

Cablefax Daily™

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What the Industry Reads First

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FCC Tuesday: Another Hearing, Another Lawsuit

The court battle over the FCC's net neutrality order has officially begun. **USTelecom**, representing major players like **AT&T** and **Verizon**, challenged the agency's Title II order at the DC Court of Appeals, while small TX-based ISP **Alamo Broadband** filed its suit at the 5th Circuit Court of Appeals in New Orleans. "We do not believe the Federal Communications Commission's move to utility-style regulation invoking Title II authority is legally sustainable... Therefore, we are filing a petition to protect our procedural rights in challenging the recently adopted open Internet order," USTelecom President *Walter McCormick* said in a statement following Mon's lawsuit. The rules still haven't been published in the Federal Register, an act that could bring more legal challenges. House Republican leaders used the opportunity to push again for a legislative solution. "These filings are the first in what will undoubtedly be years of challenges... Congress has the opportunity to change this poorly chosen course and enact durable solutions that protect consumers. The door remains open to our colleagues so we can make Open Internet protections a reality," House Commerce head *Fred Upton* (MI) and communications subcommittee chairman *Greg Walden* (OR) said in a joint statement. Meanwhile, the Hill continued Tues to grill FCC chairman *Tom Wheeler*, as he testified before the **House Appropriation's** financial services subcommittee. It was 4th time in a week that the chairman appeared on the Hill. The FCC's funding level has been flat since FY 2012 "because we believe the Commission can and should do less with less... Unfortunately, the Commission seems to be pursuing politically-charged issues rather than the important, mission-critical work of the FCC... It seems to me that this net neutrality rule may have bumped into a lot of the statutory requirements that are there on the books," the panel's chairman *Ander Crenshaw* (R-FL) said. Republican commish *Ajit Pai* wants the legislators to forbid the FCC from using any appropriated funds to implement or enforce the net neutrality order. "Funds spent on regulating the Internet are funds that can't be spent on critical priorities," Pai said. "Let's use our limited budget to fix something that is broken, such as the Commission's information technology systems or its widely panned, user-friendly website." In addition to defending the Title II order, Wheeler cited several initiatives to cut agency costs. He plans to close 16 field offices, which, if accepted by other commissioners, will lead to annual savings of around \$9mln. Many of the field offices have a 1-manager-to-4-employee ratio and oversized rental facilities, which are draining FCC resources, Wheeler told the lawmakers. He also is ready to modernize and streamline all



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agency operations to improve overall efficiency. With the FCC's leasing expiring, the commission is asking for an \$84mln increase for FY 2017. That said, Wheeler said the new lease can save the agency \$13mln annually.

Ovation Launches Artist MCN: Ovation is launching its own multi-channel network, tapping former YouTube Nation channel manager *Stephen Dypiango* to oversee the venture as vp, **Ovation Digital Arts**. The MCN offering links YouTube creators with Ovation TV's linear presence, creating "highly curated" content. "Targeted distribution and promotion to arts-loving viewers is where we excel, and we will actively spotlight our channel partners on Ovation shows, invite them to host programs, and source their talents for new original programming," Dypiango said. Ovation Digital Arts' initial channel partners include artists in dance, photography, drawing, painting, music and more. Ovation Digital Arts said it will offer its channel partners assistance in audience development and pursuing additional revenue streams, including distribution via non-YouTube platforms.

IoT on the Hill: Laws don't always keep pace with technology. That's why it's important to educate lawmakers on new technologies. Internet of Things vendors, including **Qualcomm**, **Bell Labs**, **Toyota** and **ABB Asset Health Center**, were invited to showcase their IOT products before the **House Commerce, Manufacturing and Trade** subcmte Tues, followed by a hearing. "Unlike other established markets, the Internet of Things is still developing, and we are still trying to understand the nature and basis of threats facing this ecosystem," subcmte chmn *Michael Burgess* (R-TX) said. He cautioned that "too much potential for economic progress and consumer welfare is at stake to act without a full appreciation for what this market can offer." The **FTC** issued a report in Jan that recommends industries develop self-regulatory programs and adopt privacy- and security-sensitive practices. Among the witnesses was *Rose Schooler*, vp of **Intel's IoT Group**. As early adopters deploy technologies to enable IoT solutions, it is important that the various IoT technologies are "interoperable" with each other as well as being able to adapt and grow to accommodate new and changing business requirements, she said, adding proprietary technologies will slow down IoT adoption, limit scalability and delay economic benefits.

Suddenlink-AXS TV Deal: Suddenlink signed a new, multi-year deal with **AXS TV** that will increase the music net's distribution in Suddenlink's footprint. The deal also will make AXS available in both HD and SD. As part of the overall agreement, Suddenlink renewed companion channel **HDNet Movies**.

A+E Gets Vessel: A+E Networks inked a deal with **Vessel** to put its content on the new premium video service that allows early access to short-form video. Under the deal, clips from **A&E**, **History** and **Lifetime** will be available to Vessel subs for 72 hours before they become available and sharable for free on Vessel. Creators can publish the content anywhere else they have a presence on the web. The service, which costs \$2.99 a month, is founded by **Hulu** execs *Jason Kilar* and *Richard Tom*.

Ratings: TNT was the #1 cable net in prime last week, averaging 2.34mln total viewers. Sister net **TBS** was runner-up with 2.25mln, according to an **ABC/Disney** analysis of **Nielsen** data. **AMC's** "The Walking Dead" still ruled, ranking as the top program (13.8mln viewers) and its companion series "Talking Dead" as #2 (6mln). A lot of networks have to be happy the finale is coming up this Sun... **WWE** on **USA** outranked March Madness on **TBS** by a hair (3.96mln vs 3.91mln for Sat's matchup on TBS). **Brag Book:** USA's "Suits" March 4 finale drew 1.8mln 18-49s and 3.4mln 25-54s (L+7). Rentrak reported the 2nd half of Season 4 drew an additional 1.6mln VOD transactions.

Customer Service Report: The single most used—and preferred—customer service channel is speaking with a live agent on the phone, with 81% of respondents in a **PwC** survey using/preferring to reach out and touch someone. At the same time, the firm believes online chat could eventually replace phone calls, with 40% of consumers already preferring chat. The study found that consumers who contact customer support do so frequently, averaging 2.4 times in the past 6-9 months. PwC said that after telecommunications at 25%, the most frequent industry people contact for customer care is retail (21%). Broadband averaged 11%. Of the 1K US participants, 67% said specific issues lend themselves to either traditional or digital communications. Traditional (phone, retail store, mail) is seen as better suited for billing issues and product questions, while digital (email, online chat, mobile app) is better suited for checking account status and handling website issues.

Sports Emmys: **ESPN** led all networks in **Sports Emmy** nominations, with 37. It was followed by **NBC** (33), **MLB Net** (16) and **ESPN2** (15). **The National Academy of Television Arts & Sciences** will present the awards May 5 at a cer-

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emony that will honor former ESPN pres/chmn *George Bodenheimer* with a Lifetime Achievement award. Other cable nets with double-digit nominations include **Fox Sports 1** (13), **HBO** (12), **TNT** (12) and **TBS** (10). The 2014 Sochi Winter Olympics on NBC nets received the most nominations for a single program (15). ESPN2's "E:60," Fox Sports 1's "Fox Sports Live" and ESPN's "Sports Center" all tied for 2nd place with 7 nominations each.

SCTE: Bright House and Alaska service provider **GCI** joined the **SCTE** Corporate Alliance Program, which already counts **Comcast, Cox, Liberty Global, Shentel, Suddenlink** and **Time Warner Cable** as members.

Programming: *Esquire* greenlit 10-part doc "The Agent," which follows 4 sports agents navigating professional football (July debut). -- **Showtime** picked up the drama "Billions," starring *Paul Giamatti*, for 12, one-hour eps. The series delves into the world of high finance, with Giamatti playing US Attorney *Chuck Rhoades* and *Damian Lewis* playing hedge fund king *Bobby "Axe" Axelrod*. -- **ABC Family** gave the greenlight to workplace comedy "Kevin From Work," starring *Noah Reid*.

People: **A+E Networks** tapped *Amanda Hill* as chief creative officer, international, reporting to *Sean Co-han*, evp of international. Hill was most recently chief brands officer at **BBC Worldwide**.

Cablefax Daily Stockwatch

Company	03/24 Close	1-Day Ch	Company	03/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	85.94	(0.44)	COMMSCOPE:	26.61	(0.13)
DISH:	72.20	(0.93)	CONCURRENT:	6.72	(0.02)
ENTRAVISION:	6.83	(0.03)	CONVERGYS:	22.65	(0.21)
GRAY TELEVISION:	13.83	0.44	CSG SYSTEMS:	30.29	0.01
MEDIA GENERAL:	16.78	(0.04)	ECHOSTAR:	51.61	(0.16)
NEXSTAR:	56.76	(0.03)	GOOGLE:	570.19	11.38
SINCLAIR:	31.21	0.07	HARMONIC:	7.61	(0.05)
MSOS					
CABLEVISION:	18.50	(0.09)	INTEL:	30.79	(0.41)
CHARTER:	187.60	(1.27)	INTERACTIVE CORP:	67.70	(0.45)
COMCAST:	57.57	(1.55)	JDSU:	13.48	(0.24)
COMCAST SPCL:	57.35	(1.5)	LEVEL 3:	54.99	(0.29)
GCI:	16.09	(0.13)	MICROSOFT:	42.90	0.05
GRAHAM HOLDING:	1086.35	8.84	NETFLIX:	438.28	13.28
LIBERTY BROADBAND:	54.75	0.84	NIELSEN:	43.27	(0.38)
LIBERTY GLOBAL:	52.53	(0.46)	RENTRAK:	55.07	(1.43)
SHAW COMM:	23.13	0.38	SEACHANGE:	8.34	(0.01)
SHENTEL:	32.27	(0.5)	SONY:	27.57	(0.21)
SHENTEL:	32.27	(0.5)	SPRINT NEXTEL:	4.97	(0.11)
TIME WARNER CABLE:	151.00	(4.54)	TIVO:	10.74	0.01
PROGRAMMING					
21ST CENTURY FOX:	35.07	(0.48)	UNIVERSAL ELEC:	56.88	0.59
AMC NETWORKS:	75.00	0.41	VONAGE:	5.10	0.07
CBS:	62.38	(0.3)	YAHOO:	44.42	(0.3)
CROWN:	4.26	0.10	TELCOS		
DISCOVERY:	32.51	(0.04)	AT&T:	33.07	(0.21)
DISNEY:	107.11	(1.11)	CENTURYLINK:	35.19	(0.13)
GRUPO TELEVISIA:	34.48	(0.18)	TDS:	25.86	(0.51)
HSN:	68.51	(0.04)	VERIZON:	49.41	(0.23)
LIONSGATE:	33.34	(0.29)	MARKET INDICES		
MSG:	80.79	0.23	DOW:	18011.14	(104.9)
SCRIPPS INT:	71.23	0.11	NASDAQ:	4994.73	(16.25)
STARZ:	34.47	0.37	S&P 500:	2091.50	(12.92)
TIME WARNER:	86.34	(0.74)			
VIACOM:	69.29	(1.67)			
WWE:	16.55	(0.02)			
TECHNOLOGY					
ADVANTAGE:	2.38	0.05			
AMDOCS:	53.90	(0.07)			
AMPHENOL:	59.09	(0.65)			
AOL:	39.72	0.06			
APPLE:	126.69	(0.52)			
ARRIS GROUP:	30.09	(0.85)			
AVID TECH:	15.01	(0.19)			
BLNDER TONGUE:	1.84	0.07			
BROADCOM:	44.58	(0.64)			
CISCO:	28.00	(0.41)			

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