

Cablefax Daily™

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What the Industry Reads First

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Confidential Wars: Companies Say Programmer Objections Are Without Merit

While everyone waits on the FCC to decide how to handle highly confidential documents related to programming agreements, the back-and-forth continues at the Commission over who is entitled to have access to highly confidential info as part of the **Comcast-Time Warner Cable** and **AT&T-DirecTV** merger reviews. Last week, the FCC paused its informal 180-day shot clock deadline on the merger reviews to consider programmers' appeal of a Media Bureau ruling allowing outside counsel to access the contracts under certain conditions. On Fri, **DISH** responded to objections raised by **Discovery, Scripps, Disney, CBS** and others, calling the protestations "frivolous." "There is no basis for the assertion that DISH's outside counsel and experts are engaged in competitive decision-making, and the assertion is, in fact, untrue," DISH told the FCC. Furthermore, DISH argues precedent is on the FCC's side, saying that Comcast/NBCU, **EchoStar/Hughes/DirecTV** and **Adelphia/Time Warner Cable/Comcast** all involved similar requests for confidential info on programming. Content companies have filed objections against every person who has sought access to the documents, according to the FCC. **Monumental Sports & Ent**, which owns and operates the **Washington Capitals, Washington Wizards, Washington Mystics** and **Verizon Center** in DC, also took issue with the programmers' objections, assuring the Commission that its outside counsel understands and respects the rules limiting disclosure of carriage agreements. **Netflix** said the programmers' objections raise no material questions about whether its outside counsel and experts are engaged in competitive decision-making. "Instead, the programmers' primary contention appears to be their disagreement with the Commission's decision adopting the Modified Joint Protective Orders, making the objections nothing more than the pretext for a collateral attack on the decision," Netflix said. **ACA's** response tackled some of the objections CBS and **Tribune** have raised regarding svp, govt affairs *Ross Lieberman's* eligibility. ACA said he meets the definition of outside counsel as he's not involved in competitive decision-making. His interactions with ACA's members are limited to legislative and regulatory issues, and he isn't involved with member's competitive decisions, the group added. ACA also said it's wrong to exclude outside counsel *Barbara Esbin* of **Cinnamon Mueller** simply because her firm handles retrans for some member companies because she personally does not. The FCC has said it will issue a Public Notice setting forth new plead-

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ing cycles once it rules on the issue of highly confidential access. The 180-day clocks in both the AT&T and Comcast reviews have been paused since last Wed.

Up, Up and Away: Brad Siegel is leaving **UP**, the net he helped launch 10 years ago (then called **Gospel Music Channel**). The exec said he wanted to pursue other opportunities. "Building a cable brand into the second largest independent network in this challenging environment required a person with enormous energy, talent and relational strength... Brad's experience and relationships with advertisers and program distributors were invaluable in jump starting our business," said UP pres/CEO *Charley Humbard*. The net is expected to announce Siegel's replacement in the near future.

Retrans Forecast: SNL Kagan updated its retrans fee forecast, projecting that TV station owners' fees will reach \$9.3bln by 2020 vs a projected \$4.9bln this year. The updated projections call for retrans revenues to rise to \$8.78bln by 2019, up from last year's 2019 projection of \$7.64bln. The average \$1.32 retrans fee that SNL Kagan believes the industry will receive by 2017 across all markets and all affiliates puts TV stations above all but 5 basic cable networks in terms of affiliate fees per sub per month. The firm pegs affiliate reverse retrans at \$3.22bln in 2020, up from \$1.53bln in 2015.

Frontier Outage: The transition from **AT&T** to **Frontier Communications**, following the completion of Frontier's \$2bln acquisition of the telco's wireline assets in CT last week, seemed to get off to a rough start. Some Frontiers subs in the state have reportedly experienced Internet and/or TV outages. Over the weekend, some subs took to **Twitter** to complain about issues with accessing VOD content and channels including **TCM**, **Cartoon Network** and **NFL Red Zone**. "We have completed updates to TV services, which should resolve a number of issues when trying to access HD & SD channels," Frontier said in a tweet late Sun. The service provider is also asking subs to update their set-top boxes. Meanwhile, as a result of the acquisition, **Viamedia**, which handled ad sales for AT&T in the state, has become Frontier's ad sales operator for the acquired AT&T systems under a multi-year agreement.

Liberty Broadband Ahead: Things look good for **Liberty Media's** plan to spinoff its interests in **Charter** into a new tracking stock, **Liberty Broadband**. The FTC and DOJ granted early termination of their review, signaling they found no antitrust issues. Liberty has set next Tues as the date for the completion of the spinoff.

INTX Adds Technical Forum: INTX (The Internet & Television Expo), the rebranded **Cable Show**, will feature the 2015 Spring Technical Forum which focuses on innovation, R&D and the business of technology in the digital world. A collaboration between **NCTA**, **CableLabs** and **SCTE**, the forum announced a Call for Papers addressing topics including cloud, WiFi, network security, streaming and OTT services, gigabit broadband, spectrum allocations and efficiencies, as well as 4K/8K video compression and the impact on bandwidth requirements. Deadline for submitting papers is Dec 12.

Hargray Buys GA Operator: Hargray Comm announced the acquisition of Reidsville, GA-based **Kennedy Cablevision**. Terms weren't disclosed. "This acquisition facilitates our construction of a self-healing ring connecting Savannah, Hinesville, and Statesboro which further enhances our quality of service for our new Hinesville and Statesboro enterprise fiber customers," Hargray said.

Press Clippings: Roku, which received an additional \$25mln in private funding last week, is reportedly looking to file an IPO. According to the *Wall Street Journal*, the streaming platform service provider has been in talks with banks including **Bank of America Merrill Lynch** and **Citigroup** to prepare for an IPO that could raise up to \$150mln.

Ratings: HBO's "Boardwalk Empire" ended its 5th and final season Sun night with 2.3mln viewers at 9pm, up 7% from last year's season finale. The finale totaled 3mln viewers for the night with additional replays, the largest Sun night audience for the series this season. Season-to-date, the show is averaging a gross audience of 6.6mln per ep.

Programming: **C-SPAN** will provide live coverage Wed at 11am ET of the funeral service for former *Washington Post* editor *Ben Bradlee*. -- **CNN Films** and **RADiUS** have teamed on a film about campus sex crimes. RADiUS will distribute the film theatrically and CNN has acquired the US broadcast rights. -- **NFL** legend *Jerry Rice* is in production on a pilot for **Great American Country** called "Friday Night Impossible," which has Rice visiting small town schools to give coaches and players gridiron advice. -- **Nat Geo WILD** airs "Safari Live" starting Nov 29, featuring daily safari rides exploring the

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natural habitat of local animals. **Nat Geo** will simulcast the adventure starting Dec 1 for a week. **NatGeo WILD** is making the special available online before the linear debut. Starting Nov 2, viewers can access the content at WILDsafariLive.com.

People: Suddenlink hired *Mike Shelton* as vp of fiscal operations for the company's North Carolina region. The 25-year finance vet was most recently vp of finance at Central Parking Inc. -- **Viamedia** pres/CEO *Mark Lieberman* joined the **Cabletelevision Advertising Board's** (CAB) board of directors. CAB's member organizations include virtually all of the national and regional ad-supported cable networks; system operators and interconnects representing more than 90% of all US cable subscribers; and suppliers to the cable advertising business. -- The **FCC** Media Bureau added *Kalpak Gude* as an associate bureau chief, *Julissa Marenco* as an assistant bureau chief and *Susan Singer* as chief economist. *Holly Sauerer* was promoted to associate bureau chief. -- **Viacom Media Nets** upped *Anthony Barton* to svp of creative and marketing, and *Adam Steingart* to svp of integrated marketing, for **CMT, Viacom Velocity**. Steingart, most recently vp of integrated marketing for **Comedy Central/Spike/TV Land**, returned to CMT after a 2-year absence. He replaces Barton, who has been svp of integrated marketing for CMT.

CableFAX Daily Stockwatch

Company	10/27 Close	1-Day Ch	Company	10/27 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	83.99	(0.16)	CONVERGYS:	18.98	0.01
DISH:	61.35	(0.85)	CSG SYSTEMS:	25.31	(0.11)
ENTRAVISION:	4.82	0.02	ECHOSTAR:	46.33	0.01
GRAY TELEVISION:	8.56	(0.07)	GOOGLE:	540.77	0.99
MEDIA GENERAL:	14.23	(0.01)	HARMONIC:	6.14	(0.09)
NEXSTAR:	42.16	0.26	INTEL:	33.20	0.02
SINCLAIR:	28.03	0.05	INTERACTIVE CORP:	62.98	0.72
MSOS					
CABLEVISION:	18.44	(0.15)	JDSU:	12.18	0.08
CHARTER:	156.36	(1.45)	LEVEL 3:	43.46	1.24
COMCAST:	54.05	(0.21)	MICROSOFT:	45.91	(0.22)
COMCAST SPCL:	53.90	(0.26)	NETFLIX:	379.40	(5.62)
GCI:	11.00	(0.04)	NIELSEN:	42.18	(0.12)
GRAHAM HOLDING:	753.00	14.85	RENTRAK:	75.86	(1.74)
LIBERTY GLOBAL:	44.73	(0.19)	SEACHANGE:	6.48	(0.02)
SHAW COMM:	25.26	0.37	SONY:	17.48	(0.24)
TIME WARNER CABLE:	140.60	(2.38)	SPRINT NEXTEL:	6.04	(0.04)
PROGRAMMING					
21ST CENTURY FOX:	33.77	0.42	TIVO:	12.65	(0.14)
AMC NETWORKS:	59.14	0.03	UNIVERSAL ELEC:	53.56	(0.16)
CBS:	53.52	UNCH	VONAGE:	3.36	(0.01)
CROWN:	3.34	UNCH	YAHOO:	44.70	1.20
DISCOVERY:	36.52	(0.09)	TELCOS		
DISNEY:	88.45	(0.16)	AT&T:	34.11	0.24
GRUPO TELEVISA:	33.80	0.96	CENTURYLINK:	40.40	0.47
HSN:	66.00	0.61	TDS:	24.89	0.09
LIONSGATE:	33.11	0.11	VERIZON:	49.42	0.65
MSG:	65.78	1.02	MARKET INDICES		
SCRIPPS INT:	75.71	(0.47)	DOW:	16817.94	12.53
STARZ:	30.49	0.01	NASDAQ:	4485.93	2.22
TIME WARNER:	79.27	0.50	S&P 500:	1961.63	(2.95)
VALUEVISION:	5.23	0.03			
VIACOM:	72.06	0.07			
WWE:	13.50	0.23			
TECHNOLOGY					
ADVANTAGE:	2.42	(0.02)			
AMDOCS:	46.60	0.37			
AMPHENOL:	48.37	(0.46)			
AOL:	41.45	(0.32)			
APPLE:	105.11	(0.11)			
ARRIS GROUP:	27.61	0.17			
AVID TECH:	10.00	(0.05)			
BLNDER TONGUE:	1.14	0.01			
BROADCOM:	39.86	0.16			
CISCO:	23.76	(0.02)			
COMMSCOPE:	25.07	0.05			
CONCURRENT:	7.59	0.24			

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Cablefax TECH by Joyce Wang

The Start of an OTT Explosion... and Google's TV Plan

It's been a busy couple months with numerous significant OTT announcements. **Time Warner** execs finally confirmed an OTT version of **HBO** service to be launched in 2015. **CBS** is making its OTT service available in O&O markets. And last month, **Viacom** officially announced a deal with **Sony** to license live and on-demand programming for Sony's to-be-launched OTT service. **DISH** is working on its OTT package to be released by the end of the year. The telcos are looking to get a slice of the pie too, with both **AT&T** and **Verizon** execs signaling their interests in launching similar offerings. By going direct, media companies would have direct access to consumer data, greater control over brand messaging and more targeted advertising opportunities, **MoffettNathanson** analysts said during a conference call last week. However, more video content over broadband means the possibility of ISPs charging for data transport. There is significant scrutiny for the 1st time into interconnection, the analysts said. The risk of OTT depends on whether cable can or can't price broadband in such a way to offset lost video transport revenue and the most obvious ways to recapture lost "transport revenue" are usage based pricing, surcharges on naked broadband (deeper discounts on bundles) and interconnection pricing, they said. A high-rate of subscriptions to OTT services was found among owners of streaming media players—devices like Roku, **Amazon Fire** and **Apple TV**, among others— with more than 75% of streaming media player owners subscribing to an OTT service, according to **Parks Associates**. **Roku** has sold 10mln boxes as of Sept and **Apple TV** has sold 20mln as early as April. **Google**, meanwhile, also has its eyes on the video market. In addition to its streaming dongle Chromecast, the company is attempting to capture an even bigger foothold in the market through Android TV. As part of that effort, Google recently announced the \$99 Nexus Player, a streaming device based on the Android TV platform that has all of Chromecast's features plus other capabilities like voice control (pre-order started Oct 17).

And don't forget **YouTube**, a potential big moneymaker for Google, as more viewers access the service through their TV screens. The online video service's partner revenue was up 60% from 2012 to 2013, Google execs said during the company's 3Q earnings conference call. "Users are really accessing Internet on large screens with high broadband speeds, and we are getting great monetization on these screens and advertisers are really paying attention... We have seen a real shift where marketers and agencies who have historically built their brands on TV are really re-orienting this toward investments on digital," *Omid Kordestani*, Google's interim chief business officer said. Despite regulatory uncertainty, increasing competition and barriers due to content rights restrictions, it's safe to say that it's only a matter of time before more OTT-type services emerge, especially with HH penetration of broadband and connected devices on the rise. More than 70% of US HHs subscribed to broadband services at the end of last year and more than half of those HHs have a TV connected to the Internet, according to various research reports. Welcome to the OTT era.

Amazon Launches Fire TV Stick: Less than 7 months after the launch of streaming box **Amazon Fire TV**, the company is bringing similar features to a smaller and less expensive device. Say hi to Fire TV Stick, a \$39 dongle that can be connected to the HDMI port on a HDTV to access video, music, photos, apps and games. The offering includes a remote control and users can also navigate using their phone upon downloading the Fire TV Remote App featuring voice search. Pre-order started Mon and the device will ship Nov 19. For Prime members, the device is available for 2 days for only \$19 on Amazon.com. Compared to Google's streaming dongle Chromecast, which has single-band, single-antenna WiFi, the device features dual-band, dual-antenna WiFi with MIMO (multi-input and multi-output) for potentially better streaming performance.

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



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