

# CableFAX Daily™

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What the Industry Reads First

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## JSA Battle: Broadcasters Challenge FCC's Ban

The fight over broadcaster sharing agreements is far from over. About 2 months after the FCC's 3-2 vote in March to restrict joint sales agreements between 2 TV stations, NAB challenged the agency's decision at the DC Circuit. The Court's very familiar with objections to FCC rules, siding recently with Verizon and overturning the FCC's Open Internet Order. NAB has already sued the FCC in the same court over new "processing guidelines" for local TV applications proposing sharing arrangements. Broadcast companies Nexstar and Howard Stirk Holdings, are also expected to fight the ban at the courts. The moves followed Sinclair's announcement a day earlier to surrender to the Commission for cancellation 3 TV station licenses as part of its effort to revise the deal to acquire Allbritton stations to ensure compliance with new JSA rules. Sinclair had planned to spin the stations off to parties including Howard Stirk and provide services to them through sharing arrangements. NAB is also challenging the FCC's decision to treat agreements between 2 TV stations for the sale of advertising time as an ownership interest prohibited in most markets under its local television ownership rule. In its petition, NAB said the FCC violated the congressional mandate that requires it to review its ownership rules every 4 years. "NAB believes that a fact-based examination of today's marketplace would show that FCC ownership restrictions against free and local broadcasters are outdated in a world of national pay TV giants," said evp of communications Dennis Wharton. "These rules—some of which have not been altered since 1975—place broadcasters at a competitive disadvantage as we strive to continue delivering news, entertainment and lifeline programming to local communities across America." The Commission's JSA vote was along party lines. "We salute Commissioners Pai and O'Rielly for their strong dissent in this split FCC decision and look forward to swift judicial review," Wharton said. The Republican pair issued a joint statement Thurs on Sinclair's license withdrawals, asking the FCC to "correct its misguided" actions on JSA. Some Wall Street analysts seemed to agree, at least in the case of Sinclair. "While the restructuring will not impact Sinclair's economics, we highlight Pai and O'Reilly's statements that in this case, the new rules may have done more harm than good," Wells Fargo said in a research note. As expected, public interest groups like Free Press disagreed. Firing shots at Pai and O'Reilly, policy counsel Lauren Wilson said "Sinclair's overarching goal as always was to prevent competition and increase its stranglehold on media markets across the



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country, not to find actual buyers for and users of these public airwaves in the affected communities.”

**NBA May:** TNT handily won the month of May among cable nets, averaging 3.1mln viewers in prime, thanks to **NBA** playoff coverage. Hoops action propelled **ESPN** to a tie for 2nd with USA (1.9mln viewers each). Rounding out the top 5 are **History** (1.8mln) and **Disney** (1.6mln). Basketball accounted for 17 of the month's top 30 cable programs, but the #1 spot went to football, with **ESPN's NFL** draft coverage with its nearly 10mln viewers. **HBO's** “Game of Thrones” continues to be the top-rated scripted program, ranking as the only non-sports show in the month's top 10. The only other non-sports programs to crack the month's top 20 were “WWE Raw” on USA and **Bravo's** “Real Housewives of Atlanta.”

**Brag Book:** **Nat Geo** averaged 520K total viewers in May in prime, the 1st time the net has averaged more than a half million total viewers for the month of May. **NatGeo Wild** averaged 198K total viewers in prime during the period, up 17% YOY. -- **Discovery's** US portfolio saw 4% growth in 25-54 delivery in May compared to May 2013. Some standouts: **ID** had its best-ever May in prime with P2+ (757K), HH and P/W25-54. **Destination America** had its best May ever in prime and total day for P2+, averaging 219K and 121K, respectively. **Velocity** had its best May for key demos, with series “Wheeler Dealers” delivering its largest-ever program audience for 18-49s on May 21. **American Heroes Channel** was up 25% vs last year in P2+ delivery (142K).

**Speed Zone:** **Netflix** isn't the only online video provider telling folks how fast their Internet connection is. **Google** has launched the Video Quality Report, which shows consumers the quality of their provider and how it ranks compared to other ISPs in the area. Google gives ISPs ratings, with the best being “**YouTube HD Verified**,” meaning a consumer should be able to watch YouTube videos in HD with quick load times.

**Mad Time-Shifting:** Interesting to see the lift time-shifted viewing gave last weekend's mid-season finale of “Mad Men” on **AMC**. Adults 18-49 rose 116% from live/same day to 1.84mln within 3 days of the premiere, while 25-54s climbed 114% (2.04mln). The total audience grew 87% to 3.6mln. “It comes as little surprise to see the Mad Men audience, the most upscale audience on television and some of the most elusive live-television viewers anywhere, grow by triple digits in key demographics in just three days,” said AMC pres *Charlie Collier*.

**INSP Expansion:** **INSP** added more than 1.3mln new **Comcast** subs in the MSO's west division, including CA, WA, and MN. It's a nice gain for the net, which lost distribution on **DirectTV** earlier this year.

**TV Everywhere:** With kids the primary viewers of **Disney Channel**, **Disney XD** and **Disney Junior's** WATCH products, the programmer has given the TVE services a new character-focused redesign. Other additions to the services include the launch of **Disney Junior en Español**, marking the first time the network has made an entire block of programming available in Spanish on mobile devices, and the launch of a 6-hour block of **Radio Disney Junior** programming. -- **NBCU's Esquire Net** made its move to TVE, launching a live streaming service through its new mobile app **Esquire TV NOW** and online at [esquiretv.com/NOW](http://esquiretv.com/NOW). Upon authentication, the net's live and on-demand programming can be accessed across platforms.

**Eurosport Deal Closes:** **Discovery Comm** completed its deal to increase its stake in **Eurosport International**, EU's sports and entertainment group, to 51% from 20%. The deal is part of a bigger strategic partnership with **TF1 Group** that started in Dec 2012. TF1 expects to retain its 80% interest in Eurosport France until at least January 1, 2015. The closing does not impact the other 2 elements of the original deal—the 20% interest Discovery acquired in **TV Breizh**, **Histoire**, **Ushuaia TV** and **Stylia** channels, and a production alliance with TF1 Group. TF1 will retain the ability to exercise a put option over the remaining 49% in Eurosport International, which would potentially increase Discovery's ownership to 100%.

**Programming:** **Starz** is offering multiplatform, nationwide sampling of the 1st ep of its original series “Power” beginning Sat (5/31), with an exclusive reveal of the 5-min opening scene debuting on Twitter Fri. It's the 1st TV show to premiere on Twitter using the platform's new in-line video feature that enables one-touch playback. The service is based on Twitter Cards, which allows users to do things like watch videos, download apps, or view articles and photos from within a Tweet. MVPDs participating in the VOD and online sampling opportunities include **Comcast**, **DirectTV**, **DISH**, **Time Warner Cable**, **AT&T** and **Cox**. -- **SundanceTV** will air *Maya Angelou's* “Iconoclasts” episode on Thurs (11pm) to pay tribute to the poet and author, who passed away Wed. The ep was originally aired in 2005.

## CableFAX Week in Review

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DIRECTV:	DTV	82.44	(1.38%)	19.37%
DISH:	DISH	58.66	(2.02%)	1.28%
ENTRAVISION:	EVC	5.36	2.29%	(11.99%)
GRAY TELEVISION:	GTN	11.44	4.47%	10.32%
MEDIA GENERAL:	MEG	17.73	3.50%	(21.55%)
NEXSTAR:	NXST	46.46	3.64%	(16.63%)
SINCLAIR:	SBGI	29.58	(2.05%)	(17.21%)

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	17.63	1.03%	(1.67%)
CHARTER:	CHTR	143.14	1.81%	4.67%
COMCAST:	CMCSA	52.20	0.44%	0.44%
COMCAST SPCL:	CMCSK	51.84	0.60%	3.93%
GCI:	GNCMA	11.34	5.59%	1.70%
GRAHAM HOLDING:	GHC	676.94	(0.05%)	2.05%
LIBERTY GLOBAL:	LBTYA	45.02	(1.29%)	(28.49%)
LIBERTY INT:	LINTA	29.13	2.07%	(0.75%)
SHAW COMM:	SJR	24.86	(0.52%)	2.14%
TIME WARNER CABLE:	TWC	141.16	(0.08%)	4.18%

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	35.41	1.32%	0.68%
AMC NETWORKS:	AMCX	61.88	1.38%	(9.15%)
CBS:	CBS	59.61	(1.88%)	(6.48%)
CROWN:	CRWN	3.57	2.29%	1.13%
DISCOVERY:	DISCA	76.96	(1.59%)	(14.89%)
DISNEY:	DIS	84.01	0.83%	9.96%
GRUPO TELEVISIA:	TV	33.80	1.56%	11.70%
HSN:	HSNI	55.62	0.76%	(10.72%)
LIONSGATE:	LGF	26.13	(9.55%)	(17.47%)
MADISON SQUARE GARDEN:	MSG	54.85	6.01%	(4.74%)
SCRIPPS INT:	SNI	76.46	(0.21%)	(11.51%)
STARZ:	STRZA	30.60	0.49%	4.65%
TIME WARNER:	TWX	69.83	(1.2%)	0.16%
VALUEVISION:	VTV	4.46	(1.98%)	(36.19%)
VIACOM:	VIA	85.40	0.23%	(2.7%)
WWE:	WWE	11.28	0.98%	(31.97%)

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE:	AEY	2.63	0.00%	(2.23%)
ALCATEL LUCENT:	ALU	4.01	4.97%	(8.86%)
AMDOCS:	DOX	48.12	0.75%	16.68%
AMPHENOL:	APH	95.80	0.09%	7.42%
AOL:	AOL	36.28	(2.26%)	(22.18%)
APPLE:	AAPL	633.00	3.07%	12.83%
ARRIS GROUP:	ARRS	33.11	6.70%	36.03%
AVID TECH:	AVID	7.46	3.76%	(8.47%)
BLNDER TONGUE:	BDR	0.93	9.41%	(7%)
BROADCOM:	BRCM	31.87	4.01%	7.49%
CISCO:	CSCO	24.62	0.41%	9.76%
CONCURRENT:	CCUR	8.01	(0.74%)	(1.96%)
CONVERGYS:	CVG	21.82	(1.71%)	3.66%
CSG SYSTEMS:	CSGS	26.27	1.74%	(10.65%)
ECHOSTAR:	SATS	51.07	0.67%	2.72%
GOOGLE:	GOOG	559.89	1.30%	(50.04%)
HARMONIC:	HLIT	7.24	(2.03%)	(1.9%)

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	27.32	3.92%	5.24%
INTERACTIVE CORP:	IACI	66.21	6.00%	(3.55%)
JDSU:	JDSU	10.97	1.67%	(15.55%)
LEVEL 3:	LVT	43.65	(0.27%)	31.59%
MICROSOFT:	MSFT	40.94	2.04%	9.44%
NIELSEN:	NLSN	48.26	1.43%	5.16%
RENTRAK:	RENT	51.67	(1.9%)	36.37%
SEACHANGE:	SEAC	9.58	1.81%	(21.22%)
SONY:	SNE	16.18	0.43%	(6.42%)
SPRINT NEXTEL:	S	9.55	3.35%	(11.16%)
TIVO:	TIVO	11.90	(2.38%)	(9.3%)
UNIVERSAL ELEC:	UEIC	45.48	3.69%	19.34%
VONAGE:	VG	3.80	5.26%	60.34%
YAHOO:	YHOO	34.65	(1.06%)	(14.32%)

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	35.47	(3.46%)	0.88%
CENTURYLINK:	CTL	37.67	1.05%	18.27%
TDS:	TDS	27.71	3.05%	7.49%
VERIZON:	VZ	49.96	0.44%	1.67%

Company	Ticker	5/30 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>				
DOW:	DJI	16717.17	0.67%	0.85%
NASDAQ:	IXIC	4242.62	1.36%	1.58%
S&P 500:	GSPC	1923.57	1.21%	4.07%

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	0.93	9.41%
2. ARRIS GROUP:	33.11	6.70%
3. MADISON SQUARE GARDEN:	54.85	6.01%
4. INTERACTIVE CORP:	66.21	6.00%
5. GCI:	11.34	5.59%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. LIONSGATE:	26.13	(9.55%)
2. AT&T:	35.47	(3.46%)
3. TIVO:	11.90	(2.38%)
4. AOL:	36.28	(2.26%)

# The FAXIES

June 10 ♦ 8:30 – 10:30 a.m. ♦ Grand Hyatt, NYC



## Awards Breakfast

**Congratulations to the finalists of The FAXIES and Sales Exec. of the Year awards!**

Bring your entire team to the breakfast for team photos, celebratory toasts and networking opportunities. Parties with tables of ten\* will have priority seating and will have ensured seats together.

\*Table positioning is based on a first come basis, so register early.

For more information on this exciting industry event, visit [www.cablefax.com](http://www.cablefax.com)

