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What the Industry Reads First

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Hotel WiFi: NCTA, Google, Microsoft Oppose Hotels Blocking Wireless Access

Marriott agreed in Oct to pay \$600K to settle an FCC claim that employees blocked personal WiFi hotspots at the Gaylord Opryland Hotel and Convention Center in Nashville, but that's not the end of the story. Marriott, hotel operator **Ryman Hospitality** and the **American Hotel & Lodging Assn** separately petitioned the FCC in Aug to rule or open a rulemaking on managing WiFi on their premises. The petition was opened for comment by the FCC last month, with the first replies due Fri. Judging by the docket, there's a good bit of resistance, including from **NCTA**. "The hotel interests seek the ability to disrupt the wireless communications of anyone whose WiFi signal competes for spectrum with a venue-owner's own access points or otherwise behaves in a manner inconsistent with the owner's business objectives. Such a result would be unsound as a matter of both law and policy, subordinating the statutory rights of unlicensed users to the commercial interests of the hospitality industry," NCTA said in its opposition. The trade group also noted that the FCC has issued multiple warnings that interfering with WiFi violates federal law. "NCTA's members are subject to the same pressures faced by the hospitality industry. But Wi-Fi jammers put all those who rely on unlicensed networks on a dangerous path," the group said. In its opposition, the **Wireless Internet Service Providers Assn** said the FCC should reaffirm that a party using WiFi monitoring equipment may do so only to manage its own network for reliability or to identify a security threat. Others speaking out against the hotel interests' petition include **Google, Microsoft** and **Public Knowledge**. With the settlement of the recent Marriott case, the Commission's position "is all the clearer and there is even less need for further action," Google said. While **Hilton Worldwide** was not a petitioner, it did file comments in support of the petition for a ruling or a rulemaking. Hilton argues that this isn't about forcing guests to purchase hotel WiFi services, saying that the reality is that FCC-authorized equipment must be used to manage the WiFi network on hotel premises to mitigate unauthorized access points that pose a threat to the security or reliability of the network. "Hilton goes to great lengths to make sure that a guest or meeting attendee is able to make full use of Hilton's Wi-Fi services without fear of being unable to connect to the Internet due to network congestion or becoming an unsuspecting victim of a cyber-attack," the hotel operator said. Google said it recognizes the importance of letting operators manage their own networks, but that this "does not include intentionally blocking access to other Commission-authorized networks, particularly where the purpose or effect of that interference is

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to drive traffic to the interfering operator's own network (often for a fee)."

Merger Clock Stopped: On Mon, the **FCC** stopped its 180-day merger review clock on the proposed **Comcast-Time Warner Cable** transaction until Jan 12 because a "significant number of responsive documents that were not timely produced to the FCC." It's not changing the pleading cycle, with reply comments still due Tues. This latest clock stoppage dates back to documents that were due Sept 11. FCC staff learned this month that in excess of 7K documents had been withheld based on an inappropriate claim of attorney-client privilege. The docs were produced Dec 9 and 10. Last week, FCC staffers learned in excess of 31K hadn't been produced due to vendor error. TWC had planned to produce those docs Dec 30 and a complete revised privilege log in mid-Jan, but following FCC concerns about the delays, said it would produce them Mon (Dec 22). "The effect of these late disclosures has been to slow down the Commission's review of the Comcast/TWC/**Charter** transaction, in particular because sections of the review that staff had thought were complete must now be reopened..." wrote FCC Media Bureau chief *Bill Lake*. TWC said the delay is a procedural issue, not a substantive one. "We already have provided the FCC more than five million pages of documents and we will continue to provide the FCC everything that they need to review this transaction," the MSO said.

Fox News Dark on DISH: After losing **CNN** for about a month, **DISH** subs now find themselves without **Fox News**. The channel and **Fox Business** went dark around 12am Sun (Fox said that DISH prematurely ceased distribution of Fox News at 11:50pm, about 10 minutes before the contract expired). DISH said **21st Century Fox** "blocked DISH customer access to Fox News Channel and Fox Business Network, as the media conglomerate introduced other channels into negotiations despite those channels not being included in the contract up for renewal." Fox News highlighted that it hasn't had a blackout in nearly 2 decades. "Fox News Channel did not disconnect Dish, rather, Dish prematurely ceased distribution of Fox News in an attempt to intimidate and sway our negotiations," the network said. "It is unfortunate that the millions of Fox News viewers on Dish were used as pawns by their provider. Hopefully they will vote with their hard earned money and seek another one of our other valued distributors immediately." DISH complained that the blackout came despite its offer of a short-term contract extension, signaling the problem is with the tying of other channels. "Fox blacked out two of its news channels, using them as leverage to triple rates on sports and entertainment channels that are not in this contract," svp programming *Warren Schlichting* said in a statement. This is the latest in a spate of programmer clashes with DISH that have included **Turner** and **Comcast Sports Net**.

TWC Sports Charge: Come Jan 1, **Time Warner Cable** will begin charging customers a \$2.75/month fee for sports programming. This will surely be noted by distributors balking at paying for the TWC-managed **Dodgers** RSN. The MSO said that the cost of cable sports nets has increased 91% since 2008. Customers who are in promotional packages won't see any increases until their promotional period expires. That means about 75% of TV customers who have standard TV or above won't be charged the sports programming fee immediately because their service is currently part of a promo. Other increases include a hike in its broadcast TV surcharge to \$2.75/month from \$2.25 and the Internet modem lease jumping to \$8/month from \$5.99. Those who receive **HBO** a la carte will see the price increase to \$16.99 from \$14.99 (most customers get HBO as part of a package deal and won't be charged more).

DISH-CSN: DISH subs aren't going to lose **Comcast SportsNet Bay Area, CA, Chicago** or **Mid-Atlantic**, with **NBCU** and the DBS provider announcing a new, multi-year carriage deal over the weekend. But **CSN New England** fans are still out of luck. The RSN, which has been dark on DISH since Aug, wasn't part of the negotiation.

NCTC Seals Deal with Disney: NCTC inked a long-term retrans pact with **Disney**, covering **ABC's** 8 O&O stations. It marks the 1st-ever retrans agreement between the co-op and the ABC-owned stations, which include **WABC-TV** in NYC, **KABC-TV** in LA and **WLS-TV** in Chicago. NCTC has only 1 other retrans deal, which was signed with **NBCU**. The ABC deal allows NCTC members to continue to provide Watch ABC live streaming service to their subs. It comes after a long-term distribution agreement the 2 completed in Aug.

DirecTV OTT Soft Launch: DirecTV has introduced its Spanish-language OTT streaming service **Yaveo** to PCs, MACs and android devices, with it coming soon to iPhone, iPad, Xbox 360 and other devices. The service is \$7.99/month, with the 1st month free. No DirecTV satellite subscription is required. "We'll learn a great deal, use the findings to grow and improve the Yaveo platform and expand our OTT offering over time," said DirecTV chief revenue

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and marketing officer *Paul Guyardo* in a statement. Yaveo features a mix of movies, TV shows, children's programming, novelas as well as some live sports. Programming comes from several providers including **beIN Sports en Español, Nick en Español, Univision, Tr3s** and **Video Rola**.

SeaChange Buys Timeline:

SeaChange has agreed to acquire **Timeline Labs**, which measures social media engagement across platforms, for \$14mln in cash, \$8mln in SeaChange stock, and up to an additional \$2.5mln in performance-based stock. All Timeline employees will join SeaChange. Timeline counts broadcasters including **Fox, Sinclair** and **Media General** as clients. The proposed merger is expected to allow SeaChange to "extend the social news paradigm to multiscreen television service providers, so they can easily launch ready-made and differentiated live or on-demand content packages tailored to the interests of their subscribers," said SeaChange CEO *Jay Samit*.

Elemental Gets More Investors:

Elemental Technologies, which provides video transcoding service for 4K vendors, secured \$14.5mln in a new round of financing led by Australia telecom company **Telstra**, with participation from UK's **Sky** and existing investors **General Catalyst Partners, Norwest Venture Partners** and **Voyager Capital**.

CableFAX Daily Stockwatch

Company	12/22 Close	1-Day Ch	Company	12/22 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.45	0.98	CONVERGYS:	20.41	0.05
DISH:	71.94	(0.67)	CSG SYSTEMS:	25.32	(0.1)
ENTRAVISION:	6.51	0.06	ECHOSTAR:	51.03	0.03
GRAY TELEVISION:	11.10	0.14	GOOGLE:	524.87	8.52
MEDIA GENERAL:	17.29	(0.07)	HARMONIC:	6.99	0.02
NEXSTAR:	51.71	0.29	INTEL:	37.21	0.84
SINCLAIR:	27.07	(0.02)	INTERACTIVE CORP:	61.37	(0.12)
MSOS					
CABLEVISION:	19.84	(0.26)	JDSU:	13.96	0.03
CHARTER:	164.99	0.36	LEVEL 3:	48.97	0.55
COMCAST:	57.22	0.05	MICROSOFT:	47.98	0.32
COMCAST SPCL:	56.93	(0.12)	NETFLIX:	336.68	(3.44)
GCI:	13.82	0.32	NIELSEN:	44.61	0.34
GRAHAM HOLDING:	890.25	9.72	RENTRAK:	73.69	(0.81)
LIBERTY BROADBAND:	50.68	1.37	SEACHANGE:	6.59	(0.06)
LIBERTY GLOBAL:	50.59	0.06	SONY:	20.78	0.20
SHAW COMM:	26.58	0.01	SPRINT NEXTEL:	4.21	0.05
TIME WARNER CABLE:	150.07	0.76	TIVO:	11.85	0.02
PROGRAMMING					
21ST CENTURY FOX:	38.97	0.46	UNIVERSAL ELEC:	63.03	0.37
AMC NETWORKS:	63.23	0.70	VONAGE:	3.80	0.03
CBS:	54.64	(0.54)	YAHOO:	51.15	0.27
CROWN:	3.57	0.01	TELCOS		
DISCOVERY:	34.60	(0.83)	AT&T:	33.85	0.31
DISNEY:	94.20	1.31	CENTURYLINK:	40.19	0.49
GRUPO TELEVISA:	33.79	0.29	TDS:	24.97	0.14
HSN:	75.38	0.16	VERIZON:	47.51	0.49
LIONSGATE:	31.59	0.32	MARKET INDICES		
MSG:	75.18	0.11	DOW:	17959.44	154.64
SCRIPPS INT:	77.17	(0.66)	NASDAQ:	4781.42	16.04
STARZ:	29.45	0.25	S&P 500:	2078.54	7.89
TIME WARNER:	85.57	0.64			
VIACOM:	76.33	0.30			
WWE:	11.79	0.39			
TECHNOLOGY					
ADVANTAGE:	2.49	(0.09)			
AMDOCS:	47.63	0.94			
AMPHENOL:	55.23	0.21			
AOL:	47.40	(0.1)			
APPLE:	112.94	1.16			
ARRIS GROUP:	29.78	0.32			
AVID TECH:	14.20	0.21			
BLNDER TONGUE:	2.30	(0.21)			
BROADCOM:	43.40	0.54			
CISCO:	28.22	0.45			
COMMSCOPE:	25.70	(0.05)			
CONCURRENT:	6.97	0.10			

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