

Cablefax Daily™

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What the Industry Reads First

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Regulatory Outlook: What to Expect in 2015

It's been a busy 2014 for cable, featuring several proposed mergers, major regulatory proceedings and technology initiatives like integration of OTT video. What does 2015 have in store? Take regulation. The **FCC** will likely determine its net neutrality policy in 1Q, and we're told the agency will face significant Congressional scrutiny if Title II is imposed. And such a ruling by the FCC would likely also draw appeals and other legal challenges. During the FCC's Open Meeting Thurs—the last one of the year—chmn **Tom Wheeler** noted that service providers plan to spend tens of billions of dollars in the spectrum action despite the pending net neutrality decision that they claimed would create uncertainty in investment. On the Hill, numerous hearings on updating video laws could surface, especially with *John Thune* (R-SD) as the new head of Senate Commerce. And retrans reform is expected to be a priority. Thune co-authored the Local Choice Act, which seeks to create greater transparency and flexibility for pay-TV consumers to choose local programming. While cable applauded the proposal, broadcasters didn't like it. On the House side, Commerce's Republican pair, committee chmn *Fred Upton* (MI) and tech subcmte *Greg Walden* (OR), have said they're ready to start drafting a bill to update the Communications Act next year. The initiative was announced a year ago. While some reforms could probably be accomplished, industry observers told us it would be difficult to complete comprehensive reform. Cybersecurity and privacy are among other issues that could remain active on the Hill. Senate approved the Cybersecurity Act Thurs. The bill, introduced by departing Senate Commerce chmn *John Rockefeller* (D-WV), would allow regulators to develop voluntary standards to reduce cyber risks to critical infrastructure. The legislation, pending House approval, also calls for public-private partnership to develop the standards. To be sure, the massive **Sony Pictures** hack—which many suspect North Korea engineered as punishment for Sony's *Seth Rogen-James Franco* comedy feature *The Interview*—has helped catapult cybersecurity to the forefront and prompted many cable news pundits to wonder aloud whether similar hacks could affect the communications or energy grids. Meanwhile, at the FCC, a new task force may form to explore standards to replace the CableCARD with a downloadable version of video security. *President Obama* recently signed the Satellite

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Winners and honorable mentions will be awarded in the following categories:

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- Best Directing
- Best Sound/Music Mixing
- Best Graphics
- Most Intriguing/Mysterious
- Most Creative/Surprising
- Most Viral/Shareable Online

Outstanding Trailer Promoting a:

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- Drama
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Television Extension and Localism Act into law. The Act means cable ops no longer must deploy set-tops with CableCARDS. The FCC's budget request for 2015 indicated it will continue the process to revamp USF, improve cybersecurity and enforcement mechanisms, and work to make more spectrum available for mobile broadband. And of course, there are the 2 pending mergers. Both **Comcast** and **Time Warner Cable** execs reiterated last week (during the **UBS** investor conference) their confidence that a decision will come early next year. On the business side, TWC CEO *Rob Marcus* said he expects the MSO to grow its video subs next year, noting solid sub trends in Oct and Nov. As for Comcast, CFO *Michael Angelakis* expressed optimism that the company will continue to improve its overall business.

Hopper Updates: **DISH** completed a nationwide update to its Hopper DVR last week, enabling several new features including a restart feature letting viewers watch a show from the beginning, as long as the title is in the VOD library. In addition, a TV pop-up would show up to 4 subsequent eps in the series that are available when viewers finish watching a VOD ep. The last feature is 1-button access to closed captioning via DISH's remote control.

Netflix Writes Back: Responding to an earlier letter from **FCC** Republican commish *Ajit Pai*, **Netflix** said it's good that others in the industry are exploring ways to improve streaming video quality. "However, Netflix has focused its efforts and resources on Open Connect because we have found that it's more efficient and results in fewer service outages and customer complaints than these other options." Pai has worried that Netflix might be undermining efforts to develop standards for streaming video. He also blasted the company's Open Connect program, saying if 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." The company hasn't impeded the use of proxy caches by changing protocols, Netflix said. It has "obscured certain URL structures to protect our members from deep packet inspection tools deployed to gather data about what they watch online." In addition, Netflix insisted that Open Connection is not a fast lane and doesn't prioritize Netflix data. To the contrary, "Open Connect helps ISPs reduce costs and better manage congestion, which results in a better Internet experience for all end users."

Showtime on Xbox One: **Showtime** Anytime is finally on **Microsoft's** Xbox One platform. Upon authentication, subs can access live and VOD programming using voice and gesture controls (through Kinect for Xbox One).

Programming: **FX** booked new comedy series pilot "Atlanta" which will be produced by FX Productions. -- **USA** and **WWE** will start the holiday season with "WWE Week" starting Mon, featuring the world premiere of the latest holiday release from **WWE Studios** and **Fox Home Entertainment**, "Jingle All the Way 2" on Sun. The schedule also includes a special ep of "SmackDown" on Tues and WWE's 12th annual Tribute to the Troops on Wed. -- **EI Rey** will kick off the holiday season with its "Season's Beatings" marathon, starting with the "Lucha Underground" marathon on Dec 31, followed by "Miami Vice" marathon on Jan 1. -- **Esquire Net** and **Esquire Magazine** will ask men to up their game in a 30min original special "How to Make a Man," which debuts Sat. The special features the magazine's The Mentoring Project, an initiative to create 100K new male mentors over the next 5 years. -- **TLC** is all about sex on Sat nights. The net will air its 1st late-night talk show "All About Sex" starting Jan 10. Each week will feature a different topic, including conversations about love and marriage, observation on the week's craziest sex-related news and viewers' social media inquiries regarding relationship challenges. -- **ABC Family** picked up reality series "My Transparent Life" from *Ryan Seacrest* Productions. The series follows a teen who learns his parents aren't only getting a divorce but that his dad is becoming a woman. -- **TLC** has 5 consecutive "Kate Plus Eight" specials planned, with the 1st kicking off Jan 13. -- **Go!TV** acquired the broadcast rights to all home matches of Benfica, the current league champions of Portugal's Primeira Liga, in a 2-year deal. The net also signed a new deal to broadcast Everton TV, featuring matches of the English Premier League. -- **Pivot** and **Univision** will simulcast the next installment of docu-series *Panoramica* on Sun. The ep, "Crossing Over: Stories of Immigration and Identity," features 3 transgender women who left Mexico looking to create a new life in LA.

CableFAX Week in Review

Company	Ticker	12/12 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	83.47	(4.22%)	20.87%
DISH:	DISH	70.83	(3.24%)	22.29%
ENTRAVISION:	EVC	7.14	3.78%	17.24%
GRAY TELEVISION:	GTN	10.12	(3.53%)	(2.41%)
MEDIA GENERAL:	MEG	14.69	(5.53%)	(35%)
NEXSTAR:	NXST	50.76	(1.4%)	(8.92%)
SINCLAIR:	SBGI	25.47	(8.22%)	(28.72%)

Company	Ticker	12/12 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	19.74	(7.41%)	10.09%
CHARTER:	CHTR	162.95	(2.78%)	19.15%
COMCAST:	CMCSA	55.35	(1.76%)	6.50%
COMCAST SPCL:	CMCSK	55.11	(1.76%)	10.49%
GCI:	GNCMA	12.25	0.82%	9.87%
GRAHAM HOLDING:	GHC	907.10	(3.61%)	36.75%
LIBERTY BROADBAND:	LBRDA	49.07	(9.88%)	0.00%
LIBERTY GLOBAL:	LBTYA	48.25	(2.07%)	(23.36%)
SHAW COMM:	SJR	26.28	(2.59%)	7.97%
TIME WARNER CABLE:	TWC	145.12	(1.63%)	7.10%

Company	Ticker	12/12 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	36.90	(2.41%)	4.92%
AMC NETWORKS:	AMCX	59.78	(5.05%)	(12.23%)
CBS:	CBS	53.48	(2.92%)	(16.1%)
CROWN:	CRWN	3.51	(1.96%)	(0.57%)
DISCOVERY:	DISCA	33.38	(1.74%)	(63.08%)
DISNEY:	DIS	91.49	(2.42%)	19.75%
GRUPO TELEVISIA:	TV	32.67	(10.3%)	7.96%
HSN:	HSNI	74.66	4.49%	19.84%
LIONSGATE:	LGF	31.85	(8.87%)	0.60%
MSG:	MSG	72.52	(1.79%)	25.95%
SCRIPPS INT:	SNI	76.59	(4.6%)	(11.36%)
STARZ:	STRZA	28.53	(1.11%)	(2.43%)
TIME WARNER:	TWX	82.12	(2.54%)	17.79%
VIACOM:	VIA	73.26	(5.35%)	(16.53%)
WWE:	WWE	11.23	(4.26%)	(32.27%)

Company	Ticker	12/12 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	2.54	5.39%	(5.58%)
AMDOCS:	DOX	46.10	(4.55%)	11.78%
AMPHENOL:	APH	52.33	(2.59%)	(41.32%)
AOL:	AOL	43.25	(7.23%)	(7.23%)
APPLE:	AAPL	109.73	(4.58%)	17.11%
ARRIS GROUP:	ARRS	27.71	(3.47%)	13.87%
AVID TECH:	AVID	14.28	12.53%	75.21%
BLNDER TONGUE:	BDR	2.28	(12.98%)	128.00%
BROADCOM:	BRCM	41.64	(5.15%)	40.44%
CISCO:	CSCO	26.86	(2.35%)	19.73%
COMMSCOPE:	CTV	25.36	(1.74%)	(4.41%)
CONCURRENT:	CCUR	6.91	0.58%	(15.42%)
CONVERGYS:	CVG	20.07	(3.23%)	(4.66%)
CSG SYSTEMS:	CSGS	24.52	(3.81%)	(16.6%)
ECHOSTAR:	SATS	50.23	(5.05%)	1.03%
GOOGLE:	GOOG	518.66	(1.26%)	(53.72%)
HARMONIC:	HLIT	6.83	(5.27%)	(7.45%)
INTEL:	INTC	36.23	(3.84%)	39.54%
INTERACTIVE CORP:	IACI	62.23	(5.67%)	(9.35%)

Company	Ticker	12/12 Close	1-Week % Chg	YTD %Chg
JDSU:	JDSU	13.81	5.82%	6.31%
LEVEL 3:	LVL3	47.54	(1.8%)	43.32%
MICROSOFT:	MSFT	46.95	(3.04%)	25.50%
NETFLIX:	NFLX	334.48	(4.68%)	(9.15%)
NIELSEN:	NLSN	43.35	(0.41%)	(5.53%)
RENTRAK:	RENT	73.45	(4.7%)	93.85%
SEACHANGE:	SEAC	6.01	0.17%	(50.58%)
SONY:	SNE	20.33	(8.26%)	17.58%
SPRINT NEXTEL:	S	4.08	(19.53%)	(62.05%)
TIVO:	TIVO	12.03	0.67%	(8.31%)
UNIVERSAL ELEC:	UEIC	61.79	1.43%	62.14%
VONAGE:	VG	3.33	(3.2%)	40.51%
YAHOO:	YHOO	50.24	(1.47%)	24.23%

Company	Ticker	12/12 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	32.16	(5.24%)	(8.53%)
CENTURYLINK:	CTL	37.58	(5.29%)	17.99%
TDS:	TDS	23.36	(5.88%)	(9.39%)
VERIZON:	VZ	45.58	(6.23%)	(7.24%)

Index	Value	1-Week % Chg	YTD %Chg
MARKET INDICES			
DOW:	DJI	17280.83	(3.78%) 4.25%
NASDAQ:	IXIC	4653.60	(2.66%) 11.42%
S&P 500:	GSPC	2002.33	(3.52%) 8.33%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. AVID TECH:	14.28	12.53%
2. JDSU:	13.81	5.82%
3. ADVANTAGE:	2.54	5.39%
4. HSN:	74.66	4.49%
5. ENTRAVISION:	7.14	3.78%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	4.08	(19.53%)
2. BLNDER TONGUE:	2.28	(12.98%)
3. GRUPO TELEVISIA:	32.67	(10.3%)
4. LIBERTY BROADBAND:	49.07	(9.88%)



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