

# Cablefax Daily™

Wednesday — August 19, 2015

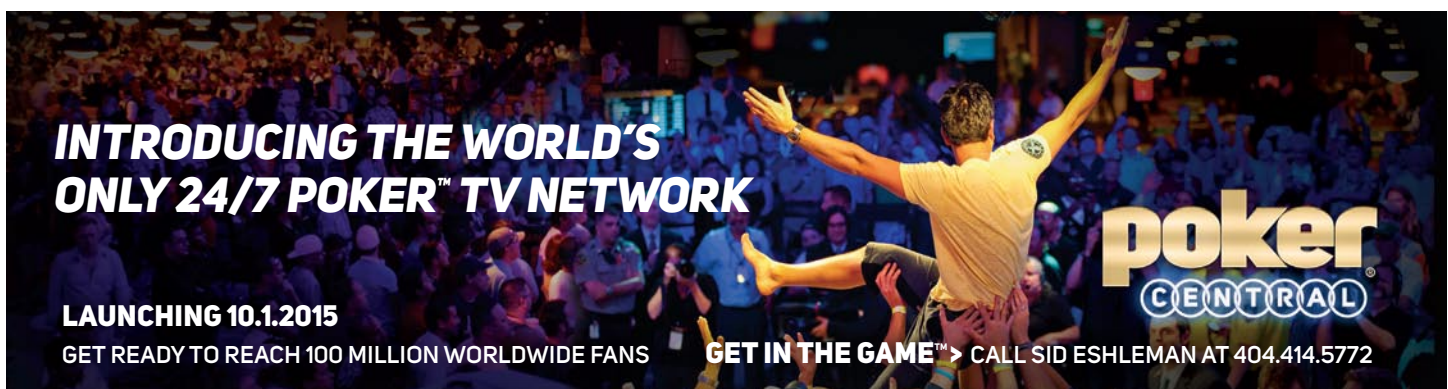
What the Industry Reads First

Volume 26 / No. 159

## He Said, She Said: FCC Getting an Earful on Retrans Rules

As the FCC weighs changes to retrans regulation, broadcast stations and MVPDs continue to duke it out. **KFMB** is still dark on **DirecTV**, and while this weekend's San Diego Chargers preseason game will be shown on **NFL Net**, the **Midwest Television** station has the right to block the national telecast in the San Diego market. Meanwhile, broadcasters are lining up at the Commission to state their cases as to why the agency shouldn't do away with the exclusivity rule or re-evaluate what constitutes good faith negotiations. "While MVPDs loudly complain about broadcasters' conduct of retransmission consent negotiations, the same MVPDs engage in exactly the conduct about which they complain," broadcaster **Morgan Murphy** said in a filing on Tues. It pointed to **DISH's** complaint filed against **Sinclair** over the weekend, claiming that the satellite provider is doing the exact same thing about which it has criticized Sinclair. **DISH** has asked the FCC to stay that complaint as the 2 have reached a short-term deal to continue negotiations. While **DISH** called out Sinclair for not excepting an extension that would retroactively true up Sinclair when the new rates were agreed on, **Morgan Murphy** said the satcaster wouldn't agree to a recent similar extension (which would have been the 3rd extension between the 2) unless it offered a substantial reduction in proposed rates. **Morgan Murphy** stations have been dark on **DISH** since the evening of Aug 13, the expiration of a 2nd extension between the companies. "It is quite remarkable that **DISH**, having declined to agree to extend the agreement with **Morgan Murphy**, [then] argued to the Commission that declining to accept an offer of a contract extension constitutes a violation of the good faith bargaining rules," the broadcaster said. "To paraphrase **DISH**, it has nothing to lose and consumers have everything to gain from an extension." **DISH** said that **Morgan Murphy** is seeking above-market rate increases in the 4 affected markets, characterizing the fees as higher than what it pays for any other station nationwide. **NAB** was at the FCC late last week to argue against eliminating the exclusivity rules that prevent MVPDs from offering other affiliates from out-of-market. The broadcast trade group says the rules are linked to cable's compulsory copyright licenses. "In light of the symbiosis between compulsory copyright and the FCC's exclusivity rules, it would be irresponsible for the Commission to repeal the rules without Congress first deciding that it no longer sought to grant the cable industry its compulsory licenses," **NAB** said in an ex parte. **The American TV Alliance**, which counts **DISH** and other MVPDs as members, said broadcasters are trying to divert the FCC's attention from Congress' requirements under the **STELA** Reauthorization Act. "Broadcasters can throw the challenge flag or ask for a booth review all they want, but that won't change what's happened on the field for the past several years," **ATVA** said. "Retransmission fees demanded by broadcasters are up 8,600% and blackouts are on a record-setting pace for 2015. The FCC Chairman already indicated a willingness to take steps to protect consumers from this kind of abusive behavior, yet **NAB's** members are still threatening more blackouts."

**Comcast Buys This: This Technology**, the multiscreen video tech firm that counts major pay-TV providers as customers, will be part of **Comcast**. CEO **Jeff Sherwin** announced on the company's website that **Comcast** agreed to acquire it. Post-



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acquisition, This Technology will continue to develop technologies and services for its customers, though they will be sold as part of the Comcast Wholesale portfolio. Comcast CTO *Tony Werner* said This Technology's video infrastructure platform has played an important role in Comcast's video delivery infrastructure. "Integrating This Technology into our advanced video group will accelerate our development cycles and strengthen our ongoing transition to IP video," he said in a release. Founded in 2006, This Technology's advisors include **Layer3 TV** CEO/co-founder *Jeff Binder* and CTO *David Fellows*.

**NBCU Invests in BuzzFeed:** NBCU is betting on **BuzzFeed** with a \$200mln equity investment. The tech-driven media firm has 200mln monthly unique visitors and 1.5bln monthly video views. As part of the investment, the companies will explore "strategic partnerships across both organizations in the coming months," Comcast said in a release. Among the partnerships is collaboration on TV content, movies, the Olympics and joint partnerships with ad agencies and brands, according to BuzzFeed executive chmn *Kenneth Lerer*.

**FCC Enforcement Action: Smart City Holdings**, which provides Internet and other communications services for conventions, meeting centers and hotels, was fined \$750K by the **FCC** for blocking personal mobile hotspots that were being used by convention visitors and exhibitors who used their own data plans, the FCC's enforcement bureau said. The company charged convention exhibitors and visitors \$80 per day to access the company's Wi-Fi. The FCC said its investigation found that, if exhibitors or visitors to the convention centers did not pay this \$80 fee, Smart City would automatically block users from accessing the Internet when they instead attempted to use their personal cellular data plans to establish mobile Wi-Fi connections. As part of the settlement, Smart City will cease its Wi-Fi blocking activities and will pay a \$750,000 civil penalty. This is the FCC's 2nd major enforcement action regarding Wi-Fi blocking. In Oct 2014, the FCC fined **Marriott** \$600K for similar Wi-Fi blocking activities at the Gaylord Opryland Hotel and Convention Center in Nashville, TN.

**Turner-Intel Deal:** Turner is teaming with **Intel** and producer *Mark Burnett* ("Shark Tank," "Survivor," "The Voice") to launch a new **TBS** original series "America's Greatest Makers" (wt). And the program is much more than just a linear TV series. It will be an entertainment program spanning the scope of Turner's portfolio and across platforms. It followed the "Intel Make It Wearable" challenge, an initiative Intel announced at CES 2014 to challenge innovators to develop personal computing using Intel Edison technology and connected-devices tech using the Intel Curie hardware module. Early stages of the challenge will feature digital and socially driven content, after which TBS will launch the series to showcase the semifinals. Long and short-form content are expected across Turner platforms and brands including **TNT, Adult Swim, truTV, HLN, CNN** and **Bleacher Report**. Advertising is also part of the deal, which will use new marketing tool **Sociology** to allow advertisers to participate in key parts of Turner's social media following. "This first-of-its-kind partnership starts with a compelling content idea, then uses Turner's capabilities to distribute that storytelling at scale, across all of our premium properties and platforms," said Turner evp, ad sales *Dan Riess*. The series is based on Intel's global initiative of the same name.

**Political Ad Spending: Borrell Associates** predicts political ad spending will hit \$11.4bln next year, 20% more than the 2012 presidential election year. Factor in what will be spent this year on the 2016 election, and Borrell forecasts \$16.5bln. Significant this go-round is that digital media should break the \$1bln mark for the 1st time ever. While the presidential race is getting a lot of headlines, nearly half of all 2016 political dollars will be spent on local campaigns, the firm said.

**Survey Says:** A quarter of US pay TV subs made changes to their service in past 12 months, with 11% downgrading

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# BUSINESS & FINANCE

services and 9% upgrading, according to **Parks Associates** new Q2 cord-cutting research. Other findings: 4% subscribed to pay TV for the 1st time, and 8% switched to a new TV service provider. When it comes to broadband, 13% of US broadband HHs received a higher speed broadband service from their provider without paying a higher price over the past 12 months. Still some want it even faster, with 10% of HHs surveyed saying they intend to upgrade (4% plan to downgrade to save money), and a quarter of those switching providers did so to get faster broadband service.

**Mickey Lands on Xbox 360:** Disney made its Watch Disney Channel, Watch Disney XD and Watch Disney Junior TVE apps available on Xbox 360. The move allows Xbox 360 users to access full eps of Disney content on demand for free upon authentication.

**Programming:** IFC renewed its original comedy series “Documentary Now!” for 2 additional seasons. It’s the 1st time the net has booked additional seasons of a series prior to its network debut. The net also picked a 7th ep to season 1, up from the initial order of 6 eps, which premieres on Thurs at 10pm EST. -- *Sarah Palin* will guest host **One America News Net’s** political talk show “On Point” nightly Aug 24-Aug 28.

**People:** **WE tv** named *Stephanie Yates* vp, research and insights. She joins the net from **TV One**.

## Cablefax Daily Stockwatch

Company	08/18 Close	1-Day Ch	Company	08/18 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	66.68	(0.51)	CONVERGYS:	23.24	(0.15)
ENTRAVISION:	8.34	(0.21)	CSG SYSTEMS:	32.02	(0.26)
GRAY TELEVISION:	14.27	(0.34)	ECHOSTAR:	46.55	(0.2)
MEDIA GENERAL:	13.12	(0.19)	GOOGLE:	656.13	(4.74)
NEXSTAR:	53.05	(0.39)	HARMONIC:	5.86	0.05
SINCLAIR:	28.95	0.15	INTEL:	28.90	(0.18)
TEGNA:	25.38	(0.4)	INTERACTIVE CORP:	74.19	(1.02)
<b>MSOS</b>					
CABLE ONE:	439.03	(0.97)	LEVEL 3:	49.11	(0.36)
CABLEVISION:	25.46	(0.5)	MICROSOFT:	47.27	(0.05)
CHARTER:	188.81	1.83	NETFLIX:	124.05	(1.31)
COMCAST:	59.69	(0.72)	NIELSEN:	48.35	(0.01)
COMCAST SPCL:	60.11	(0.68)	RENTRAK:	50.46	(0.34)
GCI:	17.83	(0.24)	SEACHANGE:	6.01	(0.04)
LIBERTY BROADBAND:	56.49	0.50	SONY:	26.87	0.04
LIBERTY GLOBAL:	52.45	(0.2)	SPRINT NEXTEL:	4.86	0.26
SHAW COMM:	20.49	0.05	TIVO:	9.67	0.04
SHENTEL:	41.70	UNCH	UNIVERSAL ELEC:	48.33	0.01
TIME WARNER CABLE:	191.10	0.79	VONAGE:	6.30	0.01
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	30.19	(0.34)	YAHOO:	35.69	(0.41)
AMC NETWORKS:	73.78	(2.77)	<b>TELCOS</b>		
CBS:	49.35	(0.68)	AT&T:	34.35	0.12
CROWN:	4.78	(0.03)	CENTURYLINK:	28.12	(0.3)
DISCOVERY:	29.05	(0.27)	FRONTIER COMMUNICATIONS:	5.42	(0.19)
DISNEY:	106.94	(2.11)	TDS:	30.31	(0.18)
GRUPO TELEVISIA:	32.68	0.03	VERIZON:	47.46	(0.06)
HSN:	63.19	(0.49)	<b>MARKET INDICES</b>		
LIONSGATE:	39.15	(0.05)	DOW:	17511.34	(33.84)
MSG:	78.19	(0.51)	NASDAQ:	5059.35	(32.35)
SCRIPPS INT:	57.01	(1.66)	S&P 500:	2096.92	(5.52)
STARZ:	38.24	(0.13)	<b>TECHNOLOGY</b>		
TIME WARNER:	79.01	(0.39)	ADDVANTAGE:	2.34	0.02
VIACOM:	43.87	(1.07)	AMDOCS:	60.47	(0.02)
WWE:	21.19	(0.3)	AMPHENOL:	55.20	(0.59)
<b>TECHNOLOGY</b>					
APPLE:	116.50	(0.66)	ARRIS GROUP:	27.54	(0.42)
ARRIS GROUP:	27.54	(0.42)	AVID TECH:	8.61	(0.49)
AVID TECH:	8.61	(0.49)	BLNDER TONGUE:	0.58	UNCH
BLNDER TONGUE:	0.58	UNCH	BROADCOM:	51.02	(0.47)
BROADCOM:	51.02	(0.47)	CISCO:	28.25	(0.58)
CISCO:	28.25	(0.58)	COMMSCOPE:	25.99	(0.02)
COMMSCOPE:	25.99	(0.02)	CONCURRENT:	5.25	0.14
CONCURRENT:	5.25	0.14			



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