

Cablefax Daily™

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What the Industry Reads First

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Stopped Clock: Contract Debate Continues in FCC Merger Review

It's still not clear whether programmers and broadcasters will have to turn over sensitive contract information to 3rd parties as part of the FCC's review of the proposed **Comcast-Time Warner Cable** and **AT&T-DirecTV** mergers. The content companies have asked the court to intervene and prevent the FCC from releasing the info to qualified parties, a process that was supposed to start Mon (11/17). But on Fri, the DC Circuit said it needed more time to decide whether to grant the content companies' request for an emergency stay. The court said respondents had until noon Mon to file a response to the content owners' request for a stay. Content companies may file a reply by noon Wed. Comcast, **Charter** and TWC have asked the court not to grant the stay, saying the FCC Media Bureau has made extraordinary efforts to accommodate content companies' legitimate confidential interests and stressed that only certain outside counsel and consultants are privy to the info (ie, those not involved in competitive decision-making). What's more, the trio argued that a stay would increase the risks to their companies, employees, shareholders and others. "A stay would also unjustifiably delay the substantial public interest benefits of the transaction to millions of consumers, businesses and institutions," they told the court. The FCC's informal 180-day merger review clocks remain paused as the court contemplates whether the FCC's order on the contracts should be stayed. The Commission told the court Mon that the petitioners are unlikely to prevail on the merits of their claims, nor will they suffer irreparable harm if the stay is not granted. Like the companies involved in the merger process, the agency warns that a stay would result in an "unjustified delay of the expeditious review of these mergers and would inevitably lead to multiple appeals in this and future proceedings that would unduly hamper the Commission's work." **ACA**, which is seeking access to some of these documents, told the court the effects of the mergers can't be fully examined without access to these documents. ACA believes the merged companies would be able to obtain better programming rates for their MVPD businesses. Without access to the contracts, "ACA's arguments might be dismissed by the FCC (or a reviewing court) as speculative or not adequately supported by the record," the group said. **NAB** filed a motion to intervene Mon in support of the petitioners, saying that its members would be directly and adversely affected if the court doesn't grant the stay. The FCC order "paves the way for access by more than 300 third parties to innumerable highly confidential broadcaster distribution agreements and related negotiation strategies," NAB told the court.

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DISH-CBS: With every Turner net besides TNT and TBS dark on DISH, would the DBS player really allow CBS to fade to black Thurs? Seems unlikely, but it *is* DISH, so *Charlie Ergen* may be the only one who really knows. CBS sounded the alarm Fri, warning DISH customers at KeepCBS.com that they could lose CBS O&Os in some markets. It didn't mention a deadline, but we've been told DISH's contract expires Nov 20. That's exactly one month after 7 Turner nets, including CNN and Cartoon, went dark on DISH. And so far, remain dark. "Only CBS can force a blackout of its channels. DISH is actively working to reach a deal before the contract expires and has successfully negotiated agreements representing hundreds of stations in recent months that benefit all parties, including our viewers," DISH said Fri evening. "We are unsure why CBS decided to involve customers in the contract negotiation process at a point when there is time for the two parties to reach a mutually beneficial deal." It's unclear if DISH subs could also lose Showtime and CBS Sports. Time Warner Cable lost both cable nets during its retrans showdown with CBS last year. CBS also pulled online access to its shows during the tiff.

NCTA on Spectrum Auctions: NCTA opposes a petition from the Expanding Opportunities for Broadcasters Coalition (of which former Disney exec Preston Padden is exec dir) that seeks to change FCC incentive auction rules that govern channel sharing. NCTA believes the group's petition would introduce significant and ongoing uncertainty into "an already complicated post-auction process." The Coalition wants to permit broadcasters to enter into sharing agreements up to 1 year after returning spectrum and going off the air, instead of prior to the auction. It also proposes creating 2nd generation channel sharing agreements that could share a different channel at a later date (and thus demand must carry rights from that new location). NCTA's beef centers on the cable carriage rights for share stations, with the group arguing it would impose additional risk on operators and their customers and would disrupt the FCC's post-auction timetable.

DirecTV Adds OTT Channels: DirecTV scored deals with programmers BeIN Sports, ForoTV and ¡HOLA! TV for its Hispanic-targeted OTT service Yaveo, before the launch by year-end, according to Yaveo help pages that recently went live. While BeIN features soccer-heavy live sporting events, ForoTV is a Mexican network already available on DirecTV. ¡HOLA! TV, a Spanish language net that first launched in Latin America last fall, debuted in the US in May with DirecTV's help. The service, announced in Sept, would allow users to stream live channels on 5 different devices at the same time. Though Microsoft's new Xbox One platform isn't currently supported, the company said it's working to add the platform soon. Rival satcaster DISH's OTT service targeting a broader audience is also set to launch by the end of the year.

Wheeler Seeks to Up E-rate Cap: As part of the effort to modernize the FCC's E-rate program, chmn Tom Wheeler will circulate a proposal this week to raise the E-rate cap by up to 16 cents per phone line, or an overall increase from \$2.4bln to \$3.9bln a year. According to Wheeler, raising the cap is especially critical to bring better Internet services for students from low-income families and in rural areas. Currently, the USF rate for consumers is 99 cents a month. "While the impact on consumers will be small, the impact on children, teachers, local communities and American competitiveness will be significant," said a release from Wheeler's office. In a party-line vote in July, the agency started a process to refocus the subsidy on better broadband services. It also launched an initiative to fund WiFi connections in schools and libraries with a \$1bln annual budget, which cable generally supports. The proposal didn't sit well with the 2 Republican commishes, both of whom are opposed to increased E-rate spending. "How will the FCC pay for this spending spree?" Michael O'Rielly asked. Ultimately, the FCC will "disastrously impose new fees on broadband service—a move that even some consumer groups have opposed," he said in a statement. Added commish Ajit Pai: "I strongly oppose this 17.2% tax increase. Instead of imposing a greater burden on families struggling to make ends meet in this lackluster economy, the Commission should pursue fiscally responsible reforms." CWA welcomed the move. "This is a small price to pay to bring our schools and libraries the high-speed Internet connectivity they need," the union said in a statement.

TVGN Sets Pop Date: TVGN said it will switch to its new brand Pop on Jan 14. The new on-air look and creative design is aimed at "celebrating the fun of being a fan." Pop will kick off with the premiere of "Rock This Boat: New Kids on the Block," (Jan 14, 8pm), which chronicles life aboard the sold out cruise with fans and the former boy band. The net has also cued up "Schitt's Creek" as the net's 1st-ever original scripted series. The comedy stars Eugene Levy and Catherine O'Hara.

Houston Ready to Root: Root Sports Southwest, formerly Comcast Sports Net Houston, officially launched Mon morning following a bankruptcy judge's approval of the new owners (CFX, 11/13). Under the management of DirecTV Sports Nets and AT&T U-verse, the RSN will be available to more than 4mln Houston area homes, up from fewer than 1mln homes during its previous iteration, which lacked deals with both DirecTV and AT&T.

BUSINESS & FINANCE

On the Hill: Senate Judiciary re-scheduled for this week a sports blackout hearing originally set for Sept. On Wed, the full cmte will host “The FANS Act: Are sports blackouts and antitrust exemptions harming fans, consumers and the games themselves?”

WE tv L+3 Push: WE tv has launched “Watch W/In,” an effort to encourage viewing of its most popular shows within the 3 days after their original airing. Viewers who watch on available platforms during that timeframe are eligible for weekly prizes and a grand prize. Future iterations will integrate advertising. WE tv pres *Marc Juris* says the net’s putting a deadline on DVR use, so to speak. More from our interview with him at *Cablefax.com*.

Cable Baby: Congrats to **Cox** media relations dir *Todd Smith* and wife *Ashley*! The couple welcomed their 2nd child, baby girl *Ella Crysler Smith*, on Nov 12. She is 5lbs, 19 inches.

People: *Robin Colwell*, currently legal adviser to Sen *Tim Scott* (R-SC), will become **FCC** commish *Michael O’Rielly*’s chief of staff and legal adviser for media issues, effective Dec 15 (assuming proper clearances and procedures are approved by then). --

Comcast Spotlight promoted *Teresa Lucido* as vp, of its North Central division. She’s responsible for sales, marketing, finance, production and traffic operations for 18 DMAs, including Chicago, Detroit and Twin Cities. --

Comedy Central hired **MTV** exec *Lu Chekowsky* as svp, brand creative.

CableFAX Daily Stockwatch

Company	11/17 Close	1-Day Ch	Company	11/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.91	(0.64)	CONCURRENT:	6.97	(0.08)
DISH:	65.28	0.38	CONVERGYS:	20.96	(0.16)
ENTRAVISION:	5.50	0.04	CSG SYSTEMS:	25.28	(0.37)
GRAY TELEVISION:	10.09	(0.02)	ECHOSTAR:	50.20	(0.4)
MEDIA GENERAL:	14.69	(0.32)	GOOGLE:	536.51	(7.89)
NEXSTAR:	47.45	0.53	HARMONIC:	6.69	(0.1)
SINCLAIR:	27.54	(0.55)	INTEL:	34.24	0.29
MSOS					
CABLEVISION:	18.69	0.15	INTERACTIVE CORP:	64.87	(0.69)
CHARTER:	155.31	3.21	JDSU:	13.11	0.06
COMCAST:	54.15	0.04	LEVEL 3:	48.32	(0.72)
COMCAST SPCL:	53.99	0.22	MICROSOFT:	49.46	(0.12)
GCI:	12.14	(0.2)	NETFLIX:	381.14	(4.9)
GRAHAM HOLDING:	865.01	(13.86)	NIELSEN:	41.55	(0.08)
LIBERTY BROADBAND:	48.68	0.69	RENTRAK:	82.39	(1.18)
LIBERTY GLOBAL:	46.83	(0.53)	SEACHANGE:	6.61	(0.21)
SHAW COMM:	26.78	(0.04)	SONY:	20.26	(0.38)
TIME WARNER CABLE:	141.77	1.76	SPRINT NEXTEL:	4.91	(0.14)
PROGRAMMING					
21ST CENTURY FOX:	35.34	0.23	TIVO:	13.07	(0.1)
AMC NETWORKS:	62.41	0.55	UNIVERSAL ELEC:	59.05	(0.36)
CBS:	52.88	(0.53)	VONAGE:	3.55	(0.2)
CROWN:	3.40	0.03	YAHOO:	52.37	0.62
DISCOVERY:	32.53	(1)	TELCOS		
DISNEY:	90.41	(0.39)	AT&T:	35.85	(0.05)
GRUPO TELEVISIA:	35.90	0.15	CENTURYLINK:	40.95	0.16
HSN:	70.52	(0.53)	TDS:	25.66	(0.17)
LIONSGATE:	34.45	(0.66)	VERIZON:	51.40	(0.1)
MSG:	73.30	(0.21)	MARKET INDICES		
SCRIPPS INT:	75.01	(0.16)	DOW:	17647.75	13.01
STARZ:	31.55	0.07	NASDAQ:	4671.00	(17.54)
TIME WARNER:	80.40	0.65	S&P 500:	2041.32	1.50
VALUEVISION:	5.58	(0.25)			
VIACOM:	74.45	1.11			
WWE:	11.65	(0.29)			
TECHNOLOGY					
ADDVANTAGE:	2.63	0.05			
AMDOCS:	47.52	(0.04)			
AMPHENOL:	50.83	(0.03)			
AOL:	46.71	0.67			
APPLE:	113.99	(0.19)			
ARRIS GROUP:	28.17	(0.66)			
AVID TECH:	10.66	0.20			
BLNDER TONGUE:	1.66	(0.11)			
BROADCOM:	42.18	0.07			
CISCO:	26.46	0.14			
COMMSCOPE:	25.46	0.04			



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Cablefax TECH

by Joyce Wang

Ads Follow TVE Viewing...

A few years after US MVPDs and programmers launched their authenticated services for the 1st time, TVE consumption is on the rise, with live viewing up an impressive 214% YOY, according to FreeWheel's latest Video Monetization Report. The ad monetization and management firm counts various programmers and ops as customers. A few trends are driving the increase. "We are seeing a lot more launches of TV Everywhere apps from both programmers and MVPDs, and the associated marketing pushes are helping users find their content in IP environments," FreeWheel's dir of advisory services *Brian Dutt* told us. In addition, "a lot more content is being put 'behind the wall,' meaning you have to enter your login to access it. This is often the most recent or premium content, which creates more incentive for users to access authenticated content," he said. And sports events like live sports, the Olympics, college football and the World Cup have "really served as an entry point for new adopters and as a testing environment for digital viewing" and increased authenticated log-ins. The growth in TVE viewing triggered a 368% YOY increase in the number of ads seen on authenticated platforms, with 46% of those ads delivered during "long-form" programming of 20 minutes or longer, said the report, which based its findings on more than 50bln video views during the 1st half of 2014. More than a quarter of authenticated ad views in 3Q, 2014 was beyond desktops and laptops. While all devices saw double-digit growth, ad views on smartphones and OTT devices exploded, growing 77% and 208% YOY. At the end of 3Q, 73% of ad views came from desktops/laptops, followed by smartphones at 14%, tablets at 7%, and OTT devices at 6%. "For long-form, we are seeing a lot of increased attention on OTT devices such as gaming consoles, **Roku**, **Apple TV** and connected TVs," Dutt said. For premium/TV quality content, "it only makes

sense that users would want to engage with the content on a 50" screen." The challenge remains on measurement in these non-browser environments, he said. For short-form, syndication continues to drive new growth. Dutt said for programmers, 12% of total ad views now come from syndicated viewing, driven largely by MVPD apps. Going forward, "publishers must find ways to get their best and most recent content in front of viewers with an engaging ad experience," Dutt said. Another big challenge is driving strategic and operational decisions based on data as the industry scales, he said. In addition, "we see a lot of challenges in building a scalable 'pitch-to-pay' workflow. As video budgets slowly surpass display budgets and linear TV dollars start to become more fluid, there will need to be a closer focus on building lines of communication between ad sales, planning, ad operations, technology and yield/inventory teams," he said.

Comcast Aids Learning: Comcast Business scored a deal with the **Oakland Unified School District (OUSD)** to offer Internet service for the schools' personalized learning curriculum and applications. As part of the contract, the MSO will increase average broadband speeds from 50 Mbps to 1 Gbps to the elementary schools and 5 Gbps to most of the middle and high schools. Moving forward, OUSD could potentially scale the network to provide schools with up to 10 Gbps in the future. The connection aims to enable teachers and students to access learning resources or streaming HD video from multiple locations. It also aims to enable the district to implement virtual desktops from a centrally located data center and provide more resources to individual schools, staff and students.

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

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