

# Cablefax Daily™

Tuesday — March 17, 2015

What the Industry Reads First

Volume 26 / No. 050

## Wonk With Your Morning Coffee? The Net Neutrality Pitch at SXSW

Net neutrality may have fielded 4mln comments at the FCC, but judging by the paltry attendance at Mon morning's SXSW panel on the broadband's future, attendees were more concerned with Oculus Rift, hacking tips and where to get those cute cat ears. Nonetheless, counselor to the FCC chmn *Gigi Sohn* took to unbundling (wink, wink) the recent net neutrality decision for the few present. The principle behind it is that "the people at the ends of the networks ought to be able to communicate without the gatekeeper in the middle picking winners and losers," she argued. "Internet service providers have bottleneck control over what you see and what you don't see, and at what speed and at what quality of service, much like a cable operator does." But that's not OK when you're talking Internets. "The Internet was built to be different... to have power in your hands and my hands." Hence, the decision on Title II. She said that of the 4mln comments, the one uniting factor of those in favor of net neutrality was the desire to have no fast lanes. "There's no such thing as good paid prioritization," she said. Not even in the case of telemedicine, an objection raised by panel moderator *Laura Sydell*, NPR's digital culture correspondent. "Let me address your telemedicine issue," Sohn quipped. "Nobody's going to have their heart monitored over the open Internet if they want to live." Though few were present, those who cared to show up certainly cared for the topic. The line for the Q&A was impressive given the number of attendees—and that's when it got good. **TechFreedom** pres *Berin Szoka* asked why the FCC didn't avoid legal risk by putting out a proposal and allowing for comments. "Why did it have to be a secret document that was voted on without anybody on the outside having seen it, and it kept getting edited after it was voted on?" he asked. Sohn responded that "we did nothing out of the ordinary... The FCC didn't do anything differently than any other FCC has done before," she said, and though commish *Ajit Pai* has found fault with the procedure, she believes the Commission is "on the strongest legal ground," adding that in the FCC's previous 2 attempts at formulating net neutrality rules the courts effectively provided an "open invitation" to go the Title II route. What about the fear of rate regulation? Some took issue with the promise of "light touch" regulation, with one commenter looking for a tipping point at which the Commission would consider employing it. Sohn declined to speculate, saying that "we're not at that point." However, she noted that mobile voice was under an even lighter touch Title II for 20 years, and it was never regulated. "It would be a very, very

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difficult process... it would take a very long time and a lot of public opinion," she said. Moreover, she said the FCC is not actually regulating the Internet as a utility, as there is no price regulation, no tariffs, no customer service obligations and no unbundling. "We're not regulating the Internet, we're regulating the on ramps to the Internet," she said. Addressing Congress' next move, she said "we're going to wait and see. But we're not going to stop in anticipation of Congress doing something." In the meantime? It's back to hula hoops, happy hours and robots at SXSW.

**Effective Competition:** The FCC wants to know how it can improve the process for declaring effective competition for cable operators. It's a key question because local franchises can regulate basic cable rates in markets that are deemed not to have effective competition. The FCC presumes that every market lacks effective competition, which means operators are continuously filing petitions to have markets designated as competitive. Now the Commission is contemplating reversing its presumption, given the widespread availability of DBS and other changes in the video marketplace. "Such an approach would reflect the fact that today, based on application of the effective competition test in the current market, the Commission grants nearly all requests for a finding of effective competition," the FCC said. The change would mean that local franchise authorities would have to demonstrate to the FCC that 1 or more operators in its franchise are not subject to effective competition if they want to regulate rates. This proceeding also implements a provision of STELAR that directed the FCC to adopt a streamlined effective competition process for small cable operators, with the FCC to issue a rulemaking by June 2. The FCC wants comments on several possibilities, including whether there are any areas in which DBS reception is so limited that the Commission should not presume DBS subscribership in excess of 15% of households. Comments are due 20 days after publication in the Federal Register.

**Cablevision to Carry HBO Now:** Cablevision became the 1st cable provider to distribute HBO Now, the net's standalone streaming service set to launch in April. As part of the deal, Optimum Online subs can access HBO live and on demand programming across platforms. Pricing and other information regarding the service will be announced later. The move came after HBO's deal with Apple to exclusively offer HBO Now to Apple users in the US for \$14.99 a month.

**Scripps Buys Stake in Polish Media Firm:** Scripps Networks Interactive continues its EU expansion with a deal to acquire a 52.7% interest in Poland's multiplatform media company TVN. The company agreed to pay existing owner ITI and Canal+ Group for around \$617mln and will assume some \$888mln of debt. The deal, pending regulatory approvals, will see Scripps launch a mandatory public tender offer to further increase its ownership interest in TVN, as required under Polish law. The deal is part of Scripps' ongoing strategic development of its international business and "provides us with substantial further scale in Europe," chmn/pres/CEO Ken Lowe said in a statement. TVN offers both broadcast and pay-TV services. It has a 22% market share of Polish viewing in 2014.

**Crown Launches Production Arm:** As part of its strategy to beef up original content across platforms, Crown Media Family Networks launched Crown Media Productions, an in-house production firm. EVP of programming Michelle Vicary will oversee the production company, which aims to produce up to 6 TV films this year, all of which will be released under Hallmark Channel Original or Hallmark Movies & Mysteries Original brands. The goal is to double this year's output in 2016 and beyond. The 1st original films will debut later this year. Crown will finance the new company and retain all distribution rights worldwide. It will present the new entity to Hollywood creative agencies in a few weeks.

**Nielsen + Concentric:** Nielsen has formed a strategic alliance with Concentric for a new system for brand and media planning for Nielsen clients, combining Nielsen's data and analytics with Concentric's modeling method. Nielsen's new simulation offering will replicate consumer and marketplace conditions, including earned, paid and owned media, competitive activity, product features, consumer perceptions and word of mouth, to mimic real-world marketplace dynamics.

**On the Hill:** C-SPAN.org will offer live coverage of Tues' House Oversight and Govt Reform cmte hearing examining the relationship between the White House and FCC. It starts at 10am ET, with FCC chmn Tom Wheeler set to testify. The hearing comes following questions over President Obama's influence on the Commission's net neutrality order. On Wed,

# BUSINESS & FINANCE

C-SPAN.org, C-SPAN 3 and C-SPAN Radio will cover Sen Commerce's FCC oversight hearing with all 5 commissioners.

**Programming:** Tune in to **Sportsman Channel** Thurs night for Iditarod specials "Why Do they Run?" (9pm ET) and "Why Do they Mush?" (9:30pm ET). Sportsman, positioning itself the official net of the dogsled race, will showcase 17 hours of programming, including a 2-hour race coverage special on Apr 2. -- **HGTV** renewed 4 property hunting series, including season 7 of "House Hunters Renovation" and 2nd seasons of "Lakefront Bargain Hunt," "Island Hunters" and "Tiny House Hunters." -- **DIY Network** renewed 5 renovation series, including season 6 of "The Vanilla Ice Project," season 8 of "Kitchen Crashers," a 2nd season of "Barnwood Builders" and "Sledgehammer," as well as the 14th season of "Yard Crashers."

**People:** **Google** Head of Global Sports *Claude Ruibal* has left the company, *Sports Business Journal* reports, citing several sources. His departure comes as the **NFL** looks for a distributor for 1 game to be delivered OTT this season. -- *Michael Snyder*, most recently chief marketing officer at **Veria Living**, was named chief strategy officer and SVP, account services for marketing and ad agency **D4 Creative**.

**Editor's Note:** Hey you! CFX Live is calling! More info at [www.cfxlive.com](http://www.cfxlive.com)

## Cablefax Daily Stockwatch

Company	03/16 Close	1-Day Ch	Company	03/16 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	85.59	0.41	COMMSCOPE:	26.28	0.04
DISH:	73.54	(0.28)	CONCURRENT:	6.79	0.03
ENTRAVISION:	6.75	0.02	CONVERGYS:	22.36	0.52
GRAY TELEVISION:	14.38	0.34	CSG SYSTEMS:	29.54	0.26
MEDIA GENERAL:	16.75	0.73	ECHOSTAR:	51.49	0.34
NEXSTAR:	57.98	1.16	GOOGLE:	554.51	7.19
SINCLAIR:	28.50	0.49	HARMONIC:	7.58	UNCH
<b>MSOS</b>					
CABLEVISION:	18.21	0.35	INTEL:	30.83	(0.1)
CHARTER:	191.38	0.25	INTERACTIVE CORP:	67.56	(0.42)
COMCAST:	59.75	0.70	JDSU:	13.93	0.30
COMCAST SPCL:	59.31	0.62	LEVEL 3:	54.55	0.14
GCI:	14.45	0.48	MICROSOFT:	41.56	0.18
GRAHAM HOLDING:	1092.04	12.41	NETFLIX:	421.97	(16.43)
LIBERTY BROADBAND:	55.36	0.09	NIELSEN:	43.22	0.63
LIBERTY GLOBAL:	52.67	0.68	RENTRAK:	55.68	1.23
SHAW COMM:	22.67	0.13	SEACHANGE:	7.71	(0.06)
SHENTEL:	30.82	1.17	SONY:	25.82	(0.74)
SHENTEL:	30.82	1.17	SPRINT NEXTEL:	5.15	0.03
TIME WARNER CABLE:	158.38	3.41	TIVO:	10.65	0.01
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	34.35	0.33	UNIVERSAL ELEC:	55.79	0.02
AMC NETWORKS:	72.20	0.63	VONAGE:	4.53	0.08
CBS:	62.08	1.15	YAHOO:	43.51	0.64
CROWN:	3.84	0.03	<b>TELCOS</b>		
DISCOVERY:	32.60	0.57	AT&T:	33.06	0.30
DISNEY:	107.37	0.93	CENTURYLINK:	34.50	0.08
GRUPO TELEVISIA:	34.36	0.07	TDS:	25.79	0.43
HSN:	67.35	0.51	VERIZON:	49.27	0.43
LIONSGATE:	33.98	0.72	<b>MARKET INDICES</b>		
MSG:	77.81	(0.39)	DOW:	17.00	458.00
SCRIPPS INT:	72.69	0.78	NASDAQ:	4929.51	57.75
STARZ:	33.86	0.12	S&P 500:	2081.19	27.79
TIME WARNER:	85.45	1.36	<b>TECHNOLOGY</b>		
VIACOM:	69.49	1.14	ADVANTAGE:	2.34	0.02
WWE:	16.53	(0.15)	AMDOCS:	52.11	0.45
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.34	0.02	AMPHENOL:	59.31	1.36
AMDOCS:	52.11	0.45	AOL:	38.85	0.26
AMPHENOL:	59.31	1.36	APPLE:	124.95	1.36
AOL:	38.85	0.26	ARRIS GROUP:	30.62	0.83
APPLE:	124.95	1.36	AVID TECH:	14.23	(0.4)
ARRIS GROUP:	30.62	0.83	BLNDER TONGUE:	1.65	(0.05)
AVID TECH:	14.23	(0.4)	BROADCOM:	44.94	0.67
BLNDER TONGUE:	1.65	(0.05)	CISCO:	28.30	0.36
BROADCOM:	44.94	0.67			
CISCO:	28.30	0.36			



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## CFX TECH by Joyce Wang

### Wireless Becoming Top Focus at CableLabs

The industry's R&D consortium **CableLabs'** to-do list is a clear indication of not only upcoming innovations in the industry but also ops' investment areas. Among the top priorities is wireless, *Dan Rice*, svp of access network technology said in an interview. "We have been growing our research on wireless over the last couple years, and it's moving to our primary area of focus," Rice said, citing DOCSIS 3.1 and data security as two other main focus areas. The group is working on quite a few things on wireless, including WiFi, mobile technology and in-home wireless networks. "With DOCSIS 3.1, we are able to deliver multi-gigabit speeds. We need to make sure the home networks are capable of supporting that in a more consistent and reliable way than they are today." CableLabs is also pushing ahead with carrier-grade WiFi initiatives. It's working with industry consortia including the **Wireless Broadband Alliance** and the **WiFi Alliance** to enhance cable's expansion of hotspots. "There's an interesting consensus that has emerged on all the requirements for carrier-grade wireless. Now we are moving into a certification program within the WiFi Alliance..." said Rice. At its in-house testing facilities, CableLabs is testing WiFi access points, mobile phones and tablets for their radio frequency (RF) performance characteristics. The goal is to make WiFi RF performance as consistent and high quality as mobile phone RF, Rice said. Without commenting directly on MSOs' recently launched WiFi services such as **Cablevision's** FreeWheel, Rice said several other service providers are already doing something similar. For one, **Republic Wireless**, a US mobile virtual network operator, sells low cost mobile phone service that defaults to WiFi and falls back to **Sprint Nextel's** mobile network. Thanks in part to the expansion of WiFi-based services and all the testing done around the technology, "we are seeing the quality of [WiFi] equipment increase substantially," Rice said, noting that the iPhone 6's WiFi performance is a big improvement over the iPhone 5. The iPhone 6 series are the first **Apple** mobile devices equipped with 802.11ac WiFi, which sup-

ports much faster data throughput speeds than previous generations. The access points MSOs are using are also performing better, according to Rice, a former **Arris** exec. Meanwhile, CableLabs is looking into LTE unlicensed, a new use of LTE technology that could potentially threaten WiFi. That's why the group is working with the wireless industry and WiFi groups to come up with technical approaches to enable spectrum sharing. LTE unlicensed could be used by cable, but a major challenge is it doesn't co-exist well with WiFi, Rice said. With the majority of data going over WiFi today, it's important to ensure that any other wireless technology not interfere with WiFi, he said. And here's a quick update on DOCSIS 3.1: CableLabs continues to stay ahead of schedule on the specification development process. The group is working on interoperability testing, which started in Dec (there was one last week). The certification program is expected to be available in May. Trials are expected before the end of the year.

**NetCracker Gets Renewal:** **NetCracker**, whose services include billing and revenue management for cable ops, scored a multi-year renewal with Indian-based operator **Schurz Communications**, which offers cable services across IN, FL, MD and AZ. As part of the deal, NetCracker will support the op's central billing, rating and charging process through its billing and revenue management platform.

**RCN Launches Agent:** **RCN** wants to help its resale partners better sell its IP-based data and voice services to enterprise and SMBs. The operator's enterprise arm **RCN Business** launched an agent program to provide certain national and regional telecom agents and systems integrators with resources and support including competitive compensation, flexible business solutions and sales enablement tools. RCN will also provide 24/7 agent support with trained staff. The company has already partnered with agents including **BCM One**, **Glacier Communications**, **NEF** and **TeleDomani**.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at [jwang@accessintel.com](mailto:jwang@accessintel.com)

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