

# Cablefax Daily™

Monday — August 31, 2015

What the Industry Reads First

Volume 26 / No. 167

## After the CableCard: DSTAC Report Offers No Clear Road Ahead

The FCC's Downloadable Security Technology Advisory Committee submitted its final report Fri, as required by Congress. The committee was tasked with presenting a path to a not unduly burdensome downloadable, platform neutral system as the set-top integration ban will sunset in Dec per the passage of the STELAR Act. The report was not made public immediately, but according to a presentation Fri, it presents multiple paths that could be used to reach the goal. There is no collective recommendation for any new FCC technology mandate. The report does mention the controversial AllVid approach, but also points out potential problems with it. **NCTA** is very much against an AllVid path. "This approach could jeopardize consumer protections including privacy, emergency alerts, parental controls, and inhibit innovation by allowing the government to dictate the way video content is delivered to consumers," the trade group said. "Fortunately, the report reflects substantial opposition to the idea of a new, government-imposed technology mandate and extensively describes the proposal's shortcomings." Thirty companies and organizations, including **NCTA, Comcast, ARRIS, DISH** and **Verizon**, signed a statement that expressed concerns with portions of the report that they feel go beyond its congressionally defined purpose. The AllVid approach would dismantle the programming and features offered through an MVPD's retail offering into individual parts that any retail device manufacturer could selectively reassemble into a new configuration and service, they said. "Rather than promote a retail market for navigation devices that deliver the MVPD service, this approach would turn MVPDs into suppliers of programming for commercial use by third parties without responsibilities to content providers or distributors," the coalition of 30 said. Problems with AllVid mentioned in the report include the massive re-architecting of MVPDs' networks. The committee's report includes a comprehensive review of the widely-adopted "apps"-based approach as an effective solution for the way retail devices can access MVPD programming. The 30 companies and orgs noted that there have been more than 56mln downloads of MVPD apps and that 96% of more than 460mln IP-enabled retail devices in the US support 1 or more MVPD apps (66% support all of the top 10 MVPDs apps). The report also looks at how MVPDs are pursuing additional methods to extend this apps-based approach to more retail devices. **Beyond Broadband Technology**, which actually has a downloadable security system for set-tops but was not part of the committee, complained that the report doesn't include a

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“true exploration of any simple technical resolution.” “The resulting report of DSTAC should be viewed for what it is; an excellent multi-hundred page exploration, with no consensus, of the literally hundreds of issues that would surround a policy and legal debate about a mandated consumer device, or standards surrounding an effort to create a unitary industrial design for delivery of video and data in the United States,” BBT said. “There is no conclusion, or even expertise to debate the many aspects of that effort within the DSTAC group assembled.”

**Effective Competition:** NAB and the National Assoc of Telecommunications Officers and Advisors filed a suit Fri in the DC Circuit challenging the FCC’s order presuming “effective competition” in each market. The order, which came in a 3-2 vote in June, now puts the burden on municipalities instead of cable operators to prove effective competition in a market. It’s important because when effective competition is presumed, a cable operator’s basic rates are no longer subject to regulation by the local franchise authority. NCTA, which has fought hard for the effective competition declaration for years, didn’t immediately provide comment. NAB and NATOA’s suit claims the FCC’s order is arbitrary and an overreach—going beyond what Congress intended in the STELAR Act, which they say were changes in processing effective competition by small cable ops. The FCC’s order applies to all operators. “The FCC stripped from local franchise authorities across the country their long-standing roles as cops on the beat,” NAB and NATOA reps wrote in a blog post about the suit. “Without the power to protect consumers, local authorities are being pushed aside to allow for higher cable prices—especially for basic cable service—more mysterious fees, higher equipment costs, and the potential disintegration of the basic tier of service, including the loss of Public, Educational and Governmental (PEG) channels.”

**CommScope-TE Connectivity:** CommScope closed its acquisition of TE Connectivity’s telecom, enterprise and wireless business, with CommScope expected to realize more than \$150mln in annual synergies in 2018 (more than \$50mln next year). The new CommScope has 25K employees, with a more significant presence in all major geographic regions. Under the all-cash transaction, valued at \$3mln, CommScope ends up with more than 9800 patents and will have R&D investment of more than \$200mln a year. “With this acquisition, we will have significant new opportunities for future sales growth and cost efficiencies to strengthen CommScope’s financial foundation. The addition of the TE businesses is expected to immediately contribute to our profitable growth,” CommScope pres/ CEO Eddie Edwards said.

**Cox’s Flare for Kids:** Cox launched free app “Flare Kids,” which lets families search for child-friendly video content available online. Flare Kids, designed for kids 3-8, has parental controls to manage the content as well as how long a child can watch. It’s available in the App Store and works with any broadband connection to an iPad (more devices to be added). The app comes from Cox subsidiary Flare Entertainment, which focuses on enabling targeted consumer segments find and consume digital entertainment content that they uniquely want. Flare Ent will now operate independently.

**Fear the Ratings:** Add in the viewers from L+3 and AMC’s “Fear the Walking Dead” premiere on Sun jumps to 13.3mln total viewers from 10.1mln . It also added 2.2mln 18-49s over those 3 days of time shifting, for a total of 8.5mln in the demo. That L+3 figure for 18-49 viewers is larger than the live/same day demo audience for any show on ad-supported cable this summer.

**DISH-Outdoor:** DISH and Outdoor Channel renewed their carriage agreement, reaching a long-term deal.

**ESPN College Extra:** ESPN launched “ESPN College Extra,” which will bring hundreds of ESPN3 live college sports events to the TV. AT&T, DirecTV, Bright House, Cox, Time Warner Cable and Verizon as well as select NCTC members will carry the service when it launches Sept 5. ESPN College Extra live events will be delivered on up to 8 channels through a sports tier or other affiliated package. Sat’s launch will include games from the FBS and FCS conferences, including Wofford vs Clemson and Towson vs East Carolina. All exclusive events will continue to be made available on ESPN3 at no additional cost to fans with an affiliated internet or video subscription.

**Honors:** Al Jazeera America anchor John Seigenthaler is the recipient of the 2015 Al Neuharth Award for Excellence in Media to be presented Oct 1 at the Univ of SD. The award is named for USA Today and Freedom Forum founder Al Neuharth.

### Cablefax Week in Review

Company	Ticker	8/28 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DISH	DISH	59.62	(2.18%)	(18.21%)
ENTRAVISION	EVC	7.57	(0.13%)	16.82%
GRAY TELEVISION	GTN	11.36	(3.65%)	1.43%
MEDIA GENERAL	MEG	11.84	(1%)	(29.23%)
NEXSTAR	NXST	46.59	(1.73%)	(10.04%)
SINCLAIR	SBGI	26.44	(0.79%)	(3.36%)
TEGNA	TGNA	24.16	0.92%	0.00%

Company	Ticker	8/28 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLE ONE	CABO	418.18	(0.37%)	0.00%
CABLEVISION	CVC	25.21	6.19%	22.14%
CHARTER	CHTR	181.59	2.29%	8.98%
COMCAST	CMCSA	56.78	0.00%	(2.12%)
COMCAST SPCL	CMCSK	57.62	(0.03%)	0.09%
GCI	GNCMA	16.99	1.43%	23.56%
LIBERTY BROADBAND	LBRDA	54.65	2.15%	9.10%
LIBERTY GLOBAL	LBTYA	49.32	1.82%	(1.77%)
SHAW COMM	SJR	20.08	(1.76%)	(25.6%)
SHENTEL	SHEN	39.46	(1.79%)	26.27%
TIME WARNER CABLE	TWC	187.43	2.09%	23.26%

Company	Ticker	8/28 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX	FOXA	27.92	(0.07%)	(27.31%)
AMC NETWORKS	AMCX	73.60	8.68%	15.41%
CBS	CBS	45.79	1.55%	(17.26%)
CROWN	CRWN	4.47	(1.97%)	26.27%
DISCOVERY	DISCA	27.11	0.04%	(21.31%)
DISNEY	DIS	102.48	3.68%	8.80%
GRUPO TELEVISIA	TV	30.26	0.46%	(11.16%)
HSN	HSNI	62.38	2.38%	(17.92%)
LIONSGATE	LGF	37.23	1.31%	16.27%
MSG	MSG	71.03	(1.39%)	(5.62%)
SCRIPPS INT	SNI	53.18	(1.52%)	(29.35%)
STARZ	STRZA	37.73	2.36%	27.04%
TIME WARNER	TWX	72.38	(0.44%)	(15.27%)
VIACOM	VIA	43.60	6.73%	(42.25%)
WWE	WWE	19.49	(5.11%)	57.94%

Company	Ticker	8/28 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE	AEY	2.30	2.68%	(5.74%)
AMDOCS	DOX	57.67	0.19%	23.60%
AMPHENOL	APH	52.88	(4.84%)	(1.73%)
APPLE	AAPL	113.29	7.12%	2.64%
ARRIS GROUP	ARRS	26.82	1.44%	(11.16%)
AVID TECH	AVID	8.51	6.24%	(40.11%)
BLNDER TONGUE	BDR	0.59	9.26%	(78.07%)
BROADCOM	BRCM	51.79	6.94%	19.52%
CISCO	CSCO	26.00	(7.64%)	(6.54%)
COMMSCOPE	CTV	25.91	(0.27%)	1.05%
CONCURRENT	CCUR	5.46	5.61%	(22.99%)
CONVERGYS	CVG	22.82	2.70%	12.03%
CSG SYSTEMS	CSGS	31.14	0.26%	24.21%
EHOSTAR	SATS	44.59	1.78%	(15.07%)
GOOGLE	GOOG	630.38	2.92%	19.75%
HARMONIC	HLIT	5.79	3.76%	(17.4%)
INTEL	INTC	28.42	7.00%	(21.69%)
INTERACTIVE CORP	IACI	71.44	1.10%	17.52%

Company	Ticker	8/28 Close	1-Week % Chg	YTD %Chg
LEVEL 3	LVL	45.37	(1.6%)	(8.12%)
MICROSOFT	MSFT	43.95	2.03%	(5.39%)
NETFLIX	NFLX	117.68	13.20%	(65.55%)
NIELSEN	NLSN	45.26	(1.44%)	1.18%
RENTRAK	RENT	46.83	1.80%	(35.69%)
SEACHANGE	SEAC	5.90	0.85%	(7.52%)
SEACHANGE	SEAC	5.90	0.85%	(7.52%)
SONY	SNE	25.87	5.55%	26.38%
SPRINT NEXTEL	S	5.19	10.19%	25.06%
TIVO	TIVO	9.15	(5.67%)	(22.72%)
UNIVERSAL ELEC	UEIC	45.55	(1.77%)	(29.96%)
VONAGE	VG	5.61	(7.27%)	47.24%
YAHOO	YHOO	33.14	0.64%	(34.39%)

Company	Ticker	8/28 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T	T	33.29	(0.27%)	(0.89%)
CENTURYLINK	CTL	27.04	(0.26%)	(31.68%)
FRONTIER COMMUNICATIONS	FTR	5.08	(1.36%)	(20.63%)
TDS	TDS	28.53	(1.59%)	12.99%
VERIZON	VZ	46.07	(0.07%)	(1.52%)

Index	Value	1-Week % Chg	YTD %Chg	
<b>MARKET INDICES</b>				
DOW	DJI	16643.01	1.11%	(6.62%)
NASDAQ	IXIC	4828.32	2.60%	1.95%
S&P 500	GSPC	1988.87	0.91%	(3.4%)

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. NETFLIX	117.68	13.20%
2. SPRINT NEXTEL	5.19	10.19%
3. BLNDER TONGUE	0.59	9.26%
4. AMC NETWORKS	73.60	8.68%
5. APPLE	113.29	7.12%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CISCO	26.00	(7.64%)
2. VONAGE	5.61	(7.27%)
3. TIVO	9.15	(5.67%)
4. WWE	19.49	(5.11%)
5. AMPHENOL	52.88	(4.84%)

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