

# Cablefax Daily™

Monday — April 6, 2015

What the Industry Reads First

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## Video Report: First Ever MVPD Sub Decline

The FCC finally issued its 16th annual video competition report that it was supposed to release last year. Posted late Thurs, the 180-page long report, which tracks the video market from year-end 2012 to year-end 2013, found that the total number of MVPD video subs posted its first-ever, full-year decline, falling from 101mln to 100.9mln HHs. All of the decreases came from cable MVPDs, which fell from 56.4mln to 54.4mln. Satellite pay-TV subs increased slightly from 34.1mln to 34.2mln, and telco pay-TV subs increased significantly from 9.9mln to 11.3mln. In the 15th video report, the number of MVPD subs grew from 100.8mln to 101mln HHs between year-end 2010 and June 2012, though cable MVPDs lost market share, falling from 59.3% of all MVPD video subs at the end of 2010 to 55.7% at the end of June 2012. The most significant trends since the last report are the “continuing development, and consumer usage, of time and location shifted viewing of video programming, the expansion of digital and high definition programming, and the progress of the online video industry,” the report said. While pay-TV operators have increased video revenue, in part, by upping video service prices, some data suggest programming expenses are rising faster than revenue. In 2013, MVPD programming expenses as a percent of MVPD video revenue were 44.6%, according to the FCC. Since the last report, the number of broadcast-only HHs increased slightly from 11.2mln HHs in 2013 to 11.4mln in 2014, though the percentage of all HHs they represent has remained steady at 9.8%. Many cable MVPDs have upgraded their video delivery from analog to all digital to free up bandwidth for additional services. At the end of 2013, the all-digital transition reached around 57% of the collective footprints of the top 8 cable MVPDs, the report found. Cable ops are also rolling up switched digital video (SDV)—transmitting only what the customer calls up at any given moment instead of blasting out all channels in a single stream of programming. At the end of 2013, SDV served roughly 45% of digital cable subscribers of the top 8 cable MVPDs. The FCC acknowledged that MVPDs have responded to cord-cutters, cord-nevers, cord-shavers and increased OVD viewing by enabling viewing across platforms. While many MVPDs have already launched out-of-home viewing capabilities for their subs, the report found that at the end of 2013, most live linear and some on-demand programming was limited to in-home viewing. Republican commish *Ajit Pai* bewailed the fact that the report arrived a year late. The Comm Act requires the FCC to annually report to Congress on the competition status of the video market. “Unfortunately, this statutory mandate has collapsed like a ‘House of Cards,’ as the Commission failed to issue such a report in 2014.” That said, the report is filled with good news as it found that consumers have more viewing choices than ever before and can watch them on a variety of platforms, Pai said. “Indeed, the common complaint about television these days isn’t that there isn’t enough quality programming to watch; it’s that there isn’t enough time to watch all of the shows that are generating buzz! As a father of two young children, I certainly identify with that sentiment.”

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# Cablefax

## Top Ops AWARDS

### WHO ARE CABLE'S BEST OPERATORS?

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The Top Ops Awards recognize excellence in a variety of areas, including marketing, technology, finance, lifetime achievement, customer service and community involvement.

Help us compile this influential list of MSOs and Independent Operators by nominating the companies and executives you think should be included in our annual list of leading cable operators.



#### Independent Operator Awards\*

- Independent Operator of the Year
- Independent Customer Service Award
- Independent Financial Executive of the Year
- Independent Lifetime Achievement Award
- Independent Marketer of the Year
- Independent Project Launch of the Year
- Independent Financial Executive of the Year
- Independent System Executive of the Year
- Independent Technology Award
- Social Media Maverick Award

\* In Conjunction with NCTC and ACA

#### MSO Awards Categories

- MSO of the Year
- Community Service Award System-Level
- Customer Care
- Financial Executive of the Year
- Leadership Award
- Lifetime Achievement Award
- Project Launch of the Year
- Regional Executive of the Year
- Sales Team of the Year
- Social Media Maverick Award
- Technology Award

The Top Ops winners will be honored in the July issue of Cablefax: The Magazine. The Independent Operator of the Year Award (IOY) is presented in conjunction with ACA and NCTC— and the IOY Award is presented at the July Independent Show.

Contact Diana Rojas at [drojas@accessintel.com](mailto:drojas@accessintel.com) with any questions.  
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**Net Neu Order Filed:** The FCC has submitted its net neutrality Title II order to the Federal Register. Once the rules are published, they will become effective within 60 days, which might draw more lawsuits. **USTelecom** and **Alamo Broadband** have already filed their challenges.

**DishWorld Rebranded:** Say Hi to **Sling International**, the rebranded **DishWorld**, the satellite provider's subscription streaming service that offers global programming from 200 channels in 18 languages to US viewers. The rebrand, which aligns Dish's international offering with Sling TV, came about 2 months after the launch of the streaming OTT service. "Sling TV grew from the foundation established by DishWorld, enabling us to test, grow and improve our OTT capabilities through a service that streams tens of millions of hours of content every month... Incorporating DishWorld into the Sling TV portfolio makes it even easier for viewers to get the best of both domestic programming and the shows and sports they love from overseas," **Roger Lynch**, CEO of Dish's Sling TV unit, said in a statement. In addition to the rebrand, Sling International added 3 new languages to its programming slate: Bengali, Kannada and Marathi. It also transformed the UI to the new Sling TV interface. During the transition, current DishWorld subs will be asked to upgrade to the new interface when they log in. The company is offering new subs a free 1-month trial for the service, which runs on various platforms including **Amazon** Fire TV, **Roku** players, Android, iOS and Xbox One.

**Ratings: Discovery Channel** had its best quarter in network history during primetime in 1Q in both total viewers P2+ and 25-54 ratings. It drew 1.65 total viewers P2+ during the period, up 9% YOY. The net finished as the #5 cable net in prime time among 25-54 in 1Q. "Gold Rush" topped all unscripted shows in key demos on cable for the quarter and was #2 unscripted series in all of television among men 25-54/18-49/18-34 behind only **NBC's** "The Voice." Also during the period, "Alaskan Bush People" was a top 3 unscripted series on cable with HH (#2), persons 25-54 (#3), men 25-54 (#2), men 18-49 (#2), men 18-34 (#3) and total viewers P2+ (#2) delivery. -- **Spike's** debut of half-hour original series "Lip Sync Battle" on April 2 drew 2.2mln viewers, making it the most watched non-scripted series debut in network history. It also delivered the highest rating (1.3) with 18-49 in network history for a non-scripted series debut.

**Cox Business Goes Sailing: Cox Business** scored a deal with **Sail Newport** to provide high-speed broadband service for the international sailing event. As an official stopover partner, Cox will connect the race village including team compounds, sponsor pavilions, media center, broadcast compound and hospitality centers. The sailing event is scheduled for May 5-17, and Cox will use its fiber network on Aquidneck Island to provide connections. In addition, it will offer 24-hour tech support on site at the race village in Fort Adams State Park.

**Getting Furious:** Here's to **Revolt TV**, which once again took over L.A. tourist mecca **Hollywood & Highland**, this time in a partnership with **NBCU's** theatrical release *Furious7* that opened Thurs as it barreled toward an expected \$100mln haul over the weekend. Before the movie premiere at **TCL Chinese Theater** Wed night, the net erected a live stage at the outdoor mall, offering up a succession of hip-hop acts and occasional appearances from *Furious7* stars like *Vin Diesel* and *Ludicris* as **Time Warner Cable** execs and other VIPs watched from special sections above the stage. The event was also live-streamed at Revolt.TV.

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**Cablefax Week in Review**

| Company                      | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|------------------------------|--------|-------------|--------------|----------|
| <b>BROADCASTERS/DBS/MMDS</b> |        |             |              |          |
| DIRECTV:                     | DTV    | 86.37       | 1.23%        | (0.38%)  |
| DISH:                        | DISH   | 70.96       | 0.47%        | (2.65%)  |
| ENTRAVISION:                 | EVC    | 6.40        | (0.47%)      | (1.23%)  |
| GRAY TELEVISION:             | GTN    | 14.10       | 5.07%        | 25.89%   |
| MEDIA GENERAL:               | MEG    | 17.40       | 4.63%        | 4.00%    |
| NEXSTAR:                     | NXST   | 57.77       | 1.35%        | 11.55%   |
| SINCLAIR:                    | SBGI   | 31.55       | 1.43%        | 15.33%   |

| Company            | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|-------------|--------------|----------|
| <b>MSOS</b>        |        |             |              |          |
| CABLEVISION:       | CVC    | 18.16       | 0.44%        | (12.02%) |
| CHARTER:           | CHTR   | 189.57      | 5.32%        | 13.78%   |
| COMCAST:           | CMCSA  | 57.94       | 3.58%        | (0.12%)  |
| COMCAST SPCL:      | CMCSK  | 57.60       | 3.49%        | 0.05%    |
| GCI:               | GNCMA  | 16.96       | 9.56%        | 23.35%   |
| GRAHAM HOLDING:    | GHC    | 1049.59     | 0.63%        | 21.52%   |
| LIBERTY BROADBAND: | LBRDA  | 55.84       | 3.46%        | 11.48%   |
| LIBERTY GLOBAL:    | LBTYA  | 52.08       | 1.11%        | 3.72%    |
| SHAW COMM:         | SJR    | 22.82       | 0.88%        | (15.45%) |
| SHENTEL:           | SHEN   | 34.47       | 8.64%        | 10.30%   |
| SHENTEL:           | SHEN   | 34.47       | 8.64%        | 10.30%   |
| TIME WARNER CABLE: | TWC    | 154.81      | 5.11%        | 1.81%    |

| Company            | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|--------------------|--------|-------------|--------------|----------|
| <b>PROGRAMMING</b> |        |             |              |          |
| 21ST CENTURY FOX:  | FOXA   | 34.04       | 1.01%        | (11.38%) |
| AMC NETWORKS:      | AMCX   | 75.33       | 0.86%        | 18.13%   |
| CBS:               | CBS    | 61.16       | (0.08%)      | 10.52%   |
| CROWN:             | CRWN   | 4.00        | (7.62%)      | 12.99%   |
| DISCOVERY:         | DISCA  | 32.15       | 2.81%        | (6.68%)  |
| DISNEY:            | DIS    | 106.00      | 0.49%        | 12.54%   |
| GRUPO TELEVISIVA:  | TV     | 34.54       | 0.58%        | 1.41%    |
| HSN:               | HSNI   | 67.37       | (0.24%)      | (11.36%) |
| LIONSGATE:         | LGF    | 33.70       | 0.45%        | 5.25%    |
| MSG:               | MSG    | 83.92       | 3.95%        | 11.51%   |
| SCRIPPS INT:       | SNL    | 69.42       | 0.75%        | (7.77%)  |
| STARZ:             | STRZA  | 31.52       | (6.61%)      | 6.13%    |
| TIME WARNER:       | TWX    | 85.00       | (0.13%)      | (0.49%)  |
| VIACOM:            | VIA    | 67.94       | (0.45%)      | (10.01%) |
| WWE:               | WWE    | 13.73       | (16.89%)     | 11.26%   |

| Company           | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|-------------|--------------|----------|
| <b>TECHNOLOGY</b> |        |             |              |          |
| ADVANTAGE:        | AEY    | 2.36        | (2.07%)      | (3.28%)  |
| AMDOCS:           | DOX    | 53.70       | (0.72%)      | 15.09%   |
| AMPHENOL:         | APH    | 58.80       | 2.01%        | 9.27%    |
| AOL:              | AOL    | 38.76       | (1.72%)      | (16.05%) |
| APPLE:            | AAPL   | 125.32      | 1.68%        | 13.54%   |
| ARRIS GROUP:      | ARRS   | 29.30       | 3.48%        | (2.93%)  |
| AVID TECH:        | AVID   | 15.55       | 5.57%        | 9.43%    |
| BLNDER TONGUE:    | BDR    | 0.94        | (44.94%)     | (65.2%)  |
| BROADCOM:         | BRCM   | 42.23       | (1.58%)      | (2.54%)  |
| CISCO:            | CSCO   | 27.13       | 0.00%        | (2.48%)  |
| COMMSCOPE:        | CTV    | 26.29       | 0.08%        | 2.54%    |
| CONCURRENT:       | CCUR   | 6.29        | (0.47%)      | (11.28%) |
| CONVERGYS:        | CVG    | 22.89       | 1.96%        | 12.37%   |
| CSG SYSTEMS:      | CSGS   | 30.66       | 2.40%        | 22.30%   |
| ECHOSTAR:         | SATS   | 51.30       | 0.18%        | (2.29%)  |
| GOOGLE:           | GOOG   | 535.53      | (2.34%)      | 1.73%    |
| HARMONIC:         | HLIT   | 7.38        | (3.28%)      | 5.28%    |

| Company           | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|-------------------|--------|-------------|--------------|----------|
| INTEL:            | INTC   | 30.81       | (3.72%)      | (15.1%)  |
| INTERACTIVE CORP: | IACI   | 67.50       | 0.07%        | 11.04%   |
| JDSU:             | JDSU   | 12.98       | (6.62%)      | (5.39%)  |
| LEVEL 3:          | LVT    | 54.23       | 0.52%        | 9.82%    |
| MICROSOFT:        | MSFT   | 40.29       | (1.66%)      | (13.26%) |
| NETFLIX:          | NFLX   | 414.08      | (0.17%)      | 21.21%   |
| NIELSEN:          | NLSN   | 45.53       | 5.08%        | 1.79%    |
| RENTRAK:          | RENT   | 53.62       | (3.25%)      | (26.37%) |
| SEACHANGE:        | SEAC   | 6.95        | (11.69%)     | 8.93%    |
| SONY:             | SNE    | 27.85       | 4.00%        | 36.05%   |
| SPRINT NEXTEL:    | S      | 4.85        | (2.02%)      | 16.87%   |
| TIVO:             | TIVO   | 10.89       | 4.01%        | (8.02%)  |
| UNIVERSAL ELEC:   | UEIC   | 56.78       | 0.96%        | (12.69%) |
| VONAGE:           | VG     | 5.17        | 3.82%        | 35.70%   |
| YAHOO:            | YHOO   | 44.15       | (2.11%)      | (12.59%) |

| Company       | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|---------------|--------|-------------|--------------|----------|
| <b>TELCOS</b> |        |             |              |          |
| AT&T:         | T      | 33.13       | 1.16%        | (1.37%)  |
| CENTURYLINK:  | CTL    | 35.43       | 3.90%        | (10.49%) |
| TDS:          | TDS    | 26.38       | 5.65%        | 4.48%    |
| VERIZON:      | VZ     | 49.47       | 1.87%        | 5.75%    |

| Index                 | Ticker | 04/03 Close | 1-Week % Chg | YTD %Chg |
|-----------------------|--------|-------------|--------------|----------|
| <b>MARKET INDICES</b> |        |             |              |          |
| DOW:                  | DJI    | 17763.24    | 0.29%        | (0.34%)  |
| NASDAQ:               | IXIC   | 4886.94     | (0.09%)      | 3.19%    |
| S&P 500:              | GSPC   | 2066.96     | 0.29%        | 0.39%    |

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

| COMPANY       | CLOSE | 1-WK CH |
|---------------|-------|---------|
| 1. GCI:       | 16.96 | 9.56%   |
| 2. SHENTEL:   | 34.47 | 8.64%   |
| 3. SHENTEL:   | 34.47 | 8.64%   |
| 4. TDS:       | 26.38 | 5.65%   |
| 5. AVID TECH: | 15.55 | 5.57%   |

**THIS WEEK'S STOCK PRICE LOSERS**

| COMPANY           | CLOSE | 1-WK CH  |
|-------------------|-------|----------|
| 1. BLNDER TONGUE: | 0.94  | (44.94%) |
| 2. WWE:           | 13.73 | (16.89%) |
| 3. SEACHANGE:     | 6.95  | (11.69%) |
| 4. CROWN:         | 4.00  | (7.62%)  |
| 5. JDSU:          | 12.98 | (6.62%)  |

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