

CableFAX Daily™

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What the Industry Reads First

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Debate Continues: Peering, Evil ISP Monsters and Open Internet Policy

It has been a week-and-a-half since the FCC's net neutrality NPRM vote, and so far, the Internet is still alive. The heated rhetoric has cooled significantly (as have the 12th St protesters), but the underlying discussion continues with comments not due for nearly 2 months (FYI, the FCC's specially created inbox for net neutrality comments had received about 230K emails as of last Wed). Citing the dust-up between **Comcast** and **Level 3** in 2010 and **Cogent**, **Comcast** and **Verizon** earlier this year involving degradation from congestion at peering points, FCC chief of Staff *Ruth Milkman* pondered what these disputes mean at a **Progressive Policy Institute** event in DC Tues. "Are such disputes, in fact, business negotiations that can be resolved adequately in the marketplace?" she asked. "Or are they an advance warning sign of a breakdown of the functioning marketplace of interconnection and traffic exchange on the Internet? We don't know the answer. But we do know that we need to learn more about how the marketplace is, or is not, functioning." Peering was outside of the scope of the 2010 Open Internet Order, and thus is outside of the scope of the 2014 NPRM. But with some parties pushing to include issues of traffic exchange, peering, transit and CDNs, the FCC seeks comment on this question. Public comments continue to pour in on the proceeding, and some companies are also stepping up following the May 15 vote. **Roku** execs met with FCC staffers last week to demo its box and discuss net neutrality from "a streamer's view." The gist of its presentation, according to an ex parte, seems to have focused on just the fact and hinged on the importance of TV Everywhere. According to Roku's survey of customers with pay TV service, 48% would consider switching providers to get TVE channels and 73% said TVE from their provider would be valuable. **Mediacom** gen counsel *Joseph Young* also weighed into the docket last week, arguing that law professor *Timothy Wu*'s Feb *New Yorker* blog on the Comcast and **Netflix** deal be viewed as "propaganda, rather than scholarship." Wu called for net neutrality rules to extend to interconnection. Mediacom, meanwhile, argued that ISPs in general get a bum rap: "It is fair to say that in the real world, rather than the video-game-like world filled with evil ISP monsters in which many of the industry critics seem to dwell, more actual and would-be participants in the web and application economies have encountered roadblocks and extra costs because of the power and practices of established web companies, the owners of popular content and the owners of the two principal smart phone operating systems than because of the actions of any one ISP or all ISPs combined. Yet, those



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entities are strangely immune from criticism, while ISPs are loathed, feared and regulated.” Need more net neutrality viewpoints? On Fri, the 10th Circuit court of Appeals rejected challenges to the FCC’s intercarrier compensation charges in the agency’s USF reform. Don’t see how this relates to net neutrality? Well, **Consumer Federation of America** argues that the 10th Circuit ruling boosts the FCC’s approach of using Sect. 706 to create rules, while continuing to explore the possibility of Title II. “The fact that we have two Circuit courts accepting rules based on §706 authority means the Commission can move ahead with much greater confidence this approach to network neutrality will withstand scrutiny,” CFA said.

Cable WiFi: In an effort to enable Internet customers to register all WiFi-enabled family devices so they can automatically connect to TWC WiFi when in range, **Time Warner Cable** launched “My WiFi,” a new online customer portal that would eliminate the need to sign in with credentials while on the go. The portal also provides WiFi usage reports and allows users to view their estimated savings based on their TWC WiFi usage (default setting being the Tier 1 rate of \$10/GB).

Top Paid CEOs: **CBS’ Les Moonves** was the 2nd-highest paid CEO for 2013, pulling in \$65.6mIn (+9% vs 2012), according to a list released Tues by The AP and executive pay research firm **Equilar**. Only the CEO of land-drilling contractor **Nabors Industries** made more (\$68.2mIn). Plenty of other media execs made the top 10: **Viacom’s Philippe Dauman** (#5, \$37.2mIn), **Disney’s Bob Iger** (#7, \$34.3mIn), **Discovery Comm’s David Zaslav** (#8, \$33.3mIn—despite a 33% decrease in pay), **Time Warner’s Jeff Bewkes** (#9, \$32.5mIn) and **Comcast’s Brian Roberts** (#10, \$31.4mIn).

So Long, George: Nearly 2.5 years after passing the reins to *John Skipper*, *George Bodenheimer’s* leaving the building. At month’s end, he’ll step down as exec chmn of ESPN and bid goodbye to the company that has been his home for the past 33 years. He actually joined ESPN as a mail clerk in 1981 when the net was in its infancy. He’ll continue to raise money for **The V Foundation** for cancer research. “Every day I was asked questions about the future, and my favorite answer was, ‘ESPN has the best employees in the business. They know what the mission of the company is, and together we will figure it out’... I have great faith that it will always be true,” Bodenheimer wrote in a note to colleagues Tues. Best wishes!

Tennis Goes Everywhere: Combining streaming service, live linear TV and plenty of VOD, **Tennis Channel** launched an annual digital subscription service, **Tennis Channel Plus**, on the opening day of the French Open on Sun, a year after the launch of its TVE app **Tennis Channel Everywhere**. The service, which costs \$59.99 for a 1-year subscription and \$9.99 for a 1-day pass, is accessible through the TVE app or through www.tennischanneleverywhere.com. It offers 300 live matches from close to 40 tournaments around the world. The hybrid model gives TVE distribution partners “the chance to become profit participants” in the net’s digital subscription service without upfront costs or linear-channel commitment, **Tennis** said.

STEMulating Day: Lots of news on the STEM front Tues in conjunction with the White House Science Fair. **Discovery Comm** and **US2020** announced a partnership to bolster US2020’s goal of matching 1mIn STEM mentors with students by 2020 (**Cisco** is among US2020’s founding partners). **Discovery Education** also hosted a virtual field trip of the science fair with **Discovery Channel’s** “MythBusters” and **Science Channel** star *Kari Byron*. The White House also announced Tues that **Time Warner Cable** reached its goal of connecting 1mIn young people to hands-on science, tech, engineering and math learning opportunities and resources through its **Connect a Million Minds** initiative. The milestone comes less than 5 years after *President Obama* and TWC announced the commitment in response to the White House’s “Educate to Innovate” campaign. TWC will continue to focus on STEM, with 80 CAMM events planned in the coming months.

Ratings: HBO Films’ “The Normal Heart” scored 1.4mIn viewers across 2 plays Sun night. The premiere at 9pm placed 5th in viewership among the 17 HBO films that debuted since 2010. -- **Lifetime’s** original movie “Petals on the Wind,” a sequel to the net’s “Flowers in the Attic,” bagged 3.4mIn total viewers Sun night, making it one of the net’s most-watched original films of the year. The film averaged 1.5mIn 18-49, 1.5mIn 25-54, 1.3mIn women 25-54 and 1.2mIn women 18-49.

Programming: **HGTV** booked 13 new eps of “Fixer Upper” from **High Noon Entertainment**. -- **Showtime** will air all seasons of “Queer As Folk” and “The L Word” in June in honor of gay pride month. -- **NBC Sports Group** and **World Series of Fighting** inked a multi-year deal extending the company’s rights to televise the Las Vegas-based mixed martial arts events through 2017. The deal includes multiplatform rights to the group’s events, which will be televised on **NBCSN** and **NBC** and featured on NBC’s digital platforms. -- **Universal Sports** will offer live coverage of the inaugural **La Course by Le Tour de France**, the 1-day women’s cycling event that finishes on the famed **Champs-Élysées**. -- **Telemundo**, **mun2**, **MSNBC** and **AMC Theaters** will feature documentary “Underwater Dreams,” which chronicles the story of 4 teen boys entering

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an underwater robotics competition. The film's the center piece of NBCU Hispanic Enterprises and Content's national campaign, Aprender es Triunfar, aimed at closing the Latino student achievement gap. The nets will air the documentary in late July.

Cox Foundation: The James M. Cox Foundation announced a \$5mln grant to develop the Atlanta BeltLine's Westside Trail, a 3-mile path in the redevelopment project's southwest corridor that will connect 4 schools and 4 parks. This contribution joins previous grants totaling \$7.5mln from the James M. Cox Foundation and Sarah and Jim Kennedy to support the BeltLine.

TCA Awards '14: With 9 nominations, **CBS** leads the nominations for the **Television Critics Assn's** annual awards. **HBO** is runner-up with 8 nods, followed by **FX** (7) and **Fox** (6). The org, now in its 30th year, will recognize the winners during the summer TCA press tour, July 19 in L.A. More on nominees at **Cablefax.com**.

People: *Veronica Sheehan* was named **Turner** svp, global network & studio operations; *Dawn Simonton* becomes vp, network partnerships.

Women In Tech: Nominations are now being accepted for the 2014 Women in Technology Award, jointly presented by **WICT**, **SCTE** and **Cablefax**. Deadline is June 27. This year's award will be presented during **SCTE's** Annual Awards Luncheon at SCTE Cable-Tec Expo Sept 22-25 in Denver.

CableFAX Daily Stockwatch

Company	05/27 Close	1-Day Ch	Company	05/27 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	82.73	(0.85)	CONCURRENT:	8.11	0.05
DISH:	59.86	(0.01)	CONVERGYS:	22.27	0.07
ENTRAVISION:	5.22	(0.02)	CSG SYSTEMS:	26.39	0.57
GRAY TELEVISION:	11.03	0.08	ECHOSTAR:	51.27	0.54
MEDIA GENERAL:	17.40	0.27	GOOGLE:	565.95	13.25
NEXSTAR:	45.76	0.93	HARMONIC:	7.36	(0.03)
SINCLAIR:	30.06	(0.14)	INTEL:	26.71	0.42
MSOS			INTERACTIVE CORP:	64.41	1.95
CABLEVISION:	17.55	0.10	JDSU:	10.92	0.12
CHARTER:	142.91	2.32	LEVEL 3:	43.76	(0.01)
COMCAST:	52.06	0.09	MICROSOFT:	40.19	0.07
COMCAST SPCL:	51.63	0.10	NIELSEN:	48.03	0.45
GCI:	11.35	(0.04)	RENTRAK:	51.10	(1.57)
GRAHAM HOLDING:	678.71	1.42	SEACHANGE:	9.56	0.15
LIBERTY GLOBAL:	45.22	(0.39)	SONY:	16.64	0.53
LIBERTY INT:	29.20	0.66	SPRINT NEXTEL:	9.23	(0.01)
SHAW COMM:	24.96	(0.03)	TIVO:	12.26	0.07
TIME WARNER CABLE:	141.39	0.11	UNIVERSAL ELEC:	44.76	0.90
PROGRAMMING			VONAGE:	3.62	0.01
21ST CENTURY FOX:	34.78	(0.17)	YAHOO:	35.12	0.10
AMC NETWORKS:	61.91	0.87	TELCOS		
CBS:	60.46	(0.29)	AT&T:	35.21	(0.11)
CROWN:	3.63	0.14	CENTURYLINK:	37.32	0.04
DISCOVERY:	78.50	0.30	TDS:	26.76	(0.13)
DISNEY:	83.74	0.42	VERIZON:	49.62	(0.12)
GRUPO TELEvisa:	33.22	(0.06)	MARKET INDICES		
HSN:	55.67	0.47	DOW:	16675.50	69.23
LIONSGATE:	28.79	(0.1)	NASDAQ:	4237.07	51.26
MADISON SQUARE GARDEN:	52.42	0.68	S&P 500:	1911.91	11.38
SCRIPPS INT:	76.81	0.19			
STARZ:	30.64	0.19			
TIME WARNER:	70.59	(0.09)			
VALUEVISION:	4.62	0.07			
VIACOM:	85.54	0.34			
WWE:	11.35	0.18			
TECHNOLOGY					
ADDVANTAGE:	2.75	0.06			
ALCATEL LUCENT:	3.98	0.11			
AMDOCS:	48.09	0.33			
AMPHENOL:	95.50	(0.21)			
AOL:	36.05	(1.07)			
APPLE:	625.63	11.50			
ARRIS GROUP:	31.70	0.67			
AVID TECH:	7.32	0.07			
BLNDER TONGUE:	0.89	(0.05)			
BROADCOM:	30.95	0.31			
CISCO:	24.71	0.19			

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CableFAX TECH

by Joyce Wang

Rovi Eyes Tier-1 Ops with Cloud

As Rovi CFO Peter Halt said during Rovi's 1Q earnings call, Rovi has done a ton of work done in 1Q to move its core technologies onto the cloud platform in the 2nd half of the year. That's partly because the company aims to focus on cloud-based program guides, Halt explained during the **JP Morgan** Global Technology, Media and Telecom Conference last week. "The Tier-1 providers are moving to [cloud-based guides]... We now have an opportunity to have a product relationship with a Tier-1 provider," he said. These providers "really care about owning that user interface and consumer relationship." And rather than taking a complete guide solution, they would use a component of it such as metadata or search and recommendation services, he said. That's exactly how Rovi has approached the Tier 1s with its solutions. Moving forward, Rovi seeks to "move deeper into set-top box businesses" and expand its guide technology for any Internet-enabled devices, pres/CEO *Tom Carson* said. The company's discovery solutions could also open up opportunities in advertising and analytics businesses. "There's a nice monetization opportunity in the future," Carson said. Rovi also has its eyes on consumer electronics companies as they look to differentiate. The CE firms "don't want to be left competing solely on price points," said Halt. "If they do, the Chinese companies will beat them. It's really about trying to differentiate. They are very focused on connected televisions and offering apps to make those [smart TVs] more robust," he said. And Rovi wants to be the enabler of that. Meanwhile, the **Comcast/Time Warner Cable** merger might benefit Rovi. According to Carson, unlike Time Warner Cable, Comcast has "a broad relationship with us on a variety of fronts" including metadata across Comcast's platforms, analytics and advertising." He hopes the merger would help foster more product business with the merged company.

Active Broadband Eyes Better Network Visibility:

Looking to allow network operators to provide simpler

and less costly ways to gain visibility into Internet service and application usage, **Active Broadband Networks** launched its Active Resources Controller. The software-based platform uses things like Big Data and IP flow telemetry to enable operators to transform subscriber intelligence into service control without the use of deep packet inspection.

Inca Seeks Better Video Delivery: Inca Networks

launched its advanced IP video processing and monitoring engine, Inca Modular Series 4400, which aims to allow providers to optimize the format, resolution and bit rate of large numbers of live satellite, IP and off-air digital sources for delivery to set-top boxes or multiscreen devices. The platform offers options including modular platforms that can transcode, transrate or downscale up to 24 HD or 60 SD programs to MPEG-4, in one rack unit of space, with integrated grooming and monitoring of all streams.

Research: **Arris** and **Pace** replaced Chinese vendors **Huawei** and **ZTE** as this year's top residential gateway vendors, according to **Infonetics'** 2014 residential gateway survey, which delves into service providers' strategies for deploying residential gateways and their top picks for vendors. The survey found that multiscreen video is growing rapidly: 55% of survey respondents offered the service this year versus just 6% last year. Among wireless technologies, WiFi standard 802.11ac showed the strongest growth, with just 5% of operators surveyed using it today, moving to 85% in 2015.

People: Dynamic ad insertion and alternate content delivery tech firm **This Technology** hired *Rick Hamilton* as vp, global sales, and *Peter Faubert*, as CFO, both based in Denver. The new hires came as the company has grown its headcount to more than 65 employees across offices in Denver, NYC and Beijing.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at jwang@accessintel.com

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DEADLINE IS FRIDAY, JUNE 27, 2014.

For the online nomination application, click here or go to www.wict.org.
Contact *Parthavi Das* at 202-827-4775.