

# Cablefax Daily™

Wednesday — January 14, 2015

What the Industry Reads First

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## Hill Rumblings: Lawmakers Tackle Title II, Security, Rule Change

Two weeks into the new year and already plenty activity on the Hill. First up, Rep *Bob Latta* (R-OH). The **House Communications** subcommittee vice chairman reintroduced a bill that would limit the **FCC's** authority to regulate broadband under Title II of the Communications Act. It also seeks to ensure Internet services remain classified as information services. The move comes after Commission chairman *Tom Wheeler* indicated at CES that the agency was teeing up to propose a Title II path. Calling Wheeler's plan "misguided," Latta cited research reports that claimed reclassification could add another \$17bln in user fees and taxes for consumers on top of the \$1.5bln already planned to fund the revamped E-Rate program. As several major ISPs have argued, he claimed Title II would discourage investments in broadband infrastructure. "Title II of the Communications Act of 1934 was designed for the monopoly telephone system in 1934 and has its origins in 19th century shipping regulations," the bill said. Latta initially proposed the legislation in May, after the FCC released its 1st net neutrality proposal. Back then, the bill had 2 co-sponsors: Reps *Randy Weber* (R-TX) and *Charles Rangel* (D-NY). With the new Congress sworn in and the FCC set to vote on the new rules on Feb 26, it's now-or-never for the Title II fight. **NCTA** urged regulators to stay away from Title II regulations in a blog post. **ACA** weighed in as well, asking that any potential common carrier regs for broadband should be "narrowly drawn and not burden small and medium-sized providers with additional—and unwarranted—common carrier regulation," the group said in a letter to the commission. The letter came after a joint letter with NCTA and the **Wireless Internet Service Providers Association** last week calling for an en banc hearing on Title II's impact. Over in **House Commerce**, a rule change could affect what's to come with net neutrality. On Tues, the full committee voted (mostly along party lines) during its organizational meeting to give chairman *Fred Upton* (R-MI) subpoena power. The change of committee rules means Upton won't be required to consult with the committee's top Democrat (or call for a committee vote if they disagree) before subpoenaing documents or witnesses about issues concerning agencies, including the FCC. Now he will just need to notify the minority before issuing the subpoena. Committee Democrats expressed concern the change could lead to poten-

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tial abuse of power, though some acknowledged Upton had a consistent record of thoughtful policy decisions. On the Senate side, in light of the president's push for stronger data security measures, ranking Commerce member *Bill Nelson* (D-FL) plans to file legislation that would require companies to notify consumers within 30 days when there are data breaches. The bill, Data Security and Breach Notification Act of 2015, is in the final stage of drafting. It would direct the **FTC** to develop security standards to help businesses protect consumers' personal and financial data. Additionally, the legislation would provide incentives to businesses that adopt new technologies to make consumer data unusable or unreadable if stolen during a breach.

**To the Maxx:** Kansas City, c'mon down... You're the next community in **Time Warner Cable's** TWC Maxx transformation. The MSO in July announced 7 markets that would get the TWC Maxx upgrade this year (Charlotte, Dallas, Hawaii, KC, Raleigh, San Antonio and San Diego). Kansas City customers got word this week that they're the first of those 7 to get the faster Internet speeds and other enhancements, including an all-digital lineup. TWC Maxx is slated to hit Dallas and San Antonio in the next few months and will expand to 4 additional markets by year-end. NYC and L.A. got the full TWC Maxx experience last year, and Austin, TX, should be completely upgraded early this year.

**Integrated Box Sales: Adams Cable Equipment** has sold 1406 integrated set-top boxes at wholesale to participating cable operators and another 516 integrated set-tops to retail customers of those operators, according to its status report with the **FCC**. That's up from the 850 to cable ops and 202 to retail customers that Adams reported having sold as of June 30. The retail price through the end of 2014 averaged \$43.56, down from the avg price of \$53.35 cited at the end of June. In July '13, the Commission granted Adams a limited waiver of the ban on set-tops with integrated security for its refurbished boxes. One of the conditions of the waiver is regularly filing status reports with the FCC. The set-top integration ban as a whole is set to expire in Dec as Congress included repealing it as part of the passage of the satellite television reauthorization bill late last year.

**PAC Targets Comcast-TWC: Conservative War Chest** plans to begin running a 2-minute broadcast spot against the proposed **Comcast-Time Warner Cable** merger starting today (Wed) in 5 key presidential swing states on select **NBC** affiliates. In a 65-page report, the PAC accuses **NBC News** and **MSNBC** of "overt political bias." You can view the ad at conservativewarchest.com. NBC News/MSNBC did not respond immediately to a request for comment.

**Record Cable Audience:** The 1st-ever College Football Playoff National Championship averaged a record 33.4mln viewers Mon night on **ESPN**. OH State's 42-20 victory over Oregon goes down as the largest audience in cable history and cable's highest-rated program ever (18.2 US HH rating). Recall the semifinals, also on ESPN, rank as cable #2 and #3 most-watched programs. The simulcast generated 1.2mln unique viewers on WatchESPN.

**Whistling to the Bank:** YouTube sports net **Whistle Sports** has raised \$28mln in Series B financing, with **Tengelmann Group** affil **Emil Capital Partners** leading the round. **Sky Broadcasting** and **Liberty Global** also participated. The Series B financing also included investors from the \$8mln Series A completed in 2012, including recently retired NY Yankees shortstop *Derek Jeter* and Denver Broncos quarterback *Peyton Manning*. The net is aimed at millennials, partnering with pro sports, Olympic franchises and YouTube sports creators.

**PX TV Comes to the US: AT&T U-verse** launched AltneraTV's **PX TV**, a Latin American extreme sports channel. It's available in the U300 and U450 Latino packages. AT&T is the 1st US provider to offer this channel.

**Programming: ABC Family** picked up "The Fosters" for a 3rd season. It also announced a reality series from the producers of "Undercover Boss." In "Job or No Job," young people will go on a series of interviews to try and land their 1st job. -- Fresh off its Golden Globe comedy win, **Amazon** announced it has signed *Woody Allen* to write and direct his 1st TV series. The half-hour series will be available exclusively on Prime Instant Video in the US, UK and Germany.

**NAMIC Scholarships:** **NAMIC** is offering 3 full scholarships covering tuition, program materials, travel, lodging and meals for its NAMIC Leadership Seminar. The scholarships are awarded through a gift from the **Walter Kaitz Foundation**. Nominations are due Feb 27 for the Seminar slated for Apr 8-10 in Atlanta.

# BUSINESS & FINANCE

**People:** Starz upped Suzanne Sell to svp for research and Neal Massey to vp, business & consumer insights for research. -- **Ovation** tapped industry vet **Mike Pons** as svp of content distribution. In addition, it added **Scott Woodward** as head of programming and production. -- Multiplatform video service provider **Vubiquity** added former **Yahoo** interim CEO/head of global media **Ross Levinsohn** to its board. Levinsohn, a **Tribune** board member, was also former pres of **Fox Interactive Media**, following a position as svp of **Fox Sports Interactive Media**.

**Obituary:** Broadcaster and **HSN** founder **Lowell "Bud" Paxon** passed away Fri. He was 80. In addition to launching HSN (then called *Home Shopping Club*) with **Roy Speer** in 1982, Paxon went on to found **PAX-TV** (now **ION**). "Broadcasters have lost a friend and a legend in the passing of Bud Paxon, who was a tenacious advocate for over-the-air radio and television," **NAB** pres/CEO **Gordon Smith** said in a statement. "Bud's support for program carriage rules as part of the 1992 Cable Act helped sustain diverse voices on the airwaves and allowed free and local broadcasting to remain a competitive force in today's multichannel world. **NAB** mourns the loss of a true giant of broadcasting."

## Cablefax Daily Stockwatch

Company	01/13 Close	1-Day Ch	Company	01/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	84.85	0.13	CONVERGYS:	19.81	UNCH
DISH:	71.77	0.48	CSG SYSTEMS:	25.36	0.33
ENTRAVISION:	6.28	0.01	ECHOSTAR:	51.67	0.28
GRAY TELEVISION:	10.70	0.33	GOOGLE:	496.18	3.63
MEDIA GENERAL:	15.69	0.21	HARMONIC:	6.87	0.05
NEXSTAR:	48.50	1.46	INTEL:	36.50	(0.1)
SINCLAIR:	25.88	0.14	INTERACTIVE CORP:	62.09	1.62
<b>MSOS</b>					
CABLEVISION:	20.00	0.23	JDSU:	13.54	0.01
CHARTER:	164.40	0.55	LEVEL 3:	47.44	0.26
COMCAST:	56.84	0.67	MICROSOFT:	46.35	(0.24)
COMCAST SPCL:	56.23	0.57	NETFLIX:	323.79	4.96
GCI:	14.81	0.37	NIELSEN:	42.99	0.19
GRAHAM HOLDING:	877.27	(0.35)	RENTRAK:	66.67	(0.67)
LIBERTY BROADBAND:	49.79	0.80	SEACHANGE:	6.53	(0.09)
LIBERTY GLOBAL:	47.86	0.25	SONY:	21.18	(0.18)
SHAW COMM:	26.08	(0.01)	SPRINT NEXTEL:	4.15	0.02
TIME WARNER CABLE:	147.30	1.56	TIVO:	10.58	(0.11)
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	35.13	(0.25)	UNIVERSAL ELEC:	63.49	(0.33)
AMC NETWORKS:	62.51	(0.12)	VONAGE:	4.06	0.01
CBS:	55.60	0.75	YAHOO:	48.30	(0.5)
CROWN:	3.41	0.04	<b>TELCOS</b>		
DISCOVERY:	31.21	(0.43)	AT&T:	33.49	UNCH
DISNEY:	95.19	0.73	CENTURYLINK:	38.60	(0.05)
GRUPO TELEVISIA:	32.84	0.35	TDS:	24.42	(0.05)
HSN:	77.29	1.13	VERIZON:	47.18	0.10
LIONSGATE:	30.35	(0.15)	<b>MARKET INDICES</b>		
MSG:	73.87	0.02	DOW:	17613.68	(27.16)
SCRIPPS INT:	75.45	0.53	NASDAQ:	4661.50	(3.21)
STARZ:	28.10	0.22	S&P 500:	2023.03	(5.23)
TIME WARNER:	85.16	1.11	<b>TECHNOLOGY</b>		
VIACOM:	72.67	0.26	ADVANTAGE:	2.41	0.01
WWE:	10.84	(0.03)	AMDOCS:	47.34	0.39
<b>MARKET INDICES</b>					
DOW: 17613.68 (27.16)					
NASDAQ: 4661.50 (3.21)					
S&P 500: 2023.03 (5.23)					

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