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What the Industry Reads First

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STELAR Implementation: Satellite Providers vs. Broadcasters

It was **DirectTV** and **DISH** against **NAB** as the **FCC** seeks to modify satellite television market rules to enable satellite subs to gain access to in-state news and other programming that they currently can't receive. The agency announced the proposal in March to implement parts of the STELA Reauthorization Act (STELAR) that was passed last year. As Congress directed, the initiative would create regulatory parity between satellite and cable TV providers. While generally supporting the move, the satcasters and the broadcasters butt heads on several important areas. Under DirecTV's proposal, broadcasters could obtain market modifications and DirecTV would carry them in their modified markets, but only where its spot beams permit, the company said in reply comments posted Fri: "Broadcasters, however, suggest a far more intrusive regime. As they imagine things, DirecTV would be required to 'demonstrate' spot-beam coverage with 'detailed showings,' perhaps even to the satisfaction of an arbitrator, prior to or during a market modification proceeding." Failure to do so, under NAB's proposal, would prompt the FCC to mandate the station's carriage in any areas added to the station's local market—even though there is no requirement to carry the station anywhere in its original local market, DirecTV said. DISH, in its initial comments, noted the possibility that a satellite carrier would have to pay additional retrans fees when a TV broadcast station is authorized for 1 or more new counties as the result of a market modification. "A satellite carrier should not be required to pay retransmission consent fees for two different stations affiliated with the same network in the same geographic area as the result of a market modification," DISH said. Here's NAB side of the story: "As DISH is well aware, no satellite carrier is or can be 'required' to pay retransmission consent fees." The group claimed the law "merely requires a satellite carrier to negotiate with a broadcaster that elects retransmission consent about the prices, terms and conditions of carriage." And whether an agreement may involve compensation is a matter to be determined by the parties negotiating retrans consent—it cannot be decided by the Commission, NAB said. The group also urges the Commission to ensure that satellite carriers make "appropriate evidentiary showings to support any claim that a new carriage obligation arising from a market modification is technically and

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economically infeasible.” Cable mostly wants to make sure the rule changes won’t affect its subs. For example, the network non-duplication and syndicated exclusivity rules may require a petitioning station to black out much of its broadcast day, **NCTA** said in its reply comments. Mandating such partial carriage is likely to frustrate cable customers, it said. In addition, potential markets changes requiring ops to delete 1 group of broadcast stations in favor of another could upset cable subs’ viewing pattern, **NCTA** said. **STELAR** requires the Commission to issue final rules for market modification before Sept 4.

AT&T/DirectTV: The combined company of **AT&T** and **DirectTV** will have “strong incentives to support and promote online video distributor services that both stand-alone and bundle consumers increasingly demand,” the companies said in an ex parte filing with the **FCC**. They said AT&T recently inked several peering, managed Internet service and innovative OVD distribution deals and is pursuing other similar arrangements. The Commission hasn’t restarted the shot clock on the merger. Companies like **Cogent** and **Netflix** asked the FCC to impose strong interconnection conditions on the deal.

FCC Reform Bill: House Commerce is set for a full committee mark up of an **FCC** reform legislation, which was approved by the Communications Subcmte last month. Among other things, the bill requires the FCC to implement better ways to evaluate the rules’ effectiveness.

Effective Competition: **NAB** and 12 other broadcaster and public interest groups urged the **FCC** to limit changes regarding effective competition to small cable ops, they said in a letter to all 5 FCC commissioners Mon. The agency proposed changing its assumption to there being effective video competition in all markets unless proven otherwise. The groups, including **Free Press**, **National Hispanic Media Coalition**, **Public Knowledge**, **Media Alliance**, and **National Black Religious Broadcasters**, asked the Commission not to reverse the assumption against effective competition in the 23,506 communities, or 70% of the nation, where the agency either has made a determination that there’s no effective competition or has not yet evaluated the status of competition. Instead, the FCC should act on the narrow proposals for streamlining effective competition procedures for small cable ops as the approach would promote the public interest, the groups said. June 2 is the deadline for action under the satellite reauthorization bill.

WWE App: **WWE** launched its **WWE Tough Enough** app for iOS and Android devices. The app, which serves as a 2nd-screen experience before, during and after the show on **USA** (premieres on June 23), seeks to enable fans to vote to eliminate cast members, interact on social media and more.

Nuance Powers Roku Player: **Nuance Communications**, which provides voice and language services, scored a deal with **Roku** to integrate its **Dragon TV** voice recognition into the voice search feature on the Roku 3 streaming player and the Roku mobile app for iOS and Android devices. The integration allows voice search for content on Roku platform.

Programming: **TLC** is set to air back-to-back season premieres of “Return to Amish” and “Gypsy Sisters” Sun night. -- **Spike TV** original series “Bar Rescue” returns with new eps on June 21. -- **MSN** is set to air “Music Saturdays with **Billy Joel**,” a summer-long event broadcasting 6 concert specials from the artist on Sats from May through Sept. Starting on Sat, the weekly series will highlight Joel’s most iconic concern events. -- **MSN** licensed additional titles from **ESPN Films** to add the net’s 30 for 30 series to its summer programming schedule. The move is part of the companies’ larger licensing deal that enables MSN access to series and documentaries from **ESPN Films**. -- **American Heroes Channel**’s new 6-part series “What History Forgot,” which features tales that shaped the country’s icons, scandals and disasters, debuts on Tues at 10pm.

People: **Keith Sherwell** joined **Cablevision** this month as svp/CIO, a newly created position, the company confirmed. He reports to CTO **David Dibble**. -- Production firm **Outpost Entertainment** (launched in Nov 2013) tapped **Rebecca Halpern** as vp of development. Halpern has produced shows for **LMN**, **Discovery**, **Animal Planet**, **History** and numerous other nets.

Editor’s Note: Don’t forget to submit your best work for the annual Program Awards, recognizing the best video content on all platforms. Entry info at www.cablefax.com

Cablefax Week in Review

Company	Ticker	5/29 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV	DTV	91.04	(0.58%)	5.01%
DISH	DISH	70.79	2.37%	(2.88%)
ENTRAVISION	EVC	6.75	(0.44%)	4.17%
GRAY TELEVISION	GTN	15.96	3.23%	42.50%
MEDIA GENERAL	MEG	16.56	0.42%	(1.02%)
NEXSTAR	NXST	56.89	(0.82%)	9.85%
SINCLAIR	SBGI	30.04	(1.6%)	9.80%

Company	Ticker	5/29 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION	CVC	24.51	(1.88%)	18.75%
CHARTER	CHTR	179.02	2.10%	7.44%
COMCAST	CMCSA	58.46	1.02%	0.78%
COMCAST SPCL	CMCSK	58.00	0.64%	0.75%
GCI	GNCMA	16.07	0.00%	16.87%
GRAHAM HOLDING	GHC	1071.00	(1.38%)	24.00%
LIBERTY BROADBAND	LBRDA	53.91	3.67%	7.63%
LIBERTY GLOBAL	LBTYA	57.53	0.16%	14.58%
SHAW COMM	SJR	22.07	(1.52%)	(18.23%)
SHENTEL	SHEN	31.43	(0.57%)	0.58%
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TIME WARNER CABLE	TWC	180.89	5.67%	18.96%

Company	Ticker	5/29 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX	FOXA	33.60	(1.9%)	(12.52%)
AMC NETWORKS	AMCX	78.59	1.41%	23.24%
CBS	CBS	61.72	0.21%	11.53%
CROWN	CRWN	4.08	4.35%	15.25%
DISCOVERY	DISCA	33.94	2.38%	(1.48%)
DISNEY	DIS	110.37	0.10%	17.18%
GRUPO TELEVISIVA	TV	37.85	1.39%	11.13%
HSN	HSNI	67.11	(1.03%)	(11.7%)
LIONSGATE	LGF	33.09	(1.61%)	3.34%
MSG	MSG	85.43	(0.62%)	13.51%
SCRIPPS INT	SNL	67.01	(2.03%)	(10.97%)
STARZ	STRZA	41.96	2.44%	41.28%
TIME WARNER	TWX	84.48	(0.85%)	(1.1%)
VIACOM	VIA	67.55	0.37%	(10.53%)
WWE	WWE	14.30	6.88%	15.88%

Company	Ticker	5/29 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE	AEY	2.35	(2.49%)	(3.69%)
AMDOCS	DOX	54.85	1.31%	17.55%
AMPHENOL	APH	57.05	(1.52%)	6.02%
AOL	AOL	50.01	(0.5%)	8.32%
APPLE	AAPL	130.28	(1.71%)	18.03%
ARRIS GROUP	ARRS	33.01	(0.54%)	9.34%
AVID TECH	AVID	17.81	4.52%	25.33%
BLNDER TONGUE	BDR	0.77	14.93%	(71.38%)
BROADCOM	BRCM	56.85	20.29%	31.20%
CISCO	CSCO	29.31	0.17%	5.36%
COMMSCOPE	CTV	26.25	0.00%	2.38%
CONCURRENT	CCUR	6.15	(5.09%)	(13.26%)
CONVERGYS	CVG	24.83	1.02%	21.89%
CSG SYSTEMS	CSGS	31.19	3.86%	24.41%
ECHOSTAR	SATS	50.10	0.40%	(4.57%)
GOOGLE	GOOG	532.11	(1.48%)	1.08%
HARMONIC	HLIT	6.81	(2.01%)	(2.85%)

Company	Ticker	5/59 Close	1-Week % Chg	YTD %Chg
INTEL	INTC	34.46	3.02%	(5.04%)
INTERACTIVE CORP	IACI	75.07	(1.12%)	23.49%
JDSU	JDSU	12.82	0.23%	(6.56%)
LEVEL 3	LVT	55.48	0.27%	12.35%
MICROSOFT	MSFT	46.86	(0.09%)	0.88%
NETFLIX	NFLX	624.06	0.35%	82.68%
NIELSEN	NLSN	44.99	(1.85%)	0.58%
RENTRAK	RENT	67.91	1.12%	(6.74%)
SEACHANGE	SEAC	6.76	(2.03%)	5.96%
SONY	SNE	30.92	(2.52%)	51.05%
SPRINT NEXTEL	S	4.65	(3.53%)	12.05%
TIVO	TIVO	10.53	(0.94%)	(11.06%)
UNIVERSAL ELEC	UEIC	51.82	0.02%	(20.31%)
VONAGE	VG	4.66	0.43%	22.31%
YAHOO	YHOO	42.94	(1.28%)	(15%)

Company	Ticker	5/59 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T	T	34.54	(0.49%)	2.83%
CENTURYLINK	CTL	33.24	(2.09%)	(16.02%)
TDS	TDS	29.69	(0.03%)	17.58%
VERIZON	VZ	49.44	(0.34%)	5.69%

Company	Ticker	5/59 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW	DJI	18010.68	(1.21%)	1.05%
NASDAQ	IXIC	5070.03	(0.38%)	7.05%
S&P 500	GSPC	2107.39	(0.88%)	2.36%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BROADCOM	56.85	20.29%
2. BLNDER TONGUE	0.77	14.93%
3. WWE	14.30	6.88%
4. TIME WARNER CABLE	180.89	5.67%
5. AVID TECH	17.81	4.52%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CONCURRENT	6.15	(5.09%)
2. SPRINT NEXTEL	4.65	(3.53%)
3. SONY	30.92	(2.52%)
4. ADVANTAGE	2.35	(2.49%)
5. CENTURYLINK	33.24	(2.09%)

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