

CableFAX Daily™

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What the Industry Reads First

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Charlie's Vision: The Convergence of Wireless and Video

If the **Verizon**/cable spectrum deal signaled the melding of wireless and video, **DISH's** \$25.5bn offer to merge with **Sprint Nextel** only strengthened it. The satellite company's bid is \$5bn more than Japanese carrier **SoftBank's** earlier takeover proposal, but the offer goes far beyond the money: chief exec *Charlie Ergen* envisioned an emerging world of wireless and video on a conference call Mon. "You want to be in your home with video, broadband, data and voice, and you want to be outside your home with those same things," he said. While the cable industry "does a really good job in your home and the current wireless industry does a really good job outside your home," there's no company on a national scale that puts it all together, he said. A combined **DISH/Sprint** will do that as one service provider, enabling churn reductions, economies of scale and an increased ARPU, he said. "These things (video and wireless data) are converging together," he said. Combining the 3rd-largest carrier and the 3rd-largest pay-TV provider "gives us the chance to become number two or maybe number one," he said. Similar to the **Verizon/cable** pact, the most immediate opportunity of the deal comes with cross-selling. Despite some overlap between the subs, **DISH's** 14mln HHs represents potentially 35mln mobile users for **Sprint**, said evp, corporate development *Tom Cullen*. Similarly, **Sprint's** 46mln retail subs could mean some 17mln HHs that **DISH** will target for pay TV services. Then there's joint marketing. "Our own ad inventory, in many cases that we use today for **DISH** retention, could be used for **Sprint** acquisition," *Cullen* said. In addition to short-term opportunities with bundled pricing, *Cullen* said the combination of spectrum and **DISH** resources can improve the deployment of fixed broadband services. Analysts also see potential, with *Jonathan Chaplin* of **New Street Research** noting that **DISH** could offer integrated nationwide wireless and satellite voice, video and data services. The deal won't eliminate a competitor from the market so few regulatory barriers are expected, *Paul Gallant* with **Guggenheim Partners** said. In fact, he said regulators will probably be pleased to see another entity that could take on **Verizon** and its cable partners. Additional details of **DISH's** offer: it allows **Sprint Nextel** shareholders to own 32% of the combined company vs 30% from **SoftBank's** offer; **DISH** is bringing 40 Mhz of AW spectrum to the party, an asset that some analysts valued at \$8-\$10bn. **DISH** expects \$11bn of cost savings and another \$24bn in "new opportunities synergies." The combined entity would have more than 63mln retail subs and \$50bn in annual revenues, **DISH** said. The deal is in the hands of **Sprint** board of directors now.

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Boston: Our thoughts and prayers are with the victims and first responders in Boston. In addition to the broadcast and cable news net wall-to-wall coverage Mon, sports networks covering the Boston Marathon kept the cameras rolling. ESPN canceled "Around the Horn" and "Pardon the Interruption" to bring continuing coverage of the explosions, and it cancelled Tues' planned presser widely expected to announce a new Southeastern Conference sports net. The NHL called off Mon's 7pm Boston Bruins home game against the Ottawa Senators. **Universal Sports** was prepping its 4pm recap at the finish line when the explosions went off around 2:45pm, more than 2 hours after the 1st of the race's nearly 27K runners had crossed the finish line. A PR person said her understanding was that cameras were rolling at the time, although the net had finished live coverage. Boston Police tweeted Mon that they are looking for video from the finish line. The Universal Sports rep said all of the net's crew and staff in Boston, which included CEO *David Sternberg*, were accounted for and safe. Universal Sports' *Dean Walker* was interviewed by **NBC News**, providing context on the race. The *AP* quoted a law enforcement official as saying that cellphone service in Boston was shut down to prevent remote detonations of explosives.

From the Streets: Analysts chimed in on **DISH's** bid for **Sprint Nextel**. Though the satellite company is more "strategically desperate for Sprint than is **SoftBank**," the Japanese carrier has deeper pockets, said **Stifel Nicolaus** analysts. Their initial view is DISH's offer makes more sense for Sprint because of the 12% premium to SoftBank's and the fact that a DISH/Sprint combination would likely offer "much higher synergies." However, a combined DISH/Sprint would have almost \$36bln in debt with a large portion of its revenue coming from the pay TV industry, "one that we feel will be in decline from a subscriber standpoint by YE2015," the analysts said. Meanwhile, all parties remain interested in **Clearwire** and its spectrum assets, they said. However, the most complicated any potential deal between DISH/Sprint or Sprint/SoftBank becomes, "the longer it could be before there is any resolution for Clearwire," they said.

F-C-C Ya: Like the **FCC** chairmen before him, *Julius Genachowski* will become a sr fellow at the **Aspen Institute** Communications and Society Program upon his resignation in the coming weeks. On Thurs Genachowski will chair what may be his last open commission meeting. The non-partisan Institute has been a layover for past FCC chairs, such as *Michael Powell* and *Kevin Martin*, before they moved on to new jobs.

Holding Pattern: **G4** was supposed to rebrand as **Esquire Net** on Mon, but the channel has decided to move the rebrand to the summer. "We have an opportunity to launch with more original programming than we had envisioned. In order to give our viewers a more substantial program offering that showcases the breadth of the Esquire Network, we are pushing our rebrand to the summer," gm *Adam Stotsky* said in a statement. G4 programming is expected to continue until Esquire takes over, which means originals, including cooking competition series "Knife Fight," will bow in the summer.

On the Hill: Ranking House Communications member *Anna Eshoo* (D-CA) and some other Dems sent a "Dear Colleague" letter Mon saying they can't support CISPA (Cyber Information Sharing and Protection Act) without further amendments to protect privacy and civil liberties. The House plans to consider the legislation this week. Among their complaints: the bill does not require the companies sharing info under the bill to make reasonable efforts to remove unrelated personally identifiable info; and it would allow info to be shared directly by private companies with the **National Security Agency**.

Sports Package: **Verizon FiOS** launched a Sports Pass package for customers who don't subscribe to its Ultimate HD package. For an additional \$9.99 month, the package features 10 channels at launch: **CBS Sports Net, Longhorn Net, ESPN Buzzer Beater/ESPN Goal Line, Outdoor Channel, beIN Sport HD, Sportsman Channel, World Fishing Net, ESPN Classic, HRTV and TVG**. Verizon said it hopes to add more channels to the tier this year.

Business Services: **The Washington Nationals** chose **Comcast Business'** Ethernet services for stadium-wide communications, including supporting in-stadium WiFi and transferring images to the 4800 sq-ft HD video board in the park.

Ratings: **Starz's** "Da Vinci's Demons" premiered Fri, with more 1mln total viewers catching its 10pm telecast (more than 2.14mln tuned in opening weekend, edging out "Camelot's" 2.09mln premiere). The finale of "Spartacus: War of the Damned" logged 1.43mln for its Fri night premiere (nearly 2.7mln total weekend viewers). -- **Mun2's** "I Love Jenni" delivered 366K total viewers for its premiere ep Sun, making it the net's highest audience delivery ever. -- **CNN's** "Anthony Bourdain Parts Unknown: Myanmar" attracted 747K total viewers and 282K in the 25-54 demo during its 9pm ET premiere Sun, besting **Fox News** and **MSNBC** in the 25-54 demo. -- The return of "Iyanla: Fix My Life" drew 1.8mln viewers Sat for **OWN**, while new series "Life with La Toya" attracted 1.5mln total viewers.

BUSINESS & FINANCE

Technology: Comcast Cable subsidiary HITS said several major and independent network groups, including **Discovery Comm** and **Scripps Nets**, have signed on to deliver more than 250 basic and premium cable channels plus audio channels via the new HITS "Q2" Platform. The Q2 upgrade, beginning this month, will convert several HITS standard def transponders to DVB-S2 technology, increase the number of HD services offered in MPEG-2 and deliver the entire programming lineup via a single satellite.

Intl: Scripps Nets Interactive is acquiring **Asian Food Channel**, the region's leading food-focused pay TV network (8mln subs in 11 markets).

People: TVGN named *Brad Schwartz* pres of ent and media, marking the first exec appointment under the new **CBS** and **Lionsgate** partnership. Schwartz comes from **Fuse** and **MSG Media**. -- **Viacom** named **NBCU** vet *Steve Agase* as svp, music & ent ad sales, West Coast. -- **FEARnet** upped *Sarah Shannon* to vp, programming and network ops. -- Former **NBCU** exec *Brian Hunt* was named svp, affiliate relations and biz dev for **Viamedia**.

Public Affairs: More than 1500 people took part in **The Lustgarten Foundation's** 3rd annual NYC Pancreatic Cancer Research Walk on Sun. The event raised \$400K for pancreatic cancer research. The Lustgarten Foundation and **Cablevision** are also partners in the **curePC** public awareness campaign.

CableFAX Daily Stockwatch

Company	04/15 Close	1-Day Ch	Company	04/15 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	55.05	(1)	CSG SYSTEMS:	20.30	(0.4)
DISH:	36.77	(0.86)	ECHOSTAR:	37.65	(1)
DISNEY:	58.88	(1.67)	GOOGLE:	781.93	(8.12)
GE:	22.81	(0.65)	HARMONIC:	5.52	(0.37)
NEWS CORP:	30.54	(1.14)	INTEL:	21.38	(0.29)
MSOS					
CABLEVISION:	14.51	(0.33)	JDSU:	13.32	(0.66)
CHARTER:	103.08	(1.98)	LEVEL 3:	20.92	(0.65)
COMCAST:	41.15	(0.85)	MICROSOFT:	28.69	(0.1)
COMCAST SPCL:	39.26	(0.73)	RENTRAK:	22.66	0.03
GCI:	9.12	(0.35)	SEACHANGE:	10.61	(0.1)
LIBERTY GLOBAL:	74.07	(1.47)	SONY:	16.48	(0.19)
LIBERTY INT:	20.65	(0.65)	SPRINT NEXTEL:	7.06	0.84
SHAW COMM:	22.54	(1.33)	TIVO:	11.49	(0.35)
TIME WARNER CABLE:	92.48	(1.19)	UNIVERSAL ELEC:	21.24	(1.28)
VIRGIN MEDIA:	49.45	(0.72)	VONAGE:	2.85	(0.12)
WASH POST:	435.69	(8.81)	YAHOO:	23.98	(0.71)
PROGRAMMING					
AMC NETWORKS:	64.26	(1.56)	MARKET INDICES		
CBS:	44.96	(1.61)	DOW:	14599.20	(265.86)
CROWN:	2.00	(0.04)	NASDAQ:	3216.49	(78.46)
DISCOVERY:	78.83	(2.2)	S&P 500:	1552.36	(36.49)
GRUPO TELEVISA:	26.35	(1.1)			
HSN:	51.37	(2.05)			
INTERACTIVE CORP:	44.12	(0.18)			
LIONSGATE:	22.28	(0.97)			
OUTDOOR:	8.73	(0.12)			
SCRIPPS INT:	66.30	(1.8)			
STARZ:	21.78	(0.27)			
TIME WARNER:	58.47	(0.99)			
VALUEVISION:	3.97	(0.1)			
VIACOM:	64.42	(2.51)			
WWE:	8.74	(0.36)			
TECHNOLOGY					
ADVANTAGE:	2.30	(0.01)			
ALCATEL LUCENT:	1.40	(0.05)			
AMDOCS:	34.59	(0.59)			
AMPHENOL:	71.50	(1.99)			
AOL:	38.50	(0.69)			
APPLE:	419.85	(9.95)			
ARRIS GROUP:	16.56	(0.81)			
AVID TECH:	6.17	(0.2)			
BROADCOM:	33.27	(0.6)			
CISCO:	21.05	(0.49)			
CLEARWIRE:	3.15	(0.11)			
CONCURRENT:	6.16	(0.17)			
CONVERGYS:	16.08	(0.72)			

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