

Cablefax Daily™

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What the Industry Reads First

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Verizon's Turn: Mobile Video Service Won't be for Watching 'CSI'

AT&T's acquiring DirectTV. Verizon's buying AOL. AT&T's expanding its U-verse footprint. Verizon sold off 1.6m FiOS users to Frontier. Could these telcos be any more different? They may have different approaches, but both see video as hugely important going forward. While AT&T has linked with DirectTV, Verizon is looking to LTE and sees a great penetration opportunity with tablets. "The future really is around the video and Internet of things. That's really what is going to stimulate the industry and stimulate Verizon Wireless," Verizon CFO *Fran Shammo* said at an investor conference Tues. As the company gears up to launch its OTT video service this summer, Shammo explained the reasoning behind the AOL acquisition. It boiled down to its ad-tech platform and ad insertion tool, which he described as "best in class." Of course, other added benefits include content and talent. "Having *Tim Armstrong* come onboard to run this unit is really something that we look forward to because he is obviously well known in the ecosystem," Shammo said. As for integration, look for AOL to be run independently from the telco business, similarly to Verizon Wireless back in the day. One of things that is very different in Verizon's video approach is that it isn't just looking to take content that's in the home as part of a traditional video package and letting customers take it anywhere, to any device. With its OTT service, "we are going for rights of content outside the home that has nothing to do with inside the home," he said. "We're actually going in reverse—where we're taking content, delivering at mobile and if you want to take it to your home you can, but you don't have to and you don't need to own anything in your home to enjoy this content externally." This content is more about live events, sports news and "Millennial" content such as **Awesomeness TV**. "You're not going to sit down and watch an episode of 'CSI' with this content," the exec said. As for FiOS, he repeated Verizon's stance that it's well within its rights to offer **ESPN** in a package as part of its Custom TV bundles. "Customers are tired of paying for 300 channels when the average customer only watches 17," he said. Shammo declined to provide details on how it's being received by consumers but stressed that the bulk of Verizon's bases is still on the premium package.

Cablevision Sues Verizon: Cablevision filed a suit Tues in a federal court seeking to stop Verizon from running FiOS ads that it believes are misleading. "Verizon has not been truthful to the public for nearly 10 years about FiOS. Verizon FiOS is not all fiber and, in fact, uses regular coaxial cable inside the home," Cablevision said in a statement. "Cablevision

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ran an advertisement revealing that FIOS is not all fiber, and now Verizon is demanding that Cablevision stop running its ad. Consumers deserve to make informed decisions based on facts, and Cablevision is asking the court to intervene to stop Verizon from attempting to continue to mislead the public.”

NBA Playoffs Pull in Viewers: The NBA Playoffs helped **TNT** take the #1 spot in prime last week among cable nets. TNT (2.78mln total viewers) was followed by fellow NBA playoff broadcaster **ESPN** (2.16mln), **USA** (1.73mln) and **Disney** (1.63mln). Thurs' Cleveland-Chicago game was the most-watched cable program of the week (6.59mln viewers), with **HBO's** "Game of Thrones" (6.24mln) taking 2nd place. The next 6 most-watched cable programs were all NBA playoff-related. **AMC's** "Mad Men" finale drew 3.29mln viewers (live+SD). It will be interesting to see how the show stacks up when Live+3 data is released later this week. As it stands, Don Draper and friends had nice boost from the previous week's ep, which averaged 1.87mln viewers.

Net Neutrality Watch: BattlefortheNet.com, a website launched by **Demand Progress, Fight for the Future** and **Free Press Action Fund**, has launched what it's calling the "Internet Health Test," which it says checks connections for any signs of degradation. Visitors to the site (battleforthenet.com/internethealthtest/) can run the test to measure speed from their ISPs across multiple interconnection points. The site wants more than 1mln citizens to run the test, with the groups saying that Measurement Lab (a consortium of research, industry and public interest partners) will evaluate the data.

Fake Emergency Alerts: At least it wasn't cable this time. The **FCC** Enforcement Bureau ordered **iHeartCommunications** to pay a \$1mln civil penalty for misusing emergency alert system tones during the syndicated Bobby Bones radio show. In this instance, Bones broadcast an EAS tone from an earlier nationwide EAS test while commenting on an EAS test that aired during the '14 World Series. It was sent to more than 70 affiliated stations and resulted in some retransmitting the tones, "setting off a multi-state cascade of false EAS alerts on radios and televisions in multiple states," the FCC said. The FCC takes EAS tones seriously. In the past 6 months, the Commission has issued nearly \$2.5mln in fines for their misuse by broadcasters and cable nets, including **Viacom** and **ESPN**.

Roku Loves Elmo: Roku added SVOD app Sesame Street Go to its Roku player and Roku TV models in the US. In addition to letting viewers stream the latest full length eps and prior seasons, the \$3.99/month app also lets users filter content through core learning areas, such as math and literacy.

Business Services: **Bright House** signed a 5-year deal to provide Internet, managed WiFi and voice service to all 7 of St Luke's Cataract & Laser Institutes in the Tampa Bay, FL, area.

Programming: **CNN** bows new doc series "The Seventies" from *Tom Hanks* and *Gary Goetzman* on June 11. The 1st ep looks at TV of the '70s, from "MASH" to "Saturday Night Live." IT's the follow-up to the critically-acclaimed "The Sixties." Next year, the net launches "The Eighties." The premiere ep of The Seventies will be available for free for 1 week beginning June 12 at CNN.com. -- **SundanceTV** greenlit "Close Up With The Hollywood Reporter," which will present filmed panels featuring potential Emmy nominees from the year's most acclaimed series. Ep 1 debuts Aug 2 at 11am. The 2nd half of the season (after the Emmys on Sept 20) will feature a look inside the 2016 Academy Awards.

Ralph J. Roberts Boys & Girls Club: The Boys & Girls Clubs of Philadelphia kicked off a \$40mln capital campaign and **Comcast's** Roberts family and the *Ed Snider* Youth Hockey Foundation are jumpstarting it with an \$8mln donation. A portion of the money will be used to build a state-of-the-art Boys & Girls Club in Philly's Germantown neighborhood that will be named after Comcast founder *Ralph Roberts*. It will feature an Internet Essentials Lab, STEM lab, dance room, double gym and even a music studio. Comcast evp *David Cohen* will serve as chair of the BGCP's "A Bold Change for Kids" campaign.

On the Circuit: **NCTA** pres/CEO *Michael Powell* will deliver the *Dan Aaron* Lecture on Innovative Management during **CTAM's** Cable Executive Management at Harvard Business School (June 7-12, Boston). The curriculum includes 15+ case studies by top Harvard profs and a financial lecture from **MoffettNathanson's** *Craig Moffett*.

WE's Ad Pitch: **WE tv** is inviting select blue-chip clients to partner with it around "*David Tintera's* Celebrations" through category exclusivity across multiple platforms, including on-air, online, social media, national media buys, live events and support from the celebrity event planner himself. WE Suite partners will be aligned with all-new eps

BUSINESS & FINANCE

of the series beginning in Nov.

People: The **CTAM Educational Foundation** added **A+E Networks** distribution pres *David Zagin* to its board. -- *Kelli Raftery* was upped to svp, communications for **CBS Corp.** *Shannon Jacobs* will become a sr consultant to the department.

TWC Proxy: A few interesting tidbits from **Time Warner Cable's** proxy, filed after the bell Mon. The Compensation Committee made some changes last year to address motivation and talent retention against the backdrop of the pending (now defunct) Comcast merger. This included a supplemental bonus for all 15K employees who participated in the company's regular cash incentive program, effectively increasing each participant's target bonus opportunity by 50% (payable upon closing or abandonment of merger). To further support employee retention, approved advancing into 2014 the company's equity awards that would otherwise have been made in 2015 and 2016 for the approx 1,800 equity-award eligible employees. The proxy states that the changes were effective, citing how the exec team remains in place as well as '14 operating and financial results. As a result of the changes, *Rob Marcus* received compensation of approx \$34.6mln last year, thanks primarily to stock awards. In 2013, then-CEO *Glenn Britt* earned \$14mln. COO *Dinni Jain* netted nearly \$18mln last year.

Cablefax Daily Stockwatch

Company	05/19 Close	1-Day Ch	Company	05/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			COMMSCOPE:26.13(0.16)		
DIRECTV:	91.37	(0.73)	CONCURRENT:	6.45	0.07
DISH:	67.88	(0.2)	CONVERGYS:	24.61	(0.01)
ENTRAVISION:	6.73	0.09	CSG SYSTEMS:	30.88	0.37
GRAY TELEVISION:	13.91	(0.24)	ECHOSTAR:	49.29	(0.51)
MEDIA GENERAL:	16.21	(0.16)	GOOGLE:	537.36	5.06
NEXSTAR:	55.18	(0.64)	HARMONIC:	6.90	(0.03)
SINCLAIR:	30.09	(0.3)	INTEL:	33.15	(0.26)
MSOS			INTERACTIVE CORP:	74.33	(0.1)
CABLEVISION:	21.07	0.16	JDSU:	12.77	(0.06)
CHARTER:	181.64	0.59	LEVEL 3:	55.78	(0.9)
COMCAST:	57.23	0.26	MICROSOFT:	47.58	(0.43)
COMCAST SPCL:	56.82	0.26	NETFLIX:	616.48	(1.39)
GCI:	16.03	(0.36)	NIELSEN:	45.67	(0.25)
GRAHAM HOLDING:	1037.87	21.98	RENTRAK:	68.76	1.12
LIBERTY BROADBAND:	52.55	0.21	SEACHANGE:	6.82	(0.19)
LIBERTY GLOBAL:	53.11	1.17	SONY:	32.61	0.16
SHAW COMM:	21.98	(0.19)	SPRINT NEXTEL:	4.73	(0.08)
SHENTEL:	31.89	0.22	TIVO:	10.69	(0.12)
SHENTEL:	31.89	0.22	UNIVERSAL ELEC:	51.93	(0.11)
TIME WARNER CABLE:	158.00	0.49	VONAGE:	4.57	(0.23)
PROGRAMMING			YAHOO:	40.98	(3.38)
21ST CENTURY FOX:	34.36	0.68	TELCOS		
AMC NETWORKS:	76.26	(0.65)	AT&T:	34.37	(0.5)
CBS:	60.70	(0.08)	CENTURYLINK:	33.96	(0.44)
CROWN:	3.96	0.02	TDS:	29.34	(0.71)
DISCOVERY:	33.33	0.35	VERIZON:	49.55	(0.05)
DISNEY:	110.56	0.23	MARKET INDICES		
GRUPO TELEVISA:	36.70	(0.03)	DOW:	18312.39	13.51
HSN:	68.95	0.87	NASDAQ:	5070.03	(8.41)
LIONSGATE:	32.10	0.32	S&P 500:	2127.83	(1.37)
MSG:	85.40	0.14			
SCRIPPS INT:	67.88	(0.47)			
STARZ:	40.32	0.30			
TIME WARNER:	85.71	0.41			
VIACOM:	65.90	(0.26)			
WWE:	13.83	(0.08)			
TECHNOLOGY					
ADDVANTAGE:	2.34	0.03			
AMDOCS:	55.63	0.13			
AMPHENOL:	58.06	(0.1)			
AOL:	50.25	(0.3)			
APPLE:	130.07	(0.12)			
ARRIS GROUP:	33.64	(0.17)			
AVID TECH:	15.99	(0.26)			
BLNDER TONGUE:	0.70	0.00			
BROADCOM:	47.28	(0.45)			
CISCO:	29.74	(0.03)			

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