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Muni Broadband: Obama Wants Barriers Removed

Cable and telecom operators have battled government-owned broadband providers for years, calling some such operations an inappropriate use of tax dollars and an example of government improperly competing with the private sector. Some of these municipal networks have run into operational and/or financial problems. Others, such as **Cedar Falls Utilities** (CFU) in IA, with speeds up to 1 Gbps, have survived. Now these community-run broadband networks have a powerful backer: *President Obama*. During a tour of CFU Wed, the president, as part of his plan to increase broadband access, called for removing barriers in 19 states to help create public-run broadband networks. The White House also released a report outlining steps that the Administration will take to increase broadband access. They include: a letter to the **FCC** asking it to tackle regulatory barriers preventing local communities from building broadband networks; expanding the National Movement of Local Leaders for Better Broadband initiative, which includes efforts to build super fast broadband in communities and around campuses; a new initiative from the **Commerce Dept**—dubbed BroadbandUSA—to support community broadband projects by offering online and in-person assistance to communities; a new grant and loan program from the **Agriculture Dept** for rural providers. Finally, the Administration will create the Broadband Opportunity Council of more than a dozen government agencies to speed up broadband deployment and increase adoption. FCC chmn *Tom Wheeler* has already signaled his willingness to use the FCC's preemption authority to remove state laws. The president's support for muni broadband means Wheeler might grant 2 pending petitions from the city of Wilson, NC, and Chattanooga, TN, to preempt state laws limiting muni broadband. **NCTA** wasn't thrilled. "While government run networks may be appropriate in rare cases, many such enterprises have ended up in failure, saddling taxpayers with significant long-term financial liabilities and diverting scarce resources from other pressing local needs… Government policies should be directed at overcoming barriers to adoption and extending the reach of broadband to places yet unserved," the trade group's pres/CEO *Michael Powell* said in a statement. NCTA member **Mediacom**, which has battled government-run broadband projects such as Minnesota's Lake County community broadband network, said it's "deeply concerned with

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the comments" by the president. Calling CFU a muni utility that "leverages its government-conferred monopoly over electric, water and gas service" to unfairly compete with private providers, the MSO said the president's remarks combined with the selection of CFU as the venue for his speech show that the White House "wants to waste taxpayer dollars to supplant our Nation's private sector broadband providers with government-owned utility companies." Reactions from the FCC's Republican pair, commish *Ajit Pai* and *Michael O'Rielly* are similar: Leave the FCC, an independent agency, alone.

Life After Comcast-TWC: We got a glimpse of what **Comcast-Time Warner Cable**'s structural organization will look like if the proposed merger and related **Charter** transactions gain regulatory approval. Basically, all that work Time Warner Cable did over the past couple years to centralize its operations will go away, with Comcast moving everyone into its regional operational structure. *Multi* 1st reported on the internal memo describing the moves, and sources confirmed the appointments. Comcast execs will head up most regions, with a few exceptions. TWC's *Christine Whitaker* will lead the new Allegheny Region made up of Buffalo, Rochester and Keystone West (portions of western PA, eastern OH and northern WV), and *Gregg Fujimoto* will lead a new Hawaii Region with TWC's HI systems. The regions fall into 3 divisions—the Northeast Division, which will continue to be headed by Comcast's *Kevin Casey*; the Central Division, still led by Comcast's *Bill Connors*; and the West Division, which will continue to be run by *Steve White*. The post-merger plan sees a new job for former **NCTA** pres/CEO *Kyle McSlarrow*. He would go from regional vp for the mountain region (overseeing operations in UT and AZ) to leading the Dallas-headquartered TX region, which includes Houston, Dallas-Fort Worth, Austin, San Antonio, Corpus Christi and South TX. Who gets NYC? *Steve Hackley*, who is currently Comcast's svp, Greater Boston region. Comcast's svp, CA region *Hank Fore* will pick up the new CA systems in L.A. San Diego, etc.

New Speed Definition: **FCC** chmn *Tom Wheeler* is proposing to raise the minimum broadband speeds from 4/1Mbps to 25/3 Mbps in the next Annual Broadband Progress Report to "reflect current consumer demands, deployment trends, and technological advances," according to a fact sheet. Wheeler has circulated the proposal, meaning it is expected to be voted on during the Jan 29 Commission Open Meeting. The FCC set its current benchmark of 4 Mbps down and 1 Mbps up more than 4 years ago. "That dated standard is inadequate for evaluating whether broadband capable of supporting today's high-quality voice, data, graphics, and video is being deployed to all Americans in a timely way," the fact sheet said. Wheeler's draft report found that 53% of rural Americans lack access at 25/3 Mbps speeds, and 17% of all Americans (55mln people) lack access to these speeds nationwide. As a result, the report concluded that broadband isn't being deployed in a reasonable and timely fashion. The move shouldn't come as a surprise because the FCC floated the idea of raising the minimum speed from 4 Mbps to 10 Mbps and beyond last year. With the higher speed benchmark, cable's "own success investing in their pipes and upgrading speeds to 25 Mbps and above has left them in essentially a monopoly position or duopoly position throughout the vast majority of the country," **BTIG** analyst *Rich Greenfield* said in a blog post Wed. Regulators' focus on fostering broadband competition creates a gloomy outlook for cable stocks, "not to mention the prospects for the **Comcast Time Warner Cable** merger," he wrote.

Net Neutrality Bill: The net neutrality fight has intensified, with the **FCC** set to vote on its updated rules in about a month. Following House communications subcmte vice chmn *Bob Latta* (R-OH)'s proposal Tues to block Title II regulation, a powerful pair of Republican lawmakers are proposing a new net neutrality bill that would ensure an open Internet without reclassification. House Commerce head *Fred Upton* (R-MI) and Senate Commerce chmn *John Thune* (R-SD) said they are working on a bill that would "prohibit blocking and throttling (the selective slowing of data), and also ensure that Internet service providers could not charge a premium to prioritize content delivery." The pair said they are working with "colleagues on both sides of the aisle to establish clear, updated and reasonable rules of the digital road to protect an open Internet."

5Qs with Discovery Life GM Latman: *Discovery Fit & Health name change to Discovery Life officially takes place today (Thurs). It's not just superficial, with the net premiering 7 shows in 12 days, including "Outrageous Births" (couples going into labor in outrageous places) and "World's Worst Moms" (uber helicopter parents—one mom insists on accompanying her teen daughter to the bathroom in public, right into the stall). We chatted with*

Jane Latman, gm of Discovery Life Channel and svp of development for Investigation Discovery, on why she hopes the refresh will help turn the channel into a powerhouse. **Why change the name?** It was the right time to make this change. The name Discovery Fit & Health feels like a barrier to entry. It feels like we're telling people to eat their broccoli, and we're giving them a how-to about fitness and health. With Discovery Life Channel we want to open the doors and let our viewers know we're about entertainment and telling life stories. It's much more inviting. **How will it differ from DFH?** We are keeping what's been working. I think that's really important not to alienate our hardcore audience, and we'd be fools to get rid of anything that's working. That's really 2 series—"Untold Stories of the ER," which is essentially our top series, and Season 2 of "NY ER." We're the only one doing [that type of programming]. It's real stories inside the emergency room, but with the new name we really have the opportunity to broaden. **Would a show like "New Girls on the Block," following transgendered women, have been a part of the channel before?** New Girls on the Block is a great example of how we're broadening. Discovery Life is really about life's most unexpected curve balls, and I really think everything we do really fits into that filter. New Girls is about people who are born with an issue that no one expects to have... **How do you make sure when you're making a change you don't alienate existing fans?** We really created this new name and broader mandate by listening to our audience. We did focus group testing, we looked at the history of this network, and I'm hoping we've been very careful to keep giving the audience what they want... I have to say that this group under *Henry Schleiff* has a wealth of experience, rebranding, refreshing and renaming networks, I think more than anyone in the business. **There are a lot of networks that rebrand or rename, including several at Discovery Comm. How are these retoolings met in the marketplace by distributors and the press? Because there are so many, does it make it harder to be taken seriously?** For Discovery Life, I think the rename is going to be extraordinarily welcomed because Fit & Health was such a barrier to entry. If I look at Military Channel's renaming to American Heroes Channel, some of the same shows that didn't rate on Military Channel were then programmed on AHC and they did better. That's a name that was more inviting. It allowed a broader demographic, more women came in and ratings went up. What happens with a name like Discovery Fit & Health, people think what does a show like "50 Ways to Kill Your Mother,' a show about a 70-year-old woman and her son going on an extraordinary bucket list adventure, have to do with Fit & Health? But you say Discovery Life, and we're about life's most unexpected moments and curve balls and living life fully, and it [works].

Buckeyes Get Tennis: **Buckeye CableSystem** reached a multiyear deal with **Tennis Channel** in time for the Australian Open. The OH cable operator will receive Tennis' TVE offering, and Tennis will get wide distribution through Buckeye's HDTV Basic Pak.

Synacor Buys NimbleTV: Authentication tech firm **Synacor** agreed to acquire **NimbleTV**, the provider of multiscreen, live linear programming for pay-TV companies. NimbleTV recently discontinued its direct-to-consumer service, and as part of the acquisition, NimbleTV's technology will be integrated into Synacor's overall video platform. The deal is expected to accelerate Synacor's video platform development. Synacor also gains patents that would beef up its cloud ID offering.

Board Moves: **WICT** elected **Comcast University & Comcast Cable**'s *Martha Soehren* as chair, with **Suddenlink** CFO *Mary Meduski* wrapping up her 2-year term and transitioning to Immediate Past Chair. New directors-at-large are **Comcast**'s *Cathy Avgiris*, **Liberty Global**'s *Amy Blair* and **Suddenlink**'s *Wendy Knudsen*. In addition, 2 individuals will serve 1-year terms as directors-at-large in special roles: **Time Warner Cable**'s *Ingrid Simunic* (Chapter Leader Designee) and **Suddenlink**'s *Chandni Thakrar-Ochoa* (Emerging Leader Designee). -- **CTHRA** elected 6 new board members: **ESPN**'s *Doug Adkins*, **NBC Broadcasting and Ad Sales'** *Dave Crossen*, **HBO**'s *Marisa Famulare*, **CBS**' *Fatimah Garvey*, **Mediacom**'s *Judith Mills* and **Turner**'s *Alisha Penick*. **Scripps Nets Interactive**'s *NJ Pesci* and **greenlightjobs**' *Lisa Kaye* were re-elected to the board.

Ratings: Last week marked another week without carriage on **DISH**, but **Fox News** didn't fair too badly in the ratings race. Among cable nets in prime, it ranked 4th in total viewer delivery (1.56mln) and its 0.6 P2+ rating tied with **FX, Discovery, HGTV, TNT** and **History** for the week. **USA** was #1 in delivery for the week (1.97mln), followed by **TBS** (1.84mln) and **Disney** (1.68mln). TNT's "Major Crimes" was the most-watched cable show of the week (4.3mln), followed by Discovery's "Gold Rush" (4.2mln). -- **YES** finished the year as the most-watched RSN in the country for the 11th time in 12 years, with prime delivery up 16% (58K HHs in NY DMA) and total day up 10% (23K).

Programming: **Fox Sports 1**'s inaugural season of **Major League Soccer** kicks off Mar 8 with a double header—Sporting Kansas City at home against the New York Red Bulls (7:00 PM ET) followed by the Seattle Sounders facing

BUSINESS & FINANCE

Eastern Conference Champion New England Revolution (9:30 PM ET). The net will air 33 matches (another will air on Fox Sports 2) from March through Oct. -- **Twitch**—a live video streaming platform for gamers—will host its 1st-ever live TV viewing party Fri, a special preview of Season 3 of **TBS**' "King of the Nerds," which premieres Jan 23. -- *Jim Cantore* will join *Sam Champion* as **Weather Channel**'s flagship morning show "AMHQ," beginning Jan 26 (7am-10am ET).

People: *Jean-Thierry Augustin* was named pres, sports strategy & development in a newly created position at **Discovery Networks Intl**, and *Peter Hutton* has been appointed CEO of **Eurosport**. -- *Brenda Freeman*, most recently global head of TV marketing for **DreamWorks Animation**, was named CMO for **Nat Geo** and **Nat Geo Wild**. She's taking over the role vacated by *Courteney Monroe* when she was promoted to CEO last year. She starts the job in early Feb. -- Longtime **A+E TV Nets** evp, sr counsel *Doug Jacobs* is departing to join entertainment legal boutique **Cowan, DeBaets, Abrahams & Sheppard**. He previously served as gen counsel at **Court TV** and deputy gen counsel at **CBS**. At Cowan, Jacobs will focus on matters involving the cable television industry and the evolving digital media universe. -- Former **Samsung Electronics** exec *Tasneem Brutch* joined **ESPN** as vp, advanced technology.

Cablefax Daily Stockwatch

Company	01/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS		
DIRECTV:	84.63	(0.22)
DISH:	70.44	(1.32)
ENTRAVISION:	6.28	UNCH
GRAY TELEVISION:	10.36	(0.34)
MEDIA GENERAL:	15.03	(0.66)
NEXSTAR:	47.11	(1.39)
SINCLAIR:	24.83	(1.05)
MSOS		
CABLEVISION:	19.60	(0.4)
CHARTER:	158.13	(6.27)
COMCAST:	55.82	(1.02)
COMCAST SPCL:	55.47	(0.76)
GCI:	14.91	0.10
GRAHAM HOLDING:	872.97	(4.3)
LIBERTY BROADBAND:	48.13	(1.72)
LIBERTY GLOBAL:	47.84	(0.02)
SHAW COMM:	25.24	(0.84)
TIME WARNER CABLE:	143.23	(4.07)
PROGRAMMING		
21ST CENTURY FOX:	34.86	(0.27)
AMC NETWORKS:	62.06	(0.45)
CBS:	54.47	(1.13)
CROWN:	3.36	(0.05)
DISCOVERY:	30.00	(1.21)
DISNEY:	94.23	(0.96)
GRUPO TELEVISA:	32.36	(0.48)
HSN:	76.25	(1.04)
LIONSGATE:	29.37	(0.98)
MSG:	72.54	(1.33)
SCRIPPS INT:	73.75	(1.7)
STARZ:	28.07	(0.04)
TIME WARNER:	82.39	(2.77)
VIACOM:	68.07	(4.6)
WWE:	10.72	(0.12)
TECHNOLOGY		
ADDVANTAGE:	2.39	(0.02)
AMDOCS:	47.22	(0.12)
AMPHENOL:	52.45	(0.38)
AOL:	46.43	(1.28)
APPLE:	109.80	(0.42)
ARRIS GROUP:	28.15	0.47
AVID TECH:	14.98	0.07
BLNDER TONGUE:	2.15	(0.13)
BROADCOM:	41.30	(0.17)
CISCO:	27.92	(0.17)
COMMSCOPE:	25.75	(0.02)
CONCURRENT:	7.05	0.06

Company	01/14 Close	1-Day Ch
CONVERGYS:	19.74	(0.07)
CSG SYSTEMS:	25.32	(0.04)
ECHOSTAR:	51.34	(0.34)
GOOGLE:	500.87	4.69
HARMONIC:	6.93	0.07
INTEL:	36.35	(0.15)
INTERACTIVE CORP:	61.41	(0.68)
JDSU:	13.40	(0.14)
LEVEL 3:	47.88	0.44
MICROSOFT:	45.95	(0.4)
NETFLIX:	324.24	0.45
NIELSEN:	42.80	(0.19)
RENTRAK:	70.86	4.19
SEACHANGE:	6.44	(0.09)
SONY:	20.70	(0.48)
SPRINT NEXTEL:	4.13	(0.02)
TIVO:	10.51	(0.07)
UNIVERSAL ELEC:	64.00	0.51
VONAGE:	4.17	0.11
YAHOO:	47.51	(0.79)
TELCOS		
AT&T:	33.33	(0.16)
CENTURYLINK:	38.31	(0.29)
TDS:	23.93	(0.49)
VERIZON:	46.97	(0.21)
MARKET INDICES		
DOW:	17427.09	(186.59)
NASDAQ:	4639.32	(22.18)
S&P 500:	2011.27	(11.76)

Think about that for a minute...

How Will We Know?

Commentary by Steve Effros

Thirty three million folks watched the ESPN transmission(s) of the College Football Super Bowl. ESPN notes that it now holds the viewership record for all 20 of the most watched cable delivered network programs. All football games, reinforcing something we already knew: live sports—and ESPN has become one of the kings of live sports—are one of the most powerful ratings generators in existence, and they will continue to be because just about all other programming, with the exception of news, need not be seen "live" to be appreciated.

But is that true? There has long been a complaint about cable (now cable, satellite, OTT) programming that by splitting up the market into smaller and smaller pieces we are having a major—and some say negative—effect on the "collective experience" that folks share when they watch the same thing at the same time and can then "relate" to each other by discussing, criticizing, laughing, crying or whatever over the same shared viewing experience. Whether that is true or not I don't know. What's clear, however, is that we're in the process of entering a new and potentially very expensive world of video entertainment marketing and distribution that will sure let us find out!

As I've noted many times before, this is not about the "death" of cable, or "cord cutting," or the end of the "big" cable and satellite companies. Far from it. Those distributors of programming still have to serve their distribution function and will still, properly in my view, be paid well for it. Infrastructures are hard and expensive to build and maintain. That won't change. But what is changing is the packaging and marketing of the product people will watch on those platforms. Instead of a "bundle" of programs, folks are going to have to buy "networks," either individually or in smaller, exclusive bundles. That could be a real negative for the average consumer.

Eventually, given its success with the numbers, the ESPN network of channels will be sold (as a "bundle" only, mind you) by itself, or with a few add-ons, as is the test case with "Sling-TV." Given the ratings, however, I don't see why ESPN wouldn't eventually simply sell direct. CBS has decided to do the same with its networks, and I expect the other well-known brands will, too. With the awards "buzz" about excellent programs from Amazon, FX, USA, TNT, AMC, Netflix, etc., and of course HBO and Showtime, we can expect that direct sales of those packages of networks will take place too. Then there'll be the aggregators of shows that have already aired; Hulu, Vudu and the like. But they, too, are now talking about creating their own exclusive programs and getting their own buzz!

So what's "the viewer" going to do? How will we know which exclusive packages of networks to buy, when? Clearly at the end of the day it will be more expensive, but how can you even make a reasoned, timely choice? It's going to come down to very costly marketing and cross promotion. Of course there will be "word of mouth," and "social networking." But will those forms of marketing truly expose enough folks (leaving aside the obvious, like sports fans) to the "good" programming when it's first on, or will we have to rely on subsequent, hoped-for "binge" program watching later on, after the production risk has already run its course? It's going to be a very chancy and possibly not terribly social "new world" of television creation and watching.

Steve

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