

Cablefax Daily™

Thursday — September 10, 2015

What the Industry Reads First

Volume 26 / No. 174

Stranglehold: The Nuge Has Sportsman's Back in Verizon Spat

Ted Nugent's not exactly known for subtlety. So when the rocker and star of **Sportsman Channel's** "Ted Nugent Spirit of the Wild" got word that **Verizon** FiOS had dropped the net this month, he didn't hold back. On his **Facebook** page this weekend, Nugent declared Verizon is "infested with antiGun antiHunting antiNature antiAmerican hippies commies & punks!" For its part, Verizon says it's about controlling costs and viewership. The Nuge isn't buying it, suggesting Sportsman is higher rated than **Al Jazeera**, which he described in an oh-so-Ted way. Verizon dropped the channel as of Sept 1. "From time to time, we make the difficult decision to remove channels that the vast majority of our customers do not spend a lot of time watching, particularly where suitable alternatives exist," a Verizon spokesman said. Interestingly, Verizon's customer notification about the drop pointed customers to **History**, **Nat Geo Wild** and **Discovery Channel** for "similar content." It did not mention Sportsman's hunting and fishing sibling nets **Outdoor Channel** or **World Fishing Network**, which FiOS does carry. Does the omission mean Verizon is contemplating dropping the other channels from the Outdoor Sportsman Group? Verizon declined to answer why the nets weren't mentioned. "I think by not listing us that's a pretty strong suggestion of where their head's at, in our opinion. To eliminate the entire space we represent and not offer their viewers anywhere to go, I think is extremely curious," said **Outdoor Sportsman Group** pres/CEO *Jim Liberatore*. "I really don't feel like they understand our viewers. Those channels are absolutely nothing like our channel. I think there's just a general lack of understanding of who views the network, the passion of these viewers, the exclusivity of the type of programming we provide." Liberatore predicts a strong reaction from outdoor enthusiasts, which MRI pegs to be at over 130mln strong. Nugent's Facebook post already has more than 9K likes. "It's not something that starts from the top down. In our world, it's something that starts from the ground up," the Outdoor Sportsman chief said. As for viewership, affiliate sales evp *Steve Smith* questioned whether Verizon is comparing Sportsman (which was carried on the FiOS TV Ultimate package as well as the Sports Pass tier) to broader distributed networks. "Obviously because Sportsman is on a tier, our average audience would be a little lower," he said. "In the data we get, even though we're on a tier, our average audience is beating many of the more widely distributed networks that they continue to distribute."

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Associate Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Jr. Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir. of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,649/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

Change in Weather: The Weather Channel is returning to the weather, nixing *Sam Champion's* 3-hour morning show at the end of Oct and pulling back from reality programming. **Weather Company** TV division pres *Dave Shull*, previously of DISH, told employees in a memo that distributors are "only going to carry channels they have to carry in the future," with those being live, on-brand and doing something no one else does. Verizon dropped Weather Channel from FiOS in March in favor of **AccuWeather**. **DirecTV** previously dropped the net for 3 months last year, complaining at the time that Weather Channel had too much non-weather programming. "We've restructured our TV division to better align our content production and distribution with a focus on innovative models of storm coverage and strategic new products, such as our soon-to-be-launched OTT service. This shift in focus has resulted in the elimination of some of our programming and positions," a spokesperson said. Champion will continue to play a role at Weather Channel, aiding in efforts to expand weather coverage in primetime and build OTT products. The changes will result in some layoffs, with **CNN** reporting that about 50 of Weather's 1400 employees will be impacted.

Nat Geo Society & 21CF: First **Sesame Street** moves to **HBO**. Now, the **National Geographic** magazine will shift to for-profit status. **21st Century Fox** will pay \$725mln to the mag's publisher, the **National Geographic Society** to expand the 18-year partnership through which they've owned and operated the **Nat Geo Channels**. The new jv will operate as **National Geographic Partners**, combining the TV channels with Nat Geo's other assets, including magazines and maps. *Declan Moore*, a 20-year veteran of the Society currently serving as Chief Media Officer, has been appointed CEO of National Geographic Partners. The deal, which will bring the Society's endowment to nearly \$1bln, is expected to close later this year. The Society will remain a non-profit, separately governed from National Geographic Partners.

NBC's Half Billion in Retrans: Four years ago, **NBC** had a big fat goose egg in the retrans consent column. This year, retrans rev should fall somewhere around \$500mln, **NBCU** evp/CEO *Steve Burke* said at a **Bank of America Merrill Lynch** investor conference Wed. "[It] is an astonishing change in a relatively short period of time, which obviously is very good for NBC, not as good for *Neil Smit* and our cable business. But we're nicely hedged if you will," he said, suggesting that NBC should pull numbers closer to **CBS**, **ABC** and **Fox** if ratings continue on an upward swing. NBC does have a number of retrans deals expiring next year, though he didn't name names.

How about them Apples?: The next-gen **Apple TV** set-top box was unveiled today at a highly anticipated Apple event Wed in San Francisco. Available in late Oct for \$149 (32GB) and \$199 (64GB), the set-top's new features include a built-in App Store; Siri interaction that allows searches through multiple video services; an enhanced, motion-sensitive remote with improved touch navigation through a software dubbed tvOS; and a more powerful operating system. Also revealed at the event: a larger iPad, called the iPad Pro, an operating system upgrade to the Apple Watch and a new iPhone 6S and iPhone 6S Plus..

Mediacom's Gig: **Mediacom** is making 1-Gig Internet service available to homes passed in the MO communities of Boone, Cole and Callaway Counties, which include the cities of Columbia and Jefferson City. Customers can start placing orders Sept 15. Next year, the MSO plans to begin deployment of the next-generation broadband technology standard known as "Gigasphere," expanding the availability of 1-Gig residential services to additional communities across its 22-state territory. In announcing the service, Mediacom took a swipe at competitors. "Unlike some other 1-Gig providers whose services are limited to selected neighborhoods, our gigabit speeds are available throughout the community to 100% of the homes and residences along our network," said Mediacom's svp, field operations *Ed Pardini*.

Pai Pans Title II: Never a fan of Title II reclassification, **FCC** Republican commish *Ajit Pai* used his speech Wed at the **American Enterprise Institute** to complain that it's hurting investment. Citing research, Pai said cap ex by major wireline providers fell 12% in the first half of 2015 compared to the first half of last year. "This decrease represents billions of dollars in lost investment and tens of thousands of lost jobs. And it is quite atypical. Only twice before have broadband service providers' capital expenditures fallen on a year-over-year basis: following the dot.com bust in 2001 and the Great Recession in 2008," Pai said. **NCTA**, **US Telecom**, **ACA** and others are challenging the FCC's Title II order in federal court.

Programming: **ESPN's** "30 for 30" will return this fall for Volume III. The first 5 docs will premiere every Tues in prime, beginning Oct 13 with a look at the rise and fall of USC football under *Pete Carroll*. -- *Oprah* will interview former president *Jimmy Carter* to kick off the new season of **OWN's** "Supersoul Sunday," Sept 27.

BUSINESS & FINANCE

Ratings: *Serena vs Venus* on ESPN Tues night—the sisters' 27th meeting—earned a 4.8 rating. The entire 5+ hour US Open telecast scored a 2.7 overnight rating, the net's best for tennis. It was also a record day for tennis on WatchESPN—the third of the US Open to date—with 612K users totaling 44.8mln minutes viewed. The previous best came Monday, with 447K users and 40.3mln minutes. -- **truTV's** "Impractical Jokers 100th Episode Live Punishment Special" scored 3.7mln total viewers for L+3. Thurs' live broadcast featured a high-wire stunt from NYC's South Street Seaport.

StudentCam: C-SPAN launched its 12th annual StudentCam competition, inviting middle and high school students to produce 5- to 7-minute videos using C-SPAN programming. This year's topic: "Road to the White House: What's the issue YOU most want candidates to discuss during the 2016 presidential campaign?" The deadline for entries is Jan 20, 1 year from the next presidential inauguration. The C-SPAN Education Foundation awards 150 student and 53 teacher prizes, totaling \$100,000 in cash.

People: Ovation upped *Lori Hall* to vp, program planning, scheduling and acquisitions. -- *Patrick Kelly* advances to evp, business affairs for **TBS** and **TNT**, reporting to *Sandra Dewey*, president of TNT and TBS Productions and business affairs for Turner. -- Former **Vu-biquity** pres *Doug Sylvester* becomes CEO of payroll company **CAPs**.

Cablefax Daily Stockwatch

Company	09/09 Close	1-Day Ch	Company	09/09 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	58.83	(1.72)	CONVERGYS:	22.62	(0.25)
ENTRAVISION:	7.39	(0.14)	CSG SYSTEMS:	29.74	(0.3)
GRAY TELEVISION:	11.27	(0.19)	ECHOSTAR:	43.76	(0.4)
MEDIA GENERAL:	10.59	0.11	GOOGLE:	612.72	(1.94)
NEXSTAR:	43.82	(0.1)	HARMONIC:	5.60	(0.08)
SINCLAIR:	26.28	(0.14)	INTEL:	29.24	(0.26)
TEGNA:	23.22	(0.34)	INTERACTIVE CORP:	69.23	(0.35)
MSOS					
CABLE ONE:	427.43	2.43	LEVEL 3:	45.44	(0.44)
CABLEVISION:	28.06	(0.56)	MICROSOFT:	43.07	(0.82)
CHARTER:	185.05	(1.26)	NETFLIX:	99.18	4.23
COMCAST:	56.68	(0.43)	NIELSEN:	46.23	(0.02)
COMCAST SPCL:	57.47	(0.49)	RENTRAK:	46.64	(0.68)
GCI:	17.34	0.11	SEACHANGE:	6.28	(0.22)
LIBERTY BROADBAND:	55.59	(0.38)	SEACHANGE:	6.28	(0.22)
LIBERTY GLOBAL:	47.37	(0.85)	SONY:	25.06	0.16
SHAW COMM:	19.85	(0.06)	SPRINT NEXTEL:	4.92	(0.08)
SHENTEL:	39.99	(0.5)	TIVO:	9.06	(0.04)
TIME WARNER CABLE:	188.62	(1.77)	UNIVERSAL ELEC:	45.17	(0.37)
PROGRAMMING					
21ST CENTURY FOX:	26.48	(0.57)	VONAGE:	5.61	(0.06)
AMC NETWORKS:	73.09	(1.45)	YAHOO:	31.52	0.62
CBS:	43.51	(0.16)	TELCOS		
CROWN:	5.23	(0.05)	AT&T:	32.78	(0.36)
DISCOVERY:	26.82	(0.4)	CENTURYLINK:	26.97	0.01
DISNEY:	101.91	(2.1)	FRONTIER COMMUNICATIONS:	5.45	0.01
GRUPO TELEVISIA:	28.96	(0.26)	TDS:	27.06	(0.56)
HSN:	59.44	(0.38)	VERIZON:	45.39	(0.49)
LIONSGATE:	38.33	(0.57)	MARKET INDICES		
MSG:	73.68	0.93	DOW:	16253.57	(239.11)
SCRIPPS INT:	53.59	(0.27)	NASDAQ:	4756.53	(55.4)
STARZ:	38.13	(0.35)	S&P 500:	1942.04	(27.37)
TIME WARNER:	70.11	(1.57)			
VIACOM:	45.18	0.12			
WWE:	19.48	(0.11)			
TECHNOLOGY					
ADDVANTAGE:	2.35	(0.01)			
AMDOCS:	56.85	(0.57)			
AMPHENOL:	50.61	(1)			
APPLE:	110.15	(2.16)			
ARRIS GROUP:	27.47	0.74			
AVID TECH:	8.56	(0.07)			
BLNDER TONGUE:	0.56	(0.03)			
BROADCOM:	51.90	(0.55)			
CISCO:	25.94	(0.36)			
COMMSCOPE:	25.98	UNCH			
CONCURRENT:	5.23	(0.06)			



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Think about that for a minute...

The Google Gambit

Commentary by Steve Effros

It may not be evil, but is it legal? Or at the least, should we all be very, very concerned about it? What Google appears to be doing on several fronts right now constitutes a significant threat to both the video distribution business and to the continued vitality of broadband Internet. Recognizing what they're trying to do should cause alarm.



Let's start where I left off last week with my brief explanation of why the FCC's DSTAC advisory committee was so dysfunctional. Briefly, the committee produced a multi-hundred page report not on technical issues so much as on a basic fight over business plans and efforts to get the government to create industrial policy surrounding what the "service" was that an MVPD provides. Google was one of the moving forces in the formation of the committee, and its spokesman has publicly taken credit for getting the idea of "AllVid" included in the FCC's Broadband plan. Google has openly supported all the "public interest" groups agreeing with its push for AllVid.

At its heart, AllVid is an effort to create universal technical standards that would have the effect of "backing in" to the fundamental policy notion that MVPDs are mere conduits of programming... "dumb pipes." AllVid would allow other entities (TiVo, Google) to create their own hardware and software that could take the service MVPDs deliver and disaggregate it, that is, break it apart into its constituent pieces, then present it to the consumer in a different way and make money by doing so, either by selling equipment and subscriptions, like TiVo, or by selling ads and accumulated consumer data, like Google. As I suggested last week, if the government is going to suddenly call cable or satellite video distributors, essentially, common carriers, then it has to do so legally, up front, and see if Congress is really willing to

so fundamentally change the nature of the business, not through a technical back door.

But now it's becoming clear that Google's eyes are on more than just the video market. In an almost mirrored move, the company is reportedly putting pressure through its massive control and leverage of "search" on the Internet, on companies that want to provide their services through "apps" that are not open to disaggregation by Google! Same gambit. Google wants to be able to reach into the current "walled gardens" that constitute "apps"... which allow companies to control their own content and decide how to monetize it, with advertising and the like. The company wants to be able to find parts and pieces that are available inside the "app" and offer them up to consumers separately.

Of course this all sounds great from the short-sighted point of view of the consumer who claims to just want "choice." And that's the way Google tries to sell it. But in reality it's yet another effort to bend everyone else's business plan to Google's will, giving Google additional ad and data revenue rather than the companies creating new programming and useful "apps."

With MVPDs, Google is trying to use its already reported extraordinary influence with the government to get its way. With the Internet, it's simply using its own extraordinary business leverage. In both cases it's trying to do the same thing: take other folks' creativity and products and bend them for Google's benefit and use. It's a clear business plan, and while it may not be "evil" to use Google's motto, should it be allowed? I suspect more folks will be asking that question soon.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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