

Cablefax Daily™

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What the Industry Reads First

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Verizon FiOS: Freewheel Doesn't Concern CFO, Weather Dropped

Cable's venture into wireless voice, the most recent move being **Cablevision's** Freewheel WiFi calling and data service, didn't worry **Verizon Comm CFO Fran Shammo**. "Cable companies will probably execute on some type of an MVNO for WiFi, but we don't believe it will be a replacement for LTE," he said during the **Deutsche Bank Media, Internet & Telecom Conference** Tues. Unlike WiFi networks, LTE networks are managed networks, he said, noting WiFi network performances start to deteriorate when more users get on the network. The telco closed its acquisition of nationwide AWS spectrum from a group of cable companies in 2012, including **Comcast, Time Warner Cable** and **Bright House**. The agreement allows the cable ops to resell **Verizon Wireless** services, meaning the MSOs can offer hybrid wireless services that combine their WiFi networks with Verizon's cellular network. Cablevision has said it's happy keeping Freewheel a WiFi-only service at this time. While Verizon may not be fretting cable's WiFi plans, it has noted fierce competition from cable, particularly in the Northeast, he said. Shammo offered a little color on Verizon's recent wireline asset sale to **Frontier**. "As we move into the future, I think we sit here and say we have a great set of properties on the FiOS footprint that are contiguous up and down the Northeast corridor... The divestiture of the three properties, which consist of Florida, California and Texas, were looked at as islands amongst themselves and don't fit anywhere else in the footprint and are not contiguous with any other wireline properties we have," he said. The CFO didn't address the headlines Verizon FiOS made Tues morning with its loss of **Weather Channel** following the expiration of their carriage agreement. In an email to customers, FiOS said it would launch **AccuWeather Network** as a replacement. The telco said it also will provide the FiOS TV WeatherBug "widget" application, which features hyper-local weather, on FiOS TV channel 49. "In today's environment, customers are increasingly accessing weather information not only from their TV but from a variety of online sources and apps," the email read. Weather appeared to be caught off guard. "We were disappointed when, without warning late yesterday, March 9, Verizon FiOS dropped The Weather Channel from their lineup while our companies continued to be in active conversations regarding a contract renewal. FiOS customers have enjoyed a bundle of services from The Weather Channel including the network, WeatherScan, On Demand, a Weather Widget and streaming on mobile devices," read a statement from the net. Weather recently renewed carriage deals with **NCTC, Cox** and **TWC**. The net fought a similar

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battle with **DirectTV** early last year. The two eventually agreed to a deal after the channel went dark on the satellite op for nearly 3 months. **DirectTV** launched **Weather Nation** just before **Weather** went dark. **More Conference Tidbits:** Like cable, Verizon is exploring other new revenue opportunities. The telco will roll out its previously announced subscription-based Verizon Vehicle telematics service in a few months. It's set to launch its LTE-based video streaming service using multicast technology in the summer. "I think as the pie expands there's enough room for all four carriers to expand within that pie, but again for Verizon it's going to be around the quality of the experience and the quality of the network, and I think we've got it right, and we're coming out with some real nifty things this summer," Shammo said.

HBO vs MVPDs: A day after **HBO Now's** launch announcement, news trickled out of MVPDs offering incentives for subs to take the traditional HBO service. At **DirectTV**, customers were promised a \$50 rebate if they stick with HBO for 3 months, *TVPredictions* reported. On **Twitter**, someone reported getting their package adjusted so that HBO was free for 2 years on **Comcast**. It sounded like more of a retention effort, but it caught the attention of some reporters, including this one. **Time Warner** CEO *Jeff Bewkes* acknowledged that not every MVPD is in love with the upcoming broadband, stand-alone offer, which will cost \$14.99/month. "There are a few [distributors] that have been kind of negative about it... We think they'll come around because it's in their interest to take this powerful product and sell it in every way their consumer wants to get it," he said at **Deutsche Bank's** investor conference Tues. At this point, HBO Now will launch exclusively with **Apple** next month, but Time Warner is talking to MVPDs and others about potential deals. "Mostly, there is excitement and realization from our distributors that all of us together have to go farther in VOD packages and marketing, including broadband-only homes for those that want that," Bewkes said, adding that most distributors are going to push the service. But let's be clear... HBO isn't just interested in broadband-only homes. Bewkes said that of the 70mln pay TV homes without an HBO subscription, he could see 10-15mln of those becoming HBO homes. How does Time Warner feel about a new world of distribution models? "We both worry about changes in distribution, and we salivate over changes in distribution."

Comcast Internet Essentials: As regulators chew on the proposed **Comcast-Time Warner Cable** combo, **Comcast** is making sure they get a look at the numbers in its 4th progress report on Internet Essentials. That's its program offering low-income Americans cheap broadband. The latest data shows Comcast has connected 1.8mln Americans in 3.5 years. The program was a condition of the Comcast-**NBCU** transaction, and if the TWC deal is approved, Comcast pledges to bring it to the markets it doesn't operate in yet—including NYC and L.A. In a blog post, Comcast evp *David Cohen* notes that Sept '14 through Feb '15 was the most successful period in program history, with nearly 95K new enrollments. "We are justifiably proud of Internet Essentials, which is now indisputably the nation's leading broadband adoption program for low-income Americans," Cohen wrote, comparing it to 27,536 enrollments in **CenturyLink's** program (adopted as a condition of its **Qwest** transaction). This fall, **Cox's** broadband adoption program reported 15K enrollments after more than 2 years. Chicago leads Comcast markets in Internet Essentials connects, followed by Miami/Dade, Atlanta and San Fran.

GSN Upfront: The goal of **GSN's** original programming slate is to achieve balance between growing its audience while continuing to serve the network's very loyal core, execs said at its NYC upfront Tues. "We certainly look to deliver broader audiences, which means younger. And the network has been getting younger. Fortunately it's been getting younger by getting bigger, not getting younger by losing audience—which is important to us," pres/CEO *David Goldhill* told **CFX**. GSN has renewed 5 of its 7 original series from last year. "We brought in over 30mln new GSN fans last year and nearly 70% of them were under 50 years old," said evp, ad sales *John Zaccario* during the net's presentation. One key programming trait is comedy. "There's an attempt to be more contemporary, more relevant in people's lives, and comedy of course is a way to make something feel a lot more contemporary to a younger audience," Goldhill said. Distribution for GSN stands at roughly 80mln, with Goldhill pegging 85mln as the next goal. He predicts GSN will be halfway there by year-end, noting the net has struck a few deals that haven't been announced. Fresh off a Feb that was GSN's highest-month ever for women 25-54, the net announced a full slate of programming, including visual design competition series "Steampunk'd," whose design contestants compete at the art of Steampunk, or the sci-fi and fantasy genre that combines technology with Victorian Age aesthetics. Other new shows include comedy game show "Lie Detectors" and word competition game "Chain Reaction" hosted by "Loveline's" *Mike Catherwood*.

TeamCasts Return for Final Four: **Turner Sports** and **CBS Sports** will again offer team-specific telecasts of the Final Four on **TNT** and **truTV**. The 4 unique telecasts, two airing on TNT and two on truTV, will feature separate announce

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teams and multiple viewing options highlighting each of the competing schools. All told, **CBS** and **Turner** will provide live coverage of all 67 games from the **NCAA** Div I Men's basketball tourney, across CBS, TBS, TNT, truTV and NCAA March Madness Live. CBS will broadcast 22 games, including the National Championship, Elite 8 and Sweet 16. Turner will air 49 games, with TBS home to 20 of those, including the Final Four, Elite 8 and Sweet 16. The NCAA March Madness Live app got a makeover, with improved navigation and more content.

Netflix Expanded Speed Index: The expanded **Netflix** Speed Index for Feb features several small ISPs and **Google Fiber** in the top 10 ranks. Google Fiber ranked as the top Internet provider with an average speed of 3.7 Mbps, followed by **Grande** (3.64 Mbps) and **San Juan Cable** (3.61 Mbps). **Midcontinent** placed 4th with an average speed of 3.57 Mbps. **Verizon FiOS** was behind #5 **EPB**, Chattanooga's municipal broadband provider. **RCN**, with an average speed of 3.51 Mbps, placed 7th, followed by **Cablevision Optimum**, **CDE Lightband** (TN based) and **Bright House**.

People: **Cable One** named *Kevin Coyle* as svp, CFO. He had been CFO of **Elauwit Networks** and served as treasurer and CFO at **Jones Inter-cable** until it was sold to **Comcast**. -- *Christine Black* was promoted to svp, communications and events at **BBC Worldwide North America**.

Cablefax Daily Stockwatch

Company	03/10 Close	1-Day Ch	Company	03/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.19	(1.08)	COMMSCOPE:	26.16	0.03
DISH:	73.36	(2.72)	CONCURRENT:	6.84	(0.29)
ENTRAVISION:	6.43	(0.35)	CONVERGYS:	21.34	(0.7)
GRAY TELEVISION:	13.13	UNCH	CSG SYSTEMS:	29.36	(0.45)
MEDIA GENERAL:	15.14	(0.45)	ECHOSTAR:	50.74	(2.22)
NEXSTAR:	55.15	(1.37)	GOOGLE:	555.01	(13.84)
SINCLAIR:	26.14	(0.58)	HARMONIC:	7.39	(0.2)
MSOS					
CABLEVISION:	17.90	(0.51)	INTEL:	31.72	(1)
CHARTER:	181.34	(2.69)	INTERACTIVE CORP:	67.95	(1.83)
COMCAST:	58.70	(1.87)	JDSU:	13.54	(0.35)
COMCAST SPCL:	58.38	(1.71)	LEVEL 3:	53.48	(0.99)
GCI:	13.16	UNCH	MICROSOFT:	42.03	(0.82)
GRAHAM HOLDING:	1023.00	(18.6)	NETFLIX:	435.06	(10.57)
LIBERTY BROADBAND:	52.69	(1.07)	NIELSEN:	43.19	(0.96)
LIBERTY GLOBAL:	53.20	(0.99)	RENTRAK:	54.99	(2.49)
SHAW COMM:	22.66	(0.19)	SEACHANGE:	7.43	(0.07)
SHENTEL:	27.83	(0.49)	SONY:	26.57	(0.7)
SHENTEL:	27.83	(0.49)	SPRINT NEXTEL:	5.04	(0.3)
TIME WARNER CABLE:	154.70	(5.03)	TIVO:	10.70	(0.03)
PROGRAMMING					
21ST CENTURY FOX:	34.29	(0.43)	UNIVERSAL ELEC:	55.83	(0.33)
AMC NETWORKS:	71.35	(1.43)	VONAGE:	4.55	(0.06)
CBS:	59.43	(1.08)	YAHOO:	42.67	(0.3)
CROWN:	3.62	(0.02)	TELCOS		
DISCOVERY:	32.37	(0.44)	AT&T:	32.78	(0.57)
DISNEY:	103.09	(2.17)	CENTURYLINK:	35.13	(0.1)
GRUPO TELEVISIA:	33.91	(0.24)	TDS:	24.76	(0.53)
HSN:	65.37	(0.81)	VERIZON:	47.51	(0.72)
LIONSGATE:	32.02	(0.76)	MARKET INDICES		
MSG:	75.37	(0.79)	DOW:	17662.94	(332.78)
SCRIPPS INT:	72.29	(1.18)	NASDAQ:	4859.80	(82.64)
STARZ:	33.17	(0.56)	S&P 500:	2044.16	(35.27)
TIME WARNER:	83.38	(1.82)			
VIACOM:	69.95	(1.5)			
WWE:	16.71	(0.18)			
TECHNOLOGY					
ADVANTAGE:	2.34	UNCH			
AMDOCS:	52.02	(0.27)			
AMPHENOL:	57.26	(0.45)			
AOL:	39.55	(0.8)			
APPLE:	124.56	(2.58)			
ARRIS GROUP:	28.91	0.21			
AVID TECH:	14.87	(0.34)			
BLNDER TONGUE:	1.63	(0.04)			
BROADCOM:	43.76	(0.77)			
CISCO:	28.66	(0.7)			

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