

CableFAX Daily™

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What the Industry Reads First

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STELA Friday: Senate Leaders Propose Retrans Changes

Congress may be on recess, but activities surrounding the reauthorization of Satellite Television Extension and Localism Act (STELA) are in full swing. In fact, the Senate Commerce Committee called in cable and broadcast execs for meetings to discuss the Senate version of the bill, we're told. The House passed its version on July 22. As a result of the meetings, Senate Commerce leaders have proposed retrans provisions that would be attached to STELA legislation. Dubbed "Local Choice," the proposal, backed by committee chmn *John Rockefeller* (D-WV) and ranking member *John Thune* (R-SD), would give consumers the option of paying for and receiving a broadcast channel... or not. MVPDs would then collect the money from customers that choose to receive the channel and pass it onto the station owners. The "must-carry" requirement remains the same, as all consumers would receive the must-carry channels on the basic tier like they do today. The proposal "does not change the essential features of the retransmission consent system," according to a copy of the bill. "Local broadcast TV stations retain the same absolute right to demand to be delivered to all pay-TV subscribers for free, or as they do now, they can seek compensation for retransmission of their programming by an MVPD to their subscribers." In order to protect local TV channel availability, MVPDs wouldn't be able to require subscribers to purchase non-broadcast programming in order to receive local broadcast channels. The senators claimed the proposal would end retrans-related blackouts, guarantee transparency on retrans prices and give viewers more control over their MVPD subscriptions. Under the plan, MVPDs can't remove a local broadcast channel from its lineup unless and until the viewer actively chooses not to buy that channel. Several major cable ops are expected to support the move. Indie ops approved too. The provision would "permanently remove consumers from retransmission consent disputes and provide consumers with more choice in the selection of TV station programming than they have seen in decades," **ACA** pres/CEO *Matt Polka* said in a statement. **NAB**? Not a big fan. "While **NAB** appreciates Chairman Rockefeller and Ranking Member Thune's careful consideration of video programming laws, this proposal represents a significant rewrite of the Communications Act. Given the shortness of time between now and the end of the Congressional session, we question whether there is sufficient time for key committees in Congress to give this proposal the thorough review that is warranted,"

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said evp, communications *Dennis Wharton*. NAB, which always supports a clean reauthorization of STELA, doesn't believe the proposal is "an appropriate vehicle for reviewing the retransmission consent process." The **American Television Alliance**, which counts pay-TV providers and programmers as members, was pleased. "Based on initial reports, their innovative concept of local choice is a solid bipartisan compromise and a real win for consumers. It would provide consumers with great choice and transparency and would end retrans blackouts once and for all," it said in a statement.

Net Neutrality: ISPs won't like this. Following *President Obama's* comments on Open Internet during the US-Africa leaders' summit last week, a few dozen public interest groups including **Free Press** and **Public Knowledge** wrote to the President to argue that "the only way for the FCC to truly protect an open Internet is by using its clear Title II authority. Over the next few months, we need your continued and vocal support for fair and meaningful net neutrality rules. Our organizations will continue to pressure the FCC to put forth solidly based rules, and will continue to encourage you and other elected officials to join us in doing so." According to a copy of the speech, Obama said "I personally, the position of my administration, as well as a lot of the companies here, is that you don't want to start getting a differentiation in how accessible the Internet is to different users. You want to leave it open so the next **Google** and the next **Facebook** can succeed."

Suddenlink 2Q: 2014 is looking to be the year of gigabit speeds for many cable MSOs. The latest development comes from **Suddenlink**, which will invest up to an additional \$230mln to "significantly enhance our Internet speeds and ultimately position our network to offer speeds of one Gigabit." Internally known as "Operating GigaSpeed," the initiative will include expenditures to upgrade data network head-end equipment, replace any remaining deployed DOCSIS 2.0 customer premises equipment with DOCSIS 3.0 equipment, and complete the all-digital video conversion, chmn/CEO *Jerry Kent* said as part of the MSO's 2Q earnings release. The company expects to complete these upgrades in a phased, market-by-market approach, starting with its largest and most competitive markets. Under the plan, speeds will increase from 15 to 200 Mbps, with top speed to increase from more than 100 Mbps to 1 Gbps in approx 90% of the MSO's footprint. Some \$35mln will be invested in Operation GigaSpeed in the 2nd half of the year, with the remainder invested through 2017. During the quarter, revenue grew 5.9% YOY to nearly \$580mln thanks to broadband revenue growth of 15.3% YOY. Total residential customer connections were around 1.4mln, an increase of 2.2% from the year-ago quarter. Including commercial, PSUs were nearly 3mln, up 4% YOY. Customers are spending more on services each month. Total average ARPU for the quarter was \$163.92, an increase of 8.7% YOY.

Starz Sees Solid Streams: The 1st ep of **Starz** original series "Outlander" was viewed by nearly 1mln people prior to its Aug 9 official debut. The net made the ep available through its YouTube channel, and its TVE and VOD services such as Starz On Demand, Starz Play and Starz.com. The ep was viewed 897,372 times by more than 600K unique viewers between Aug 2 and Aug 7.

At Cablefax.com: As we reported at the Indy Show, a growing number of cable ops are considering discontinuing their video business. **Media Financial Management Assn's** *Mary M. Collins* explores these distributors' concerns and the unavoidable signs of disruption in her latest Cablefax.com Viewpoint.

Programming: **BBC America's** "Happy Valley" will premiere in the US and Canada exclusively on Netflix Aug 20. -- **Lifetime** is developing a miniseries on Marilyn Monroe. The series will be based on *J. Randy Taraborrelli's* book, "The Secret Life of Marilyn Monroe." -- **Discovery Channel's** "Shark After Dark" premieres Sun and is scheduled to air during Shark Week through Thurs.

Editor's Note: For those of you reading this Fri night, just one last reminder that the early bird discount for the TV Innovation Summit on Sept 18 at the Grand Hyatt in NYC expires at midnight ET. So rest assured that now is the best time to secure your spot to glean key insight from speakers like **Time Warner Cable's** *Mike LaJoie*, **Comcast's** *Rob Holmes*, **A+E Networks' Evan Silverman**, **Carlson Resources' Ann Carlsten**, **NBCU's Ron Lamprecht**, **Rentrak's Cathy Hetzel**, **Viamedia's Mark Lieberman**, **Canoe Ventures' Chris Pizzurro**, **Discovery Comm's Rebecca Glashow**, **Mediacom's David McNaughton**, **ESPN's Matt Murphy**, **Nat Geo's Brad Dancer**, **Electronic Arts' Bryan Neider** and many more. To check out the full agenda, please visit www.cablefaxtvsummit.com

CableFAX Week in Review

Company	Ticker	8/08 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	84.00	(2.67%)	21.63%
DISH:	DISH	62.60	(0.67%)	8.08%
ENTRAVISION:	EVC	4.70	(20.34%)	(22.82%)
GRAY TELEVISION:	GTN	12.08	(3.75%)	16.49%
MEDIA GENERAL:	MEG	18.30	(9.45%)	(19.03%)
NEXSTAR:	NXST	48.01	0.76%	(13.85%)
SINCLAIR:	SBGI	32.28	(3.96%)	(9.66%)

Company	Ticker	8/08 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	17.99	(5.07%)	0.33%
CHARTER:	CHTR	152.04	(6.35%)	11.17%
COMCAST:	CMCSA	53.50	(1.64%)	2.94%
COMCAST SPCL:	CMCSK	53.24	(1.84%)	6.74%
GCI:	GNCMA	11.05	(0.36%)	(0.9%)
GRAHAM HOLDING:	GHC	702.73	1.91%	5.94%
LIBERTY GLOBAL:	LBTYA	41.56	(2.28%)	(33.99%)
LIBERTY INT:	LINTA	27.73	(4.11%)	(5.52%)
SHAW COMM:	SJR	24.41	(3.75%)	0.29%
TIME WARNER CABLE:	TWC	145.71	(1.79%)	7.54%

Company	Ticker	8/08 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	34.37	4.75%	(2.27%)
AMC NETWORKS:	AMCX	58.95	(4.4%)	(13.45%)
CBS:	CBS	59.23	2.60%	(7.08%)
CROWN:	CRWN	3.45	(9.45%)	(2.27%)
DISCOVERY:	DISCA	42.28	(48.99%)	(53.24%)
DISNEY:	DIS	86.85	0.72%	13.68%
GRUPO TELEVISIA:	TV	34.54	(1.06%)	14.14%
HSN:	HSNI	58.40	4.16%	(6.26%)
LIONSGATE:	LGF	32.63	1.65%	3.06%
MADISON SQUARE GARDEN:	MSG	59.43	(1.38%)	3.21%
SCRIPPS INT:	SNI	78.18	(6.54%)	(9.52%)
STARZ:	STRZA	28.19	(4.31%)	(3.59%)
TIME WARNER:	TWX	73.23	(13.84%)	5.03%
VALUEVISION:	VVTV	4.86	(5.63%)	(30.47%)
VIACOM:	VIA	80.53	(6.52%)	(8.25%)
WWE:	WWE	13.75	10.98%	(17.07%)

Company	Ticker	8/08 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	2.37	(7.42%)	(11.9%)
ALCATEL LUCENT:	ALU	3.32	(10.03%)	(24.55%)
AMDOCS:	DOX	44.70	(6.5%)	8.39%
AMPHENOL:	APH	98.59	1.01%	10.55%
AOL:	AOL	43.40	11.80%	(6.91%)
APPLE:	AAPL	94.74	(3%)	(83.11%)
ARRIS GROUP:	ARRS	30.11	(11.21%)	23.71%
AVID TECH:	AVID	7.45	(0.8%)	(8.59%)
BLNDER TONGUE:	BDR	0.93	9.41%	(7%)
BROADCOM:	BRCM	37.30	(0.13%)	25.80%
CISCO:	CSCO	25.03	(3.62%)	11.59%
CONCURRENT:	CCUR	7.34	(0.94%)	(10.16%)
CONVERGYS:	CVG	19.09	(5.4%)	(9.31%)
CSG SYSTEMS:	CSGS	27.14	1.61%	(7.69%)
ECHOSTAR:	SATS	48.98	(3.96%)	(1.49%)
GOOGLE:	GOOG	568.77	(3.44%)	(49.25%)
HARMONIC:	HLIT	6.00	(4.76%)	(18.7%)

Company	Ticker	8/08 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	32.60	(4.82%)	25.58%
INTERACTIVE CORP:	IACI	64.04	(3.7%)	(6.72%)
JDSU:	JDSU	11.80	(0.42%)	(9.16%)
LEVEL 3:	LVL	41.39	(9.35%)	24.78%
MICROSOFT:	MSFT	43.20	(2.92%)	15.48%
NIELSEN:	NLSN	47.20	(2.1%)	2.85%
RENTRAK:	RENT	49.39	(1.91%)	30.35%
SEACHANGE:	SEAC	7.56	(1.69%)	(37.83%)
SONY:	SNE	17.42	3.75%	0.75%
SPRINT NEXTEL:	S	5.67	(26.55%)	(47.26%)
TIVO:	TIVO	13.60	0.97%	3.66%
UNIVERSAL ELEC:	UEIC	52.77	8.20%	38.47%
VONAGE:	VG	3.36	(6.67%)	41.77%
YAHOO:	YHOO	35.91	(0.58%)	(11.2%)

Company	Ticker	8/08 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	34.47	(3.01%)	(1.96%)
CENTURYLINK:	CTL	39.86	6.07%	25.15%
TDS:	TDS	24.89	1.72%	(3.45%)
VERIZON:	VZ	48.70	(5.03%)	(0.9%)

Index	Value	% Chg	YTD %Chg	
MARKET INDICES				
DOW:	DJI	16553.93	(2.4%)	(0.14%)
NASDAQ:	IXIC	4370.90	(1.77%)	4.65%
S&P 500:	GSPC	1931.59	(2.36%)	4.50%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. AOL:	43.40	11.80%
2. WWE:	13.75	10.98%
3. BLNDER TONGUE:	0.93	9.41%
4. UNIVERSAL ELEC:	52.77	8.20%
5. CENTURYLINK:	39.86	6.07%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. DISCOVERY:	42.28	(48.99%)
2. SPRINT NEXTEL:	5.67	(26.55%)
3. ENTRAVISION:	4.70	(20.34%)
4. TIME WARNER:	73.23	(13.84%)
5. ARRIS GROUP:	30.11	(11.21%)

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