

# Cablefax Daily™

Friday — July 10, 2015

What the Industry Reads First

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## AT&T/DirectTV: The End is Near?

It's been an eventful couple weeks for the nearly \$50bln pending **AT&T/DirectTV** merger, with **FCC** and **DOJ** decisions on the combo expected any minute. Among signs that decisions will drop any time now are the mounting flurry of filings from industry and consumer groups. **ACA** warned against that the combined company means higher carriage fees for the **Root Sports** RSNs than the 2 could charge as separate entities, 27 ACA members wrote in a letter to Wheeler Thurs. The letter came just 3 weeks after ACA filed in the merger docket regarding the same issue. The members sought conditions on the merger regarding prices the combined company will charge for 4 RSNs it will own upon approval. DirecTV currently owns Pittsburgh, Denver, and Seattle, and DirecTV and AT&T jointly own Houston today. The satellite company has been relatively restrained in its ability to charge higher fees due to its compliance with a non-discriminatory access condition and a baseball-style arbitration remedy, the ACA members noted. However, the protections expired in 2014. Among ACA's proposed conditions are an improved version of the FCC's non-discriminatory access and baseball-style commercial arbitration remedies for carriage disputes involving the Root Sports RSNs. In the same period, AT&T's own effort to win regulatory approval also has intensified in recent weeks, with execs meeting with commissioners and detailing plans to expand broadband. Just last week, AT&T svp of federal regulatory **Bob Quinn** met with Republican FCC commish **Michael O'Rielly** and his staff to discuss the status of the merger and urge "expeditious resolution of the matter," according to an ex parte filing. The company's top lobbyist, **Jim Cicconi**, sr evp of external and legislative affairs, and Quinn, also have recently met with Democrat commish **Mignon Clyburn**. Cicconi led AT&T's effort to win regulatory approval for its failed **T-Mobile** acquisition in 2011. According to a filing, AT&T's team discussed Clyburn's desire to see the combined company offer an affordable, lower-priced, standalone broadband service to low-income consumers in AT&T's wireline footprint. In separate follow-up conversations with Clyburn's staff, AT&T proposed to make such a service within a reasonable time period after the merger's closing. The company quickly announced publicly its plan to offer 2 affordable Internet service plans for those eligible for the government's Supplemental Nutritional Assistance Plan, which, according to several analysts, might have solved the last piece of the puzzle. The offerings, featuring a \$5 per month for 1.5 Mbps service, and a \$10 per month for 5 Mbps service (**CFX**, 7/9), are similar to Comcast's Internet Es-

# Cablefax

THE MAGAZINE

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entials pricing plans, which are for families whose children qualify for subsidized school lunches. Perhaps another sign is AT&T and DirecTV's June 29 **SEC** filing to extend the termination date of the merger for a "short period of time," which some analysts view as positive because it potentially indicates the companies are hopeful to clear the deal in the next few weeks. The companies have extended the merger termination date twice in 2 months.

**Malone Talks Merger:** Consolidation on the programming side is inevitable following M&A on the distribution side, **Liberty Media** chmn *John Malone* said in an **CNBC** interview Thurs. "It's all about global scale," he said. "If you want to be a meaningful player in most of any of these media communication businesses, you have to think about it." He theorized that a company will need bigger scale to "meaningfully play" because companies now compete globally: "I think that's just the way the world is. Big bubbles get bigger. Little bubbles disappear. It's physics." In addition, the Internet and the digital world create global standards. "A guy like *Evan [Spiegel]* from Snapchat can go from nothing, an idea ... to global. These things are just blooming and blossoming like mad because of that scale that exists around the world. So it's just a very interesting time."

**RMG Beefs Up Marketing:** **Rural Media Group**, which owns **RFD-TV** and **FamilyNet**, expanded its corporate marketing department with 4 newly established positions. The company plans to further expand in the next few months, adding positions in the news, digital, marketing and research departments. New marketing execs include *Billy Frey*, chief marketing officer; *Heather Huston*, vp of marketing; and *Cameron Miller*, manager of affiliate distribution and marketing.

**Suddenlink Gets Giggy:** **Suddenlink** announced the 1st areas to receive its 1 Gigabit per second Internet service: Bryan-College Station, TX; Nixa, MO; and Greenville and Rocky Mount, NC. Suddenlink stressed that unlike **Google** and **AT&T**, it's making the 1-Gig service available to all homes passed by its network in the listed communities. It plans to launch GigaSpeed in other communities. Customers in the GigaSpeed communities with current download speeds up to 75 and 100 Mbps will be moved to services with download speeds up to 100 and 200 Mbps, respectively, at no added charge.

**Data Breaches:** Phone companies **TerraCom** and **YourTel America** have entered into a \$3.5mln settlement with the **FCC**, resolving an investigation into whether the companies failed to properly protect the confidentiality of personal info they received from more than 300K consumers. "This settlement also resolves the FCC's investigation into YourTel's failure to comply with Commission instructions to remove ineligible Lifeline subscribers and which resulted in over-billing of the federal program," the agency said. Stored personal info included addresses, Social Security numbers and other sensitive info—resulting in a data breach that allowed anyone with a search engine to gain unauthorized access. In addition to the fine, the companies will notify consumers whose information was subject to unauthorized access, provide complimentary credit monitoring services. Meanwhile, bipartisan leaders of **House Commerce** asked the **FTC** and **Consumer Financial Protection Bureau** Thurs to provide info regarding protections for consumers following data breaches. Among other things, they want to know whether the process of activating and inactivating a credit freeze could be made more efficient and less costly.

**Ratings:** This time it was the US Men's National Team setting records, with its match against Honduras Tues scoring 986K viewers on **Fox Sports 1**. It's the 9th most-watched soccer match overall on the net and the most-watched Gold Cup Group Stage match on any **Fox** property.

**Programming:** **Lifetime** is linking up with **The Jim Henson Company** for original movie "Jim Henson's Turkey Hollow," a live-action, family-friendly film based on original characters written in 1968 by Jim Henson and his writing partner *Jerry Juhl* (premieres Nov 21). "I have fond memories from my childhood of my father planning and developing this production. He was delighted by the idea of magical creatures living in the woods and was excited to portray them in a more realistic way than his other well-known puppet characters," said *Lisa Henson*, CEO of The Jim Henson Company and daughter of the late Jim Henson. -- **The North American Soccer League** (NASL) inked a multiyear partnership with **One World Sports** Mon. As part of the agreement, during the 2015 NASL Fall Season the net will carry 1 Wed night game per week, starting on July 8. In total, 14 Fall Season games will be available, with each club appearing on the net at least once this year. In addition, the net will air 1 game per week live with the NASL Wed Night Soccer as well as NASL This Week, a highlight show, on Tues nights. One World Sports will also air weekly games and the review show for the 2016

# BUSINESS & FINANCE

Spring and Fall Seasons.

**App World: Cartoon Network** redesigned its flagship app to make it easier for kids to customize their experience. Some short-form content, including video based on original series "Adventure Time," will be available exclusively on the app. The app, available on **iTunes, Google Play** and **Amazon**, also has select full eps available on the app prior to the linear premiere. -- **Syfy** launched a virtual reality app for its drama series "The Expanse," which premieres in Dec. Using **Google** Cardboard, the app seeks to allow viewers to enter into settings from the show and experience them in virtual reality. To kick things off, Syfy is offering 13K free Cardboard viewers to attendees at San Diego Comic-Con (see full story at *Cablefax.com*). Additional virtual reality content will be added to the app in the months leading up to the series' debut.

**Nick's New Food Initiative: Nick** International will launch "Together For Good" on July 21, its new initiative to empower kids to make positive changes in the world around them. The program is designed to be Nick's international platform to inspire viewers to get involved in their communities, provide the resources and education. The international-only campaign will launch outside the US across Nick platforms in 150 countries and territories with its campaign partner, **Plan International**, a children's development organization.

## Cablefax Daily Stockwatch

Company	07/09 Close	1-Day Ch	Company	07/09 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	92.25	(1.07)	COMMSCOPE:	25.70	0.04
DISH:	67.01	(0.09)	CONCURRENT:	6.10	0.04
ENTRAVISION:	8.04	(0.03)	CONVERGYS:	25.14	0.13
GRAY TELEVISION:	15.26	0.15	CSG SYSTEMS:	31.50	0.79
MEDIA GENERAL:	15.99	0.31	ECHOSTAR:	46.93	(0.21)
NEXSTAR:	51.79	(0.21)	GOOGLE:	520.68	3.85
SINCLAIR:	28.09	0.59	HARMONIC:	6.65	(0.03)
TEGNA:	31.11	0.80	INTEL:	28.93	(0.57)
<b>MSOS</b>					
CABLE ONE:	382.73	2.23	INTERACTIVE CORP:	79.88	0.88
CABLEVISION:	24.87	0.42	JDSU:	11.04	(0.19)
CHARTER:	172.65	0.38	LEVEL 3:	50.95	0.04
COMCAST:	62.01	0.32	MICROSOFT:	44.52	0.28
COMCAST SPCL:	61.79	0.30	NETFLIX:	670.09	15.54
GCI:	17.61	0.53	NIELSEN:	44.47	0.31
LIBERTY BROADBAND:	51.27	0.34	RENTRAK:	67.85	1.07
LIBERTY GLOBAL:	48.99	0.01	SEACHANGE:	6.95	0.05
SHAW COMM:	21.05	(0.09)	SONY:	27.36	0.55
SHENTEL:	34.13	0.03	SPRINT NEXTEL:	3.89	(0.06)
SHENTEL:	34.13	0.03	TIVO:	10.08	UNCH
TIME WARNER CABLE:	181.30	0.82	UNIVERSAL ELEC:	49.34	0.54
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	32.48	0.26	VONAGE:	4.74	0.06
AMC NETWORKS:	82.24	(0.06)	YAHOO:	37.61	0.38
CBS:	54.25	(0.03)	<b>TELCOS</b>		
CROWN:	4.47	(0.03)	AT&T:	34.39	(0.4)
DISCOVERY:	32.53	(0.25)	CENTURYLINK:	29.49	UNCH
DISNEY:	115.65	0.46	TDS:	28.30	(0.15)
GRUPO TELEVISIA:	35.37	(0.29)	VERIZON:	46.26	(0.32)
HSN:	70.98	0.70	<b>MARKET INDICES</b>		
LIONSGATE:	36.35	0.33	DOW:	17548.62	33.20
MSG:	82.27	0.31	NASDAQ:	4922.40	12.64
SCRIPPS INT:	65.40	0.08	S&P 500:	2051.31	4.63
STARZ:	43.15	0.10			
TIME WARNER:	87.09	1.28			
VIACOM:	61.70	0.17			
WWE:	16.63	1.14			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.28	0.01			
AMDOCS:	55.37	1.33			
AMPHENOL:	54.29	0.09			
APPLE:	120.07	(2.5)			
ARRIS GROUP:	30.30	(0.08)			
AVID TECH:	13.28	0.19			
BLNDER TONGUE:	0.75	(0.01)			
BROADCOM:	50.65	(0.55)			
CISCO:	26.91	(0.08)			

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# PROGRAMMER'S PAGE

## Leaving the Flock

This isn't "Sister Wives." Unlike TLC's reality stars, the women featured in LMN's "Escaping Polygamy" didn't choose polygamy, but were instead born into the powerful Kingston polygamy sect. They got out. Now they're helping others do the same. It's a good fit for LMN, which rebranded itself from Lifetime Movie Network a few years ago, moving from a channel of repeat Lifetime movies to a nonfiction slate and exclusive movie premieres. "Our nonfiction runs the gamut from crime stories to paranormal to redemption and transformation. But they're all stories largely of women who have faced adversity and overcome," said LMN's vp, head of programming and development *Laura Fleury*, who is exec producer of the series. In *Escaping Polygamy*, which premiered first as a special in Dec, viewers meet sisters *Andrea, Jessica and Shanell* who escaped polygamy over the past 10 years. Helping others do the same is fraught with challenges—when a request for help comes in, they have to question whether it's a real call or a trick to try and stop their crusade. This isn't fake drama for the cameras. In the first episode, an 18-year-old named *Melanie* seeks the sisters' help. Melanie's own sister is *Mary Ann Kingston*. In 1998, their father pleaded no contest to 2nd-degree felony child abuse after beating then-16-year-old Mary Ann after she fled from a polygamous marriage she claimed she was forced into with uncle *David Kingston*. "This is no negative reflection on *Sister Wives*, but *Sister Wives* is about a group of people who, because of their belief system, have decided to live a certain way. These are communities—and really they are cults—where the patriarchy essentially makes them all live under a very strict set of rules," Fleury said. "There's nothing good about this type of polygamy." *Escaping Polygamy* premieres Tues at 10pm on LMN. — *Amy Maclean*

**Reviews:** "Rectify," Thursday, 10pm, Sundance. Slow, slower, slowest. That describes Season 3 of this excellent, small-town drama, whose creators are having fun with those who complain the pace of "Rectify" can be measured with a sundial. Season 3's premiere, which debuted Thurs, was jestingly called "Hoorah." This week's ep is "Joy Ride." Time is one of the series' subtexts: time served by Daniel (the wonderful *Aden Young*); the timing of his plea deal. A subtle and priceless moment this week has Daniel and sister *Amantha (Abigail Spencer)* struggling to figure out the time. -- "The *Jim Gaffigan Show*," premiere, Wed, 10pm, **TV Land**. Finally, one of the best comedians on the circuit is a leading man. The autobiographical series is derivative of TV projects by comedians who've preceded him (*Larry David, Jerry Seinfeld, Louis C.K.*, for example), yet it has its moments, particularly when Gaffigan is eating (the deli looks great) and the laid-back comedian deals with uptight NYers. -- "The Strain," Season 2 premiere, Sun, 10pm, **FX**. We enjoyed the debut season of this tongue-not-in-cheek sci-fi series, particularly *David Bradley* as a lone wolf-hunter. Season 2 opens poignantly, then there's much gore. -- "Masters of Sex," Season 3 premiere, Sun, 10pm, **Showtime**. *Masters (Michael Sheen)* and *Johnson (Lizzy Caplan)* publish and become celebrities. Can their private lives withstand the scrutiny? — *Seth Arenstein*

Basic Cable Rankings (6/29/15-7/05/15)			
Mon-Sun Prime			
1	USA	0.7	1632
2	DISC	0.6	1556
2	TNT	0.6	1548
2	FOXN	0.6	1507
2	HGTV	0.6	1494
2	DSNY	0.6	1428
7	TBSC	0.5	1290
7	HIST	0.5	1185
7	DSE	0.5	112
10	FX	0.4	1033
10	FOOD	0.4	1023
10	ADSM	0.4	932
10	SYFY	0.4	923
10	AMC	0.4	892
10	A&E	0.4	875
10	ID	0.4	855
17	NAN	0.3	718
17	FAM	0.3	716
17	LIFE	0.3	708
17	TLC	0.3	703
17	SPK	0.3	675
17	HALL	0.3	611
17	MSNB	0.3	603
17	ESPN	0.3	593
17	BRAV	0.3	588
17	DSJR	0.3	586
17	OWN	0.3	547
17	HMM	0.3	358
17	DFAM	0.3	52
30	APL	0.2	583
30	CNN	0.2	555
30	BET	0.2	542
30	TVLD	0.2	535
30	VH1	0.2	535
30	WETV	0.2	493
30	LMN	0.2	488
30	NGC	0.2	470
30	GSN	0.2	453
30	CMDY	0.2	442
30	EN	0.2	441
30	MTV	0.2	424
30	INSP	0.2	422
30	FS1	0.2	405
30	FXX	0.2	378
30	H2	0.2	357
30	NBCS	0.2	323

\*Nielsen data supplied by ABC/Disney

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