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What the Industry Reads First

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Comcast CFO: New Broadband Definition Has No Impact on Merger

Some have argued that the **FCC's** new broadband definition of 25 Mbps is bad news for the pending **Comcast-Time Warner Cable** merger, but Comcast's financial chief doesn't see it that way. The new definition "has no connection to the transaction," *Michael Angelakis* said Tues during the **Morgan Stanley** Technology, Media & Telecom Conference. The reality is the agency comes up with different definitions on broadband on a regular basis, with it raising the minimum speed target for rural broadband deployment from 4 Mbps to 10 Mbps last year, he said. The 25 Mbps benchmark reflects advanced broadband deployment, which Comcast is fine with, Angelakis said, noting the majority of Comcast Internet customers subscribe to speeds faster than 25 Mbps. "It is a good thing and it should be perceived as a good thing," the exec said. Opponents of the merger have pointed out that the new 25 Mbps baseline has even less competition than the old baseline. It's been more than a year since the merger was proposed, and Angelakis insisted that the deal is as attractive as when it was 1st announced. What's changed since the transaction was announced is that the FCC has approved a Title II net neutrality regime. "We haven't seen the order, so we have to read it very carefully. We'll look very carefully at the forbearance, which obviously is very important," Angelakis said. ISPs expect the order to trigger widespread regulatory and legal uncertainty. "Our hope really is that the uncertainty will create a legislative solution. That, I think would be a nice outcome. And an appropriate outcome given all the contingencies that are involved," Angelakis said. The order also covers interconnection issues. Comcast has thousands of interconnection agreements and the company is confident that its relations with the interconnection partners, at least the majority of them, have been satisfactory. As programmers launch standalone OTT services and as the industry explores skinny TV bundles, Comcast NBCU is evaluating programming options that provide more flexibility to consumers, he acknowledged. "Over time, it's in both distributors and programmers' interests to meet the needs of consumers." And streaming services are complementary to linear offerings and will help operators' broadband business, he said. 2015 is looking to be another cable WiFi expansion year. "We are still very much deploying WiFi," an extension of Comcast's broadband and to some degree its video services, Angelakis said. **Google** svp of products *Sundar Pichai* said Monday at the Mobile World Congress that the search giant will

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View the Expanded Agenda www.CFXLive.com

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launch an MVNO in the US on a limited basis in the next few months. The company will be working with partners for the service, which reportedly will search for the best available wireless or WiFi signal to route data and voice traffic. Comcast will be watching the development closely, Angelakis said. Will there be a Comcast virtual wireless network? Too early to say, according to the exec. The MSO reportedly has considered a hybrid WiFi-cellular virtual network.

Fuse Media: NUVOfv and Fuse parent SiTV Media renamed itself as Fuse Media as part of a multifaceted initiative following the acquisition of the Fuse network last summer. The company will also launch a new net, **FM**. Along with Fuse, the 2 nets are expected to expand the company's reach to the 18-34, multicultural audience with a broad array of content including music, comedy, culture and lifestyle programming. The NUVOfv brand will be phased out by the end of 3Q while its "core mission will continue to be carried out by Fuse," the company said Tues. Meanwhile, Fuse will expand into new genres, using talent and content that appeals to English-speaking Latinos while maintaining its youth appeal. In addition, Fuse Media will roll out a new TVE and digital strategy, including launching new mobile apps. Fuse, formerly owned by MSG, was acquired by SiTV for \$226mln.

Spike Gets New Look: Spike just got a facelift. The net, which traditionally targets young guys, launched a new tagline and logo at its upfront presentation on Tues to draw a broader, gender-balanced audience. The tagline "Spike: The Ones To Watch" reflects the network's shift to a general entertainment network, the company said. With a multi-platform redesign, Spike's on-air look will reflect the brand's transformation as well. Spike's programming slate includes "Sweat," a reality competition series for the next big fitness craze with *Jillian Michaels*. Spike booked 8 more eps of its original series "Lip Sync Battle." In addition, the net has partnered with **Legendary Pictures** to develop an original series featuring first responders, "Emergency Broadcast."

Pay-TV Numbers: The 13 largest pay-TV ops, which account for 95.2% of US pay-TV HHs, lost 125K subscribers in 2014, up from 95K in 2013, said a report by the **Leichtman Research Group**. The top 9 cable companies, which account for 49.3mln video subs, lost nearly 1.2mln subs last year, an improvement from the nearly 1.7mln lost in 2013. The satellite providers, **DirecTV** and **DISH**, added 20K subs in 2014, down from the 170K it added in 2013. **AT&T** and **Verizon** added nearly 1.1mln video subs, down from around 1.4mln in 2013. "2014 marked the second consecutive year for pay-TV industry net losses, but the losses remained modest again this year," said the research firm's president and principal analyst *Bruce Leichtman*. The top pay-TV providers have only lost about 0.2% of all subs over the past two years despite a relatively saturated market and increasing service alternatives, he said.

More Xfinity Streaming: Comcast added more nets to its Xfinity live streaming lineup. They include **AMC**, **BBC America**, **Fox Deportes**, **Movieplex**, **Showtime**, **Univision Deportes** and **Weather Channel**. Xfinity TV Go now has more than 70 live nets.

Synacor Friended thePlatform: Multiscreen tech firm **Synacor** inked an agreement with Comcast-owned **thePlatform** to provide a cross-platform service for ops, programmers and OTT providers. As part of the deal, Synacor will integrate technology from thePlatform, including back-end video management system, multiscreen workflow, policy management and playback services. ThePlatform's newly added capabilities will work in tandem with Synacor's next-gen Startpage offering, "PowerPlay" Search & Discovery/Metadata platform, Cloud ID Authentication services, and Synacor's recently acquired live linear technology from NimbleTV.

CSG Beefs up Digital Platform: To accelerate service providers' introduction, operations and monetization of digital services, **CSG International** launched a digital platform that allows providers to more easily launch, scale and monetize new digital offerings such as video, music, games and home security. The company has rolled out components of the platform, dubbed Ascendon, with customers including **Comcast's** Xfinity on Campus. See full story on *Cablefax.com*.

ION's Upfront Approach: This week, **ION Television** launches the "ION Effects" campaign, designed to target advertisers with content featured across a variety of platforms. In addition to trade pub ads, look for advertising on billboards, bus shelters and subways throughout NYC, L.A., Chicago, Detroit and Atlanta. A dedicated website website at *ioneffects.com* will engage users with creative content, data points and a contest. For the 4th year in a row, ION Television will also execute its

BUSINESS & FINANCE

"ION Delivers" lunch program, designed to reinforce the network's messaging during the upfront season.

Programming: truTV made its 1st foray into full-length scripted comedy with "Those Who Can't." The 10-ep comedy about a trio of frustrated high school teachers will debut in early 2016. -- **Smithsonian Channel** will commemorate *Leonard Nimoy*, best known for his role as Mr Spock of the "Star Trek" franchise, with encore presentations of "The Real Story: Star Trek" on Tues at 5pm, Wed at 1pm, Thurs at 6am, and Fri at 3am. The program explores the life of franchise creator *Gene Roddenberry* and features interviews with the late actor.

People: Discovery Comm tapped longtime media industry exec Marc Graboff as pres, global business and legal affairs, production management and studio, starting in April. He will report to Bruce Campbell, chief development and digital media officer and general counsel. Graboff was most recently pres of CORE Media Group. Prior to CORE, he was at NBCU for 15 years. In addition, Discovery promoted Lee Bartlett, previously evp, global production management, business and legal affairs, to pres of the Studios Group. Bartlett will also serve as Discovery's primary liaison for All3Media, as well as chmn of the board of All3Media for Discovery's current term. He will report to Graboff.

Cablefax Daily Stockwatch

Company	03/03 Close	1-Day Ch	Company	03/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	88.48	(0.47)	COMMScope:	26.28	(0.19)
DISH:	75.85	0.19	CONCURRENT:	6.13	0.05
ENTRAVISION:	6.76	(0.16)	CONVERGYS:	22.32	(0.27)
GRAY TELEVISION:	10.98	(0.06)	CSG SYSTEMS:	29.65	(0.32)
MEDIA GENERAL:	14.74	(0.27)	ECHOSTAR:	54.98	0.27
NEXSTAR:	55.50	0.70	GOOGLE:	573.64	2.30
SINCLAIR:	27.96	0.61	HARMONIC:	7.72	(0.2)
MSOS			INTEL:	34.09	0.04
CABLEVISION:	19.17	0.36	INTERACTIVE CORP:	68.42	(0.11)
CHARTER:	186.96	1.01	JDSU:	13.51	(0.3)
COMCAST:	59.96	0.09	LEVEL 3:	54.90	0.90
COMCAST SPCL:	59.45	0.10	MICROSOFT:	43.28	(0.6)
GCI:	14.39	(0.02)	NETFLIX:	474.71	(5.54)
GRAHAM HOLDING:	1004.16	7.51	NIELSEN:	44.83	0.13
LIBERTY BROADBAND:	53.69	0.84	RENTRAK:	58.32	(0.03)
LIBERTY GLOBAL:	55.62	0.99	SEACHANGE:	7.47	(0.19)
SHAW COMM:	23.08	0.02	SONY:	27.83	(0.28)
SHENTEL:	29.65	0.18	SPRINT NEXTEL:	5.24	0.15
SHENTEL:	29.65	0.18	TIVO:	11.25	(0.13)
TIME WARNER CABLE:	156.74	1.23	UNIVERSAL ELEC:	57.10	(1.44)
PROGRAMMING			VONAGE:	4.56	(0.02)
21ST CENTURY FOX:	35.64	0.48	YAHOO:	42.62	(1.49)
AMC NETWORKS:	74.48	0.62	TELCOS		
CBS:	62.80	1.05	AT&T:	34.41	(0.23)
CROWN:	3.44	(0.03)	CENTURYLINK:	37.68	0.05
DISCOVERY:	33.99	1.34	TDS:	24.85	(0.46)
DISNEY:	106.35	0.46	VERIZON:	49.55	0.08
GRUPO TELEvisa:	34.72	0.64	MARKET INDICES		
HSN:	68.32	(0.16)	DOW:	18203.37	(85.26)
LIONSGATE:	32.85	(0.03)	NASDAQ:	4979.90	(28.2)
MSG:	78.51	(0.3)	S&P 500:	2107.78	(9.61)
SCRIPPS INT:	74.07	1.63			
STARZ:	34.30	0.28			
TIME WARNER:	83.16	0.39			
VIACOM:	71.94	0.86			
WWE:	17.26	0.01			
TECHNOLOGY					
ADDVANTAGE:	2.33	(0.09)			
AMDOCS:	52.45	(0.55)			
AMPHENOL:	57.32	0.10			
AOL:	41.65	0.75			
APPLE:	129.36	0.27			
ARRIS GROUP:	29.62	(0.19)			
AVID TECH:	15.46	(0.09)			
BLNDER TONGUE:	1.73	(0.05)			
BROADCOM:	45.43	(0.76)			
CISCO:	29.54	(0.65)			

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GUEST COLUMN

Solving the Puzzle

Washington, D.C., has never been called an easy place to get things done. So that's why at this year's American Cable Association 22nd annual policy Summit, ACA and its members are "Solving the Puzzle." Our timing is perfect with 2015 poised to be a breakthrough year for independent cable, highlighted by work on a Communications Act update that has the potential to sweep away the vestiges of outdated laws and abolish regulatory preferences that powerful incumbents—especially broadcasters—have been abusing at the expense of consumers for far too long.

Solving the puzzle means ACA will play a committed role to urge Congress to take steps to update the key telecommunications statutes for the first time since 1996. A huge piece of this puzzle would be Congress adopting "Local Choice" as a superior substitute for the broken retransmission consent system, which is driving the price of what the broadcasters call "free TV" into the stratosphere and leading to a record number of TV signal blackouts in pay-TV homes. To a very large extent, Local Choice puts consumers in control by allowing them to decide whether they want any local TV signals in their cable package. Today, the law gives cable subscribers no choice at all.

Program access is another missing puzzle piece that is high on ACA's agenda. FCC rules effectively ban the National Cable Television Cooperative (NCTC) from utilizing the program access rules to file complaints with the FCC related to discriminatory conduct by cable-affiliated programmers. Because the vast majority of ACA members purchase their national program through NCTC, it is intolerable that FCC rules fail to accord to small and medium-sized cable operators the full legal protections that Congress intended in the 1992 Cable Act. The FCC has pending a rulemaking that tentatively concludes the definition of a buying group should be updated to no longer exclude NCTC. For the FCC to complete this puzzle,

it needs to act on this matter this year.

ACA members see broadband as their future; that's the puzzle everyone wants solved, whether a consumer, provider or policymaker. ACA members have done their part to invest \$10 billion to deploy high-speed broadband Internet access service to more than 20% of the nation, including unserved and underserved households, businesses, and anchor institutions (e.g. schools, libraries, and hospitals) in small cities and rural areas, and urban areas in competition with larger service providers. Unfortunately, a lot of this positive activity to solve the broadband puzzle will be put at risk under FCC Title II regulation of broadband access providers. Government policy needs to ensure that ACA members have the incentive to invest in their

networks and improve download speeds. Heavy-handed policies that put network owners at a disadvantage will hurt the entire broadband ecosystem and will inevitably cause American innovators to lose ground.

I'm hopeful that people of goodwill will understand that ACA members provide millions of consumers with a high-performance Internet connection that links them to a world of commerce, entertainment and communications. To protect the Open Internet from perceived threats of smaller ISPs, the FCC needs to apply only three bright line Open Internet rules—no blocking, no throttling, and no paid prioritization. After that, with respect to smaller ISPs, policymakers' time and attention are better focused on preventing media giants harming the Open Internet by selectively blocking the broadband customers of ACA members.

Puzzles aren't always easy to solve, and they can require a lot of patience. ACA is pleased to be back in DC for our 22nd year to continue solving this puzzle with the committed advocacy and voice of our ACA members. It's only a matter of time before all of the pieces fit!

- Matt Polka is president/CEO of ACA.



Matt Polka

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