

CableFAX Daily™

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What the Industry Reads First

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Merger Speak: Comcast & Co Give FCC More Info on Broadband Share, Subs

As we wait for regulatory word on the proposed **Comcast-Time Warner Cable** merger and subsequent **Charter** transaction, we're left reading the tea leaves of redacted regulatory filings at the **FCC**. A filing hand-delivered Fri by Comcast, TWC and Charter gives us some insight into the questions FCC staffers are asking—if not all of the actual numbers involved. At the request of Commission staff, the companies provided additional detail on the subscriber and homes passed data and broadband share data for Comcast, TWC, Charter, SpinCo and **Bright House**. A previous letter to the FCC had Comcast and SpinCo's residential and commercial totals combined because that's how the MSO has always reported those numbers to the SEC and elsewhere. The FCC's request for more info gives us that breakdown: Comcast has 21.8mln residential video subs and 0.8mln commercial video subs (post-divestiture transactions, those figures rise to 29.1mln and 0.9mln). The MSO counts 19.7mln residential fixed broadband subs and 1.4mln commercial broadband customers (27.9mln and 1.7mln, post divestiture). On voice, the breakdown is 10mln residential and 0.8mln. Redacted from the letter are the numbers of homes passed by the operators following approval of the deal. The companies provided Bright House sub data to the FCC also, but stressed that neither TWC's indirect legal interest in Bright House that transfers to Comcast nor the provision of certain services by Comcast to BHN post-transaction should give rise to including BHN's customers when considering Comcast's post-transaction share in any relevant market. This latest FCC filing also has updated figures for Comcast's national broadband share that incorporates data released last week in the FCC's Internet Access Services Report. Post-TWC transaction but before any divestitures, Comcast's share of the fixed broadband market would be 40.7% based on the FCC's data as of June 2013. Comcast was previously using data as of Dec '12, which put its estimates of share of fixed broadband at 42.7%. Assuming a 3mln sub divestiture, Comcast's share would be 37.7% using the June '13 data (vs 39.5% with the Dec '12 data). Assuming 3.9mln subscriber divestitures, Comcast's share falls to 35.5% from the previously estimated 37.1%. In other Comcast-TWC reading, the *L.A. Times'* *Meg James* has an interesting profile of *Brian Roberts* revealing that he said no to being TWC's white knight at least 3 times last year. Not surprisingly, L.A. and NYC played heavily into the eventual yes. "I just looked in the mirror and said: 'If you are going to be an innovator, and if your products are not available in

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L.A. and New York, then will you truly be a great company?" Roberts told the Times.

EWTN's Contraception Lawsuit: Catholic net EWTN's lawsuit over the HHS contraception mandate is continuing for now, despite Mon's Supreme Court **Hobby Lobby** decision. On Mon, the 11th Circuit granted EWTN's request for an injunction, allowing it to continue its court challenge of the provision without incurring the fines of \$35K per day that would have begun on Tues, July 1. EWTN filed its original lawsuit in Feb '12, which was dismissed because of changes to the law. However, EWTN filed a new suit last Oct, saying it is not satisfied with an exemption that allows eligible religious nonprofits to opt out of the mandate by signing a form objecting to the use of contraceptives. The net argues that its religious freedoms are infringed because after it signs the form, a 3rd party administrator is then tasked with providing birth control to employees. In mid-June, a federal judge ruled against EWTN. "Legally (if not morally) speaking, there is a world of difference between a law that compels EWTN to provide contraceptive coverage directly and one in which the government places that burden on someone else after EWTN opts out," the judge wrote. EWTN filed an appeal to the Eleventh Circuit Court of Appeals. As for Mon's SCOTUS ruling that said for-profit corporations can claim a religious exemption to the contraceptive coverage, EWTN chmn/CEO *Michael Warsaw* said the net is "extremely pleased" with it. However, he added that "it remains unclear whether this decision addresses the serious objections that EWTN has raised with regard to the government's 'accommodation' scheme for nonprofit faith-based organizations. We are consulting with our legal team to determine how this significant decision applies to EWTN and our pending case before the courts." As EWTN waits for the 11th Circuit to hear its appeal, Warsaw feels boosted by the Hobby Lobby decision. "The fact that the Supreme Court believes that the government has an obligation to use the least restrictive means of accomplishing its goals is very helpful to the EWTN case," he said.

Aereo Pauses: Given its Supreme Court loss, **Aereo** paused its operations "temporarily as we consult with the court and map out our next steps," founder/CEO *Chet Kanojia* said in a blog post Sat. The company will refund the subs' last paid month. Meanwhile, **FilmOn** (formerly known as Aereokiller), which runs similar services, said its operations will continue. The company is willing to pay royalties to provide service in 18 markets, the company said in a statement Mon. The company said it has filed a request for Compulsory License under the Copyright Act again (It originally filed in 2011 and the request was neither granted nor denied), which provides the owner of the licenses the use of its rights against payment. Like Aereo, FilmOn has been in legal battles with broadcasters, and district courts in CA, MA and DC have reached conflicting opinions regarding both Aereo and FilmOn.

World Cup Stats: Netherlands' upset of Mexico on **Univision Deportes Sun** was the most-viewed soccer match in Spanish-language TV history, averaging 10.4mln total viewers. It reached 16.2mln total viewers who tuned in to all or part of the broadcast. **ESPN** averaged 6.6mln total viewers and 3.5mln 18-49. The match on Univision scored 10% more total viewers and 4% more 18-49 than the previous high, the 2010 World Cup match between Mexico and Argentina.

Ratings: The series premiere of "The Leftovers" on **HBO** Sun night drew 1.8mln viewers. Combined with its 2nd telecast, the series tallied 2.1mln viewers for the night. Meanwhile, the 2nd ep of the current season of "True Blood" bagged 3.1mln viewers at 9pm with the 2nd play, lifting the gross audience to 3.5mln for the night.

VOD Survey: Nielsen's most recent Cross Platform Report found that nearly 40% of US HHs subscribe to at least 1 SVOD service. While on average VOD contributes 4-5% in the 18-49 demo, individual shows have seen upwards of a 15-20% increase in viewership from VOD, Nielsen said. The report found that Americans continue to watch more than 5 hours of traditional TV per day, essentially flat for the same quarter for 3 years running.

Fox Partners: **Fox Networks Group** is partnering with former **Fox Broadcasting** pres *Gail Berman* to launch a new independent production service, **The Jackal Group**. The co-venture will work on premium scripted, unscripted and factual entertainment programming for FNG's channels, including **Fox Broadcasting Company, FX/FXX, National Geographic Channels** and **Fox International Channels**. Berman, who has an equity stake in the venture, will be the chmn and CEO and report to the board, on which she will serve as a dir.

Programming: To build excitement for the sophomore seasons of "Ray Donovan" and "Masters of Sex" (July 13 at 9 and 10pm, respectively), **Showtime** will run marathons of the series' 1st seasons during the July 4th weekend. Masters eps will be featured Fri and Sat, with a Donovan marathon slated for Sun. -- **Outdoor Channel's** 3Q lineup consists of

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nearly 90 shows, several first-timers for the net. Among the newbies are "Jim Shockey's UNCHARTED," "Benelli's The Fowl Life with Chad Belding," "Raised Hunting," and "THIRTEEN presented by Under Armour." -- **The Weather Channel's** latest original primetime series, "Fat Guys in the Woods," launches Aug 10, following "So You Think You'd Survive?." The show will follow 3 average Joes as they delve deep into the Appalachian Mountains and learn crucial survival skills.

ESPN Launches ESPY Day: ESPN will use its annual ESPYS awards as the catalyst for a day-long fundraising drive across ESPN platforms that will benefit **The V Foundation for Cancer Research**. The day of integrated messaging will culminate with a special simulcast of the ESPN award show on **ESPN2** at 9pm, July 16. The simulcast will include fundraising elements and heavy integration of the hashtag #DontEverGiveUp, inspired by V Foundation founder, ESPN commentator and NC State coach *Jim Valvano*.

People: NBCU tapped *Donald Storm II* (D.C.) as CFO of both **E!** and **Esquire**, effective immediately. He reports to E! pres *Suzanne Kolb* and Esquire head *Adam Stotsky*, working closely with evp and CFO of **NBCU Cable Entertainment** *Catherine Dunleavy*. Storm has been vp of financial planning and analysis with NBCU corporate.

CableFAX Daily Stockwatch

Company	06/30 Close	1-Day Ch	Company	06/30 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	85.01	0.40	CONCURRENT:	7.46	(0.06)
DISH:	65.08	(0.56)	CONVERGYS:	21.44	0.17
ENTRAVISION:	6.22	(0.04)	CSG SYSTEMS:	26.11	0.37
GRAY TELEVISION:	13.13	0.34	ECHOSTAR:	52.94	(0.65)
MEDIA GENERAL:	20.53	0.08	GOOGLE:	575.28	(1.96)
NEXSTAR:	51.61	1.67	HARMONIC:	7.46	0.01
SINCLAIR:	34.75	0.13	INTEL:	30.90	(0.03)
MSOS					
CABLEVISION:	17.65	(0.11)	INTERACTIVE CORP:	69.23	0.28
CHARTER:	158.38	3.54	JDSU:	12.47	0.12
COMCAST:	53.68	(0.45)	LEVEL 3:	43.91	(0.08)
COMCAST SPCL:	53.33	(0.39)	MICROSOFT:	41.70	(0.55)
GCI:	11.08	(0.1)	NIELSEN:	48.41	(0.01)
GRAHAM HOLDING:	718.11	(1.56)	RENTRAK:	52.45	0.06
LIBERTY GLOBAL:	44.22	0.30	SEACHANGE:	8.01	0.13
LIBERTY INT:	29.36	0.27	SONY:	16.77	0.01
SHAW COMM:	25.66	0.19	SPRINT NEXTEL:	8.53	0.02
TIME WARNER CABLE:	147.30	(0.54)	TIVO:	12.91	(0.02)
PROGRAMMING					
21ST CENTURY FOX:	35.15	(0.1)	UNIVERSAL ELEC:	48.88	1.24
AMC NETWORKS:	61.49	1.37	VONAGE:	3.75	(0.01)
CBS:	62.14	0.91	YAHOO:	35.13	0.88
CROWN:	3.63	0.03	TELCOS		
DISCOVERY:	74.28	0.22	AT&T:	35.36	(0.05)
DISNEY:	85.74	0.44	CENTURYLINK:	36.20	0.42
GRUPO TELEVISIA:	34.31	(0.27)	TDS:	26.11	0.11
HSN:	59.24	0.49	VERIZON:	48.93	(0.39)
LIONSGATE:	28.58	0.18	MARKET INDICES		
MADISON SQUARE GARDEN:	62.45	0.58	DOW:	16826.60	(25.24)
SCRIPPS INT:	81.14	0.77	NASDAQ:	4408.18	10.25
STARZ:	29.79	0.42	S&P 500:	1960.23	(0.73)
TIME WARNER:	70.25	0.51	TECHNOLOGY		
VALUEVISION:	4.99	(0.05)	ADDVANTAGE:	2.75	(0.01)
VIACOM:	86.75	0.38	ALCATEL LUCENT:	3.56	(0.05)
WWE:	11.93	0.34	AMDOCS:	46.33	0.03
MARKET INDICES					
DOW: 16826.60 (25.24)					
NASDAQ: 4408.18 10.25					
S&P 500: 1960.23 (0.73)					

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CableFAX TECH

by Joyce Wang

Google's Living Room Invasion...

To be clear, Android TV isn't going to be an actual TV. Google's latest attempt to invade the living room is built around an Android platform designed especially for TV viewing. The company's opening up the UI for developers to add various video streaming, gaming and entertainment applications. The platform would allow users to "watch hit shows, select movies and viral videos from Google Play, **YouTube** and apps such as **Netflix**. Android games shine on your HDTV with a gamepad," according to the official Android TV Web page. "This isn't a new platform. We are simply giving TV the same level of attention as phones and tablets have traditionally enjoyed. We want you to be able to leverage your existing skills and investment in Android and extend them to TV," *Dave Burke*, Android engineering dir at Google, said during the company's developer conference last week (clips available on YouTube). As expected, the platform would play nice with Android devices, thanks to the built-in Google Cast, which enables multi-screen services by letting users send and control content like video from connected devices to a larger display like a TV. Streaming content would also sync with users' tablet to let viewers finish watching content on another device. Tight integration with other Android devices could also mean customers can use things like Android Watch to flip through menus on the biggest screen. In addition, if Android is already at the core of the user's personal swarm of devices, all the data Google already has about the user would play a part in the user's interaction with Android TV, especially when it comes to content discovery and recommendations. Like other new TV platforms, voice search will be integrated, and it would allow search on multiple platforms such as linear TV (cable subscription needed), Netflix and Google Play. The platform is expected to be built into smart TVs from vendors including **Sony**, **Sharp** and **Philips** next year and would work

with streaming boxes and game consoles. Google's ambition goes beyond the living room. Given that the company recently acquired home-sensor maker **Nest** and surveillance-camera startup **Dropcam**, making itself a potential cable smart home competitor, perhaps the goal (and the future of personal computing) is to digitalize everything in the home based on a single platform and make it accessible from multiple screens.

DISH Taps Synacor: Synacor will deploy Cloud ID Social Login for in-home and mobile TV Everywhere access for **DISH** subs under a deal with the provider. The service allows customers to access content with their social media accounts like **Facebook**, **Twitter** or **Google+**. Synacor's Cloud ID identity management platform, which **DISH** has been using, allows authentication services for TVE, messaging, value added services and mobile apps. The company recently launched its white-label auto authentication offering.

Lightpath Adds Video Conferencing: NY-based Ethernet service provider **Lightpath** added video conferencing to its lineup of managed service offerings. The cloud-based service aims to allow virtual meeting rooms and managed video services and can connect with up to 25 attendees worldwide from almost any device. Included in the offering: 24/7 helpdesk access and optional proactive monitoring.

People: Media entertainment delivery service provider **Alticast** tapped *Bill Helms* as chief architect and svp of technology. The cable industry vet with more than 30 patents to his name was most recently vp of subscriber engineering and technology at **Time Warner Cable**. In his new role, he will report to Alticast CTO *John Carlucci*.

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



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