

Cablefax Daily™

Friday — February 27, 2015

What the Industry Reads First

Volume 26 / No. 038

Net Neutrality: Republicans Blast Title II Vote

The FCC's Republican pair *Ajit Pai* and *Michael O'Rielly* stole the spotlight during the 2.5 hour Open Commission meeting Thurs with lengthy statements pounding the Title II net neutrality order, which passed as expected 3-2 along party lines. The rules will go live once it's published in the Federal Register, which could take weeks. After taking center stage at the meeting, the GOP duo continued the show by holding a press conference right after the vote to continue the slam. Referring to the proposal as "President Obama's Plan," Pai said the rules give the FCC broad and unprecedented discretion to micromanage the Internet. And why is the FCC imposing Title II regulation now? "We are flip-flopping for one reason and one reason alone. President Obama told us to do so," Pai said, levying criticism again at chmn *Tom Wheeler* for not releasing the draft before the vote. "I don't know whether this plan will be vacated by a court, reversed by Congress, or overturned by a future Commission. But I do believe that its days are numbered." He also warned that the decision could result in higher prices, slower speeds and less broadband deployment. O'Rielly sang a similar tone. "I am just sick about what Chairman Wheeler was forced to go through during this process... It was disgraceful to have the administration overtake the Commission's rulemaking process and dictate an outcome for pure political purposes." Wheeler quipped that he was keeping a scorecard on things he and Pai disagree on, with him jokingly putting the commish in the "undecided but leaning against" Title II camp. Without directly commenting on GOP's accusation of presidential intervention, Wheeler said "we listened. We learned. And we adjusted our approach based on the public record. In the process we saw a graphic example of why open and unfettered communications are essential to freedom of expression in the 21st Century." ISPs and other opponents of Title II regulation have already indicated legal challenges are coming. One concern with Title II by opponents is the possibility of rate regulation. "Banning paid prioritization is, itself, a form of ex ante rate regulation," O'Rielly said. In addition, he said the Commission expressly contemplates examining, on a case-by-case basis, whether interconnection agreements are just and reasonable, which necessarily includes an evaluation of the rates, terms, and conditions of such arrangements. The Commission also intends to review data allowances and usage-based pricing plans on a case-by-case basis, according to O'Rielly. However, the order makes clear that broadband providers won't be subject to utility style regulations. That means no unbundling, tariffs or other forms of rate regulation, said *Melissa Kirkel*, a senior attorney with the Wireline Bureau during the meeting. The order also doesn't require broadband providers to contribute to USF, nor does it impose, suggest, or authorize any new taxes or fees, she said. Thurs' order also asserts FCC jurisdiction over interconnection. "The core principle is the Internet must remain open. We will protect this on the last mile and at the point of interconnection," Wheeler said. Testifying (and all praising the Title II route) at the meeting were **Etsy** CEO *Chad Dickerson*, "The Killing" (on **Netflix**) producer *Veena Sudd* and *Tim Berners-Lee*, the inventor of the World Wide Web (through video conferencing). Also spotted in the room: **Apple** co-founder *Steve Wozniak*.

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Associate Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Sr Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Jr. Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,649/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

Net Neutrality Reax: It's not a surprise, but the **FCC's** vote still disappointed ISPs. "We are disappointed the Commission chose this route, which is certain to lead to years of litigation and regulatory uncertainty and may greatly harm investment and innovation, when the use of Section 706 alone would have provided a much more certain and legally sustainable path," **Comcast** evp and chief diversity officer *David Cohen* said in a statement. Cohen, chmn of the trustees of **University of Pennsylvania**, was at the trustees meeting Thurs, which was reportedly interrupted by a dozen Penn students demanding Comcast stop advocating against Title II regulation. The vote scored a "Thank You" message from the President. "Today's FCC decision will protect innovation and create a level playing field for the next generation of entrepreneurs..." according to a statement from the **White House**. Check out full story on **Cablefax.com** for more reactions.

Muni Broadband: Not to be shadowed by the net neutrality vote, the **FCC** also voted 3-2 Thurs along party lines to preempt state laws in TN and NC that prevented community broadband providers from expanding and deploying services. The Commission's order found that laws in both states are barriers to broadband deployment, investment and competition, and conflict with the FCC's mandate to promote these goals. Local officials have their hands tied by "bureaucratic red tapes" as there are ongoing efforts to impose restrictions on community broadband, chmn *Tom Wheeler* said during the meeting. Local residents and businesses are the ones suffering the consequences, he said. Calling the decision "odd" and "unlawful," commish *Ajit Pai* said the agency doesn't have the authority to preempt state laws. In doing so, the Commission "disrupts the balance of power between the federal government and state governments that lies at the core of our constitutional system of government," said Pai. The petitions were filed last July by TN's community broadband provider Electric Power Board, and the City of Wilson, NC. The decision could open the door for other state preemptions.

Non-Dupe Non-Waiver: Broadcaster **Gray's** attempt to stop **Suddenlink** from carrying 2 rival stations in Parkersburg, WV, was thwarted by the **FCC's** Media Bureau. The Bureau denied Gray's petition seeking a waiver of non-dupe and syndicated exclusivity rules for Huntington **CBS** affil **WOWK** and **Fox** affil **WVAH** in the market. Gray argued that the 2 stations are no longer significantly viewed in Parkersburg and that its own **WTAP**, **WIYE** and **WOVA** should be entitled to exercise their exclusivity rights against them. **WVAH** and **WOWK** along with **Suddenlink** opposed the petition. The Bureau rejected Gray's request, saying it failed to adequately rebut questions about Parkersburg zip codes that were left out of **Nielsen** data on station viewership. The petition is denied without prejudice to refiling at a subsequent time.

FCC Reporting Act: **Sen Commerce** approved a bill Thurs that would streamline the number of reports the FCC must file with Congress. On Tues, the House approved similar legislation by a 411 to 0 vote. The bill would consolidate a number of existing reports required by law into a single, comprehensive report on the state of the communications marketplace. The House passed similar legislation in the 112th and 113th Congress.

CTAM THINK

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Speakers:

MARK GREATREX

Chief Marketing & Sales Officer
Cox Communications, Inc.

MIKE ISKANDAR

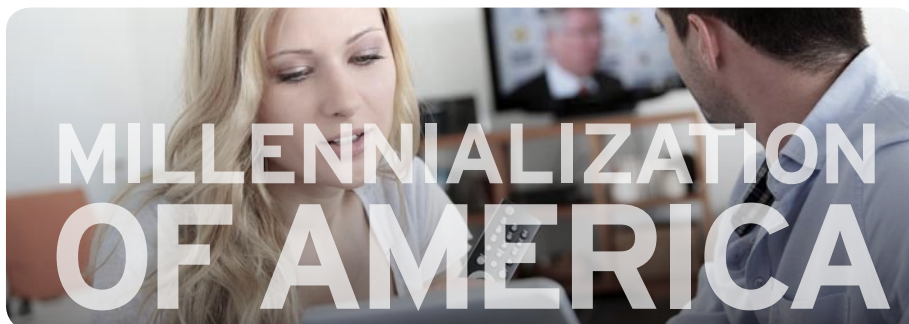
Culture Leader, "Chief Experience Officer"
Southwest Airlines

LAURA MARTIN

Managing Director, Senior Analyst:
Entertainment & Internet,
Needham & Company, LLC

JAMES R. STENDEL

Marketing Author and Advisor, President /
CEO, The Stengel Company Former Global
Marketing Officer, Procter & Gamble



Interact with a panel of millennials in this facilitated discussion to find out what media they use and how they value different video options.

BUSINESS & FINANCE

AMC Networks Rising: AMC Networks shares closed up about 5.5% Thurs after reporting 4Q results that topped Street estimates. Thank those zombies from “The Walking Dead.” AMCN reported a 24% jump in ad rev to \$255mln. “The good news is, Walking Dead must be driving the revenue strength and is proving increasingly valuable. 2015 revenue and earnings expectations are likely to increase. The bad news is, AMCX is more singularly dependent on Walking Dead than ever before,” **Bernstein Research** said. The 24% ad rev growth topped **ISI Media’s** 21% estimate. While it largely credited TWC, it also believes it’s due to the inclusion of 49.9%-owned BBC America. What had ISI analysts pleasantly surprised was AMCN’s flat programming expense.

Happy Trails: Helmets off to **ESPN** PR veep *Rob Tobias*, who’s retiring today after 32 years with the company. Pretty good for someone who showed up for a job he was never offered! In ’83, Tobias opted to tag along with a friend working in operations at ESPN. “He pitched in and kept coming back. Such was the life at a network, and a medium, in its infancy that nobody paid much attention to the new guy...,” ESPN svp corp comm *Chris LaPlaca* wrote in an internal blog post celebrating Tobias’ career. His tenure includes coming up with the idea of a behind-the-scenes show on “SportsCenter” and a push for *Chris Berman’s* Hollywood Walk of Fame star.

Cablefax Daily Stockwatch

Company	02/26 Close	1-Day Ch	Company	02/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	88.35	0.37	COMMSCOPE:	26.47	0.05
DISH:	76.76	(0.53)	CONCURRENT:	6.28	0.09
ENTRAVISION:	6.97	0.11	CONVERGYS:	22.40	0.13
GRAY TELEVISION:	11.14	0.13	CSG SYSTEMS:	30.58	0.18
MEDIA GENERAL:	15.96	(0.37)	ECHOSTAR:	53.95	(0.33)
NEXSTAR:	55.02	0.75	GOOGLE:	555.48	11.61
SINCLAIR:	27.97	(0.15)	HARMONIC:	7.86	0.05
MSOS					
CABLEVISION:	18.88	0.32	INTEL:	33.65	(0.29)
CHARTER:	182.18	(0.03)	INTERACTIVE CORP:	67.23	0.06
COMCAST:	59.15	(0.47)	JDSU:	13.32	(0.07)
COMCAST SPCL:	58.71	(0.43)	LEVEL 3:	53.39	(0.48)
GCI:	14.50	(0.04)	MICROSOFT:	44.05	0.07
GRAHAM HOLDING:	983.99	(2.89)	NETFLIX:	483.03	4.70
LIBERTY BROADBAND:	52.05	(0.47)	NIELSEN:	45.79	(0.69)
LIBERTY GLOBAL:	54.46	(0.03)	RENTRAK:	55.01	1.12
SHAW COMM:	23.14	(0.35)	SEACHANGE:	7.60	0.01
SHENTEL:	29.66	0.39	SONY:	28.13	0.44
SHENTEL:	29.66	0.39	SPRINT NEXTEL:	4.77	(0.19)
TIME WARNER CABLE:	152.40	(2.22)	TIVO:	11.03	(0.1)
PROGRAMMING					
21ST CENTURY FOX:	34.81	(0.09)	UNIVERSAL ELEC:	55.62	1.06
AMC NETWORKS:	72.93	3.76	VONAGE:	4.59	(0.07)
CBS:	59.14	(0.64)	YAHOO:	44.45	0.02
CROWN:	3.53	0.03	TELCOS		
DISCOVERY:	32.45	(0.49)	AT&T:	34.50	0.29
DISNEY:	104.56	(1.01)	CENTURYLINK:	37.40	0.10
GRUPO TELEVISA:	33.90	0.30	TDS:	25.19	(1.3)
HSN:	64.94	(2.65)	VERIZON:	49.37	0.17
LIONSGATE:	32.94	(0.03)	MARKET INDICES		
MSG:	78.45	(0.29)	DOW:	18214.42	(10.15)
SCRIPPS INT:	72.86	(1.24)	NASDAQ:	4987.89	20.75
STARZ:	33.77	0.58	S&P 500:	2110.74	(3.12)
TIME WARNER:	82.42	(0.07)	TECHNOLOGY		
VIACOM:	69.84	(0.54)	ADVANTAGE:	2.39	0.01
WWE:	16.76	(0.01)	AMDOCS:	52.48	0.22
TECHNOLOGY					
ADDVANTAGE:	2.39	0.01	AMPHENOL:	56.80	(0.05)
AMDOCS:	52.48	0.22	AOL:	40.13	(0.02)
AMPHENOL:	56.80	(0.05)	APPLE:	130.41	1.62
AOL:	40.13	(0.02)	ARRIS GROUP:	29.17	0.16
APPLE:	130.41	1.62	AVID TECH:	15.07	0.15
ARRIS GROUP:	29.17	0.16	BLNDER TONGUE:	1.77	0.04
AVID TECH:	15.07	0.15	BROADCOM:	45.70	0.70
BLNDER TONGUE:	1.77	0.04	CISCO:	29.91	0.42
BROADCOM:	45.70	0.70			
CISCO:	29.91	0.42			



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PROGRAMMER'S PAGE

Casting A Spell

What does a network do with its most successful original movie franchise of all time? If you're **Hallmark Channel**, you turn it into an original series. That's not without risk given that Hallmark's still pretty new to the original game. But execs believe "Good Witch," starring *Catherine Bell*, will have the magical touch to flourish as its 4th original series (2-hour premiere Sat at 8pm). "Having Catherine as the star of the series is something we feel people will gravitate to. But you add *James Denton* to that mix and *Bailee Madison* and you have something that's more than just a one-off movie. You have something you can really utilize their versatility, popularity and great professionalism to create something that is unique and at the same time high quality," said **Hallmark Channels** pres/CEO **Bill Abbott**. Denton, best known for his role on "Desperate Housewives," plays new neighbor and single dad who attempts to acclimate to the small town of Middleton. Madison is the teenage daughter of witch and shop owner Cassie Nightingale (Bell), who will tangle with Denton's son (*Rhys Matthew Bond*). The launch of the series won't be the end of the Good Witch movies, with an 8th installment planned for Halloween. "We'll do something that's more generic and not necessarily reliant on having seen the series, but we'll have the cast of the series in it," Abbott said. "The franchise has been so high-rated and popular. It would be a shame to see it go away. It's been a tradition we've established every fall." Hallmark has plenty of experience in the original movie category, but it's still finding its way on the series front. With an audience that's very accustomed to movies, Hallmark opted to make the series premiere 2 hours. "That way they can get deeper into the storyline right out of the gate," Abbott explained. It's developing a good track record, with net's 1st original ("Cedar Cove") renewed for a 3rd season to debut this summer. — *Amy Maclean*

Reviews: "Muse," Sat 9pm, **Showtime**. Plenty will write off this feature-length doc about *Kobe Bryant*, exec produced by Kobe, as an ego trip. Maybe. There are warts, though. The 1st basketball shot we see is Kobe hoisting an air ball and Bryant's rookie miscues feature prominently. While there's great footage of Bryant gliding around the court and slam-dunking, most of the film is Kobe, seated, talking about himself, guardedly, not always favorably. If you're a Bryant fan, you'll love it, if you're not, admire his dedication to be the greatest. -- "Vikings," Thurs, 10pm, **History**. The King of Wessex (*Linus Roache*) has taken a shining to Lagertha (*Katheryn Winnick*) (who wouldn't?). Can his infatuation survive the pagan agricultural ceremony that will cause animal-rights supporters to have a cow? The Feb 19 Season 3 premiere ep grabbed a Viking-size 4.6mln viewers. -- "Sex Box," premiere, Fri, 10pm, **WE tv**. Are people at their most honest emotionally after coitus? That's the premise behind this series that puts couples with intimacy issues in a box and asks them to get busy. Seems to work. -- "Comedy Bang! Bang!" Fri, 11pm, **IFC**. You never know what to expect from host *Scott Aukerman*. This week it's Mr Rogers on acid as he spoofs family sitcoms with *Jesse Tyler Ferguson* of "Modern Family." — *Seth Arenstein*

Basic Cable Rankings			
(2/16/15-2/22/15)			
Mon-Sun Prime			
1	USA	1.6	1539
1	FOXN	1.6	1396
3	DSNY	1.3	1287
3	TBSC	1.3	1238
3	ESPN	1.3	1213
3	AMC	1.3	1211
7	DISC	1.2	1164
7	HIST	1.2	1127
9	HGTV	1.1	1094
9	DSE	1.1	73
11	TNT	1.0	935
12	ADSM	0.9	868
12	TLC	0.9	843
12	BET	0.9	818
12	ID	0.9	744
16	FX	0.8	806
16	NAN	0.8	759
16	FOOD	0.8	739
16	FAM	0.8	735
16	LIFE	0.8	725
21	A&E	0.7	670
21	SYFY	0.7	654
21	FS1	0.7	614
24	TVLD	0.6	591
24	SPK	0.6	546
24	HALL	0.6	497
24	DSJR	0.6	437
28	CMDY	0.5	492
28	BRAV	0.5	468
28	VH1	0.5	465
28	APL	0.5	464
28	MSNB	0.5	437
28	OWN	0.5	406
28	HMM	0.5	273
35	CNN	0.4	394
35	CNBC	0.4	393
35	MTV	0.4	386
35	EN	0.4	353
35	NGC	0.4	342
35	GSN	0.4	341
35	LMN	0.4	336
35	WETV	0.4	332
35	DXD	0.4	329
35	H2	0.4	320
35	SCI	0.4	280
35	NKJR	0.4	279

*Nielsen data supplied by ABC/Disney



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GUEST COLUMN

Should You Participate in Cable's Diversity Study?

By Maria E. Brennan and Eglon E. Simons

In partnership, Women in Cable Telecommunications (WICT) and the National Association for Multi-ethnicity in Communications (NAMIC) have launched their biennial employment survey, measuring gender and ethnic diversity in the cable industry.

This research is unique to the cable industry and has had a significant impact by raising awareness about the importance of workforce diversity, while providing empirical data to inform key strategic decisions. As our consumer and employee base become increasingly diverse, our industry's ability to attract and retain the best possible talent is ever more critical to profitability and sustainability. And since higher profitability and greater sustainability are undoubtedly among your company's primary business goals, you should take part in the AIM/PAR survey.

The survey is being administered by Mercer, a global leader in talent development. Participating companies will receive a wealth of information—all confidential—to help inform their diversity and inclusion strategies. And because the Walter Kaitz Foundation is generously underwriting the cost, there is no charge for companies to participate.

The investment that companies will make is the staff time required to complete the survey; but there is much to be gained. Each participant will receive a custom report from Mercer to benchmark performance during the 2014 survey year and reflect the demographics of the key labor markets in which the company operates. In addition, for the first time Mercer representatives will be available post-survey for 60-minute private review sessions to further illuminate the findings from the confidential scorecards. Of particular significance to participating companies will be a customized Internal Labor Market (ILM) map generated by Mercer from current workforce data to project the movement of women and people of color throughout the organization over the next five years, and the subsequent impact on the diversity mix at key managerial levels. Participants in the 2013 joint



Maria Brennan



Eglon Simons

survey have praised the ILM map as an invaluable workforce planning tool.

Created in 2003, WICT's PAR Initiative has evolved into a comprehensive advocacy program that examines the status of women in cable based on three criteria critical to women's success: Pay equity, Advancement opportunities and Resources for work/life integration. The value of WICT's PAR Initiative continues to grow, with companies utilizing the collective research and resources to set goals, measure progress and adopt effective policies and programs.

NAMIC's AIM (Advancement Investment Measurement) is the latest iteration of the association's employment survey launched in 1999. Providing rich data central to understanding the state of multi-ethnic diversity in the cable telecommunications industry, NAMIC's AIM is a key resource for sustaining the pipeline for professionals of color. NAMIC's flagship education initiatives, the Executive Leadership Development Program and the Leadership Seminar are key outgrowths of the employment research.

The survey opened on January 29 and the data collection period will last until March 20. NAMIC and WICT will reveal the results of the survey in a joint Town Hall Meeting on September 29 as part of Diversity Week in New York. At that point, we will know if we have made progress since the last survey in 2013.

We urge all MSO's, programmers and vendors to take part. After all, aren't you striving to raise the diversity bar, while increasing profitability and ensuring the long term health of your company?

(Brennan is President & CEO of Women in Cable Telecommunications; Simons is President & CEO of NAMIC).

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