

CableFAX Daily™

Wednesday — September 3, 2014

What the Industry Reads First

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Retrans Derby: Raycom, Dispatch Dark on DirecTV

DirecTV isn't backing down from retrans standoffs as it awaits regulatory review of its merger with AT&T. DirecTV customers in more than 40 markets woke up Mon to find their local broadcaster gone from their lineups. Most of the affected markets feature stations owned by Raycom, including ABC, CBS and Fox affils, while Dispatch Video also pulled its stations from the satellite TV provider. In 4 of the affected markets, DirecTV brought in an alternative signal. For example, DirecTV channel maps Raycom stations in Jonesboro, AR, and Jackson, TN, so it just replaced the stations with other network stations. As for the Dispatch blackout, DirecTV said it has the ability to bring in distant network signals to Zanesville OH, where it's providing the Cincinnati CBS affiliate, and it is bringing WNBC from NY into Lafayette, IN. As per usual, price is to blame. DirecTV claims Raycom wants it to pay more than double and that Dispatch is demanding a more than 400% jump in fees for WBNS (CBS) in Columbus, OH, and WTHR (NBC) in Indianapolis. The broadcasters expressed their disappointment, noting that other MVPDs have reached agreements. With football season upon us, DirecTV is advising subs to turn off their digital receiver and tune their digital TV sets to view games. It also notes that Thurs' NFL season kickoff on NBC will be streamed by NBC Sports. This week's blackout was well-timed given the unveiling last month of Sen Commerce's Local Choice proposal, which would do away with the traditional retrans process and allow MVPD subs to decide which TV stations they want to pay for. ACA pres/CEO Matt Polka wasted no time writing a blog for The Hill that championed the proposal from Sen Commerce chmn Jay Rockefeller (D-WV) and ranking member John Thune (R-SD). Broadcasters have blasted the Local Choice proposal, saying it targets broadcast for cable rising bills and fails to offer real choice as customers would still have to pay for rarely watched cable channels.

Bringing Sports to Nick: How do you make sure young people become sports fans (and watch games live on TV)? Maybe this will help. Nick has teamed with the NFL, MLS and NASCAR for the launch of a new primetime programming block, "NickSports." It debuts Wed on Nicktoons from 9-11pm ET and features a mix of original and acquired content from the leagues. This all follows Nick's inaugural Kids' Choice Sports awards this summer. NickSports programming includes magazine show "NFL Rush," 4-ep NASCAR doc series "Hammer Down," Season 2 of "Wild Grinders" (animated series about a skater kid) and several movies, including "Bend It Like Beckham,"

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“Space Jam” and the world TV premiere of “Little Ballers,” which follows four 11-year-old boys and their legendary coach as they set out to win an AAU National Championship.

Comcast-TWC Punditry: It has been more than a week since initial comments were due on **Comcast’s** proposed acquisition of **Time Warner Cable**, and at least 1 analyst doesn’t see much in the filings to prevent the merger from moving forward. “Having reviewed the most substantive of the ~75,500 comments filed to date, we do not find any compelling arguments for blocking the merger, and therefore continue to expect its approval with conditions in 1Q15,” wrote **Bernstein Research’s Paul de Sa**. This is somewhat significant as the FCC traditionally does not allow new issues to be raised after the initial round of comments. Bernstein analysts expect program carried and carriage issues to be addressed by an extension and minor modification of the Comcast-**NBCU** conditions. As for net neutrality concerns, Bernstein believes possible conditions include extending the duration of the 2010 Open Internet rules, requiring paid port and cross connect upgrades when interconnection points reach 70% capacity (a **Cogent** suggestion); leveling conditions on data caps, usage-based pricing and standalone broadband and/or clarifying cable’s obligations as it transitions to an all-IP network. Meanwhile, one large newspaper’s editorial board is suggesting the FCC insist Comcast do more to provide low-income families with broadband. The *L.A. Times* editorial board complained Tues that the company’s low sign-up rate for its Internet Essential service (11% of those eligible) is a “signal that the company’s efforts haven’t been enough.” The editorial suggests working with nonprofits, making the sign-up process easier and providing more technical assistance and family-friendly equipment.

On the Hill: House Commerce will hold another hearing on oversight of the **FCC**, with the Sept 17 agenda to focus on the agency’s mgmt and spending. FCC managing dir *Jon Wilkins* and Inspector Gen *David Hunt* are slated to testify.

TVE: Comcast subs might want to watch their monthly mobile data limits. The MSO is letting subs access Xfinity TV Go, the authentication app that allows users to access live and VOD content, over cellular networks. The latest upgrade applies to both iOS devices and Android platforms. Previously, such services are only available through a WiFi connection.

Discovery Digital Change: The end of Aug meant the end of *Jim Louderback’s* time as gm of **Discovery** Digital Networks. Louderback, former CEO of **Revision3**, moved into the post after Discovery bought the web video network. With his departure, *Colin Decker*, group operating officer for Discovery Digital Networks, will be leading the web-native portfolio. In a blog post about his resignation, Louderback said he got the itch. “But it’s not yet an itch to do anything – more of a desire to nothing,” he clarified. “And that’s just what I’m planning to do, at least until the rains come to Northern California this fall. I’ve woefully neglected the things I love outside of work – including video games, music, hiking, travel and of course my family.” Also on his to-do list: writing a book for 1st-time CEOs.

Commisso Scholarship Fund: Mediacom founder/chmn/CEO *Rocco Commisso* has created the Rocco B. Commisso American Dream Scholarship Fund at his alma mater, Mount St Michael Academy, a Roman Catholic high school in the Bronx. Scholarships will be awarded annually to outstanding Mount students who have achieved academic and/or athletic success while displaying leadership and entrepreneurial qualities. The 1st recipients will be introduced at the school’s Convocation Sept 23, with a reception following at Mount’s historic Rotunda, which will be renamed the Rocco B. Commisso American Dream Rotunda.

Emmy Piracy: Illegal downloads surged more than 340% within a day of the Emmy awards show for **AMC’s** “Breaking Bad,” **HBO’s** “True Detective” and “The Newsroom,” **Netflix** original series “House of Cards” and **Showtime’s** “Homeland,” according to business intelligence firm **CEG TEK International**. Most notable was Breaking Bad. The rate of illegal peer-to-peer file sharing jumped 412% the day after the Emmys broadcast, making it as the 2nd most-pirated show both worldwide and in the US. CEG TEK, which tracked 50 of the top Emmy-nominated broadcast, cable, and OTT network, found that HBO’s “Game of Thrones” reigned as the most-trafficked show both before and after the awards show.

Ratings: Part one of **History’s** miniseries “Houdini” scored 3.7mIn total viewers Mon night, making it cable’s top miniseries premiere so far this year. The program, which follows the master escape artist, averaged 1.5mIn 25-54s and 1.2mIn 18-49s in its 9pm period, according to **Nielsen** Fast Cable Ratings.

Research: Cable should be happy to learn that the majority (84%) of HHs nationwide have some form of pay-TV service,

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according to a report from **Leichtman Research**. Among HHs that don't have a pay-TV service, 6% plan to subscribe in the next 6 months. Overall, 35% of non-subs never subscribed to any pay-TV service. The report, based on telephone surveys of 1,260 HHs, also found that the avg monthly spending on pay-TV is \$89.78, up 36% from 2009. Among non-subs, 11% cited OTT services like **Netflix** as the main reason for not currently subscribing to a pay-TV service, compared to just 3% in 2009. "The number of pay-TV subscribers in the US remains about as high as it has ever been, but penetration of pay-TV services in consumers' homes has declined over the past few years as subscriber growth has leveled-off, while occupied housing in the US has increased," said research firm pres **Bruce Leichtman**.

People: **ESPN** upped **Marie Donoghue** to evp, global strategy and original content, continuing to report to **ESPN** pres **John Skipper**. She joined **ESPN** in 1998 from **Starwave Ventures**, the company that produced **ESPN's** early Internet products. -- **Spike TV** upped **Ted Gold** to svp, scripted original series, reporting to **Sharon Levy**, evp, original series. **Justin Lacob**, vp, original series, will now be reporting to **Gold** as part of the newly-formed scripted development team. He will continue to work on non-scripted projects as well, overseen by **Chris Rantamaki**, svp, original series.

CableFAX Daily Stockwatch

Company	09/02 Close	1-Day Ch	Company	09/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.71	0.26	CONVERGYS:	19.44	0.24
DISH:	66.00	1.19	CSG SYSTEMS:	27.67	(0.05)
ENTRAVISION:	4.55	(0.03)	ECHOSTAR:	50.79	0.36
GRAY TELEVISION:	10.05	0.12	GOOGLE:	577.33	5.73
MEDIA GENERAL:	15.58	0.17	HARMONIC:	6.54	(0.03)
NEXSTAR:	46.24	0.60	INTEL:	34.57	(0.35)
SINCLAIR:	29.12	0.07	INTERACTIVE CORP:	70.68	1.09
MSOS					
CABLEVISION:	18.52	0.01	JDSU:	11.25	(0.3)
CHARTER:	158.40	1.53	LEVEL 3:	44.90	(0.06)
COMCAST:	54.78	0.06	MICROSOFT:	45.09	(0.34)
COMCAST SPCL:	54.56	(0.04)	NIELSEN:	46.74	(0.25)
GCI:	11.33	0.09	RENTRAK:	51.65	0.59
GRAHAM HOLDING:	735.40	16.60	SEACHANGE:	7.55	(0.04)
LIBERTY GLOBAL:	42.99	(0.68)	SONY:	19.40	0.29
LIBERTY INT:	29.65	0.13	SPRINT NEXTEL:	5.54	(0.07)
SHAW COMM:	25.23	0.04	TIVO:	13.72	(0.37)
TIME WARNER CABLE:	147.33	(0.6)	UNIVERSAL ELEC:	54.75	0.08
PROGRAMMING					
21ST CENTURY FOX:	35.93	0.51	VONAGE:	3.55	0.10
AMC NETWORKS:	64.11	1.53	YAHOO:	39.27	0.76
CBS:	58.83	(0.46)	TELCOS		
CROWN:	3.42	(0.03)	AT&T:	34.84	(0.12)
DISCOVERY:	44.01	0.29	CENTURYLINK:	40.86	(0.13)
DISNEY:	90.80	0.92	TDS:	26.45	0.11
GRUPO TELEVISA:	37.21	0.14	VERIZON:	49.77	(0.05)
HSN:	61.05	0.46	MARKET INDICES		
LIONSGATE:	32.99	0.58	DOW:	17067.56	(30.89)
MSG:	66.88	0.02	NASDAQ:	4598.19	17.92
SCRIPPS INT:	80.02	0.31	S&P 500:	2002.28	(1.09)
STARZ:	31.71	0.42			
TIME WARNER:	77.32	0.29			
VALUEVISION:	4.97	0.28			
VIACOM:	81.45	0.42			
WWE:	14.61	0.07			
TECHNOLOGY					
ADDVANTAGE:	2.39	0.01			
AMDOCS:	47.56	0.46			
AMPHENOL:	104.30	1.29			
AOL:	44.05	0.83			
APPLE:	103.30	0.80			
ARRIS GROUP:	31.49	0.88			
AVID TECH:	8.39	(0.06)			
BLNDER TONGUE:	1.73	0.06			
BROADCOM:	39.35	(0.03)			
CISCO:	24.88	(0.11)			
CONCURRENT:	7.55	0.05			

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