN's 8-year deal with MLB), the net is rebranding the Sunday Night Baseball pregame edition of "Baseball Tonight" to "Baseball Tonight: Sunday Night Countdown" to better align with its national game of the week. The net also will take the rebranded program out to the ball game for several on-site shows leading into "Sunday Night Baseball" telecasts. The roadshows will air from prime locations near the ballpark. Meanwhile, starting in 2014, the net will annually televise a Wild Card game, in addition to NY and all tie-breaker games. Furthermore, it can select up to 4 Postseason Impact Games in late Sept, to showcase the top games and storylines heading into the post-season. Also starting this season, ESPN will televise holiday games on Memorial Day, Independence Day and Labor Day. For more details about ESPN's plan when coverage kicks off Sun, check out the full story at www.cablefax.com

Disney Parks Goes Digital: **Disney Parks** is getting on the biggest screen in the living room: The company teamed with digital tech firm **BrightLine** to launch the Disney Park smart TV app. The TV travel app, launching first on select **Samsung** Smart TVs and coming soon to LG Smart TVs and Blu-ray players, features full Disney Parks US portfolio with access to related entertaining and informative videos. BrightLine also counts **DirectTV**, **Verizon**, and **Cablevision** as customers.

BET Goes TVE: **BET Nets** launched its 1st branded TVE app BET Now. The app is initially available on iPhones, iPads and Android devices, featuring full eps of series and shows upon authentication. Live programming isn't available through the app.

Programming: **Syfy** renewed scripted drama "Helix" for a 2nd season. The 13-ep season will debut in winter 2015. -- **Discovery Channel's** "Dual Survival" returns for a new season on April 23. -- **Investigation Discovery** premieres "Restless Souls," a 1-hour special with a paranormal twist, on April 14.

Schanman Joins Charter: **Charter** tapped *Gary Schanman* as svp, video products, reporting to svp, product and strategy, *Rich DiGeronimo*. Most recently, Schanman was svp, strategy, revenue management and operations for **Cablevision Media Sales**.

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Topic Suggestions:

- Top 25 Most Notable Changes to the Consumer: Innovations Changes to a STB (Set Top Box), Guide, Remotes, Service to Consumer, Pricing, Features.
- 25 Changes to Analytics and What the Industry Hopes to See in the Next 25.
- Top 25 Cable Programs of the Last 25 Years: Could be by category (sci-fi, drama, comedy, reality, special interest, documentary, etc.)
- Top 25 Premieres
- Top 25 Music Moments: AXS, BET, MTV, VH1, Revolt, CMT, GAC, Palladia and more. How changes to your platforms, new networks, less music, more reality, live music, streaming concerts, benefit concerts have shaped our content.
- 25 M&A's that Shaped the Cable Landscape and who is next?
- 25 Social TV Moments
- 25 Social Media Campaigns for Premieres & Promotions
- 25 Breaking News Headlines from CableFAX
- 25 Best TCA Moments/Upfronts
- 25 Best PR Campaigns
- 25 Top Reasons Sports Networks Have Changed the Programming Landscape
- 25 FCC/Government Decisions that Have Changed the Cable Landscape
- 25 Reasons Content is Still King
- 25 Reasons Job Titles Have Changed
- Top 25 Cable Show/National Show Moments
- 25 Quotes that Shaped the Industry (Content is king, It's the bundle, baby, etc.)
- 25 Epic Programming/Retrans Battles
- Top 25 Moments in Cable: (Sopranos finale, Miley's twerking)
- 25 Parties the Industry is Still Talking About (and I'd suggest one of these too)

Sample of Cobranded Ad:

100 CableFAX Best Advice/Motto Series

“Don't get too excited about the wins or too upset about the losses; they all even out.”

Tonia O'Connor
President, Distribution Sales and Marketing
Univision

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CableFAX Week in Review

Company	Ticker	3/28 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

21ST CENTURY FOX:	FOXA	31.61	(3.42%)	(10.12%)
DIRECTV:	DTV	75.72	2.41%	9.64%
DISH:	DISH	61.80	1.20%	6.70%
DISNEY:	DIS	78.99	(1.69%)	3.39%
GE:	GE	25.88	1.89%	(7.67%)

MSOS

CABLEVISION:	CVC	16.72	0.60%	(6.75%)
CHARTER:	CHTR	122.41	(3.8%)	(10.49%)
COMCAST:	CMCSA	49.56	(0.88%)	(4.64%)
COMCAST SPCL:	CMCSK	48.37	(0.58%)	(3.03%)
GCI:	GNCMA	11.22	(1.49%)	0.63%
LIBERTY GLOBAL:	LBTYA	41.29	(1.88%)	(34.42%)
LIBERTY INT:	LINTA	28.62	(1.41%)	(2.49%)
SHAW COMM:	SJR	23.77	2.99%	(2.34%)
TIME WARNER CABLE:	TWC	135.87	(0.57%)	0.27%

PROGRAMMING

AMC NETWORKS:	AMCX	72.03	(5.76%)	5.76%
CBS:	CBS	62.03	(5.57%)	(2.68%)
CROWN:	CRWN	3.62	1.97%	2.55%
DISCOVERY:	DISCA	82.34	(2.58%)	(8.94%)
GRUPO TELEVISIA:	TV	32.83	3.66%	8.49%
HSN:	HSNI	59.03	(2.67%)	(5.25%)
INTERACTIVE CORP:	IACI	71.55	(1.66%)	4.22%
LIONSGATE:	LGF	25.20	(8.7%)	(20.4%)
MADISON SQUARE GARDEN:	MSG	56.71	(2.79%)	(1.51%)
SCRIPPS INT:	SNI	75.73	1.65%	(12.36%)
STARZ:	STRZA	32.07	0.56%	9.68%
TIME WARNER:	TWX	64.65	(2.55%)	(7.27%)
VALUEVISION:	VTV	4.72	(14.18%)	(32.47%)
VIACOM:	VIA	84.72	(2.84%)	(3.47%)
WWE:	WWE	27.52	(10.74%)	65.98%

TECHNOLOGY

ADDVANTAGE:	AEY	3.17	0.95%	17.84%
ALCATEL LUCENT:	ALU	3.91	1.03%	(11.14%)
AMDOCS:	DOX	45.78	(0.65%)	11.01%
AMPHENOL:	APH	91.62	(1.75%)	2.74%
AOL:	AOL	42.80	(1.88%)	(8.19%)
APPLE:	AAPL	536.86	0.75%	(4.31%)
ARRIS GROUP:	ARRS	27.09	(8.79%)	11.30%
AVID TECH:	AVID	6.15	(1.76%)	(24.54%)
BLNDER TONGUE:	BDR	0.92	8.24%	(8%)
BROADCOM:	BRCM	31.03	(0.8%)	4.65%
CISCO:	CSCO	22.33	3.19%	(0.45%)
CONCURRENT:	CCUR	8.21	(4.42%)	0.49%
CONVERGYS:	CVG	21.52	1.37%	2.23%
CSG SYSTEMS:	CSGS	25.69	(5.9%)	(12.62%)
ECHOSTAR:	SATS	47.04	(3.9%)	(5.39%)
GOOGLE:	GOOG	1120.15	(5.32%)	(0.05%)
HARMONIC:	HLIT	6.84	0.44%	(7.32%)
INTEL:	INTC	25.62	1.79%	(1.31%)
JDSU:	JDSU	13.56	(5.51%)	4.39%
LEVEL 3:	LVT	38.51	(0.28%)	16.10%
MICROSOFT:	MSFT	40.30	0.35%	7.73%

Company	Ticker	3/28 Close	1-Week % Chg	YTD %Chg
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NIELSEN:	NLSN	44.26	0.41%	(3.55%)
RENTRAK:	RENT	59.36	(6.14%)	56.66%
SEACHANGE:	SEAC	10.09	(2.79%)	(17.02%)
SONY:	SNE	18.65	5.01%	7.87%
SPRINT NEXTEL:	S	9.29	2.65%	(13.58%)
TIVO:	TIVO	12.95	(1.45%)	(1.3%)
UNIVERSAL ELEC:	UEIC	38.29	(6.7%)	0.47%
VONAGE:	VG	4.28	(3.6%)	80.59%
YAHOO:	YHOO	35.90	(5.38%)	(11.23%)

TELCOS

AT&T:	T	35.07	7.94%	(0.26%)
VERIZON:	VZ	47.42	1.09%	(3.5%)

MARKET INDICES

DOW:	DJI	16323.06	0.12%	(1.53%)
NASDAQ:	IXIC	4155.76	(2.83%)	(0.5%)
S&P 500:	GSPC	1857.62	(0.48%)	0.50%


WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	0.92	8.24%
2. AT&T:	35.07	7.94%
3. SONY:	18.65	5.01%
4. GRUPO TELEVISIA:	32.83	3.66%
5. CISCO:	22.33	3.19%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	4.72	(14.18%)
2. WWE:	27.52	(10.74%)
3. ARRIS GROUP:	27.09	(8.79%)
4. LIONSGATE:	25.20	(8.7%)
5. UNIVERSAL ELEC:	38.29	(6.7%)



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