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What the Industry Reads First

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The Communicators: Reps Work to End Blackout Rules, Title II Push

The FCC is scheduled to vote at the end of this year to end the sports blackout rule, which professional sports leagues like the NFL strongly oppose. Rep *Brian Higgins* (D-NY) is hoping the league will voluntarily follow suit, he said as one of 3 Reps featured during **C-SPAN's** "The Communicators" program over the weekend. The lawmaker launched the Furthering Access and Networks for Sports Act (FANS Act), which is backed by Senators *Richard Blumenthal* (D-CT) and *John McCain* (R-AZ). "The blackout rule is obsolete, it doesn't serve a purpose anymore," Higgins said. "The economics of this will drive the issue and the NFL will realize it's in their economic best interest to do away with it altogether." The Rep is also sponsoring a legislation that would eliminate the NFL's antitrust exemption for blackouts. Getting rid of the blackout rules is a matter of "when," not "if," Higgins said. "I think the league will come along to support this." Consumer groups have supported the FCC's effort to kill the rule, which prohibits pay-TV providers from airing game even if a local broadcaster can't because the home stadium didn't sell out. But the NFL argues that the rules help prevent owners from moving games off of free over-the-air broadcasts and onto cable nets. There have been around 1K comments filed with the FCC on the issue. Rep *Cory Gardner* (R-CO), member of the House tech subcmte, is also working on getting access to TV programming for some viewers in CO who receive New Mexico TV news rather than Denver because of **Nielsen** TV market designations. The designation is also preventing those viewers from watching Denver Broncos broadcasts. In addition to a potential legislative fix, "we are looking at the private market... [to] see if there is a technological fix," the Rep said. Calling the recent Supreme Court ruling against **Aereo** "fascinating," he said the decision is "a sign of things to come" and predicted more conflicts and legal battles that will end up in the Supreme Court because the Communications Act hasn't been updated for decades. Speaking of Aereo, the company's request for an emergency broadcast retrans license was denied by NY District Court Fri. The move came after the **US Copyright Office's** decision to turn down Aereo's request for a compulsory license. The company's main backer *Barry Diller's* **IAC** Corp recently recorded a write-down on investments in companies including Aereo. Meanwhile, Rep *Bob Latta* (R-OH), vice chair of the House tech subcmte, said several Republican members on the panel are

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concerned about the direction FCC chmn *Tom Wheeler* is going on a number of issues. "It's more government, more regulation... We don't want this... government control coming down on our telecom or Internet services," he said. In particular, a potential Title II move would slow all broadband innovation. "We want to make sure it remains free, it stays open and it stays away from government control," he said. Latta has introduced a bill that would limit the FCC's authority to regulate broadband services under Title II.

Cablevision Names new CTO: *David Dibble*, former advisor to **Yahoo's** CEO, will be the new CTO of Cablevision, effective Sept. He'll report directly to CEO *James Dolan*. The announcement came a few months after *Yvette Kanouff*, Cablevision's former evp of corporate engineering and technology, left to head Cisco's service provider video software and solutions unit.

A Good Day for SEC Net: **ESPN's SEC Net** continues to gain ground as it prepares for its Aug 14 launch, announcing on Mon carriage deals with both **DirecTV** and **Suddenlink**. The SEC Network will deliver at least 45 exclusive SEC football games this season, with its 1st game airing Aug 28 and featuring Texas A&M vs South Carolina. The deal with Suddenlink is part of a broad multi-year renewed distribution pact with **Disney** including the launch of **Longhorn Network** starting with the 2014-2015 college football season, as well as linear, digital and VOD access to nets including: **ABC Family, Disney Channel, Disney Junior, Disney XD, ESPN, ESPN2, ESPNU, ESPN Deportes, ESPNEWS, ESPN Classic** and **ESPN3**. The agreement also includes retrans deal for KABC-TV in LA, WTVD-TV in Raleigh-Durham, KTRK-TV in Houston and KFSN-TV in Fresno. The move followed Disney's deal with **NCTC** last week.

Synacor Names New CEO: Amid battles involving two investors and company chmn *Jordon Levy*, **Synacor** appointed *Himesh Bhise* as the new CEO, succeeding *Ron Frankel*. Bhise most recently led new services and platforms for **Comcast Cable**. Previously, he was gm of **Charter's** HSI services. The appointment concludes a transition process that started in March when Frankel announced he would step down from the position he has held since 2001. He will continue to serve as company advisor and remain on the board. Two investors, **JEC Capital** and **Ratio Capital**, which together own 9.8% of Synacor's common stock, want the resignation of Levy and the addition of 2 new dirs to the board, claiming Levy led the board "into making decisions that are a mockery of proper corporate governance." The pair argued the company's undervalued and could benefit from a 3rd-party strategic transaction. Levy, on the other hand, questioned the motives of the investors and actions of JEC Capital Partners, which he said is affiliated with *Peter Heiland*. Levy has pointed out that Heiland is both a managing dir of JEC and the interim CEO of a company with similar customers to Synacor.

Carriage: Participant Media's Pivot is launching on **RCN's** NYC and Boston systems this month. The Millennial-targeted net is already available in SD and HD to Boston viewers and will be available starting Aug 19 in NYC as part of RCN's digital cable TV package on the Signature tier. The net is also rolling out its authenticated app in the 2 cities.

Comcast Upgrades Internet Essentials: **Comcast** is offering up to 6 months of free Internet service for any new family approved for its Internet Essentials program between Aug 4 and Sept 20. The MSO also launched an amnesty program for low-income families who could qualify for Internet Essentials but have a past due balance. The program is available in 39 states and DC.

TV Apps: **Amazon** has more than doubled its Fire TV app selection with the addition of **WATCH Disney Channel, WATCH Disney Jr., MLB.TV, Animal Planet Live**, the official Flappy Birds Family (now a Fire TV exclusive game) and more. By the end of the year TV services such as **WATCH ABC, WATCH ABC Family, NFL Now, A&E** and **Lifetime** will also be available to Fire TV customers. -- **Cartoon Network** launched new fan-powered app, "CN Sayin'" for iOS devices. The app allows viewers to create video content in the form of various weekly activities that can then be submitted for a chance to be used on-air as bumpers during Thurs night premieres.

On the Circuit: **WICT, SCTE** and **Cablefax** named *Sherita Ceasar*, vp of national video deployment engineering at **Comcast**, the winner of the 2014 Women in Technology Award. The award, sponsored by **Bright House**, will be presented by the 2013 winner *Stephanie Mitchko-Beale*, CTO of **Cross MediaWorks** and a 15-year **Cablevision** vet, during

BUSINESS & FINANCE

SCTE Cable-Tec Expo, Sept 22-25 in Denver. Ceasar will be featured in an upcoming issue of **Cablefax**.

People: El Rey is beefing up its marketing and communications team, promoting *Chad Blankenship* to svp, marketing & communications, and tapping *Katie Lanegran* as vp, public relations. While Blankenship was most recently marketing vp for the 24-hour English net, Lanegran had been vp of PR for SundanceTV. She will report to Blankenship. -- **Oxygen** upped 3 execs on the development and production team, elevating *Teri Kennedy* to svp, current production, *Stephanie Steele* to vp, current production, and *Christine Cowan* to vp, talent development. In addition the net hired *Matt Shanfield* as vp and *Jean Shi* as sr dir, development. -- **HBO** upped *Tom Woodbury* to the newly created position of global distribution, reporting to HBO chmn/CEO *Richard Plepler*. He was most recently general counsel and evp of network business affairs.

Programming: TV One and Lexus will premiere season 4 of "Lexus Verses and Flow" on Aug 16. -- The newest season of "10 Things You Don't Know About," hosted by *Henry Rollins*, premieres Aug 16 on **H2**.

Editor's Note: That early bird discount for the TV Innovation Summit on Sept 18 expires on Fri. Register now to lock in the lower registration rate. More info and the updated agenda at www.cablefax.com.

CableFAX Daily Stockwatch

Company	08/04 Close	1-Day Ch	Company	08/04 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	85.58	(0.54)	CONVERGYS:	19.29	0.03
DISH:	62.43	0.29	CSG SYSTEMS:	27.03	0.07
ENTRAVISION:	5.58	0.11	ECHOSTAR:	50.72	0.62
GRAY TELEVISION:	12.47	0.16	GOOGLE:	573.15	7.08
MEDIA GENERAL:	20.33	0.27	HARMONIC:	6.15	0.21
NEXSTAR:	47.87	1.82	INTEL:	34.05	0.30
SINCLAIR:	32.63	0.28	INTERACTIVE CORP:	66.21	(0.09)
MSOS					
CABLEVISION:	19.45	0.28	JDSU:	11.74	0.08
CHARTER:	157.10	4.84	LEVEL 3:	42.50	(0.7)
COMCAST:	53.85	0.46	MICROSOFT:	43.37	0.51
COMCAST SPCL:	53.51	0.29	NIELSEN:	46.89	0.52
GCI:	11.02	0.11	RENTRAK:	51.67	1.71
GRAHAM HOLDING:	712.71	17.84	SEACHANGE:	7.53	0.16
LIBERTY GLOBAL:	41.94	(0.09)	SONY:	18.30	0.28
LIBERTY INT:	28.20	0.32	SPRINT NEXTEL:	7.37	(0.08)
SHAW COMM:	24.73	0.24	TIVO:	13.44	0.14
TIME WARNER CABLE:	147.28	1.40	UNIVERSAL ELEC:	48.09	1.15
PROGRAMMING					
21ST CENTURY FOX:	31.51	(0.43)	VONAGE:	3.46	(0.03)
AMC NETWORKS:	59.99	0.77	YAHOO:	36.53	0.92
CBS:	57.68	0.65	TELCOS		
CROWN:	3.50	0.12	AT&T:	35.46	0.13
DISCOVERY:	84.37	1.04	CENTURYLINK:	39.46	0.40
DISNEY:	87.24	1.86	TDS:	23.47	(1.03)
GRUPO TELEVISA:	36.18	0.57	VERIZON:	50.21	0.38
HSN:	56.54	0.70	MARKET INDICES		
LIONSGATE:	31.25	0.55	DOW:	16569.28	75.91
MADISON SQUARE GARDEN:	59.97	(0.08)	NASDAQ:	4383.89	31.25
SCRIPPS INT:	83.42	0.43	S&P 500:	1938.99	13.84
STARZ:	28.76	(0.05)			
TIME WARNER:	85.53	1.73			
VALUEVISION:	4.60	0.03			
VIACOM:	82.97	0.41			
WWE:	13.42	0.39			
TECHNOLOGY					
ADVANTAGE:	2.35	0.01			
ALCATEL LUCENT:	3.42	0.05			
AMDOCS:	45.40	0.09			
AMPHENOL:	97.16	0.94			
AOL:	39.21	(0.14)			
APPLE:	95.59	(0.54)			
ARRIS GROUP:	30.47	1.17			
AVID TECH:	7.60	0.15			
BROADCOM:	38.07	(0.12)			
CISCO:	25.16	0.17			
CONCURRENT:	7.50	0.10			



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by Joyce Wang

Arris CEO: Consolidation Drives Unpredictable 4Q

Arris chmn/CEO *Robert Stanzione* said during the company's 1Q earnings call that 4Q could be "dicey" as the quarter is always somewhat unpredictable for cable/telecom vendors. "This year it could be even more unpredictable" because 4 of Arris' top 5 customers (**AT&T, DirecTV, Comcast** and **Time Warner Cable**) are involved in major transactions, the exec said in the company's 2Q conference call last week. "I think we could see some disturbance in the business shortly before and after these deals close," he said. The potential good news? The impact of the mergers isn't expected to last very long, Stanzione said. "And all the indications I get are that beyond the reorganizations that are going to take place is that CapEx is actually going to go up" thanks in part to ISPs' race to gigabit broadband. Whether it's AT&T, **Google** or the cable ops, rolling out gigabit services require substantial investment in their networks, and Arris is "right in the front of that parade," Stanzione said. In addition, the CPE (customer-premised equipment) segment keeps growing "very, very nicely quarter-on-quarter" with long-term growth expected based on the company's position with customers and its ongoing R&D investments, said *Larry Robinson*, vp and gm of home devices. Stanzione is bullish on 2015. "There's going to be a pretty robust demand cycle ahead of us" as ops upgrade boxes from DOCSIS 2.0 to 3.0 and from 3.0 to 3.1. The vendor's quarter was solid: Revenue came in at \$1.42bln, compared to year-ago quarter's \$1bln. CPE sales grew 14% from the previous quarter while set-top and video gateway shipments were up 8% sequentially. The company attributed its performance to uptake of new products in Latin America and the launch of **Verizon** FiOS Quantum TV service, which uses Arris' media server.


Verizon Partners with thePlatform: To accelerate multiscreen video delivery, **Verizon** Digital Media Services

inked a strategic partnership with **Comcast's thePlatform**, the white-label video publishing service. The companies have integrated Verizon's video service and thePlatform's mpv video management system to form a new service, which the companies will jointly sell. The combined offering seeks to enable customers to manage an IP video platform from a single web-based console, letting them simplify features like dynamic ad insertion, closed captioning and analytics. In addition, users are expected to be able to manage files and metadata, set business and monetization policies, enforce content viewing rights, provision video players and distribute videos to their own websites, 3rd party sites, smartphones, tablets, game consoles and more.

Arris Aids Polish Provider: Arris continued to expand its footprint in Poland as the country's service provider **Multimedia Polska Group** announced it will use the vendor's E6000 Converged Edge Router to spearhead its effort to upgrade channel density (both upstream and downstream) and readiness for deploying converged services. The deployment, in conjunction with Arris' reseller VECTOR, seeks to improve the operator's broadband and TV service.

Cloud DVR Wanted: **Parks Associates** found that nearly half of the US pay-TV subs are interested in cloud DVR service, especially the recording capacity, following the Supreme Court's ruling against **Aereo**. The court case left licensing for cloud DVR rights largely unaffected, allowing pay-TV ops to move forward with DVR development and implementation, said the research firm's analyst *Glenn Hower*. For example, **Comcast** recently launched in Atlanta its X1 DVR service, which among other capabilities lets subs access DVR recordings on their mobile devices. More than 40% of broadband houses in the US have adopted DVR technology, according to Parks.

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



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