

CableFAX Daily™

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What the Industry Reads First

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Rate Check: FCC '13 Survey Finds Expanded Basic Cable Rates up 5.1%

The FCC released its latest survey on basic cable rates, and not surprisingly, they're still heading north. The avg monthly price of expanded basic cable service increased overall by 5.1% to \$64.41 over the 12 months ending Jan 1, 2013, while the avg price per channel increased by 2.1% to 48 cents/channel, according to the Media Bureau-conducted survey. On an avg annual compound basis, the price per channel is actually lower by 0.3% over the 18 years from 1995-2013. Randomly selected operators are asked to respond to a price survey questionnaire, with the FCC also announcing Fri that it's soliciting info for its 2014 report (covers Jan 1, 2013-Jan 1, 2014). In the just released-2013 report, a little more than half of the 800 systems studied were subject to local franchise authority regulation of basic cable rates, while the other systems were not. Those operators exempt from rate regulation had higher rates, which the Bureau attributed, at least in part, to the fact that those ops provided a greater number of video channels. Where operators were subject to rate regulation, the survey found an avg price increase of 4.6% for expanded basic to \$63.03 vs 5.8% to \$66.14 for those exempt from regulation because of a finding of effective competition. The FCC's 3 previous studies found higher prices where effective competition existed, but surveys before those last 3 found generally lower prices in effective competition markets. The Bureau doesn't appear overly concerned about the reversal, citing several factors, including an increase in communities deemed to have effective competition based on the DBS market share. Speaking of DBS, the Media Bureau compared the national avg for cable's expanded basic service to comparable packages by **DirectTV** (Choice) and **DISH** (America's Top 120). Cable's \$64.41 price tag was higher than both—\$63.99 for DTV and \$59.99 for DISH. DirectTV offered 211 channels compared to cable's avg of 160 and had a lower price per channel (30 cents vs 48 cents). DISH offered fewer channels (150), but had a 40 cent/channel price point. As for customer premises equipment, most prices increased on an annual basis. "Increases in the overall price for the most commonly leased equipment ranged from 4.4% for basic service, to 4.2% for expanded basic, to 3.9% for the next most popular service," the survey said. "These percentage increases were lower than the programming price increases for those services (6.5 percent, 5.1 percent, and 4.2 percent respectively)."

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Smackdown: **WWE** shares plummeted Fri, closing down more than 43% following its announcement of a renewed rights deal with **NBCU**. The company will host a conference call Mon to discuss the 2014 and 2015 business outlook. WWE said it believes it can double or triple OIBDA results to a range of \$125mln to \$190mln by '15. But investors are spooked by analyst estimates on how much the NBCU deal is worth and WWE's need for 1.3-1.4mln subs to its OTT channel to offset PPV losses. Last month, WWE said it had more than 667K subs, short of the million or so investors wanted.

More 4K Testing: **Comcast** isn't the only operator dabbling in 4K or Ultra HD. Last month, **Time Warner Cable** successfully streamed a live 4K signals at 60 frames-per-second from the NY1 studio in NYC to the Las Vegas Convention Center using next-gen set-tops and Sony 4K cameras. Still think 4K is a Jetson-like idea light years away? Consider that 4K cameras for consumers are already available for a few thousand, and **Sony** is taking pre-orders for its Ultra Media Player (early adopters get it for \$499 vs MSRP \$699). The box, expected to ship in July, supports Sony's Video Unlimited 4K service (more than 200 Sony Pictures films) as well as **Netflix's** 4K streaming.

Stop the Ban: **Bob Latta** (R-OH) and Republican **FCC** commish **Ajit Pai** penned a joint op-ed in the *Washington Times* last week reiterating their call for the end of the set-top integration ban. Cable certainly supports the efforts, having deployed more than 47mln CableCARD-enabled set-tops since the ban went into effect in July 2007. A **House Commerce** version of STELA would eliminate the ban, freeing operators to deploy devices without the CableCARDs. "By forcing cable companies to include CableCARD technology in their equipment, the FCC has increased consumers' cable bills. Specifically, the integration ban adds about \$56 to the cost of each set-top box, hiking the monthly rental fees charged to customers," the lawmakers wrote, adding that CableCARDs also increased energy consumption by 500mln kilowatt hours per year.

Moonves News Net: **CBS** is working on a 24-hour news net, but it isn't planning on seeking cable carriage. "There are already too many players there for us to start a brand new cable network," CBS CEO **Les Moonves** told **Bloomberg TV's Trish Regan** Thurs. "So we thought with all the content going digital right now, wouldn't it be a good idea to do a 24-hour digital channel taking all the resources that CBS News has... That's in the early stages under the tutelage of **David Rhodes**, the president of CBS News, and it's an exciting alternative to cable news." Right now, CBS is talking to Internet companies about partnering, he said.

Programming: There are 104 days of summer vacation... and **Jay Leno's** going to be a part of them. The comedian will guest star in 1-hour special "Phineas and Ferb Save Summer," June 9, 10am on **Disney XD**. The special will be available beginning May 23 on Watch Disney XD for authenticated users. -- **AMC** greenlit 3 unscripted series, including "All-Star Celebrity Bowling," which is adapted from **Chris Hardwick's** web series. It has 2 celebrity casts facing off each week in a bowling match for charity. Also getting the go-ahead are "Visionaries," following a team of set designers, and an untitled **Billy Corgan** project that takes viewers behind-the-scenes of professional wrestling.

Heavy TV Viewers: Nearly 50% of all TV viewing comes from the heaviest 20 percent of TV viewers, **Nielsen** said. How heavy is heavy? They spend an avg of almost 12 hours in front of the TV a day. Since 2009, Nielsen said heavy viewers have increased their TV viewing by 8%, almost a 1-hour increase in daily viewing. More stats: heavy TV viewers are 16 percent more likely to buy a domestic car and 17 percent more likely to have purchased new clothing in the past 12 months.

Golden Beacons: **Discovery Comm, ESPN** and **Nat Geo** are all in the running for **ACC's** Golden Beacon Award, which recognizes a communications initiative that has made a profound impact on the industry. The winner will be revealed at the Beacon Awards Dinner June 4 in Atlanta during FORUM. This year's finalists: Discovery Education's of the People: Live from the White House; ESPN's 2013 Jimmy V Week PSA Campaign; and Nat Geo's Killing Kennedy Integrated Communications.

FAXIES Finalists: Congratulate this year's **FAXIES** finalists, who will be honored at a breakfast June 10 at the Grand Hyatt NYC. The FAXIES Awards represent the best in cable PR and marketing over the past year. Check out all the nominees [here](#).

CableFAX Week in Review

Company	Ticker	5/16 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	86.18	(2.08%)	24.79%
DISH:	DISH	59.95	(1.12%)	3.50%
ENTRAVISION:	EVC	5.30	0.95%	(12.97%)
GRAY TELEVISION:	GTN	10.27	(2.56%)	(0.96%)
MEDIA GENERAL:	MEG	16.82	3.00%	(25.58%)
NEXSTAR:	NXST	42.11	4.78%	(24.44%)
SINCLAIR:	SBGI	29.07	5.82%	(18.64%)

Company	Ticker	5/16 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	17.15	2.21%	(4.35%)
CHARTER:	CHTR	137.46	(0.36%)	0.51%
COMCAST:	CMCSA	50.19	(1.59%)	(3.43%)
COMCAST SPCL:	CMCSK	49.68	(1.31%)	(0.4%)
GCI:	GNCMA	11.25	4.75%	0.90%
GRAHAM HOLDING:	GHC	663.54	(0.51%)	0.03%
LIBERTY GLOBAL:	LBTYA	43.83	1.06%	(30.38%)
LIBERTY INT:	LINTA	28.45	(2.07%)	(3.07%)
SHAW COMM:	SJR	24.86	0.24%	2.14%
TIME WARNER CABLE:	TWC	136.68	(1.58%)	0.87%

Company	Ticker	5/16 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	34.07	(0.23%)	(3.13%)
AMC NETWORKS:	AMCX	59.52	2.62%	(12.61%)
CBS:	CBS	57.03	0.51%	(10.53%)
CROWN:	CRWN	3.47	0.87%	(1.7%)
DISCOVERY:	DISCA	73.72	0.90%	(18.47%)
DISNEY:	DIS	80.39	(1.9%)	5.22%
GRUPO TELEVISIA:	TV	33.60	1.51%	11.04%
HSN:	HSNI	54.64	(1.48%)	(12.3%)
LIONSGATE:	LGF	26.38	2.57%	(16.68%)
MADISON SQUARE GARDEN:	MSG	50.17	0.88%	(12.87%)
SCRIPPS INT:	SNI	75.16	(0.33%)	(13.02%)
STARZ:	STRZA	29.65	0.95%	1.40%
TIME WARNER:	TWX	68.89	0.76%	(1.19%)
VALUEVISION:	VVTV	4.90	(2.78%)	(29.9%)
VIACOM:	VIA	83.96	0.54%	(4.34%)
WWE:	WWE	11.27	(34.7%)	(32.03%)

Company	Ticker	5/16 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADDVANTAGE:	AEY	2.63	(7.39%)	(2.23%)
ALCATEL LUCENT:	ALU	3.82	(2.55%)	(13.18%)
AMDOCS:	DOX	46.99	(0.4%)	13.94%
AMPHENOL:	APH	95.49	(0.53%)	7.08%
AOL:	AOL	36.81	(2.46%)	(21.04%)
APPLE:	AAPL	597.51	2.04%	6.50%
ARRIS GROUP:	ARRS	29.52	6.11%	21.28%
AVID TECH:	AVID	7.19	(1.91%)	(11.78%)
BLNDER TONGUE:	BDR	0.91	6.94%	(9.1%)
BROADCOM:	BRCM	29.70	(0.13%)	0.17%
CISCO:	CSCO	24.37	6.23%	8.65%
CONCURRENT:	CCUR	8.07	(0.62%)	(1.22%)
CONVERGYS:	CVG	22.05	0.68%	4.75%
CSG SYSTEMS:	CSGS	25.23	(3.72%)	(14.17%)
ECHOSTAR:	SATS	49.70	8.14%	(0.04%)
GOOGLE:	GOOG	520.63	0.37%	(53.54%)
HARMONIC:	HLIT	7.30	2.96%	(1.08%)

Company	Ticker	5/16 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	25.82	(1.83%)	(0.54%)
INTERACTIVE CORP:	IACI	62.81	(1.38%)	(8.51%)
JDSU:	JDSU	10.84	(0.28%)	(16.55%)
LEVEL 3:	LVT	43.75	(0.61%)	31.90%
MICROSOFT:	MSFT	39.83	0.73%	6.47%
NIELSEN:	NLSN	46.66	(0.41%)	1.68%
RENTRAK:	RENT	51.36	(10.49%)	35.55%
SEACHANGE:	SEAC	9.18	1.66%	(24.51%)
SONY:	SNE	16.38	(5.75%)	(5.26%)
SPRINT NEXTEL:	S	9.01	2.27%	(16.19%)
TIVO:	TIVO	11.84	0.59%	(9.76%)
UNIVERSAL ELEC:	UEIC	39.82	(1.39%)	4.49%
VONAGE:	VG	3.50	(7.89%)	47.68%
YAHOO:	YHOO	33.41	(1.04%)	(17.38%)

Company	Ticker	5/16 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	36.74	0.82%	4.49%
CENTURYLINK:	CTL	38.18	4.43%	19.87%
TDS:	TDS	26.83	(0.7%)	4.07%
VERIZON:	VZ	49.07	4.14%	(0.14%)

Index	Value	% Chg	% Chg
MARKET INDICES			
DOW:	DJI	16491.31	(0.55%)
NASDAQ:	IXIC	4090.59	0.46%
S&P 500:	GSPC	1877.86	(0.03%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. ECHOSTAR:	49.70	8.14%
2. BLNDER TONGUE:	0.91	6.94%
3. CISCO:	24.37	6.23%
4. ARRIS GROUP:	29.52	6.11%
5. SINCLAIR:	29.07	5.82%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WWE:	11.27	(34.7%)
2. RENTRAK:	51.36	(10.49%)
3. VONAGE:	3.50	(7.89%)
4. ADDVANTAGE:	2.63	(7.39%)
5. SONY:	16.38	(5.75%)

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