

# CableFAX Daily™

Friday — June 13, 2014

What the Industry Reads First

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## Powell's Turn: Managed Services are Already Here

For all those wringing their hands over whether cable should be able to deliver managed services, **NCTA** pres/CEO *Michael Powell* has news for you: "Over 80% is dedicated right now to delivering you a managed service. It's called cable." He made the comment in an interview for **C-SPAN's** "The Communicators" series, which airs on the net Sat at 6:30pm ET (and is available at C-SPAN.org Fri afternoon). "For you to say we shouldn't be able to do this, it's essentially the confiscation of our business," Powell said. "We use a portion of that pipe for the public Internet, but the majority of that is for the services we build and develop. And the reason your cable channel doesn't glitch ... or can be high-definition is because it is highly prioritized and highly managed." His message: cable is not a govt-owned right of way. Of course, the nearly half-hour chat touched on net neutrality, with Powell defending **FCC** chmn *Tom Wheeler* against accusations he's trying to create fast lanes. A former FCC chmn himself, Powell said Wheeler is trying to create the strongest net neutrality rules under the law. As for the fast-lane argument: they "perplex" him. "I don't think we even know what a fast lane is. I don't think anyone is contemplating doing one," Powell said. He also reiterated cable's opposition to Title II regulation. "Telecom stocks in the most booming stock market in world history right now are down. They're down because of the threat of Title II," he said. "And that overhang will depress capital infrastructure and capital investment, and that means growth of the Internet." He suggested that other services, such as **Kindle**, **Xbox Live** and **Skype**, could be viewed as telecommunications services and suffer as well. Other topics covered included **Aereo**. Powell dismissed the notion that a Supreme Court win by the streaming service could help cable, citing ops' continued must-carry requirement to carry those channels. As for OTT displacing linear cable, Powell said he's not worried: "You're not going to binge watch 'Breaking Bad' if the \$4.8mln an episode it took to make it hadn't been recovered on the cable platform in the 1st place."

**Cybersecurity Talk:** Here's **FCC** chmn *Tom Wheeler's* message to the nation's ISPs: If they don't step up their cybersecurity efforts, the FCC might have to step in. On the hill, efforts to pass new cybersecurity regulations went nowhere, leaving the Administration to fill the void with an executive order earlier this year. Like *President Obama's* cybersecurity framework, Wheeler's plan is focused on voluntary efforts. At least for now. The challenge is private sector-led effort must be "more dynamic than traditional regulation and more measurably effective than blindly trusting the market or voluntary best

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practices to defend our country,” Wheeler said in his first speech focusing solely on cybersecurity, at the **American Enterprise Institute** Thurs. “We believe there is a new regulatory paradigm where the commission relies on industry and the market first while preserving other options if that approach is unsuccessful.” The fact that ISPs are transitioning from regulated legacy networks to little regulated IP-based networks doesn’t change the urgency of improving cybersecurity measures, according to Wheeler. “If a call for help doesn’t go through, if an emergency alert is hijacked, if our core network infrastructure goes down, are we really going to say, ‘Well, that threat came through packet-switched IP-based networks, not circuit-switched telephony, so it’s not our job...’” The FCC established voluntary industry best practices in 2011. In the coming weeks, it will look at whether ISPs have implemented these recommendations, which include domain name security, Internet route hijacking, and an Anti-Bot Code of Conduct. In addition, the Commission is “actively engaged with private sector Information Sharing and Analysis Organizations, and with our Federal partners—particularly **DHS** and the **FBI**—to increase the efficiency of threat information sharing and improve situational awareness,” Wheeler said. He urged the industry to improve cyber risk management with “a degree of transparency and assurance to give consumers, fellow providers, the market, and the FCC confidence that internal efforts are proactively addressing threats to broader public interests.” *Myrna Soto*, svp/chief information & infrastructure security officer at **Comcast Cable**, said Comcast “will continue to be committed to taking a leadership role in establishing practices that meet the dynamic and ever-changing nature of these threats.” NCTA said legislative intervention might be needed as “the lack of shared cyber threat information is a critical missing link in cable’s efforts to defend our customers and networks from cyber-attacks.”

**Loesch Leaving: The Hub** confirmed that founding pres/CEO *Margaret Loesch* will leave the net after 5 years, when her contract expires at year-end. “I have loved my job and am proud of the achievements we’ve made. While my career has spanned over four decades, I look forward to evaluating future opportunities and writing the next chapter,” the exec said in a statement that touted the net’s achievements, including 12 Daytime Emmy and ratings gains. The channel hasn’t had a **Disney Channel**- or **Nick**-type breakout success, but it has moved to a profit. **Hasbro** reported during its 1Q earnings that its 50% share in the Discovery jv has moved to a profit of \$1.3mln for 2014 vs a loss of \$1.1mln last year, and said it remains on track to achieve its plan of pretax profitability this year. No word on a successor yet, but *Loesch* plans to assist in the transition. *Deadline*, 1st to report the news, suggested **3net** CEO *Tom Cosgrove* as a potential replacement. The Hub has embraced the brand of TV families can watch together, reviving many series that bring back nostalgia for parents, from re-airing “Blossom” or “Sister, Sister” to the revamped “My Little Pony.”

**AT&T-DirectTV Hearing: Sen Judiciary’s** antitrust subcmte will hold a hearing on the proposed **AT&T** and **DirectTV** merger on June 24 at 2:30pm, with Sen *Amy Klobuchar* (D-MN) presiding. On Wed, the **FCC** opened the docket on the transaction, giving it docket # 14-90.

**JSA Melee:** A group of Democrat senators, including *Charles Schumer* (D-NY) and *Barbara Mikulski* (D-MD), are voicing concerns over the **FCC’s** decision to count broadcasters’ joint sales arrangements as media ownership interests. **NAB** has challenged the move in federal court. “While we appreciate your desire to promote competition in the marketplace, the new rules are interrupting established business practice and creating substantial uncertainty in the broadcast market,” the 5 lawmakers wrote in a letter to FCC chmn *Tom Wheeler* on Thurs. They want the FCC to adopt a waiver policy that doesn’t “penalize” JSAs executed prior to the new rules and to favor JSAs that promote better local news or public affairs.

**Carriage: NCTC** and **Starz** renewed carriage for Starz, **Encore** and **Movieplex**, including all the multiplex, HD, VOD and online services, including Starz Play. “TV Everywhere is an important asset to our members, and we’re happy to provide them additional options for expanding their TVE line-ups,” said NCTC evp, programming *Judy Meyka*. -- **Bright House** launched **STAR India PLUS** in Orlando and Tampa Bay as part of its South Asian package.

**Canoe Upgrade: Canoe’s** VOD Dynamic Ad Insertion platform will soon be available for consumer devices inside the home. “We are thrilled that our Board has seen concrete results in our VOD execution to date and has confidence in our ability to bring our DAI technology to more devices in the home,” said Canoe CEO *Joel Hassell*. “We are pleased to provide networks and their advertisers another tool to reach consumers no matter how they watch on demand programming.”

**Britt Memorial Service:** A memorial service for former **Time Warner Cable** CEO *Glenn Britt* is planned for June 25, 11am-2pm at the American Museum of Natural History in NYC (guests should enter via Columbus Ave and 79th St for a service

# BUSINESS & FINANCE

in the LeFrak Theater). In lieu of flowers, a contribution can be made to: The Dartmouth College Fund for Financial Aid c/o Gift Recording 6066 Development Office Hanover, NH 03755.

**World Cup Fever:** In yet another sign of futbol's growing popularity in the States, **ESPN** said fans have submitted 1.3mln World Cup brackets to ESPN.com. -- **Comcast** is making all 64 of the FIFA World Cup matches available in Spanish via Instant On Demand (available immediately after the live broadcast begins and throughout the entire tourney). In addition, matches will be available for live streaming in English, Spanish and Portuguese, with select matches in Korean. The Spanish-language Xfinity Latino Entertainment Channel will be a 1-stop shop for all things World Cup, with simulcasts of programming from nets, a news crawl, standings and more.

**Programming:** Move over, Shark Week. **WE tv** is gearing up for its 1st-ever "Snark Week" (Aug 1-8), featuring snark from "David Tutera's CELEbrations" and biting one-liners from "Roseanne" and "Will & Grace." A "Snark-O-Meter" on-air graphic will measure just how snarky characters and scenes really are. -- **ABC Family** continued to expand its original programming slate with new hidden-camera, funny-prank show "Freak Out." The half-hour, 14-ep series will premiere this fall during the net's programming event "13 Nights of Halloween."

## CableFAX Daily Stockwatch

Company	06/12 Close	1-Day Ch	Company	06/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	82.92	(0.07)	CONCURRENT:	7.83	(0.14)
DISH:	59.04	(0.46)	CONVERGYS:	21.67	(0.37)
ENTRAVISION:	5.44	(0.12)	CSG SYSTEMS:	25.70	(0.25)
GRAY TELEVISION:	11.79	(0.3)	ECHOSTAR:	52.08	(0.34)
MEDIA GENERAL:	17.27	(0.46)	GOOGLE:	551.35	(7.49)
NEXSTAR:	44.58	(1.12)	HARMONIC:	7.62	UNCH
SINCLAIR:	30.92	(0.38)	INTEL:	27.96	0.03
<b>MSOS</b>					
CABLEVISION:	17.17	(0.15)	INTERACTIVE CORP:	68.06	(0.34)
CHARTER:	147.79	(1.41)	JDSU:	11.53	0.10
COMCAST:	52.67	(0.04)	LEVEL 3:	42.23	(0.18)
COMCAST SPCL:	52.20	(0.05)	MICROSOFT:	40.58	(0.28)
GCI:	10.72	0.03	NIELSEN:	46.73	(0.47)
GRAHAM HOLDING:	708.23	0.92	RENTRAK:	50.27	1.88
LIBERTY GLOBAL:	43.26	(1.14)	SEACHANGE:	8.25	(0.23)
LIBERTY INT:	29.19	(0.24)	SONY:	16.09	0.10
SHAW COMM:	24.84	0.19	SPRINT NEXTEL:	8.59	(0.16)
TIME WARNER CABLE:	142.72	(0.29)	TIVO:	12.06	(0.18)
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	35.41	(0.71)	UNIVERSAL ELEC:	44.95	(0.78)
AMC NETWORKS:	60.25	(0.13)	VONAGE:	3.41	(0.1)
CBS:	60.88	(0.92)	YAHOO:	36.78	0.15
CROWN:	3.62	0.08	<b>TELCOS</b>		
DISCOVERY:	78.50	(0.18)	AT&T:	34.83	0.02
DISNEY:	82.80	(1.51)	CENTURYLINK:	36.39	(0.04)
GRUPO TELEVISA:	33.80	(0.28)	TDS:	25.22	(0.45)
HSN:	56.49	(0.65)	VERIZON:	49.04	(0.33)
LIONSGATE:	26.96	(0.29)	<b>MARKET INDICES</b>		
MADISON SQUARE GARDEN:	57.60	0.27	DOW:	16734.19	(109.69)
SCRIPPS INT:	77.06	(0.26)	NASDAQ:	4297.63	(34.3)
STARZ:	28.85	(0.21)	S&P 500:	1930.11	(13.78)
TIME WARNER:	68.37	(0.55)			
VALUEVISION:	4.45	(0.17)			
VIACOM:	85.96	(0.77)			
WWE:	11.33	0.08			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.74	0.02			
ALCATEL LUCENT:	3.87	UNCH			
AMDOCS:	48.63	(0.09)			
AMPHENOL:	97.01	(1.05)			
AOL:	36.76	(0.35)			
APPLE:	92.29	(1.57)			
ARRIS GROUP:	31.97	(0.44)			
AVID TECH:	7.32	0.05			
BLNDER TONGUE:	0.93	(0.04)			
BROADCOM:	38.26	0.26			
CISCO:	24.66	(0.38)			



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# PROGRAMMER'S PAGE

## IFC's 'Portlandia' Goes Hollywood...

It's Emmy season, which in Los Angeles means an endless stream of events designed to woo Television Academy members. It's a time of panel discussions, meet-and-greets and screenings—all competing for the frayed attentions of voters who haven't watched most of these shows. But with so much TV competition, it's a noisy environment that has spurred some nets to get creative, especially those lacking massive promotional budgets. Take **IFC**, whose cult hit "Portlandia" starring creators *Fred Armisen* and *Carrie Brownstein* has helped put it on the map with quirky satire entirely focused on the culture of Portland, OR. This hipsterrific voyeurism pokes fun at Portland's politically correct, socially conscious, vegan-fueled, organic-worshipping, locally sourced existence—while also embracing the endearing earnestness of its citizens. That was on display in L.A. last week as Armisen and Brownstein showed up at one "for your consideration" event as their feminist bookstore alter egos Candace and Toni. When asked whether the world still needed feminist bookstores, Armisen as Candace replied, "We need them everywhere, even where there aren't people." Later, Brownstein (as herself) told the crowd that the sketches are 85% improvised, so "we're able to continue that writing process on set" even after they have mapped out basic storylines with co-creator *Jonathan Krisel*. Most nets might have stopped there, but not IFC, which on Sat transformed L.A.'s Runyon Canyon into "Beaver Canyon," offering hikers water, provisions and, of course, devices to aid women peeing in the woods because—you know—potential Emmy voters got all that free water. Do any of these stunts work? They just might. Of course, if you really want some recognition, enter the **Cablefax Program Awards** at [www.cablefax.com](http://www.cablefax.com) before the June 20 deadline. See what I did there? Welcome to Cablefax Canyon. - *Michael Grebb*

**Reviews:** "Shark Girl," Sun, 8p, **Smithsonian**. *Madison Stewart*, aka Shark Girl, is a driven, intelligent, comely 20-year-old Aussie dedicated to preserving her "family," roughly 100 shark species inhabiting the world's largest living structure the Great Barrier Reef. In this gorgeously shot film, Maddy conducts her life's work, combatting the steep population decline of sharks. In the process she repeatedly dives to visit family, saying she's always careful and aware, but never afraid of her toothy relatives. -- "Rectify," season 2 premiere, Thurs, 9p, **SundanceTV**. We loved season 1 of this drama about a family in a small GA town reacting to the return from death row of a young man who'd been imprisoned since his teens. *Aden Young* brilliantly portrays the man; his supportive sister is the wonderful *Abigail Spencer*. The real stars, though, are the subtle scripts of showrunner *Ray McKinnon*. -- "Perception," season 3 premiere, Tues, 10p, **TNT**. If only crime could be solved as neatly as it is on "Perception," where paranoid schizophrenic Professor Daniel Pierce (*Eric McCormack*) uses his powerful noodle to outthink criminals. Still, Perception's plots are clever and entertaining. It ranked among basic cable's top 15 series of '13. -- Of Note: "Soccer Cities," Sat, 10:30p ET, **BBC World News**. Footage from airborne cameras informs viewers about Brazilian cities hosting World Cup matches. - *Seth Arenstein*

Basic Cable Rankings (6/02/14-6/08/14)			
Mon-Sun Prime			
1	HIST	0.8	2063
1	FOXN	0.8	1860
3	USA	0.7	1848
3	DSNY	0.7	1779
5	TBSC	0.6	1567
5	TNT	0.6	1465
5	HGTV	0.6	1455
8	A&E	0.5	1211
8	NAN	0.5	1128
10	ADSM	0.4	1073
10	TLC	0.4	1058
10	DISC	0.4	996
10	FOOD	0.4	980
10	FX	0.4	873
10	FAM	0.4	868
10	SYFY	0.4	861
10	ID	0.4	847
10	DSE	0.4	92
19	LIFE	0.3	840
19	BRAV	0.3	822
19	ESPN	0.3	821
19	SPK	0.3	820
19	AMC	0.3	811
19	VH1	0.3	684
19	CMT	0.3	682
19	CMDY	0.3	653
19	TRU	0.3	647
19	HALL	0.3	628
19	BET	0.3	601
19	NGC	0.3	557
19	DSJR	0.3	538
19	OWN	0.3	531
33	APL	0.2	605
33	MSNB	0.2	566
33	MTV	0.2	556
33	EN	0.2	540
33	LMN	0.2	476
33	WETV	0.2	475
33	TVLD	0.2	471
33	TRAV	0.2	449
33	CNN	0.2	446
33	ESP2	0.2	439
33	OXYG	0.2	406
33	NKJR	0.2	399
33	HLN	0.2	375
33	GSN	0.2	339

\*Nielsen data supplied by ABC/Disney

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