

Cablefax Daily™

Wednesday — January 13, 2016

What the Industry Reads First

Volume 27 / No. 007

Gigabit WiFi: Commissioners, Groups Push for 5.9GHz Testing

After some delay, testing the sharing of the 5.9 GHz band between WiFi and vehicle-to-vehicle communications might finally start this year. The band was first set aside in 1999 for the auto industry to develop a car-to-car technology dubbed the Dedicated Short Range Communications Service (DSRC) to reduce crashes. While WiFi service providers, including cable, want regulators to open up the band for mobile use, the auto industry worried it might cause potential interference with DSRC. In 2013, the **FCC** proposed retaining the auto industry's primary licensee status of the band, with unlicensed use a secondary allocation to avoid harmful interference. During a panel discussion hosted by the **New America Foundation** Tues, Commissioners *Jessica Rosenworcel* and *Michael O'Rielly* urged the FCC to start the testing right away. The Commission needs to refresh the record from its 2013 rulemaking on the band, start testing 5.9GHz devices in its labs and release test results for comments, Rosenworcel said. "We need to move the results from labs to the field," the Democrat said. "We can do the 3 things by the end of the year... I am an impatient optimist," she said. The good news is the auto and tech industry representatives reached a consensus in Sept on a testing process that calls for the FCC to take the lead in collaboration with the Department of Transportation and the Department of Commerce, she noted. "For the foreseeable future, there is unlikely to be spectrum better positioned to complement current Wi-Fi offerings, in terms cost efficiency, time to market, and technological possibilities, as the 5.9 GHz band," Rosenworcel's Republican counterpart O'Rielly said. Regarding testing, he said "we are prepared to do so in the near term with cooperation—and most importantly prototypes—from equipment manufacturers." Currently, the band is underutilized. First deployment of DSRC outside of a testing area won't happen until 2017, when **Cadillac** will equip its model with DSRC, O'Rielly said. And the rest of the industry won't follow for at least another 2 years later, he said. *Blair Anderson*, deputy administrator of the **National Highway Traffic Safety Administration** (NHTSA) disagreed. He claimed **GM** is planning to have DSRC in its cars this year. The technology is already here, he said, adding that NHTSA is open to more efficient use of the band as long as it allows safety functions. There are currently 2 main spectrum sharing proposals: The **Qualcomm** proposal, generally supported by WiFi companies and particularly the cable industry, and the **Cisco** proposal, which the auto industry generally backs. Cisco proposed to allow shared but conditional unlicensed use of the entire 75 MHz of the 5.9GHz band, while

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Qualcomm recommends giving DSRC exclusive use of parts of the band and share the remainder of the band between unlicensed and non-safety DSRC services. It seems likely the FCC will conclude that the Qualcomm approach strikes a better balance between promoting auto safety and promoting ubiquitous broadband connectivity and innovation, *Michael Calabrese*, dir of the Wireless Future Program at New America wrote in his report, "Spectrum Silos to Gigabit Wi-Fi," released Tues. This approach "greatly reduces the risk of unlicensed device interference with safety-of-life applications..." he said. The report acknowledged cable's effort to build out large networks of Wi-Fi hotspots in urban areas, including access points in public areas that could readily include highway corridors and other major roadways. Cisco's approach would create strict and costly limitations and uncertainties about availability of the 5.9GHz band, Calabrese said.

Arris at Needham: Integration of **Pace** is already underway at **Arris**, chmn/CEO *Bob Stanzione* said during a **Needham** investor conference Tues, a week after the merger closed. The company will combine product lines and streamline operations, he said, noting that Arris expects to exceed the previously announced 4Q earnings guidance thanks to stronger than expected software sales and the renewal of federal R&D tax credit in the quarter. The strong sales performance was partly due to customers upgrading to advanced modems to accommodate faster broadband speeds, he said. The company looks to roll out DOCSIS 3.1 this year. "We have got trials behind us," Stanzione said. Revenues for 4Q are expected to be at the low end of the previously issued guidance range, according to an 8K filing Tues. With the Pace purchase, Arris is getting a bigger presence in the satellite market. The timing to expand its satellite portfolio is great, with **AT&T** looking to up its investment in the satellite business following its **DirecTV** acquisition, Stanzione said.

TiVo Interim: As *Tom Rogers* transitions to non-exec chmn, **TiVo** tapped CFO *Naveen Chopra* as interim CEO. He remains CFO. "We will be highly focused on product innovation, accelerating profitability, enhancing subscription growth, and securing new distribution agreements across an expanded geographic footprint—in addition to safeguarding TiVo's invaluable intellectual property," Chopra said. **Kestrel Corporate Advisers** CEO *Wendy Webb* also joins TiVo's board.

Broadband on the Hill: Republicans and Dems at a House Commerce subcmte hearing Tues agreed that the FCC should not regulate broadband rates, but the devil is in the details. The hearing covered 4 proposals, including the No Rate Regulation of Broadband Internet Access Act and the Small Business Broadband Deployment Act. Ranking member *Anna Eshoo* (D-CA) doesn't want the Commission to regulate what consumers pay for Internet service but is concerned about unintended consequences. She cited the FCC's ability to ensure transparency of below-the-line fees or discriminatory data caps. Republicans believe the bill would codify the FCC's promises that Title II regulation forbears rate regulation.

College Football Championship: ESPN's College Football Playoff National Championship averaged 25.7mln viewers, down from 33.4mln for the inaugural championship game in 2014 when OH State beat Oregon 42-20. Alabama's victory over Clemson (45-40) Mon night is still the 6th most-watched telecast ever.

Year-End Ratings: 2015 was the best of times for many networks, who found something to celebrate. While **ESPN** was the #1 cable network in prime for the year (**CFX**, 12/30), there were plenty of other milestones. **Disney Channel** bumped **Nick** out of its long-running reign as #1 in total viewers in total day measurement, with the House of Mouse averaging 1.23mln for 2015. Disney original movies "Descendants," "Teen Beach 2" and "The Lion Guard: Return of the Roar" were the year's most-watched telecasts in total viewers across all kids' nets. The net also delivered its 5th straight yearly win in kids 6-11 (423K/1.8 rating), 7th consecutive yearly win in tweens 9-14 (406K/1.7 rating) and tied for #1 in Kids 2-11 (1.6 rating). -- **Discovery Channel** was the #1 non-sports network for men in 2015—a first, with it finishing with its highest-rated year in men 25-54 and persons 25-54. Women weren't forgotten, with Discovery scoring its highest-rated year in more than 10 years among women 25-54 and 18-49. Leading it all was "Naked and Afraid XL," which was the #1 unscripted series on cable in total viewers last year. -- 2015 was **HGTV's** highest-rated year ever, with primetime ratings up 8% over 2014. On average, more than 9.4mln 25-54s tuned in to HGTV primetime each week, and viewers spent an average of 85 minutes per week watching HGTV programs. The net's momentum has continued into Jan, with it celebrating its highest-rated week ever for men 25-54 for the week of Jan 4 (it was also the 2nd highest-rated primetime week for 25-54s at 0.62). More than 23mln viewers tuned into prime programming that week. -- **GSN** recorded its most-watched year in network history for prime and total day for a 4th consecutive year, notching records in total viewers, 18-49s, women 18-49, 25-54 and women 25-54. GSN was up an impressive 19% in total day among total viewers, with "Skin Wars" and new series "Hellevator" contributing to its success. -- Add **WE tv** to the Best Year Ever Club, with the net notching records for the 4th consecutive year in adults 25-54

BUSINESS & FINANCE

and women 25-54 (it was the best year ever for the 3rd year in a row for total viewers). It was one of a few cable nets to avoid declines in viewership, with WE tv up 9% in total viewers over 2014. The net averaged 479K prime-time viewers in live/same day ratings, up from 439K in 2014. In live+3 ratings, WE tv averaged 518K viewers in prime, up from 475K last year. -- **MLB Net** had its most-watched year in its 7-year history, a 15% increase from its 2014 all-time high. The net averaged 140K viewers in prime, +7% from 2014, equaling its best year ever (2013).

CBS at TCA: CBS announced the launch of "CBSN Originals," a new series of long-form reports that will air on **CBSN**, the 24/7 digital streaming news net of CBS News. The 1st of these originals features a report from the suburbs of Paris and Brussels that made headlines for Nov's terrorist. Reports out of TCA seem to confirm *Sports Business Journal's* report that the **NFL** is floating a deal that would have the broadcast nets share a Thurs night package. CBS sports chief *Sean McManus* told reporters the League asked for proposals for an exclusive rights deal and for a split package that would have nets share the first 8 weeks of the season (NFL Net would get the rest). CBS-owned **Pop** announced it will start production on "Traci from Nightcap," a 10-ep, original scripted comedy series about the behind-the-scenes happening for a fictitious late night show.

Cablefax Daily Stockwatch

Company	01/12 Close	1-Day Ch	Company	01/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	53.94	0.70	ECHOSTAR:	35.43	0.09
ENTRAVISION:	7.25	(0.08)	GOOGLE:	726.07	10.04
GRAY TELEVISION:	13.93	(0.14)	HARMONIC:	3.43	(0.07)
MEDIA GENERAL:	15.82	(0.03)	INTEL:	32.68	0.62
NEXSTAR:	50.47	0.11	INTERACTIVE CORP:	57.24	0.59
SINCLAIR:	30.15	0.39	LEVEL 3:	48.75	(0.7)
TEGNA:	23.64	0.55	MICROSOFT:	52.77	0.47
MSOS					
CABLE ONE:	425.00	(2.4)	NETFLIX:	116.58	1.61
CABLEVISION:	31.46	0.68	NIELSEN:	45.29	0.30
CHARTER:	175.32	(0.31)	RENTRAK:	43.43	2.14
COMCAST:	54.87	0.15	SEACHANGE:	6.55	0.26
GCI:	19.16	(0.07)	SONY:	22.85	(0.51)
LIBERTY BROADBAND:	49.75	0.61	SPRINT NEXTEL:	3.37	0.01
LIBERTY GLOBAL:	35.14	(0.37)	TIVO:	7.87	(0.02)
SHAW COMM:	16.53	(0.06)	UNIVERSAL ELEC:	48.42	1.43
SHENTEL:	20.34	0.05	VONAGE:	5.00	(0.07)
TIME WARNER CABLE:	183.58	0.28	YAHOO:	30.69	0.52
PROGRAMMING			TELCOS		
21ST CENTURY FOX:	26.42	0.54	AT&T:	33.90	(0.05)
AMC NETWORKS:	76.52	0.54	CENTURYLINK:	23.40	(0.72)
CBS:	47.02	0.24	FRONTIER:	4.38	(0.13)
CROWN:	4.84	0.01	TDS:	23.97	(0.02)
DISCOVERY:	26.33	0.50	VERIZON:	44.93	(0.16)
DISNEY:	101.46	1.54	MARKET INDICES		
GRUPO TELEVISIA:	27.05	1.09	DOW:	16516.22	117.65
HSN:	48.91	0.56	NASDAQ:	4685.92	47.93
LIONSGATE:	29.43	0.81	S&P 500:	1938.68	15.01
MSG NETWORKS:	20.00	0.19			
SCRIPPS INT:	54.48	0.70			
STARZ:	31.85	0.38			
TIME WARNER:	71.09	1.48			
VIACOM:	43.91	0.41			
WWE:	16.78	0.35			
TECHNOLOGY					
ADDVANTAGE:	1.72	UNCH			
AMDOCS:	53.36	1.55			
AMPHENOL:	47.43	1.16			
APPLE:	99.96	1.43			
ARRIS GROUP:	27.12	0.33			
AVID TECH:	7.20	0.08			
BROADCOM:	54.72	0.54			
CISCO:	25.35	0.08			
COMMSCOPE:	23.51	0.23			
CONCURRENT:	5.35	(0.05)			
CONVERGYS:	23.59	0.09			
CSG SYSTEMS:	33.92	0.32			

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