

# Cablefax Daily™

Monday — March 9, 2015

What the Industry Reads First

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## MVPD Musings: OVD, Ob-La-Da, Life Goes On

Companies weighed in last week on the FCC's proposal to classify online video distributors (OVDs) as MVPDs, with both cable operators and programmers raising objections. In Dec, the Commission voted to propose giving OVDs nondiscriminatory access to cable programming and local TV station broadcasts. At a recent conference, FCC special counsel *Gigi Sohn* said the move wasn't just to help online video players join the marketplace, but also to keep MVPDs from creating OTT services to skirt the rules. **Disney, 21st Century Fox** and **CBS** told the FCC that expanding the definition isn't warranted at this time and could jeopardize the nascent state of the OTT market by imposing complex regulation. The programmers argued that it's hard to even pinpoint just how to define who classifies as an MVPD. For example, the FCC asked for input on how many programming streams an entity must provide to be considered a provider of multiple channels of video programming. "Under a definition based solely on the number of linear streams being distributed, services like **WATCH ESPN** or **FOX Sports GO**, which enable viewers to access any number of events at any particular time and thus may, at any time, be delivering content streams of 30-40 events, could be considered MVPDs simply because they provide more than 20 streams of video at times, but not others," the programmers warned. "Such an inflexible test could lead to regulatory arbitrage, as entities could provide more or fewer streams or services based upon whether they deem it beneficial to qualify as MVPDs." **NCTA** said the FCC can't include OVDs because they don't meet the statutory definition of providing multiple channels of video programming. "The term 'channel' is itself unambiguously defined, for purposes of Title VI of the Communications Act, to require the provision of a transmission path on which video programming is provided—and not simply the video programming itself," the trade association said. "There is no indication that Congress intended to define 'channel' differently for purposes of the Title VI definition of an MVPD." In contrast to the networks, the affiliate associations for **ABC, CBS, Fox** and **NBC** all support the FCC's proposal to update the MVPD definition (with the caveat that the FCC preserve localism and program exclusivity for local stations). They want to make sure that OVDs who provide linear streams of video programming are classified as MVPDs and thus can't circumvent the retrans consent process. **Tennis Channel** supports the FCC's effort to expand the MVPD definition but wants the agency to go further than just including Internet-based subscription linear distributors. All Internet-based distributors—including subscription

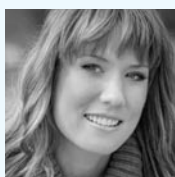
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**Elizabeth Hendricks North**

Curiosity Stream

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# *J. Howard Foundation*

## **22<sup>ND</sup> ANNUAL DIVERSITY AWARDS DINNER**

Wednesday, March 25, 2015

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CEO, NUVO+fuse Networks



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**AXS TV & NCTA**

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on demand, ad-based linear and transactional linear services—should be afforded program access and program carriage rights, Tennis said. The FCC's proposal to broaden the definition is a reversal of its 2012 tentative conclusion in **Sky Angel-Discovery Comm**, which said an MVPD must have a distribution facility to meet the classification.

**TiVo Tackles Comedy:** Featuring primetime and late night comedy programs across **ABC, CBS, NBC** and **Fox**, **TiVo** launched its Network Comedy Collections Fri. TiVo subs, including over-the-air customers can access the service through TiVo Roamio OTA platform. Meanwhile, comedy seems to be gaining traction these days. NBC is looking to build a subscription streaming service featuring comedy content. The service is expected to cost between \$2.50 to \$3.50 a month.

**March FCC Agenda:** This month's **FCC** Open Meeting should be a lot calmer than February's, which included net neutrality and muni broadband orders. The tentative agenda for the Mar 26 meeting includes an NPRM for Sec 102 of the STELA Reauthorization Act, which directs the FCC to adopt rules that let satellite providers import broadcast stations that may not be in their service areas but are significantly viewed (such as a broadcast station that originates in a market's home state, even if they're closer to a station in another state).

**NCTA Blasts FCC over Broadband:** The **NCTA** has a lot to say when it comes to the **FCC's** recent broadband moves. For starters, it isn't happy the agency raised the broadband speech benchmark to 25Mbps. The Commission issued its broadband deployment report in Jan, which found that broadband isn't available to all Americans in a reasonable and timely manner. "Amazingly, nowhere in this report does the Commission acknowledge its own role in failing to rectify the alleged problem," NCTA said in a filing with the agency Fri. Imposing a new speed definition and Title II regulation won't do anything to bring "faster, cheaper, or more robust broadband services to a single American," the group said. NCTA also fired shots at the FCC's USF reform initiative. In particular, the agency failed to implement the National Broadband Plan's recommendation to expand the universal service Lifeline program to support broadband. In addition, the FCC hasn't implemented the Remote Areas Fund established to deploy broadband to unserved areas, NCTA said. The group is asking the agency to issue a NPRM to create a broadband Lifeline program. It also proposed an independent 3rd party examination of the broadband deployment progress in unserved areas, among other things.

**Bright House Ups Speed:** **Bright House** launched a new 300 Mbps (15 Mbps upstream) speed tier throughout its Florida service area. The service, to be available to all residential subs in the Tampa Bay and the Central FL region starting later this month, is offered through the company's digital platform, which allows subs to simultaneously stream on multiple platforms in the home.

**4K Prediction:** By 2020, nearly 50% of US homes will have a 4K TV, according to **Strategy Analytics'** Connected Home Devices report. The US is expected to be the leading market for 4K in HH penetration by 2020, followed by Western EU markets, Australia, South Korea and China, the report states. It predicts global shipments of 4K TVs to more than double in 2015 to 27.5mln units. And by 2018, more than 100mln units will be shipped annually. The increasing demand is triggered by the expansion of devices, consumers upgrading their flatscreens and 4K TV price drops. Around 60% of all 4K TVs shipped globally last year were 50-inch or larger in size, while a quarter of all 50-inch and larger TVs that shipped were 4K TVs, according to the report. Moving forward, wide color gamut technology and high dynamic range support will be built into premium Ultra HD TV displays, creating a more "discernible price tier structure in the market."

**Comcast Franchise Settlement:** **Comcast** and the city of St Paul, MN, are set this week to settle a dispute over unpaid franchise fees and other noncompliance fees, with the MSO paying \$200K, the *Pioneer Press* reported. It's part of a new 10-year franchise deal with the city, which will see Comcast paying 5% of its gross annual revenue on top of a public access fee of 2.5%, the paper said. This agreement would transfer to **GreatLand Connections** if the **FCC** approves the Comcast-**Time Warner Cable** deal and related transactions with **Charter**.

**BBC's Milestone:** **BBC** scored some solid progress in distribution across the pond. The company's 24-hour global news net **BBC World News** is now available in more than 40mln US homes and in every major US market. The net has deals with ops including the just announced agreement with **DirecTV**, as well as **Comcast, Time Warner Cable, Verizon, Charter, AT&T U-verse** and **Cablevision**. The expanded carriage is partly due to new agreements secured by **AMC Nets**, which represents the net in distribution.

**Cablefax Week in Review**

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DIRECTV:	DTV	87.14	(1.65%)	0.51%
DISH:	DISH	76.06	1.36%	4.35%
ENTRAVISION:	EVC	6.80	(0.87%)	4.94%
GRAY TELEVISION:	GTN	12.60	15.17%	12.50%
MEDIA GENERAL:	MEG	15.19	1.88%	(9.21%)
NEXSTAR:	NXST	56.42	3.47%	8.94%
SINCLAIR:	SBGI	27.04	(1.53%)	(1.17%)

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	18.41	(1.97%)	(10.8%)
CHARTER:	CHTR	183.52	1.62%	10.14%
COMCAST:	CMCSA	60.37	1.67%	4.07%
COMCAST SPCL:	CMCSK	59.91	1.63%	4.06%
GCI:	GNCMA	13.18	(4.97%)	(4.15%)
GRAHAM HOLDING:	GHC	1047.24	6.17%	21.25%
LIBERTY BROADBAND:	LBRDA	52.17	0.60%	4.15%
LIBERTY GLOBAL:	LBTYA	54.19	0.24%	7.93%
SHAW COMM:	SJR	22.94	(1.16%)	(15.01%)
SHENTEL:	SHEN	28.34	(2.58%)	(9.31%)
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TIME WARNER CABLE:	TWC	159.02	3.23%	4.58%

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	34.49	(1.44%)	(10.19%)
AMC NETWORKS:	AMCX	72.46	0.61%	13.63%
CBS:	CBS	60.59	2.52%	9.49%
CROWN:	CRWN	3.50	7.36%	(1.13%)
DISCOVERY:	DISCA	33.08	2.41%	(3.98%)
DISNEY:	DIS	103.82	(0.25%)	10.22%
GRUPO TELEVISIA:	TV	34.56	1.29%	1.47%
HSN:	HSNI	66.12	(2.15%)	(13%)
LIONSGATE:	LGF	32.75	0.49%	2.28%
MSG:	MSG	76.05	(2.94%)	1.05%
SCRIPPS INT:	SNL	73.25	1.31%	(2.68%)
STARZ:	STRZA	33.35	0.33%	12.29%
TIME WARNER:	TWX	84.12	2.76%	(1.52%)
VIACOM:	VIA	70.35	0.19%	(6.82%)
WWE:	WWE	17.17	6.18%	39.14%

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE:	AEY	2.35	(2.49%)	(3.69%)
AMDOCS:	DOX	51.81	(1.31%)	11.04%
AMPHENOL:	APH	57.77	2.32%	7.36%
AOL:	AOL	40.80	0.64%	(11.63%)
APPLE:	AAPL	126.60	(1.45%)	14.69%
ARRIS GROUP:	ARRS	28.54	(2.86%)	(5.47%)
AVID TECH:	AVID	15.70	0.13%	10.49%
BLNDER TONGUE:	BDR	1.73	(1.7%)	(35.69%)
BROADCOM:	BRCM	44.33	(1.99%)	2.31%
CISCO:	CSCO	28.93	(1.98%)	3.97%
COMMSCOPE:	CTV	26.22	(0.91%)	2.26%
CONCURRENT:	CCUR	6.77	10.26%	(4.51%)
CONVERGYS:	CVG	21.74	(2.73%)	6.73%
CSG SYSTEMS:	CSGS	30.18	0.90%	20.38%
ECHOSTAR:	SATS	53.67	(1.25%)	2.23%
GOOGLE:	GOOG	567.68	1.66%	7.84%
HARMONIC:	HLIT	7.54	(3.46%)	7.56%

Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
INTEL:	INTC	33.19	(0.18%)	(8.54%)
INTERACTIVE CORP:	IACI	69.62	3.27%	14.53%
JDSU:	JDSU	13.89	0.87%	1.24%
LEVEL 3:	LVL	54.58	1.34%	10.53%
MICROSOFT:	MSFT	42.36	(3.4%)	(8.81%)
NETFLIX:	NFLX	454.12	(4.38%)	32.94%
NIELSEN:	NLSN	44.10	(2.46%)	(1.41%)
RENTRAK:	RENT	55.43	1.24%	(23.88%)
SEACHANGE:	SEAC	7.35	(2.65%)	15.20%
SONY:	SNE	27.51	(2.86%)	34.39%
SPRINT NEXTEL:	S	5.23	2.15%	26.02%
TIVO:	TIVO	11.03	(1.34%)	(6.84%)
UNIVERSAL ELEC:	UEIC	55.16	(2.39%)	(15.18%)
VONAGE:	VG	4.67	2.41%	22.57%
YAHOO:	YHOO	43.44	(1.9%)	(14%)


Company	Ticker	3/06 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	33.48	(3.13%)	(0.33%)
CENTURYLINK:	CTL	35.42	(6.44%)	(10.51%)
TDS:	TDS	25.25	(0.75%)	0.00%
VERIZON:	VZ	48.29	(2.35%)	3.23%

Index	Value	% Chg	% Chg
<b>MARKET INDICES</b>			
DOW:	DJI	17856.78	(1.52%) 0.19%
NASDAQ:	IXIC	4927.37	(0.73%) 4.04%
S&P 500:	GSPC	2071.26	(1.58%) 0.60%

**WINNERS & LOSERS**

<b>THIS WEEK'S STOCK PRICE WINNERS</b>		
COMPANY	CLOSE	1-WK CH
1. GRAY TELEVISION:	12.60	15.17%
2. CONCURRENT:	6.77	10.26%
3. CROWN:	3.50	7.36%
4. WWE:	17.17	6.18%
5. GRAHAM HOLDING:	1047.24	6.17%

<b>THIS WEEK'S STOCK PRICE LOSERS</b>		
COMPANY	CLOSE	1-WK CH
1. CENTURYLINK:	35.42	(6.44%)
2. GCI:	13.18	(4.97%)
3. NETFLIX:	454.12	(4.38%)
4. HARMONIC:	7.54	(3.46%)
5. MICROSOFT:	42.36	(3.4%)



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