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What the Industry Reads First

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Going, Going, Going: Spectrum Auction Surpasses \$35 Billion

The FCC's AWS-3 spectrum auction drew praise Mon as it surpassed the \$35bn mark, already making it the largest Commission auction ever with more rounds to go. That total is also way above the gov't's reserve price of \$10bn. At our deadline, the auction was in its 31st round, with the total of provisional bids at \$35, 589,189,500. It's expected to continue into Dec, with **AT&T, DISH, Verizon** and **T-Mobile** likely participating, but winners won't be announced until it's over. "Years of hard effort paved the way for the AWS-3 auction, in which 70 applicants qualified to bid, and ongoing bidding appears to signal considerable commercial interest in this spectrum," FCC chmn *Tom Wheeler* and NTIA admin *Lawrence Strickling* said in a joint statement following a spectrum meeting. "We discussed our progress to date in meeting our collective spectrum goals. We also committed to continue our productive joint efforts to make spectrum available in the 3.5 GHz and 5 GHz bands, in addition to studying new candidate bands with a focus on spectrum sharing between federal and non-federal users." On Mon, **House Commerce** chmn *Fred Upton* (R-MI) and Communications subcmte chmn *Greg Walden* (R-OR) praised the ongoing AWS-3 auction, calling it a "remarkable success." "To date, the auction has already raised enough money to cover the expenses to upgrade and relocate government spectrum users, pay for a nationwide first responder broadband network, and provide \$20bn to reduce the deficit," Upton said. Walden said he looks forward to seeing the same level of dedication as the Commission works to bring broadcasters to the auction. Speaking of the broadcast incentive auction—which was pushed from mid-2015 to early 2016 last month—**NAB** filed comments Mon to oppositions to its petitions for reconsideration of the auction. It urged the FCC to reject CTIA's "smash and grab approach" to the auction, warning that Congress did not authorize the repurposing of spectrum at all costs. "Under the Commission's current, completely unconstrained approach to repacking, broadcaster relocation costs are likely to dramatically exceed the \$1.75bn allocated to the TV Broadcaster Relocation Fund. Despite previously claiming that repacking could be completed for a fraction of the amount allocated in the fund, neither CTIA nor any wireless carrier themselves have disputed NAB's numbers," NAB said. The broadcast trade group has challenged the rules of the voluntary auction at the DC Circuit, saying broadcasters will be hurt under the current provisions.

TWC Renews NUVotv: For more than a year, **Time Warner Cable's** legal notices warned that it may cease car-

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riage of **NUVOtv** or put it on a tier, but that's no longer a concern for the English-language Latino entertainment net. NUVO has secured a renewal with TWC that includes expanded carriage as part of digital basic across all markets and will include the launch of HD. TWC already has started announcing HD launches on or around Dec 9 in some markets, including NYC and central OH.

Sports Blackout Rule: The **FCC's** decision to eliminate its sports blackout rules became effective on Sun, 30 days after publication in the Federal Register. The agency voted unanimously in Sept to scrap the 40-year-old rule that bans cable and satellite providers from airing football games blacked out on local stations due to low stadium attendance.

CableCARD 2.0: Public Knowledge never wanted STELAR to include language eliminating the set-top integration ban. While it didn't win on that point, it seems to feel a little better that **FCC** chmn *Tom Wheeler* has written Sen *Ed Markey* (D-MA) assuring him that the agency will establish a working group ASAP to put forth new technical standards for the next-gen successor to the CableCARD regime. STELAR, which is awaiting President *Obama's* signature, eliminates the rule requiring operators to deploy CableCARDS in set-tops 1 year after enactment. It does not affect retail CableCARDS. The bill also directs the FCC to establish that working group within 45 day of enactment and file a report with the Commission no later than 9 months after enactment. "We are pleased that the FCC has decided to take up the mantle and finally give consumers more choices and lower price options for set-top boxes and related devices consumers need for connecting to their service," said PK policy fellow *Kate Forscey*. Still, PK has launched a petition to urge the FCC to protect set-top competition. "At the expense of the consumers it purports to protect, the law now endorses cable industry practices that threaten to drive up cable prices, as well as expands the dominance of cable companies over the devices consumers need to connect to their video and broadband services," says PK's petition.

Speed Test: As part of **T-Mobile's** settlement with the **FCC**, customers who run mobile speed tests on T-Mobile's network will receive accurate information about the speed of their broadband Internet connection, even when they are subject to speed reductions pursuant to their data plans. The carrier also agreed to send text messages to customers that would make it easier to get accurate speed info and to revamp its website disclosures to provide better information about the speeds subs actually experience. The Commission has been actively investigating mobile carriers' speed reduction practices since the summer, when chmn *Tom Wheeler* wrote to 4 major carriers about their practices. The agency also has been looking at wireline broadband speeds.

NAD on AT&T U-verse Claims: The **National Advertising Division** recommended **AT&T** modify disclosures that accompany certain advertised Internet speed claims for **U-verse**. **Comcast** challenged several claims, including "up to 45 Mbps" and "fastest Internet for the price." NAD determined that an appreciable number of consumers do receive its 45 Mbps tier and thus it has a reasonable basis for the claim. However, NAD noted the service is unavailable to a majority of consumers in some markets where the ads appeared. NAD recommended that where the advertised tier of service is available to less than 50% of the consumers in the geographical area where the ad appears, AT&T should modify its advertising to clearly and conspicuously disclose such limitations through the use of explicit qualifying language—e.g., "up to 45 Mbps may not be available in your area." It also recommended that AT&T disclose that consumers may not receive the advertised maximum speeds when 2 or more HD streams are being viewed in the household. AT&T said it appreciates the guidance from NAD, "which should apply equally and fairly across the entire industry," but is very disappointed with its recommendation of additional disclosures be made regarding "theoretical bandwidth reductions" for U-verse users engaging in "very specific and rare combinations of behaviors... We believe this kind of disclosure overload does not contribute to consumer understanding of the product offering, but rather detracts from it."

DISH-CSN Showdown: The language coming out of **Comcast's** RSNs doesn't sound very hopeful that a deal will be reached by the Dec 1 deadline. "With the upcoming expiration of our agreement, we are growing increasingly concerned that **DISH** is not willing to work toward mutually acceptable terms for continuing carriage of **Comcast SportsNet California**," the RSN said in a notice on its website Mon. The RSNs have launched a "IWantCSN" campaign that includes sites like IWantCSNMA.com and IWantCSNChicago.com.

Windstream Layoffs: **Windstream** said it will eliminate 350 positions by Dec 1, with about 120 of those coming from voluntary buyouts. The company currently has about 13K employees. "We continue to make progress simplifying processes,

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integrating PAETEC systems and improving operations to drive efficiencies," said Windstream pres/CEO Jeff Gardner. "Today's actions are difficult, but necessary to effectively manage costs. While we are eliminating certain roles across the company, we continue to invest in strategic areas of our business to grow revenue, better serve customers and create value for shareholders." The changes are expected to result in annualized savings of approximately \$20mln, with a charge of \$7.5mln to be incurred in 4Q.

Path to PAR: WICT released its "Path to PAR" report Mon, which focused on Internal Labor Market maps that track the movement of the cable workforce, including hire rates, promotion rates and exit rates for men and women. The good news? Cable is recruiting women at a higher rate than men at every level. The bad? Women aren't being promoted or retained at the same rate as men. If things continue down this same path, human capital research firm Mercer predicts a decline in representation of women at exec and mgmt levels over the next 5 years. Download the report at www.wictparinitiative.org.

Pop on Tumblr: Pop (currently known as TVGN) will become the 1st net to develop and launch its primary digital voice with its web destination on Tumblr. The Poptv.com site will go live on Jan 14 to coincide with Pop's on-air launch.

CableFAX Daily Stockwatch

Company	11/24 Close	1-Day Ch	Company	11/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.78	(0.65)	CONVERGYS:	21.10	0.12
DISH:	76.05	2.35	CSG SYSTEMS:	25.62	0.37
ENTRAVISION:	6.06	0.34	ECHOSTAR:	53.04	0.42
GRAY TELEVISION:	10.57	0.46	GOOGLE:	539.27	1.77
MEDIA GENERAL:	15.15	0.37	HARMONIC:	6.88	0.05
NEXSTAR:	50.27	1.26	INTEL:	36.25	0.66
SINCLAIR:	29.77	1.27	INTERACTIVE CORP:	65.87	0.88
MSOS					
CABLEVISION:	19.67	0.42	JDSU:	13.44	0.06
CHARTER:	164.28	3.99	LEVEL 3:	50.05	0.08
COMCAST:	55.02	0.94	MICROSOFT:	47.59	(0.39)
COMCAST SPCL:	54.77	0.94	NETFLIX:	356.47	(3.81)
GCI:	12.19	0.04	NIELSEN:	41.16	UNCH
GRAHAM HOLDING:	872.74	11.34	RENTRAK:	83.96	3.53
LIBERTY BROADBAND:	52.92	1.32	SEACHANGE:	6.68	0.08
LIBERTY GLOBAL:	47.11	0.24	SONY:	21.63	0.39
SHAW COMM:	27.17	(0.14)	SPRINT NEXTEL:	4.89	(0.07)
TIME WARNER CABLE:	146.24	3.72	TIVO:	12.94	(0.01)
PROGRAMMING					
21ST CENTURY FOX:	35.75	0.55	UNIVERSAL ELEC:	60.25	0.39
AMC NETWORKS:	62.12	0.11	VONAGE:	3.54	0.06
CBS:	53.53	(0.02)	YAHOO:	51.83	0.79
CROWN:	3.41	0.03	TELCOS		
DISCOVERY:	34.59	0.83	AT&T:	34.70	(0.58)
DISNEY:	90.58	1.62	CENTURYLINK:	40.28	(0.19)
GRUPO TELEVISIA:	36.99	(0.12)	TDS:	25.21	(0.07)
HSN:	72.37	0.72	VERIZON:	49.50	(0.71)
LIONSGATE:	33.10	(0.15)	MARKET INDICES		
MSG:	72.38	0.64	DOW:	17817.90	7.84
SCRIPPS INT:	78.01	1.80	NASDAQ:	4754.89	41.92
STARZ:	32.98	0.78	S&P 500:	2069.41	5.91
TIME WARNER:	81.43	1.38	TECHNOLOGY		
VIACOM:	74.51	0.75	ADVANTAGE:	2.64	(0.01)
WWE:	11.67	(0.17)	AMDOCS:	48.31	0.24
MARKET INDICES					
DOW: 17817.90 (7.84)					
NASDAQ: 4754.89 (41.92)					
S&P 500: 2069.41 (5.91)					
TECHNOLOGY					
ADVANTAGE: 2.64 (-0.01)					
AMDOCS: 48.31 (0.24)					
AMPHENOL: 52.45 (0.40)					
AOL: 46.61 (0.98)					
APPLE: 118.62 (2.15)					
ARRIS GROUP: 29.47 (0.70)					
AVID TECH: 11.69 (0.20)					
BLNDER TONGUE: 2.22 (0.14)					
BROADCOM: 42.51 (0.34)					
CISCO: 27.03 (0.15)					
COMMSCOPE: 25.50 (0.01)					
CONCURRENT: 6.92 (0.07)					

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Cablefax TECH

by Joyce Wang

8K Eyed for Olympics 2020 Even as 4K Emerges

Japan wants to be a step ahead in TV technology, announcing its intent to broadcast 8K by the 2020 Tokyo Olympics. The country's broadcaster **NHK** recently said it's planning 8K trials starting in 2016 so it can move to full-scale service by the Games. NHK's 8K UltraHD standard was approved by the **International Telecom Union** 2 years ago. The future TV technology has 4 times the horizontal and vertical resolution of the 1080p HDTV format, with 16 times as many pixels overall. According to the Tokyo-based **Next Generation Television & Broadcasting Promotion Forum**, which was created to push for 5K, 8K and other advanced TV standards, regular broadcasting of 8K signals could start in 2018. Major TV manufacturers such as **Samsung, LG and Sharp** are onboard. In fact, Sharp made a big splash with its 850-inch 8K prototype at **CES** in 2012, the same year Panasonic showcased its impressive 145-inch 8K TV. Samsung showed its 98-inch 8K TV at CES 2014. Japan's move came as the US TV industry is still working to adopt 4K. Even though the network and infrastructure of several major distributors are ready for the 4K wave, it might take some time for the industry to bring it to the masses. The majority of content by programmers and studios is still delivered in 720p (HD), 1080i (Full HD) or 1080p (Full HD). While SVOD players like **Netflix** and **Amazon**, as well as pay-TV providers like **DirecTV** are currently offering titles in 4K format, content is still very limited at this point. **Comcast** announced with Samsung at CES in Jan that they will have an Xfinity 4K app on Samsung Smart UHD TVs by the end of the year. Subs will need a 4K-capable set-top box or other tuning device. Comcast's existing set-tops can provide a UHD experience when viewing available content in 1080p. The MSO already has set-tops ready for distribution that can deliver 4K content to 4K-capable

TVs. Though 8K is still years away, Comcast and **NBCU** had an 8K demo at its DC office 2 years ago during the London Olympics. With vendors and distributors pushing for more 4K and even 8K content, perhaps the transition to Ultra HD will come sooner than many expected. That said, the industry will need to overcome the typical chicken-and-egg problem, which in part doomed the roll out of 3DTV. Without content, it's hard to draw demand for expansive UHD TV sets, while it's difficult to create content when UHD TVs are only in a small number of homes.

Conviva Scores Liberty Global Deal: Conviva, provider of real-time data and viewer-centric video optimization service, inked a deal with **Liberty Global** to offer its global intelligence and real-time audience and quality reporting for **Horizon TV**, Liberty's new multiplatform service already available in 7 EU countries. Conviva will provide aggregated real-time diagnostics and alerts, across all devices, to identify potential issues that may affect the experience as well as opportunities to improve overall video quality.

Comcast Expands Ethernet: Comcast continues to expand its Ethernet to build multi-gigabit service to commercial clients in Albuquerque and Santa Fe in early 2015, with some services delivered later this year. The network, which can offer speeds up to 10 Gbps, are designed for organizations like businesses, schools and hospitals that look to network multiple locations together, or to connect their offices to a 3rd-party data center.

People: Video tech firm **Advanced Systems Group** added industry vet **Mark Warner** to its engineering team. Warner, who has worked on **NFL**, Olympics and other sports broadcasts for companies including **NBC Sports**, **ESPN** and **Fox Sports**, will manage projects for broadcast, new media and corporate clients.

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

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