

# Cablefax Daily™

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What the Industry Reads First

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## That Other Acquisition: Few Comments on Altice's Suddenlink Purchase

Comments were due Fri at the **FCC** on **Altice's** \$9.1bn acquisition of **Suddenlink**, and as of our deadline, there wasn't a lot of activity, nor were there any petitions to deny the European telecom group's entry into the US. The **CA Emerging Technology Fund**, a nonprofit aimed at closing the digital divide, offered up conditions it believes should be imposed. Among them is a \$9.95/month standalone broadband service that Altice would offer for 3 years or until 80% of the eligible persons in the targeted underserved communities are connected. Such a condition is part of the **AT&T-DirecTV** deal approved on Fri. The CA group said the FCC could decide whether the low-cost Internet offering should be made available to all or limited to low-income households or those with seniors, disabilities or returning veterans. The CA Emerging Tech Fund's other goals aimed at closing the broadband gap include written broadband plans in the states it serves and required deployment of high-speed Internet into 5 unserved or underserved areas in, adjacent to, or near its service areas. CETF, which declined to delve into whether the deal should be approved, made similar comments in the **AT&T-DirecTV** and **Frontier-Verizon** transactions. The **Humboldt County (CA) Board of Supervisors** urged the FCC to reject the deal, though it did not file a petition to deny. "Altice's purchase of controlling interest in Suddenlink will transfer private ownership for essential communications infrastructure to even more distant owners, which we believe is against the public interest," the Board wrote in a letter last week. "From experience we know that consolidated absentee ownership reduces competition, threatens media localism and harms information discovery... We fail to see how their experience in Europe and the Dominican Republic provides adequate assurance of their compliance with local ordinances in CA." Should the FCC approve the deal, the Board believes it must ensure there is meaningful support for PEG access (a point of contention between the County and Suddenlink), strong net neutrality requirements and broadband adoption measures, such as free connections and at-cost support for low income communities and anchor institutions. Altice and Suddenlink owner **Cequel** have said the deal is in the public interest because it will provide Cequel access to "Altice's operational expertise, scale and resources, thereby allowing Cequel and its subsidiaries to become even more robust competitors in the marketplace for telecommunications services." **DOJ**, with the concurrence of **Dept of Defense** and **Homeland Security**, has asked the FCC to defer action on the proceeding until they complete a review for any national security, law enforcement and public safety issues.

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**Comcast-Discovery:** In 30 years, **Discovery Comm** has never gone dark on an MVPD. That record remains intact with its highly watched negotiation with **Comcast** concluding last week amicably. Terms weren't disclosed when the deal was announced Mon, but given its slate of recent renewals the programmer is on track to post high-single digit growth next year. Comcast's contract expired at the end of June, but the 2 kept negotiating, keeping 12 Discovery Comm nets up as they did so. New in this long-term deal is TV Everywhere rights, nice for Comcast which has promoted TVE heavily. This one was watched closely because Discovery expressed concerns at the FCC over Comcast's now nixed **Time Warner Cable** acquisition. "While we don't know any of the key details around price inflation, minimum channel limits or the value of non-linear rights, a key feature has to be Discovery granting TV Everywhere rights for Comcast's Xfinity TV customers," a **MoffettNathanson** research note concluded. It's been a pretty good month for carriage contracts, with **Hallmark** at long last returning to **AT&T** and **Starz** inking a new deal at the wire with AT&T as well.

**Quotable:** "I think eventually **ESPN** becomes a business that is sold directly to the consumer... ESPN will know who their consumers are, will use that information to customize their product, enable personalization to essentially engage in a much more effective way and also, to offer advertisers more value as well," **Disney** chief **Bob Iger** on **CNBC's** "Squawk Box." He doesn't see this happening in the next 5 years. But he does think sister net Disney Channel could also go this route.

**Another Step for Charter-TWC:** The **FCC** said Mon that it has accepted **Charter's** applications for filing on initial review. These applications relate to the transfer of control of various licenses and other authorizations through its proposed transactions for **Time Warner Cable** and **Bright House**. The Commission has not yet set up a pleading cycle. Once the pleading cycle begins, the FCC will start its informal 180-day clock for reviewing the merger.

**AT&T-DirectTV:** The country is digesting the news that **DirectTV** is now officially part of **AT&T**. In a video message on **YouTube**, AT&T Entertainment and Internet Services CEO **John Stankey** said "we're better positioned than ever to give you the TV and video entertainment you want," including **NFL** Sunday Ticket. It was unclear how other programming offered by DirectTV and not AT&T U-verse will be treated. "AT&T is always looking to provide our customers with the programming they love—across platforms," a spokesperson said. As **CFX** has reported, FCC commish **Ajit Pai** objected to the conditions placed on the deal. He detailed his complaints in his dissent, released Mon. "The FCC goes much further, demanding that AT&T satisfy a regulatory wish-list that has nothing to do with the transaction at hand. These conditions are the forced tribute that the company must offer to mollify the Capitol," he said. Pai called conditions that AT&T offer discounted broadband of \$10/month to low-income households "rate regulation."

**Cisco's New Chapter:** **Chuck Robbins** officially became the CEO of **Cisco** Mon, replacing longtime head **John Chambers**. Robbins started his 1st day with the appointment of 2 new execs: **Zorawar Biri Singh**, most recently a venture partner at **Khosla Ventures**, has become svp/CTO, platforms and solutions; **Kevin Bandy**, formerly svp of enterprise transformation at **Salesforce.com**, will serve as svp and chief digital officer. The execs joined the new leadership team announced by Robbins on June 4. Exec appointments aren't the only thing Robbins has been up to. Cisco sold its set-top box unit to **Technicolor** last week for approx \$600mln. In a blog post Mon, Robbins shed some light on his vision for the company. Calling data, and the insights from data, "the most strategic asset," Robbins said "the ability to secure, aggregate, automate, and draw insights from the data—with speed—will ultimately define success." For 50 years, the IT industry has been bringing data to the 'computer.' Now, we're bringing computing—with analytics, insights, and actions—to the data," he wrote.

**Comcast's Hotspot Expansion:** **Comcast** has expanded its WiFi networks to 10mln hotspots nationwide, **Eric Schaefer**, svp of wireless product management wrote in a blog post Mon. So far this year, people have used those hotspots more than 3.6bln times, a 500% increase, he noted. The exec listed 10 popular locations where people are using Comcast's WiFi, including the boardwalks in Ocean City, NJ, and Ocean City, MD, and the MBTA Greenline in Boston.

**Google Fiber Update:** **Google Fiber** has identified 9 locations for its fiber buildout in Raleigh, NC. The structures, which are 28 feet long and 9 feet tall, will be the foundation for Google's gigabit broadband network. Neighborhoods getting the service will be determined by network design. Google will "open signups first in areas where the network is ready, permits are in place and we have crews to connect our fiber directly to homes," the company said. The fiber expansion plan was announced earlier this year and covers areas in Charlotte, Atlanta, and Nashville.

**Ratings:** **Spike's** 1st scripted event series in 8 years "Tut" scored an average of 2.2mln viewers over 3 nights (Sun-Tues),

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the largest average viewership in the timeslot in 8 years. The series bagged 11.4mln total viewers, and 27.2mln watched "Tut" across digital platforms. -- **Nat Geo Wild's** "The Incredible Dr. Pol" this past Sat night became the most-watched telecast in network history Live + SD with 1.1mln total viewers and .67 p25-54.

**Programming: TV Land** closed a deal for a pilot script with *Melissa McCarthy* and *Ben Falcone*, serving as exec producers through their production company **On the Day**. "Friends with Melissa" is inspired by the real lives of *Hugh Davidson*, *Larry Dorf* and *Rachel Ramras*, who watch as their friends from *The Groundlings* star in blockbusters while they toil away writing for children's television. -- **TV One** will premiere sequel "Girlfriends Getaway 2" on Aug 29 at 8pm ET. -- The **US State Dept** honored **CNN Intl** evp and managing dir *Tony Maddox* and the CNN Freedom Project as a "2015 Trafficking in Persons Report Hero." CNN International launched the CNN Freedom Project in 2011 to shine a spotlight on modern slavery.

**People: Deluxe Ent** named *John Wallace* pres/CEO, replacing *David Kassler*. The 27-year **NBCU** vet had been NBCU's pres, operations and technical services. He officially joins in early Sept; Kassler remains during the transition. -- *Ian Trombley* will replace Wallace as pres, **NBCU's** operations and technical services. He most recently served as evp, TV operations.

## Cablefax Daily Stockwatch

Company	07/27 Close	1-Day Ch	Company	07/27 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDs</b>					
DISH:	64.20	(0.81)	CONCURRENT:	5.76	(0.35)
ENTRAVISION:	7.40	(0.04)	CONVERGYS:	24.73	(0.4)
GRAY TELEVISION:	16.41	(0.36)	CSG SYSTEMS:	30.44	(0.08)
MEDIA GENERAL:	15.75	0.03	ECHOSTAR:	45.74	(0.65)
NEXSTAR:	56.27	(0.91)	GOOGLE:	627.60	4.04
SINCLAIR:	27.94	(0.18)	HARMONIC:	6.47	(0.11)
TEGNA:	28.74	(0.8)	INTEL:	28.26	0.20
<b>MSOS</b>					
CABLE ONE:	412.65	(10.07)	INTERACTIVE CORP:	80.04	(1.66)
CABLEVISION:	25.90	(0.3)	JDSU:	11.10	(0.08)
CHARTER:	181.58	(2.75)	LEVEL 3:	52.10	(0.14)
COMCAST:	61.06	(1.12)	MICROSOFT:	45.36	(0.58)
COMCAST SPCL:	60.85	(1.19)	NETFLIX:	106.42	(2.92)
GCI:	17.87	(0.18)	NIELSEN:	44.80	(0.37)
LIBERTY BROADBAND:	52.57	(1.01)	RENTRAK:	66.51	(0.78)
LIBERTY GLOBAL:	51.05	(0.9)	SEACHANGE:	6.91	(0.3)
SHAW COMM:	20.63	(0.04)	SONY:	28.88	(0.39)
SHENTEL:	32.44	(0.53)	SPRINT NEXTEL:	3.10	(0.34)
SHENTEL:	32.44	(0.53)	UNIVERSAL ELEC:	49.88	(0.52)
TIME WARNER CABLE:	188.14	(2.95)	VONAGE:	5.17	0.06
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	33.14	(0.52)	YAHOO:	37.83	(1.02)
AMC NETWORKS:	82.56	(0.28)	<b>TELCOS</b>		
CBS:	52.67	(0.37)	AT&T:	34.32	0.03
CROWN:	4.42	(0.06)	CENTURYLINK:	28.12	0.09
DISCOVERY:	31.55	(0.26)	TDS:	27.49	(0.31)
DISNEY:	118.25	(0.66)	VERIZON:	45.83	(0.21)
GRUPO TELEVISIA:	34.21	(0.93)	<b>MARKET INDICES</b>		
HSN:	70.82	(0.31)	DOW:	17440.59	(127.94)
LIONSGATE:	37.18	(0.84)	NASDAQ:	5039.78	(48.85)
MSG:	82.13	1.84	S&P 500:	2067.64	(12.01)
SCRIPPS INT:	61.88	0.68			
STARZ:	43.65	(0.73)			
TIME WARNER:	86.54	(0.84)			
VIACOM:	56.45	(0.24)			
WWE:	16.01	(0.59)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.27	(0.02)			
AMDOCS:	55.11	(0.48)			
AMPHENOL:	54.75	(1.11)			
APPLE:	122.73	(1.77)			
ARRIS GROUP:	30.07	(0.46)			
AVID TECH:	12.53	(0.08)			
BLNDER TONGUE:	0.80	(0.02)			
BROADCOM:	50.80	(0.73)			
CISCO:	28.25	(0.16)			
COMMSCOPE:	26.20	(0.07)			

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## CFX TECH by Joyce Wang

### Another OTT Startup, Another Battle?

At around \$3 per each genre-based channel package, VA-based **KlowdTV's** streaming programming bundle seems unbelievably affordable. The platform, which went live less than a year ago, recently doubled its package offering with the addition of a 6-channel global news package including **Bloomberg TV** and **Sky News International**, and a 7-channel entertainment package including **YouToo America** and **AWE TV**. It already has a sports package which features nets like **beIN Sports**, **Fight Network**, **FNTSY Sports Net** and **Outdoor Sport Channel**, and an outdoor lifestyle package featuring nets such as **RIDE**, **ChukkerTV**, **HRTV**, **The Outdoor Cooking Channel** and **Hunt Channel**. Like other OTT startups, it's been a challenge signing up major broadcast and cable nets. Absent from the channel lineup are broadcast channels and major cable nets. "We started by focusing on the independent channels. We wanted to prove the concept, the platform, and the market while working our way up," co-founder *Michael Grams* told us. The company is in talks with "some big name channels to bring them onto the platform," he said. While legacy contracts prevent many networks from going a la carte, the good news is "financial barriers to bring networks from different parts of the globe have dropped immensely, and we are able to source new content and channels that are not readily available on many major US distributors," Grams said. "It is really is an exciting time in the broadcast industry," said the former CFO of **Diversified Communications**, which offers satellite services to North American and International TV nets. He believes the company has the right price point that's appealing to its target user base. Instead of a \$20+ dollar skinny bundle (such as **DISH's** Sling TV), the service allows users to choose from multiple \$3 dollar micro-packages, Grams said. "By being placed with other networks that have similar content and focus, the consumer gets more content that has a similar focus and all the networks in that bundle get paid." During the first few

months since launch, live content focused around sports and other events was one of the main draws, Grams said. The priority of the rest of the year is to make KlowdTV available on all viewing platforms. The service currently works on iOS and Android platforms, as well as **Roku**, **Amazon Fire**, **Sony Smart TVs**, **Hisense TVs**, **TiVo** devices, **Samsung Blu Ray Players**, and other **OperaTV** enabled smart devices. "We also have a list of features we will be adding to the platform shortly that will add to the customer experience," Grams said.

**Arris Sells Supplies Unit:** Arris agreed to sell its Supplies Division to broadband networking technology company **Technetix**, which will merge the unit into its existing operations in Denver. The transaction, which aims to expand Technetix's presence in the Americas thanks to Arris' relationship with cable/telecom ops in the region, is expected to close before the end of 3Q.

**All About Data:** **CableLabs** is working on 3 projects focused on using data to help companies grow revenues. By incorporating global standards and providing extensions based on member's insight, CableLabs is developing open application programming interfaces (APIs) to create a common data structure to automate the exchange of data, which aims to accelerate the sales proposal and service delivery. The group is also working on virtualized service delivery and management tools to provide infrastructure support to exchange the data needed. Finally, it has developed an approach with a reusable library of data artifacts, which includes common APIs, data models and entity definitions as examples that aims to replace the "siloes approaches of the past." The approach is expected to support CableLabs members as they begin to realize the value of their big data reserves, adapt quickly to the shifts in technology, and move towards a software-centric and cloud networking operational world.

Got tech news? Reach out to Cablefax Tech editor *Joyce Wang* at [jwang@accessintel.com](mailto:jwang@accessintel.com)

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