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What the Industry Reads First

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Year Ahead: All Conversations Lead to Title II

A **Phoenix Center**-hosted panel Tues on 2015 political priorities quickly turned into a Title II discussion, as is the case with most telecom policy discussions these days. **NCTA** chmn/CEO *Michael Powell* said he has challenged reclassification supporters to explain what's so great about Title II. "Why is it that you believe Title II will make the Internet faster, attract more investment, make it more affordable to consumers, or will reach poor or minority communities quicker?" he asked. "What about that historical regime do you believe generates major consumer welfare? And you get a blank face." As for why paid prioritization isn't happening today, he said it's because there isn't a business case for it. "Let me be honest. Our companies are self-interested, profit-maximizing, greedy guys," Powell told the Beltway crowd. "They haven't done it because it doesn't make sense. It costs more than just expanding the capacity. It's cheaper to just make the pipe bigger." Former Sen *John Sununu* (R-MA) said he cringes whenever the debate is painted as being about an open Internet. "This is really about regulation," he said. "We need to be honest. All the problems proponents of Title II legislation are proposing to fix are hypothetical." Powell complained that no one has really examined what Title II means. As for President *Obama's* comments encouraging reclassification, the cable trade assn head said his great disappointment was that the Commander in Chief didn't call for a legislative fix instead of "dumping this bomb on an independent regulatory agency." Seeing things differently is *Nuala O'Connor*, pres of the **Center for Democracy and Technology**, a nonprofit established by leading Internet companies. She complained there is a lack of conversation about the rights of an individual. And, by the way, stop calling it the "Internet of Things," and refer to it as the "Internet of People," O'Connor said. Other big policy issues for the coming year include a Communications rewrite, though former congressman *Rick Boucher* (D-VA) suggested Title II reclassification could make the process partisan and harder to accomplish. Still, he gave House Commerce chmn *Fred Upton* (R-MI) and Communications subcmte chmn *Greg Walden* (R-OR) top marks for the organized and thorough process they've put in place for the rewrite. A pretty good compliment considering it's coming from a Democrat. Boucher said a rewrite is both practical and achievable. O'Connor said net neutrality isn't the biggest issue on her members' plates. That's reserved for surveillance, the blurring of the lines of data held by private companies and the government.

DISH's War: **DISH** and **CBS** just don't seem to be feeling the Thanksgiving spirit. CBS warned Tues that its O&Os could



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go dark on DISH Thurs at 7pm ET. Their original pact expired on Nov 20, but the companies reached 2 short extensions to keep the programming on. In a statement, CBS said “for six months, CBS has been vigorously attempting to secure fair carriage deals with DISH. During that time, DISH has clearly not been operating with the same sense of urgency. In the last few weeks, we have granted two extensions, in the hopes that this would give both parties sufficient time to come to a resolution. The second extension, which protected DISH subscribers’ programming over the Thanksgiving holiday weekend, was the final one. We would very much like to avoid going dark, thereby joining the more than 120 stations Dish has dropped since 2013 alone. Unless agreements are reached, however, our viewers should be prepared to lose CBS from their Dish systems on Thursday evening at 7 p.m. (ET).” DISH simply reiterated its earlier statement: “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. There is time for the two parties to reach a mutually beneficial deal.” DISH avoided a potential blackout overnight of **Comcast SportsNet** RSNs, with the companies reaching a short-term extension to keep **CSN Chicago, Mid-Atlantic, CA** and **Bay Area** on DISH’s lineup. At our deadline, no word of a deal or update in negotiations.

Shapiro to NBCU: Former **Pivot** pres *Evan Shapiro* wasn’t in the job hunt for long, with **NBCU** snatching him up to lead digital enterprises. He starts the evp gig on Dec 8, reporting to NBCU evp *Cesar Conde*. The newly created role puts Shapiro in charge of company-wide strategic development of digital opportunities to reach emerging audiences—that includes direct-to-consumer business models and other alternative platforms. Shapiro launched **Participant Media**’s **Pivot** in Aug 2013. Last month, **Pivot** announced Shapiro was leaving and *Kent Rees* was taking on the role of gm. Previously, Shapiro was pres, **IFC** and **Sundance Channel**. “Evan brings a robust understanding of emerging media trends and extensive experience programming for the millennial audience to NBCUniversal,” said Conde. “He’s a seasoned strategic thinker with a strong track record of programming, production and digital marketing successes. His leadership will be a key asset as we continue to navigate the evolving marketplace.”

GAO Reports on Data Caps: The latest **GAO** report that looked at major fixed and mobile broadband providers (requested earlier by House tech subcmte ranking member *Anna Eshoo*, D-CA) found that 7 of the 13 largest fixed broadband access providers use usage-based pricing “to some extent.” “Participants across all 8 of the GAO’s focus groups expressed strong negative reactions to the concept of usage-based pricing by fixed broadband access providers,” the report said. In a statement, Eshoo urged the **FCC** to monitor use of data caps “as part of its responsibility to promote the public interest.” She also asked the providers to adopt a voluntary code of conduct as mobile providers have done.

Pai Writes to Netflix: **FCC** Republican commish *Ajit Pai* worried that **Netflix** might be undermining efforts to develop standards for streaming video. “I understand that Netflix has taken—or at least tested—measures that undermine aspects of open standards for streaming video... Specifically, I understand that Netflix has at times changed its streaming protocols where open caching is used, which impedes open caching software from correctly identifying and caching Netflix traffic,” said the letter to Netflix CEO *Reed Hastings*. “Because Netflix traffic constitutes such a substantial percentage of streaming video traffic, measures like this threaten the viability of open standards,” Pai adds. “In other words, if standards collectively agreed upon by much of the industry cannot identify and correctly route Netflix traffic, those standards ultimately are unlikely to be of much benefit to digital video consumers.” The commish also fired shots at Netflix’s Open Connect program, which aims to improve streaming performance for subs of participating ISPs. “If ISPs were to install open caching appliances throughout their networks, all video content providers—including Netflix—could compete on a level playing field,” Pai wrote. “If, however, ISPs were to install Netflix’s proprietary caching appliance instead, Netflix’s videos would run the equivalent of a 100-yard dash while its competitors’ videos would have to run a marathon,” said Pai. Netflix couldn’t be reached immediately for comment.

NCTA Partners Up: **NCTA** is teaming with tech news site **Re/code**, headed by vet journalists *Walt Mossberg* and *Kara Swisher*, on its 2015 Internet & Television Expo (INTX) in Chicago. The rebranded cable show will feature 2 general sessions programmed by Re/code. For its part, NCTA became the founding partner for 2 Re/code conferences, Code/Media Series: San Francisco on Thurs and Code/Media in Dana Point, CA, in Feb.

Suddenlink On Demand: **Suddenlink** said it’s now offering **CBS** primetime programs on demand. The addition means the MSO now offers on demand programs from all 4 major broadcasters: **ABC**, **CBS**, **FOX** and **NBC**. Subs can access

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the feature by going to Channel 1 and selecting the Primetime folder.

FCC Forms Disability Advisory

Group: The FCC is accepting nominations for its planned Disability Advisory Committee (nomination deadline Jan 12). The agency expects to hold the 1st committee meeting during 1Q 2015, coinciding with both the 25th anniversary of the Americans with Disabilities Act and the 5th anniversary of the 21st Century Communications and Video Accessibility Act. The committee is expected to give feedback and recommendations on issues like telecom relay services, closed captioning, video description, access to emergency information on TV, device accessibility, IP and other network transitions, the National Deaf-Blind Equipment Distribution Program, as well as new disability and accessibility issues.

Charter Philanthropy: Charter launched its 1st national philanthropic initiative, Charter our Community, to improve 25K homes, or 10% of the 250K low-income families in the MSO's footprint living in homes deemed unsafe and unhealthy by the **US Dept of Housing and Urban Development**. The program seeks to provide a combination of information, resources and volunteer support and make those homes a better place by 2020. The MSO will collaborate with **Rebuilding Together**, a nonprofit that helps low-income homeowners across the country.

CableFAX Daily Stockwatch

Company	12/02 Close	1-Day Ch	Company	12/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.93	(0.8)	CONVERGYS:	20.89	0.07
DISH:	75.27	(1.87)	CSG SYSTEMS:	25.43	0.15
ENTRAVISION:	6.70	0.26	ECHOSTAR:	52.73	(0.54)
GRAY TELEVISION:	10.34	0.18	GOOGLE:	533.75	(0.05)
MEDIA GENERAL:	15.18	0.28	HARMONIC:	7.06	0.13
NEXSTAR:	51.07	0.67	INTEL:	37.60	0.43
SINCLAIR:	28.56	0.04	INTERACTIVE CORP:	64.58	0.28
MSOS					
CABLEVISION:	20.41	0.39	JDSU:	12.86	(0.2)
CHARTER:	168.98	0.49	LEVEL 3:	48.87	0.14
COMCAST:	57.02	0.42	MICROSOFT:	48.46	(0.16)
COMCAST SPCL:	56.78	0.33	NETFLIX:	352.31	10.50
GCI:	12.28	0.10	NIELSEN:	41.74	(0.52)
GRAHAM HOLDING:	894.89	9.27	RENTRAK:	82.78	(0.27)
LIBERTY BROADBAND:	54.26	0.24	SEACHANGE:	6.85	0.12
LIBERTY GLOBAL:	50.47	(0.07)	SONY:	21.96	(0.19)
SHAW COMM:	27.08	(0.1)	SPRINT NEXTEL:	4.72	(0.15)
TIME WARNER CABLE:	149.29	1.07	TIVO:	12.07	0.02
PROGRAMMING					
21ST CENTURY FOX:	37.19	(0.09)	UNIVERSAL ELEC:	60.36	1.86
AMC NETWORKS:	63.81	(0.18)	VONAGE:	3.34	(0.05)
CBS:	54.31	(0.16)	YAHOO:	50.67	0.57
CROWN:	3.44	0.03	TELCOS		
DISCOVERY:	34.92	0.23	AT&T:	34.29	(0.77)
DISNEY:	93.47	0.77	CENTURYLINK:	40.72	(0.38)
GRUPO TELEVISA:	36.12	(0.49)	TDS:	25.00	(0.13)
HSN:	72.39	0.61	VERIZON:	49.11	(0.92)
LIONSGATE:	34.85	(0.05)	MARKET INDICES		
MSG:	72.35	0.12	DOW:	17879.55	102.75
SCRIPPS INT:	78.97	1.06	NASDAQ:	4755.81	28.46
STARZ:	33.22	0.89	S&P 500:	2066.55	13.11
TIME WARNER:	84.48	0.52			
VIACOM:	74.47	0.05			
WWE:	11.62	0.50			
TECHNOLOGY					
ADVANTAGE:	2.51	0.10			
AMDOCS:	48.05	(0.08)			
AMPHENOL:	53.20	0.26			
AOL:	46.06	0.59			
APPLE:	114.63	(0.44)			
ARRIS GROUP:	29.36	0.04			
AVID TECH:	12.69	0.20			
BLNDER TONGUE:	2.29	0.10			
BROADCOM:	42.92	0.12			
CISCO:	27.82	0.23			
COMMSCOPE:	25.65	0.01			
CONCURRENT:	6.90	0.04			



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