

CableFAX Daily™

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What the Industry Reads First

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Merger Memos: Keep Calm, Work Hard and Everything's the Same for Now

Ah... SEC filings. One fun thing about the big mergers on the table is that the companies involved are required to report all sorts of communications related to the deals. So strict are the reporting standards that Comcast loses several of its 140 characters in every tweet because it's required to link folks to lengthy boilerplate language for investors and shareholders. Nothing earth-shattering thus far in these Form 425s, but they still offer a glimpse of the doings at some big distributors preparing to get even bigger. For example, DirecTV's svp of sales and distribution has reached out to dealers to reassure them in the wake of AT&T's bid. Until the transaction closes, "nothing changes for your business and we remain separate companies. I want you to keep doing everything that has made you successful and in turn, we will likewise remain committed to being a great business partner," says the letter from Mike Wittrock. It includes a PDF with frequently asked questions, such as what happens in MDU properties where a dealer is currently competing against U-verse. DirecTV's response: "For the foreseeable future, the DirecTV product and Uverse product will remain separately branded and operated products. We will look for synergies to enhance both products and our dealers' offerings. Each building will need to be analyzed on a case-by-case basis to make sure that both DirecTV and our dealer partners are meeting contractual obligations and remaining profitable. Our goal is to always create stacked wins for the subscriber, the dealer and DirecTV." Comcast's Form 425s include communication to employees impacted by the planned divestiture and system swaps with Charter and the new MSO SpinCo. "I know there will be a great deal of conversation over the coming days and weeks about what this means, and while there are more questions than answers right now, please know that we will do everything we can to support our employees during this transition. Employees who will be affected by these changes will have much more communication with senior leaders and Human Resources over the next few days. We are providing as much information as we possibly can at this point," Bill Connors, pres of Comcast's heavily impacted Central Division, wrote in a memo filed with the SEC. Memos and intranet messages reassuring employees on everything from their jobs to 401K matches is commonplace among all the involved parties. And every one of those carries the reminder that it's business as usual until the deals are approved. Time Warner Cable COO Dinni Jain knows a little about transitions, having helped lead Insight through its acquisition by TWC. He gave us this advice in Apr, before the Charter dealings had

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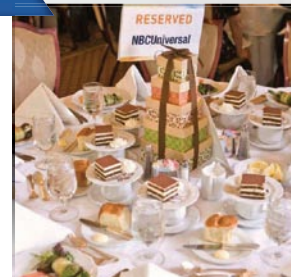
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*Table positioning is based on a first come basis, so register early.



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been announced: “For the vast majority of our employees, nothing would serve them in greater stead than to go out like champions, to have a banner year. And nothing would earn Comcast’s respect more than that kind of performance.”

Upfronts with C7: Big news in advertising land, with multiple outlets reporting that media buyer GroupM is inking a deal with broadcasters to do business on a C7 basis for its clients during upfronts. That’s welcomed news to programmers, who have long complained that the current standard of 3 days isn’t enough. *Ad Age* reported that the agreements will apply to broadcast entertainment primetime only.

Turner 2020: Turner chief *John Martin* outlined his “Turner 2020” initiative to maximize performance in a memo to staff on Mon. “As part of this process, we will assess every part of the company to ensure it is optimized against our strategic priorities, reducing spending and maximizing growth and profitability. To commit to staying top of market, we need to prioritize programming, monetization and innovation investment while reducing spending in less-impactful areas,” he wrote, adding that most likely means staff changes. 2020 is a special year for Turner, as it marks its 50th anniv. Part of Martin’s plan has the company freeing up resources in the short-term to improve ratings at some Turner nets.

NAB Lawsuit Trifecta? NAB has sued over the FCC’s vote to restrict joint sales agreements and its new processing guidelines for local TV applications proposing sharing arrangements, but will it also mount a legal challenge to the FCC’s incentive auction order. While the order was approved at May’s open meeting, the FCC didn’t release the actual order until Mon. NAB said it’s currently wading through the 800+-page report and order. “As we have said consistently, our twin aims are to help ensure the best chance for auction success while holding harmless those local TV stations committed to staying in business who wish to continue serving their tens of millions of viewers,” evp, comm *Dennis Wharton* said Mon.

DISH Taking Bitcoin: DISH said it’s the 1st pay TV provider to accept bitcoin and the largest company to-date to accept the virtual currency. It’ll start accepting bitcoin payments from subs in late 3Q, with Coinbase serving as the payment processor for transactions. “We always want to deliver choice and convenience for our customers, and that includes the method they use to pay their bills,” said DISH evp/COO *Bernie Han*.

Nuevo NUVotv: NUVotv beefed up its executive team including ad sales, marketing, programming and HR with 5 new hires and 2 promotions, following the net’s re-launch last year. *Bill Hilary*, evp of programming, was named to the newly-created position of pres, **SiTV Media**, the parent company. He will report to CEO *Michael Schwimmer* and continue to oversee programming, development, acquisition and scheduling for the net. Joining are *Jason Miller*, evp ad sales and integrated marketing, *Jesus Rodriguez* as svp, marketing, *Diane Castro*, vp corporate communications, and *Yolanda Enamorado*, vp, HR. In addition, *Lynnette Ramirez* was upped from vp to svp, programming and development.

WE tv Rebrand: WE tv unveiled a new logo and graphics that focus on the communal power of “WE” (for example, highlighting the letters w and e in words such as awesome and powerful. The net has dropped the word “women” from its name and is focusing on the broader implications of the word “WE,” although the network said it will remain a leading women’s destination. WE tv initially launched as Women’s Entertainment tv. “When we looked at our name and brand, we realized instantly that the word ‘WE’ is an ideal reflection of the socially networked world we live in today,” WE tv pres *Marc Juris* said in a statement. “The idea of ‘WE’ as all of us—sharing common interests and experiences—is a powerful and universal theme which drives connection, conversation, collaboration and community. It creates an ideal platform to position the network at the center of the rapidly evolving multi-screen universe.”

LGBT Pride Month: Comcast is celebrating the month by redesigning its Xfinity.com/LGBT portal and giving subs free access to **HERE TV** via VOD from June 10-16. The website curates video content from Comcast programming partners, including full eps and clips, and gives viewing recommendations for LGBT films, TV shows, docs and more.

Ratings: HBO’s “Game of Thrones” drew 7.2mln viewers at 9pm Sun night, on par with its last new ep and becoming the series’ 2nd most-watched telecast. It scored 8.2mln viewers for the night. The season finale of the net’s “Silicon Valley” at 10pm was up slightly from its last new ep, finishing with 1.7mln viewers (2mln viewers combined with its 2nd play). “Veep” stayed on track with its last new ep, tallying 1.1mln viewers at 10:30pm and 1.3mln total for the night. Sat night’s telecast of the “2014 Rock and Roll Hall of Fame Induction Ceremony” rose sharply from the prior year, delivering 918K viewers.

Programming: Cartoon’s “The Amazing World of Gumball” was greenlit for 2 additional seasons. Season 3 of the zany

BUSINESS & FINANCE

series debuts Thurs at 6:30pm. -- TBS ordered 8-eps for S3 of "King of the Nerds," slated for early next year. --

Bravo has 4 new unscripted projects: "#obsessed," "Apres Ski," "High Stakes Style" and "Family Love," all working titles. -- **HGTV** booked new series, including "My Flipping Family" (wt), "Island Life" and "Lakefront Bargain Hunt." **DIY** ordered "American Rehab: Buffalo" (wt), "American Rehab: Detroit; Pool Kings" (wt), "The Expandables," "Barnwood Builders," "Mega Decks" and "Custom Built."

People: **NBCU's** Hispanic Enterprises and Content division named *Maria Drew*, svp, HR. Drew was pres and founder at **HRStrategistGroup**, a Miami-based HR consulting firm, where she served as a strategic advisor to C-level execs. -- *Justin Smith*, most recently CEO of **WestwoodOne**, was tapped as global chief rev officer for Bloomberg's intl multi-platform media organization, which includes web, mobile, TV, digital video, radio, print mags and live events. -- **TiVo** board member *Heidi Roizen* will not stand for re-election when her term ends at this year's annual meeting, and the board has passed resolution closing her seat, according to an **SEC** filing. -- *Erik Huggers*, svp of **Verizon** and pres of **OnCue**, is departing, about 5 months after the telco's acquisition of **Intel** Media's assets. The move might reflect Verizon's shift in strategy for the streaming platform. Check out the full story at **Cablefax.com**.

CableFAX Daily Stockwatch

Company	06/02 Close	1-Day Ch	Company	06/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	82.60	0.16	CONVERGYS:	21.68	(0.14)
DISH:	59.10	0.44	CSG SYSTEMS:	25.68	(0.59)
ENTRAVISION:	5.29	(0.07)	ECHOSTAR:	51.45	0.38
GRAY TELEVISION:	11.59	0.15	GOOGLE:	553.93	(5.96)
MEDIA GENERAL:	17.69	(0.04)	HARMONIC:	7.09	(0.15)
NEXSTAR:	46.70	0.24	INTEL:	27.26	(0.06)
SINCLAIR:	30.14	0.56	INTERACTIVE CORP:	66.30	0.09
MSOS					
CABLEVISION:	17.63	UNCH	JDSU:	10.75	(0.22)
CHARTER:	147.15	4.01	LEVEL 3:	43.91	0.26
COMCAST:	52.56	0.36	MICROSOFT:	40.79	(0.15)
COMCAST SPCL:	52.21	0.37	NIELSEN:	47.92	(0.34)
GCI:	11.15	(0.19)	RENTRAK:	49.55	(2.12)
GRAHAM HOLDING:	681.28	4.34	SEACHANGE:	9.33	(0.25)
LIBERTY GLOBAL:	45.61	0.59	SONY:	16.29	0.11
LIBERTY INT:	28.93	(0.2)	SPRINT NEXTEL:	9.71	0.16
SHAW COMM:	24.96	0.10	TIVO:	11.83	(0.07)
TIME WARNER CABLE:	142.12	0.96	UNIVERSAL ELEC:	42.96	(2.52)
PROGRAMMING					
21ST CENTURY FOX:	35.54	0.13	VONAGE:	3.55	(0.25)
AMC NETWORKS:	62.28	0.40	YAHOO:	34.87	0.22
CBS:	60.32	0.71	TELCOS		
CROWN:	3.50	(0.07)	AT&T:	35.44	(0.03)
DISCOVERY:	77.66	0.70	CENTURYLINK:	37.62	(0.05)
DISNEY:	84.27	0.26	TDS:	27.10	(0.61)
GRUPO TELEVISIA:	34.08	0.28	VERIZON:	50.05	0.09
HSN:	55.51	(0.11)	MARKET INDICES		
LIONSGATE:	26.38	0.25	DOW:	16743.63	26.46
MADISON SQUARE GARDEN:	55.27	0.42	NASDAQ:	4237.20	(5.42)
SCRIPPS INT:	76.78	0.32	S&P 500:	1924.97	1.40
STARZ:	30.57	(0.03)			
TIME WARNER:	70.75	0.92			
VALUEVISION:	4.38	(0.08)			
VIACOM:	86.71	1.31			
WWE:	11.21	(0.07)			
TECHNOLOGY					
ADVANTAGE:	3.00	0.37			
ALCATEL LUCENT:	3.91	(0.1)			
AMDOCS:	48.17	0.05			
AMPHENOL:	96.83	1.03			
AOL:	36.28	UNCH			
APPLE:	628.65	(4.35)			
ARRIS GROUP:	32.83	(0.28)			
AVID TECH:	7.40	(0.06)			
BROADCOM:	34.84	2.97			
CISCO:	24.78	0.16			
CONCURRENT:	7.97	(0.04)			



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CableFAX TECH

by Joyce Wang

Is Google Cable's New WiFi Competitor?

Google, which is already offering municipal WiFi services in Mountain View, CA, and has replaced AT&T as the WiFi provider at 7K Starbucks locations in the US, might have bigger WiFi plans. The company is reportedly looking to provide subsidized, commercial-grade WiFi hardware and software to SMBs as soon as this summer, allowing them to better use their exiting Internet connections. Google declined to comment. It's a slightly different approach compared to cable, as Google would only serve as the equipment provider. But among similarities is Google's plan to allow auto authentication, something cable MSOs such as **Time Warner Cable** provide using Passpoint technology. "Google has similar motivations to most cable WiFi providers who are deploying Passpoint networks for various reasons including reducing customer churn, maintaining sticky subscriber relationships, and extracting additional value from their networks by selling access to roaming partners," *Kelly Davis-Felner*, vp, marketing for the **WiFi Alliance** told us. The trade group, whose members include Google as well as some cable ops, promotes WiFi technology and certifies WiFi products. One of Google's biggest advantages is that it can move quickly on a Passpoint network because "this is a greenfield deployment, and it does not need to retrofit its existing footprint, which can present a challenge for other cable providers," she said. When it comes to the WiFi SMB market, "Google will have an advantage right out of the gate" because it could establish roaming agreements and more quickly begin to monetize its WiFi investment, she said. The company would "have a leg up in the market by establishing a meaningful Wi-Fi footprint and reaching a part of the market that is somewhat underserved." Having said that, the cable WiFi business would continue to grow rapidly, partly thanks to Passpoint. A big opportunity is WiFi roaming. A single Passpoint hotspot can serve subs from multiple ops as an extension of their home network, Davis-Felner said:

"This will enable revenue streams from various roaming and enterprise services." Passpoint is already in a wide range of mobile devices.

Elemental Encodes Japanese 4K Transmission: Following its collaboration with Japanese telecom provider **K-Opticom** last Oct on 4K streaming of the Osaka Marathon, **Elemental Technologies** helped Osaka's broadcaster **Kansai TV** encode 4K content in HEVC for broadcast delivery to a **Samsung** UltraHD TV. The off-air demonstration occurred during a 4K educational event last week. Original Kansai TV programming featuring the 2014 Osaka International Women's Marathon was transmitted from an indoor UHF antenna with 64QAM modulation to a receiving antenna during the demo. Elemental encoded the content in 4K/HEVC at full frame rates for transmission at 14.5Mbps.

Binge-Viewing on the Rise: It's the golden age of binge viewing. According to **Arris'** 2014 Consumer Entertainment Index, released last week, consumers are turning TV-binging into a habit, with 80% of survey responders admitting to "binge-viewing" entertainment content and 14% saying they binge-view at least once a day. Not surprisingly, viewers are increasingly using more than 1 device to engage in the TV program they are watching. Of those who have done so, 36% used a 2nd device to access live information about the program, 32% engaged in a text conversation about the program while 21% engaged in a voice conversation using a 2nd device. Interestingly, 30% of consumers using secondary devices have done so to purchase products featured in the programs they watch, while 20% played an interactive game or app related to the program. These trends underscore an opportunity for service providers to offer more personalized services and program-related content that address this shift in engagement," *Sandy Howe*, Arris svp, global marketing, said in a statement.

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

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