

Cablefax Daily™

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What the Industry Reads First

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OTT Still HOT: Everyone's Still Buzzing about Recent Deals

As the industry continues to digest the implications of **HBO** launching a standalone OTT service next year, one MSO with whom we spoke sees it as further evidence that broadband is the future. "We've been saying for some time that the current cable model is unsustainable. Programmers are asking for triple digit rate increases in contract negotiations, and small to mid-size operators just can't absorb these types of increases," a **Cable One** spokesperson told us. Keep in mind Cable One was the first distributor to bid adieu to **Viacom** channels back in April. Some smaller **NCTC** members followed suit, and **Suddenlink** made the same decision earlier this month. Cable One increased its focus on Internet access several years ago, and as a result says it now sees Internet subs outpacing cable customers. "Nearly 60% of our new connects are Internet-only at \$50mIn—less than 10% are video only. We have always viewed OTT as a bigger long-term plus for our Internet product," the MSO's rep said. Asked about HBO and **CBS's** OTT services after Fri's **FCC** meeting, chmn *Tom Wheeler* told reporters that the Commission is "pro-innovation and pro-competition." These kind of announcements are "obviously going to have a marketplace impact," and the FCC has been looking at how to define an MVPD, which would be a "key component," he said. When asked about the timeline for the FCC to act on **Aereo's** request to be classified as an MVPD, he said to "stay tuned." He offered no hint of a timeline but said it's the right question to be asking. **Moody's** released a note on CBS's new digital subscription service, CBS All Access, saying that in the immediate term it will help CBS reach an untapped audience of millennials and add to its revenue stream. However, it goes on to question how many consumers will be lured to the product since it is CBS only (and no **NFL**). Moody's reckons CBS may add **Showtime** to the package in the future to beef up the offering, but it would come at a higher price tag as it is possible that the company's agreements with some MVPDs—like the lengthy one with **Comcast**—could complicate such a move. "We believe that in the short-run these OTT arrangements will attract consumers who do not currently subscribe to a cable service but over the long-term there is risk that a broader section of the population would be attracted to subscribing to cheaper skinnier bundles of channels, which in turn could hurt affiliate/retransmission fees and advertising revenues for the networks as overall distribution declines.



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Questions: Mary-Lou French
301.354.1851 • mfrench@accessintel.com

Sponsorships: Diane Schwartz
212.621.4964 • dschwartz@accessintel.com

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Such declines will likely be mitigated by the higher subscription fees that CBS will receive from its OTT service," Moody's told clients. Meanwhile, **ACA** continues to link the \$5.99/month CBS All Access service to Sens *Jay Rockefeller* and *John Thune's* Local Choice proposal, arguing that broadcasters should allow consumers to buy broadcast signals from cable operators on an a-la-carte basis in the same way that CBS is offering its streaming service to broadband customers. Under Local Choice, which was pulled out of Sen Commerce's satellite distant signal legislation, subscribers would decide which broadcast signals they wanted to purchase.

FCC NOI and Net Neutrality Talk: The **FCC** voted unanimously Fri to open a Notice of Inquiry on the use of bands above 24GHz for mobile broadband. Today, mobile broadband networks generally use spectrum bands below 3GHz. "We have signs that the rest of the world is on the road to 5G. There is no reason for the United States to stay in the starting gate. We need to build on our 4G success—and get going right now," FCC commish *Jessica Rosenworcel* said. -- At a press conference after the meeting, FCC chmn *Tom Wheeler* noted that he and President *Obama* are in agreement that there shouldn't be haves and have nots when it comes to the Internet, referencing comments the President made at a forum last week. He said he hasn't conducted personal communications with Obama on net neutrality but has kept White House staffers informed, just as he has kept Congressional staff in the loop.

Walking Dead Adds 5mln: The premiere of **AMC's** "The Walking Dead" added more than 5mln viewers with Live +3 data, jumping from 17.3mln on Sun to 22.4mln. The 18-49 demo got an 8% bump, jumping to 14.5mln and 25-54 rose 14% to 13mln with L+3.

Esser Visits Gigabit Home: **Cox** pres *Pat Esser* and other senior execs visited the 1st Arizona home to sign up for gigabit Internet service last week. The family will receive the new speeds by the end of Oct. The company is "committed to rolling out gigabit speeds in all our markets as a broadband choice for all customers," Esser said in a statement. The MSO will activate its new Gigabit Internet, known as G1GABLAST, to the 1st single family homes in AZ, as part of the plan to expand the offering to Las Vegas, Omaha and new developments in all Cox markets nationwide.

PTO Director Nominated: The White House nominated former **Google** exec *Michelle Lee* to head the **US Patent and Trademark Office**. Lee is currently deputy director of PTO, a position she's held since Jan. Before joining the PTO in '11, she served as Google's deputy gen counsel and head of patents and patent strategy.

International: *Star Wars* fans in parts of the EU are getting their Christmas presents early this year. The country's pay-TV company **Sky Deutschland** is turning its **Sky Hits** digital channel into **Sky Star Wars HD** from Dec 1 to 14, featuring all 6 *Star Wars* films and *Star Wars*-themed documentaries and specials, 24/7. All Sky subs in Germany and Austria will have free access to the channel.

Ratings: **Fox Sports 1's** coverage of NLCS Game 5 between St Louis Cardinals and San Francisco Giants scored a 3.1 HH rating, tying it with NLCS Game 4 as the highest-rated program ever on the net. The telecast drew 4.9mln viewers, making it the net's 2nd most-watched program ever. Fox Sports 1's top 5 shows and 7 of its top 10 are 2014 MLB postseason games. -- **CBS** and **NFL Network's** "Thursday Night Football" on Oct 16 featuring New England's 27-25 victory over the NY Jets, earned an average fast-national HH rating/share of 10.1/17, +140% from last year's 4.2/7, and delivered an average of 16.1mln viewers, +137% from last year's 6.8mln on NFL Network and over-the-air stations within the 2 team markets.

Programming: **Nat Geo Wild** brings back its "Big Cat Week" for a 5th iteration, Nov 28. This year's stunt includes big cat tracker *Boone Smith* in "Man v Lion." -- **MLB Net's** studio hits the road with "MLB Tonight," airing before and after every World Series game. -- **BBC America** announced a new original co-production, the 5-part miniseries "London Spy." Co-produced with **BBC Two**, filming on the series started last week.

NAMIC Mid-Atlantic: **NAMIC Mid-Atlantic** will present an interactive workshop and book signing with author *Muriel Maignan Wilkins* on Nov 6, 6pm at **NCTA's** HQ. Admission is free for members; \$40 for non-members. Register at namic.com/events.

People: **Nat Geo Studios** named *Jeff Hasler* evp of development and production, overseeing the development, pitching and production of series and specials to **Nat Geo Channel** and other nets.

CableFAX Week in Review

Company	Ticker	10/17 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	85.02	(1.38%)	23.11%
DISH:	DISH	58.53	(5.03%)	1.05%
ENTRAVISION:	EVC	4.59	9.81%	(24.63%)
GRAY TELEVISION:	GTN	8.57	18.04%	(17.36%)
MEDIA GENERAL:	MEG	14.34	12.82%	(36.55%)
NEXSTAR:	NXST	40.34	10.67%	(27.62%)
SINCLAIR:	SBGI	26.88	12.28%	(24.77%)

Company	Ticker	10/17 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	17.43	(0.29%)	(2.79%)
CHARTER:	CHTR	143.80	(2.92%)	5.15%
COMCAST:	CMCSA	50.68	(3.69%)	(2.48%)
COMCAST SPCL:	CMCSK	50.65	(3.51%)	1.54%
GCI:	GNCMA	10.84	1.40%	(2.78%)
GRAHAM HOLDING:	GHC	704.73	1.89%	6.24%
LIBERTY GLOBAL:	LBTYA	42.15	0.60%	(33.05%)
SHAW COMM:	SJR	24.19	0.17%	(0.62%)
TIME WARNER CABLE:	TWC	135.35	(4.15%)	(0.11%)

Company	Ticker	10/17 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	32.70	0.83%	(7.02%)
AMC NETWORKS:	AMCX	56.27	4.71%	(17.38%)
CBS:	CBS	52.35	4.89%	(17.87%)
CROWN:	CRWN	3.17	(3.35%)	(10.2%)
DISCOVERY:	DISCA	34.65	(1.2%)	(61.68%)
DISNEY:	DIS	83.83	(2.83%)	9.73%
GRUPO TELEVISIA:	TV	33.02	(3%)	9.12%
HSN:	HSNI	61.36	0.02%	(1.51%)
LIONSGATE:	LGF	30.17	0.20%	(4.71%)
MSG:	MSG	63.00	(0.27%)	9.41%
SCRIPPS INT:	SNI	72.68	(1.33%)	(15.89%)
STARZ:	STRZA	30.44	(5.55%)	4.10%
TIME WARNER:	TWX	75.85	5.61%	8.79%
VALUEVISION:	VVTV	5.06	5.86%	(27.61%)
VIACOM:	VIA	69.41	(1.82%)	(20.92%)
WWE:	WWE	13.67	0.81%	(17.55%)

Company	Ticker	10/17 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	2.43	3.40%	(9.67%)
AMDOCS:	DOX	44.97	0.16%	9.04%
AMPHENOL:	APH	48.03	5.10%	(46.14%)
AOL:	AOL	39.32	(4.75%)	(15.66%)
APPLE:	AAPL	97.67	(3.04%)	4.24%
ARRIS GROUP:	ARRS	25.15	1.82%	3.33%
AVID TECH:	AVID	9.60	1.05%	17.79%
BLNDER TONGUE:	BDR	1.12	(26.32%)	12.00%
BROADCOM:	BRCM	35.77	(0.78%)	20.64%
CISCO:	CSCO	23.25	(0.39%)	3.66%
COMMSCOPE:	CTV	24.78	(0.12%)	(6.6%)
CONCURRENT:	CCUR	7.13	(0.7%)	(12.73%)
CONVERGYS:	CVG	18.09	2.03%	(14.06%)
CSG SYSTEMS:	CSGS	25.50	(3.26%)	(13.27%)
ECHOSTAR:	SATS	44.67	0.79%	(10.16%)
GOOGLE:	GOOG	511.17	(6.12%)	(54.39%)
HARMONIC:	HLIT	6.00	6.01%	(18.7%)
INTEL:	INTC	31.38	(1.66%)	20.88%
INTERACTIVE CORP:	IACI	58.97	(2.09%)	(14.1%)

Company	Ticker	10/17 Close	1-Week % Chg	YTD %Chg
JDSU:	JDSU	11.83	(8.86%)	(8.93%)
LEVEL 3:	LVL	41.23	5.85%	24.30%
MICROSOFT:	MSFT	43.63	(0.91%)	16.63%
NIELSEN:	NLSN	42.03	0.79%	(8.41%)
RENTRAK:	RENT	73.97	2.96%	95.22%
SEACHANGE:	SEAC	7.27	3.27%	(40.21%)
SONY:	SNE	17.24	(2.1%)	(0.29%)
SPRINT NEXTEL:	S	6.03	(3.52%)	(43.91%)
TIVO:	TIVO	12.62	5.78%	(3.81%)
UNIVERSAL ELEC:	UEIC	51.32	4.73%	34.66%
VONAGE:	VG	3.27	(11.14%)	37.97%
YAHOO:	YHOO	38.45	(2.9%)	(4.92%)

Company	Ticker	10/17 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	34.08	(0.5%)	(3.07%)
CENTURYLINK:	CTL	38.86	(0.69%)	22.01%
TDS:	TDS	23.40	5.26%	(9.23%)
VERIZON:	VZ	48.07	(1.78%)	(2.18%)

Index	Value	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	DJI	16380.41	(0.99%)	(1.18%)
NASDAQ:	IXIC	4258.44	(0.42%)	1.96%
S&P 500:	GSPC	1886.76	(1.02%)	2.08%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS		
COMPANY	CLOSE	1-WK CH
1. GRAY TELEVISION:	8.57	18.04%
2. MEDIA GENERAL:	14.34	12.82%
3. SINCLAIR:	26.88	12.28%
4. NEXSTAR:	40.34	10.67%
5. ENTRAVISION:	4.59	9.81%

THIS WEEK'S STOCK PRICE LOSERS		
COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.12	(26.32%)
2. VONAGE:	3.27	(11.14%)
3. JDSU:	11.83	(8.86%)
4. GOOGLE:	511.17	(6.12%)
5. STARZ:	30.44	(5.55%)

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