

CableFAX Daily™

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What the Industry Reads First

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STELA: Senate Judiciary Pair Drop ‘Narrow’ Bill

As the House Satellite Television Extension and Localism Act moves through the **Commerce Committee**, **Senate Judiciary** leaders released their version of the bill Tues. While the House Republican proposal contains provisions to eliminate the set-top integration ban and prevent joint retrans consent negotiations by broadcasters—both items cable likes—the Senate bill takes a “narrow approach” and “may not please all stakeholders,” said sponsors Judiciary Committee head *Patrick Leahy* (D-VT) and ranking member *Chuck Grassley* (R-IA). The bill comes after Sen Judiciary held its own hearing on STELA in March. “My focus is on the consumers who stand to lose access to broadcast television content in the event that Congress is unable to pass a bill by the end of the year. This bill will ensure that they are not left in the dark come December 31,” Leahy said in a statement. He noted “some would like Congress to use this legislation as a vehicle to enact significant changes to the current system that governs the relationship between broadcast television stations and distributors” while “others would prefer that Congress not act at all and simply allow this license to expire.” The final version of STELA has to pass by year-end or the license sunsets. **NAB** is happy to see a relatively clean proposal. “This legislation ensures that communities across America will continue to benefit from local broadcast television’s indispensable news, entertainment and lifeline programming. Further, this bill enables the satellite industry to serve rural America without undermining consumers’ uniquely free over-the-air access to broadcast programming, particularly those viewers who are traditionally underserved by other mediums,” pres/CEO *Gordon Smith* said in a statement. While **NCTA** may like the broader House version, it also supports the Senate’s bill. **ACA**, a vocal advocate of retrans reform as part of STELA reauthorization, was pleased the Senators “rejected calls to let the cable copyright license expire and dismissed the National Association of Broadcasters’ effort to eliminate cable’s pro-competitive distant signal copyright license,” pres/CEO *Matt Polka* said. “The compulsory license plays an important role in the marketplace for smaller cable operators, and the bill introduced by Sens *Patrick Leahy* and *Charles Grassley* would not alter this fact.”

On the Hill: TVfreedom.org, which counts many broadcasters as members, **Media Alliance** and **The Hispanic In-**

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stitute in joint letters asked legislators on both sides of the aisle to investigate existing billing and business practices of the cable and satellite industry. “The marketplace has failed to adequately address significant annual increases in consumers’ monthly pay-TV bills. As a result, consumer choice for video service across the country remains limited and family budgets must bear the heavy financial burden of ever-escalating monthly pay-TV bills,” the groups said in a joint statement. Reforms in pay-TV truth-in-billing practices would allow Congress to direct the **FCC** and the **FTC** with the joint responsibility of developing a nationwide initiative to increase consumer awareness regarding pay-TV services and fees, they said.

El Rey Sets HQ: Austin, TX, will be the home to **El Rey’s** production and corporate headquarters. The newbie English-language net also announced it will film a wide-range of scripted and unscripted content in the state, including the 2nd season of the net’s 1st scripted original, “From Dusk Till Dawn: The Series.” Shooting will begin shooting in Austin later this year.

Smart Home: The Multimedia over Coax Alliance, an industry standard alliance developing technology for the connected home, added **CableLabs** as its newest contributor member. The 2 have been collaborating for years as part of a technical liaison relationship. Joining MoCA allows CableLabs to provide more input and direction early in the specification development process. -- **Cox** continued its expansion of smart home services, offering Cox Home Security to the Omaha and Wichita markets. The MSO started offering the service 3 years ago in AZ and has since rolled it out to 6 other markets (CA, Oklahoma, New England, OH, VA and Las Vegas).

Comcast Business Aids Startups: Comcast Business scored a contract with **Benjamin’s Desk**, the Philly incubator that helped launch companies like **Uber** and **Curalate**, to provide Ethernet, voice and TV services to its start-up and entrepreneur members. As part of the services, all 140 members (across 70 companies) at Benjamin’s Desk can access a 500 Mbps dedicated Internet line from the MSO that can also support the building’s Wi-Fi network.

Showtime Everywhere Adds MCTV: Showtime added **MCTV** to its list of authentication partners, allowing MCTV customers to access the net’s programming across platforms. Through the net’s TVE app, Showtime Anytime subs also can view live broadcast of both the East and West Coast feeds of Showtime.

Research: Google’s \$35 streaming dongle Chromecast made a big splash when it launched last summer, but usage of the device appears to be declining even as adoption of streaming media players is on the rise, according to **Parks Associates**. The firm’s new report found 20% of US broadband HHs had a streaming media player at the end of 1Q, up from 14% in 2012. Parks, which surveyed 10K US broadband HHs, found ownership of Chromecast was steady at around 6%, but monthly usage rates are slightly lower than the last 2 quarters of 2013. The percentage of Chromecast owners who use the device at least monthly to view web pages on a TV declined from 76% in 3Q 2013 to 57% in 1Q 2014. Similarly, the percentage of Chromecast owners who use the device at least monthly to watch online video on a TV dropped from 78% to 73%. The low price led to high initial use of the Google device, though over time, consumers developed a better understanding of the use of various media players and started to choose other options, the research firm said.

Blame Game: Let the blame game continue. Following **Netflix’s** accusation that ISPs are responsible for its streaming users’ slow connection, **Dan Rayburn**, evp of **StreamingMedia.com**, blogged that Netflix has failed to acknowledge that it has always paid to deliver video traffic. CDNs like **Akamai**, **Limelight** and **Level 3** successfully managed the majority of all of Netflix’s video and were responsible for Netflix customer performance. However, when Netflix took over the routing controls for its video traffic with its own CDN Open Connect, customer performance began to suffer, according to Rayburn. “It was Netflix that specifically chose transit paths to those ISPs who refused to give it free peering that it knew (and measured) were not capable of handling an increase in load.”

Merger Talk: Add the **Computer & Communications Industry Association** to the list of **Comcast-Time Warner Cable** merger opponents. The deal would “degrade the quality of service or raise the operating costs of over-the-top content competitors” such as **Netflix** and **Amazon Prime**, by charging “inflated interconnection prices to rivals that threaten the merged entity’s legacy cable revenue,” the group, which counts **AT&T**, **DISH**, **Microsoft**, **Facebook** and

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Intel as members, said in a letter to Rep Al Franken (D-MN), a vocal opponent of the deal. In addition, a bigger Comcast would withhold its increased catalogue of video programming from MVPD or OTT video rivals, thus blunting their competitive impact, the group said. CCIA also is concerned that the deal could raise entry barriers for last-mile broadband network providers. Comcast has repeatedly told regulators and legislators that it will have less than 30% of the video market and some 40% of the wireline broadband market post-merger.

Programming: A&E went down to Texas, where everything is bigger—especially the life of *Rochelle Carnes*, the “Lone Star Lady” (premieres on July 13). The docuseries has Carnes trying to keep her family true to its humble roots, despite striking oil a few years ago. -- **Lifetime’s** docuseries “BAPs,” which follows a group of friends who self-identify as Black American Princesses, premieres July 23. -- **Spike TV** joined forces with producer *Ben Silverman’s Electus* to develop a script for original series, “The Chairman.” The suspense thriller is based on the novel by *Stephen Frey*. -- **USA** launched “Chrisley’s Corner” on USANetwork.com, a digital portal for “Chrisley Knows Best” viewers with un-aired scenes from Season 1 of the reality series.

CableFAX Daily Stockwatch

Company	06/10 Close	1-Day Ch	Company	06/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			CONCURRENT: 8.14 0.04		
DIRECTV:	82.92	(0.41)	CONVERGYS:	22.21	(0.19)
DISH:	59.40	0.45	CSG SYSTEMS:	26.06	(0.07)
ENTRAVISION:	5.66	UNCH	ECHOSTAR:	51.75	0.21
GRAY TELEVISION:	12.13	0.01	GOOGLE:	560.55	(1.57)
MEDIA GENERAL:	17.92	0.02	HARMONIC:	7.71	(0.01)
NEXSTAR:	46.21	0.04	INTEL:	28.24	0.33
SINCLAIR:	31.49	0.65	INTERACTIVE CORP:	68.39	(0.16)
MSOS			JDSU:	11.30	0.10
CABLEVISION:	17.37	0.05	LEVEL 3:	42.68	(0.3)
CHARTER:	148.89	0.16	MICROSOFT:	41.11	(0.16)
COMCAST:	52.88	(0.07)	NIELSEN:	47.34	(0.25)
COMCAST SPCL:	52.42	UNCH	RENTRAK:	48.14	(0.48)
GCI:	10.76	(0.32)	SEACHANGE:	8.64	(0.02)
GRAHAM HOLDING:	706.96	2.06	SONY:	16.18	(0.12)
LIBERTY GLOBAL:	44.60	(0.53)	SPRINT NEXTEL:	8.84	0.07
LIBERTY INT:	29.73	(0.13)	TIVO:	12.31	UNCH
SHAW COMM:	24.88	0.19	UNIVERSAL ELEC:	46.48	(0.08)
TIME WARNER CABLE:	143.72	(0.44)	VONAGE:	3.42	(0.16)
PROGRAMMING			YAHOO:	36.31	0.27
21ST CENTURY FOX:	36.08	(0.13)	TELCOS		
AMC NETWORKS:	60.65	(0.09)	AT&T:	34.94	(0.07)
CBS:	61.13	0.39	CENTURYLINK:	36.93	0.06
CROWN:	3.63	(0.04)	TDS:	26.36	UNCH
DISCOVERY:	80.36	0.01	VERIZON:	49.52	(0.05)
DISNEY:	84.75	(0.73)	MARKET INDICES		
GRUPO TELEVISIA:	34.09	(0.86)	DOW:	16945.92	2.82
HSN:	58.32	(0.44)	NASDAQ:	4338.00	1.75
LIONSGATE:	27.30	(0.01)	S&P 500:	1950.79	(0.48)
MADISON SQUARE GARDEN:	57.06	(0.61)			
SCRIPPS INT:	77.87	(0.5)			
STARZ:	30.02	(0.29)			
TIME WARNER:	69.09	0.10			
VALUEVISION:	4.86	(0.07)			
VIACOM:	87.44	(0.57)			
WWE:	11.28	0.01			
TECHNOLOGY					
ADVANTAGE:	2.77	0.01			
ALCATEL LUCENT:	3.95	0.01			
AMDOCS:	48.85	0.40			
AMPHENOL:	97.66	(0.54)			
AOL:	36.45	(0.08)			
APPLE:	94.25	0.55			
ARRIS GROUP:	32.95	(0.39)			
AVID TECH:	7.25	(0.04)			
BLNDER TONGUE:	0.95	(0.04)			
BROADCOM:	37.94	(0.17)			
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