

# CableFAX Daily™

Friday — May 23, 2014

What the Industry Reads First

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## USF Invoice: Cablevision Balks at \$750K Bill for Defunct Affiliate

There's a lot of back-and-forth over USF contributions, but here's something a bit different... A minority, indirect stake in a commercial mobile radio services provider that went out of business 10 years ago could cost **Cablevision** \$750K. The MSO received an invoice in March for a never-paid balance for USF contributions of \$752,568.20 owed by **Cleveland PCS** on 2003 revenue. The bill was from **Universal Service Administrative Company**, the independent, non-profit designated by the **FCC** as the administrator of universal service. "Cleveland PCS may have been unaware of this balance, as USAC did not invoice Cleveland PCS for that amount until after the company had transferred all of its assets to a buyer, Cleveland Unlimited," Cablevision told the FCC in a filing asking the agency to review the USAC's decision. According to CVC, the USAC turned its attention to Cablevision after unsuccessful attempts to collect the "supposed USF debt" from Cleveland Unlimited between '05-'08. Cablevision argues that USAC can't shift the debt from 1 company to another simply because they once had a corporate affiliation with each other. What's more, it says the statute of limitations long ago ran out. "Cablevision today has no way of knowing whether Cleveland PCS actually owed USAC the amounts invoiced or whether USAC attributed that debt to Cleveland PCS improperly," the MSO wrote. "Nor can Cablevision possibly investigate the issue, because so much time has passed that it would be impossible for Cablevision to gather the relevant records from or interview the relevant third parties (assuming they can even be identified)." The charges were incurred 11 years ago, Cleveland PCS ceased operations 10 years ago, and it formally ceased to exist, filing a certificate of dissolution, 6 years ago. Cablevision said as far as it can determine, no one ever made it aware of the debt before Oct of last year.

**Getting Giggy with It:** Cox plans to start its 1Gbps rollout in Phoenix, Las Vegas and Omaha, with deployment in all Cox locations by the end of 2016. The MSO, which first unveiled the 1-Gig efforts at the **Cable Show**, plans to start with new residential construction projects as well as new and existing neighborhoods in those 3 markets. It also plans to offer the gigabit speeds to units in select new condo and apartments. As it begins deployments, it will double the speeds on its most popular Internet service for all customers this year, taking its Preferred tier to 50 Mbps from 25. Cox High Speed Internet Premier will increase from 50 Mbps per second to 100 megabits per sec-

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ond. In other Internet news, Cox also announced the expansion of its WiFi service to the Phoenix metro area and Greater Las Vegas.

**TVE Users Like TV:** TV Everywhere viewers consume more TV overall, according to a study by **Viacom**. In its “TV Here, There, (Not Quite) Everywhere” study, the company surveyed 1,900 viewers in the NY and Chicago areas on their TVE usage. Since they started using TVE apps and sites, 64% reported watching more TV in general. The finding is stronger among millennials, with 72% watching more TV. Some 98% of users said TVE adds value to their pay TV subscription, with 67% saying it adds “a lot” of value. About 93% said it’s more likely for them to stay with their provider due to TVE and 68% said they have a more favorable impression of nets that offer TVE services. In terms of user experience, the majority of the users cited flexibility, smart search, extensive content and custom logins as key. In terms of barrier to adoption, while 19% of users said they have no problems with their TVE experiences, the top issues tend to be tech-related, including loading/buffering (24%) and crashing/freezing (23%). Content-related issues are less common, with 16% reporting episodes disappearing and 15% citing lack of current episodes.

**TVE Launches:** **Time Warner Cable** and **Bright House Nets** now have access to **Fox’s** suite of TVE apps, including **Fox Now** and **NatGeoTV**. Soon the operators will launch **Fox Sports Go**, which offers live sports from **Fox Sports 1**, **FS2**, **Fox College Sports** and **Fox Deportes**. -- **E!** announced the launch of “E! Now,” featuring programming on demand and live streaming of content. It’s available now for desktop and iOS, with an android version to debut next month. -- Just in time for the French Open which starts Sun, **Cox** teamed with **Tennis Channel** to offer Cox subs TVE access to the net. That means Cox customers with a Tennis Channel subscription can stream the net’s linear coverage from various platforms, such as smartphones, tablets and computers, upon authentication.

**Google Talks Peering:** **Google Fiber** stated its position on paid content in a blog post Wed. “We give companies like **Netflix** and **Akamai** free access to space and power in our facilities and they provide their own content servers. We don’t make money from peering or colocation; since people usually only stream one video at a time, video traffic doesn’t bog down or change the way we manage our network in any meaningful way— so why not help enable it?” **Jeffrey Burgan**, Google’s dir of network engineering wrote. Google also doesn’t charge because it’s “really a win-win-win situation.” He said that because Netflix colocated its servers along Google’s network, Netflix customers can access full 1080p HD and, for those who own a 4K TV, Netflix in Ultra HD 4K. “It’s good for us because it saves us money (it’s easier to transport video traffic from a local server than it is to transport it thousands of miles). But most importantly, we do this because it gives Fiber users the fastest, most direct route to their content,” he wrote.

**History Honors Vets:** Among the nets honoring vets as Memorial Day approaches is **History**, which will feature a special tribute gallery and social media campaign as part of its “Mission to Honor” initiative. The campaign seeks to drive viewers to honor military personnel by submitting a photo and brief story of a family member, friend or loved one who has served or is actively serving in the US military. Another part of the campaign includes on-air custom vignettes during the premiere of the net’s “D-DAY” programming on June 6.

**Programming:** **Syfy** acquired US basic cable rights to all 39 eps of the swords and sandal series “Spartacus” from **Starz Worldwide Distribution**. The series will make its basic cable debut on June 26. -- **CNN** will debut critically acclaimed documentary film “Documented,” which explores unauthorized immigration through the journey of Pulitzer Prize-winning journalist **Jose Antonio Vargas**, June 29, 9pm and 11pm ET. The film is currently in distribution in theaters. -- **WE tv** greenlit scripted thriller “South of Hell,” a supernatural thriller focused on a “demon hunter.” It will debut 8 eps next year. -- **Pivot** will launch a year-long, multiplatform on- and off-air campaign for its nightly primetime news program “TakePart Live.” A key programming initiative of “Return the Service” is “Pivet 11,” a segment that will air on the 11th of each month and feature a vet who has triumphed or been challenged with common issues facing both vets and millenials. The net is teaming with several nonprofits for its initiative, including including Iraq and Afghanistan Veterans of America. -- **TBS** extended the 2nd season of “Deal With It,” adding 10 eps to the hidden-camera competition series. -- **Ovation’s** summer lineup includes new series “Big Ballet,” “Trending Trailers,” “Wall of Sound” and “Capture,” which premiere in May and June. In addition **DirectTV** subs can access a free Ovation preview starting Mon.

**Oakes Scholarship:** **Time Warner Cable Business Class** product manager **Jeanie Warfield** is the 1st recipi-

# BUSINESS & FINANCE

ent of the Catherine Oakes Memorial Leadership Scholarship for Women, the **SCTE Foundation** announced. Created to honor the memory of the svp, operations for SCTE who passed away suddenly last Nov, the Catherine Oakes scholarship is funded entirely by donations earmarked specifically in her name. Warfield will receive a grant of \$3700 to attend the **WICT Leadership Conference** in NYC Sept 15-16. Her grant application was among numerous submissions that were reviewed by past recipients of the Women in Technology Award that is presented annually by SCTE, WICT and *Cablefax*.

**On the Circuit:** It's not too late to register for **ACC's FORUM** conference in Atlanta, June 3-5. This year's theme is "Power of Storytelling: Hashtags, Headlines & Soundbites." Visit [CableCommunicators.org](http://CableCommunicators.org).

**People:** **MLB Net** appointed *Rob McGlarry* to the new role of evp, content, reporting to pres/CEO *Tony Petitti*. McGlarry previously supervised MLB's business and legal affairs and its affiliate relations, including its recent distribution renewals. Those areas will now be managed by vp, business & legal affairs *Erick Van Tuyl* and vp, distribution, affil sales & marketing *Brent Fisher*. -- **AMC Nets** promoted *Elana Mandelup* to vp, corp comm.

## CableFAX Daily Stockwatch

Company	05/22 Close	1-Day Ch	Company	05/22 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	84.08	0.05	CONCURRENT:	8.04	0.01
DISH:	57.95	0.31	CONVERGYS:	21.90	(0.01)
ENTRAVISION:	5.21	UNCH	CSG SYSTEMS:	25.40	0.19
GRAY TELEVISION:	10.68	0.15	ECHOSTAR:	50.86	0.40
MEDIA GENERAL:	17.01	UNCH	GOOGLE:	545.06	6.12
NEXSTAR:	44.05	(0.38)	HARMONIC:	7.28	0.02
SINCLAIR:	29.71	0.03	INTEL:	26.15	(0.05)
<b>MSOS</b>					
CABLEVISION:	17.18	0.10	INTERACTIVE CORP:	61.98	(0.84)
CHARTER:	138.17	(0.39)	JDSU:	10.79	0.01
COMCAST:	51.70	0.35	LEVEL 3:	44.28	0.23
COMCAST SPCL:	51.17	0.27	MICROSOFT:	40.10	(0.25)
GCI:	11.23	0.12	NIELSEN:	47.78	0.31
GRAHAM HOLDING:	668.67	(2.09)	RENTRAK:	51.20	0.83
LIBERTY GLOBAL:	45.40	0.13	SEACHANGE:	9.39	(0.03)
LIBERTY INT:	28.16	(0.11)	SONY:	16.18	0.13
SHAW COMM:	25.10	0.13	SPRINT NEXTEL:	9.06	(0.04)
TIME WARNER CABLE:	140.53	0.83	TIVO:	11.93	0.18
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	34.53	(0.02)	UNIVERSAL ELEC:	43.85	3.45
AMC NETWORKS:	60.95	0.35	VONAGE:	3.62	0.06
CBS:	59.29	0.27	YAHOO:	34.70	0.34
CROWN:	3.42	0.03	<b>TELCOS</b>		
DISCOVERY:	75.85	1.55	AT&T:	35.38	0.11
DISNEY:	82.35	0.16	CENTURYLINK:	37.15	(0.02)
GRUPO TELEVISIA:	33.49	0.44	TDS:	26.59	0.35
HSN:	54.60	0.62	VERIZON:	49.45	0.28
LIONSGATE:	27.50	(0.26)	<b>MARKET INDICES</b>		
MADISON SQUARE GARDEN:	51.23	0.02	DOW:	16543.08	10.02
SCRIPPS INT:	75.71	0.76	NASDAQ:	4154.34	22.80
STARZ:	29.91	0.11	S&P 500:	1892.49	4.46
TIME WARNER:	69.97	(0.09)	<b>TECHNOLOGY</b>		
VALUEVISION:	4.33	(0.54)	ADDVANTAGE:	2.70	(0.04)
VIACOM:	84.80	0.20	ALCATEL LUCENT:	3.78	(0.11)
WWE:	10.81	(0.04)	AMDOCS:	47.34	(0.17)
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.70	(0.04)	AMPHENOL:	95.43	0.28
ALCATEL LUCENT:	3.78	(0.11)	AOL:	36.58	(0.16)
AMDOCS:	47.34	(0.17)	APPLE:	607.27	0.96
AMPHENOL:	95.43	0.28	ARRIS GROUP:	30.85	1.19
AOL:	36.58	(0.16)	AVID TECH:	7.22	UNCH
APPLE:	607.27	0.96	BLNDER TONGUE:	0.95	0.01
ARRIS GROUP:	30.85	1.19	BROADCOM:	30.15	(0.04)
AVID TECH:	7.22	UNCH	CISCO:	24.38	(0.1)
BLNDER TONGUE:	0.95	0.01			
BROADCOM:	30.15	(0.04)			
CISCO:	24.38	(0.1)			

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# PROGRAMMER'S PAGE

## Capturing the Essentials

The Dollanganger kids' twisted childhood is behind them—or at least it appears so from the outside—and revenge and forbidden love have started in **Lifetime's** original movie "Petals on the Wind" (premieres Memorial Day, 9pm). The sequel to the net's "Flowers in the Attic" is based on the 2nd novel of *V.C. Andrews'* series about 4 siblings held captive by their mother and grandmother. The most obvious change from the book is the big jump forward. The film picks up a decade after the events of "Flowers" in which 3 of the siblings, Cathy, Christopher and Carrie, escaped from the family attic at Foxworth Hall. The omission is for good reason: It would need to be "a much, much longer movie if we included those years," *Lisa Hamilton Daly*, vp of original movies at Lifetime and **A&E**. "We now have a series of actions that are more unified in time and space and works better as a coherent movie." The jump forward also eliminates a key romance involving Cathy and Paul, who became the caretaker of the kids following their escape. "The subject matter involving Paul's relationship with a teenager in his care was something we decided to stay away from subject-matter-wise," Daly said. She acknowledged that "it's sometimes hard to please the hardcore fans, but we hope that we got most of the essentials right." And they did, especially the dark ones. Despite the change, the film takes in about as much as it probably can from the book, including perhaps one of the most memorable scenes involving the grandmother burning in her bed. And like the book, "we emphasize Cathy's need for revenge and its unexpected outcome because we thought it would be the most satisfying arc for the movie. She gets her revenge and more, but it may not be what she'd hoped it would be," Daly said. Lifetime is in development on 3 additional Andrews' books, including the standalone novel "My Sweet Audrina." *Joyce Wang*

**Reviews:** "Chosin," Memorial Day, 9p, **American Heroes Channel**. The network picked an excellent film to inaugurate its AHC Films strand. The Battle of Chosin was a brutal, 17-day slugfest early in the Korean War where 15K U.S. Marines were surrounded by nearly 70K Chinese. From the hell of being attacked constantly on all sides to battling sub-zero temperatures, the "Chosin Few" -- 55K U.S. and Chinese troops were killed or wounded—tell their story without embellishment in this superbly produced film. -- "The World Wars," Part 1 of 3, Memorial Day, 9p, **History**. This fine piece of storytelling relates how experiences of *Hitler, Churchill, Patton* and *Mussolini* during WWI influenced their actions in WWII. -- "The Normal Heart," Sun, 9p, **HBO**. *Larry Kramer's* adaptation of his stage play works best as historical drama, exposing younger generations to the sexual politics surrounding HIV-AIDS' early days, when activists fought to bring the crisis to the attention of a nation in denial. *Mark Ruffalo, Alfred Molina* and *Jim Parsons* stand out in a strong ensemble. -- "Shark Week" has worked, so why not others? **Fit & Health** begins "Psych Week" with "Born Schizophrenic," a heart-wrenching film about young siblings suffering from schizophrenia, while **Destination America** bites into "Meat Week," with 'cue immortal *Myron Mixon* facing tough competition in "BBQ Pit Wars" (both Memorial Day, 10p). *Seth Arenstein*

Basic Cable Rankings (5/12/14-5/18/14) Mon-Sun Prime			
1	TNT	2.3	2231
2	USA	1.5	1417
3	HIST	1.4	1365
4	TBSC	1.3	1297
4	DSNY	1.3	1294
6	FOXN	1.2	1156
6	ESPN	1.2	1141
6	DSE	1.2	83
9	HGTV	1.0	958
10	NAN	0.9	863
10	DISC	0.9	853
10	TLC	0.9	835
13	ADSM	0.8	825
13	A&E	0.8	776
13	NBCS	0.8	628
16	FOOD	0.7	705
16	FX	0.7	693
16	LIFE	0.7	642
16	SYFY	0.7	637
16	FAM	0.7	634
16	BRAV	0.7	634
16	ID	0.7	622
23	SPK	0.6	562
23	VH1	0.6	554
23	AMC	0.6	553
23	FS1	0.6	507
23	HALL	0.6	487
28	CMDY	0.5	497
28	TVLD	0.5	446
28	MSNB	0.5	445
28	APL	0.5	443
28	NGC	0.5	441
28	MTV	0.5	440
28	TRU	0.5	434
28	BET	0.5	408
28	DSJR	0.5	369
28	HMC	0.5	266
38	WETV	0.4	383
38	CNN	0.4	351
38	EN	0.4	341
38	LMN	0.4	338
38	NKJR	0.4	338
38	OXYG	0.4	280
38	H2	0.4	276
38	INSP	0.4	208
46	TRAV	0.3	307

\*Nielsen data supplied by ABC/Disney

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