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What the Industry Reads First

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Verizon View: Slowing Video Adds in 3Q

Keep an ear out for comments this earnings season on the triple-play bundle. **Verizon** reported Tues that it's seeing a decline in the percentage of customers taking a 3-product package, while at the same time it's seeing interest in its skinny bundles, dubbed Custom TV. "We expect the continued adoption of Custom TV will pressure revenue growth, but result in a higher contribution margin," Verizon CFO *Fran Shammo* said during the company's 3Q earnings call. It's about \$20 less on avg than a normal FiOS bundle, but Verizon gets a break on the content costs (ie, **ESPN's** not a part of the basic bundle, something **Disney** has filed suit over). For 3Q, Verizon added 42K FiOS video customers—well below the consensus of 82K. FiOS Internet adds of 114K were only about 7% shy of the consensus. **Moffett Nathanson's** *Craig Moffett* suggested Verizon may have been less aggressive with FiOS installs given its negotiations with its 2 primary unions. In fact, **CWA** jumped on the telco's earnings numbers, saying that despite almost \$1.5bln a month in profits, it's "turning its back" on workers and demanding the right to ship more jobs overseas. As for the Custom TV package, Shammo said it performed similarly to what it did in 2Q. He was mum on litigation, only noting that there are some disputes that Verizon is "working through." "The environment is millennials just don't want linear TV content. They're disconnecting their cable for just Internet content and mobile content. And that goes to why we're launching go90 with a mobile-first perspective and that is attacking that entire segment that a FiOS brand does not attack today through a linear TV product." Verizon's only about 20 days into its go90 launch, so there wasn't much color offered other than the standard "strong" initial interest. It's worth noting though that the interest is coming without any real advertising of the service, though celebs like *Kanye West* have given it **Twitter** plugs. In a research note, Moffett opined that critiques about whether go90 will or will not be successful at reaching cord-cutting millennials are missing the offering's true intent—data collection. "Imagine a world where Verizon can deliver to an advertiser a list of all users who have set foot inside an auto dealership in the last 24 hours, based not on whether they have self-identified via an Internet search, but instead based on whether they have actually been," Moffett wrote. "No one else can deliver that level of granularity and richness." Of course, it's not clear yet if Verizon will be able to provide that info, with privacy just one of the unresolved questions. In response to an analyst question

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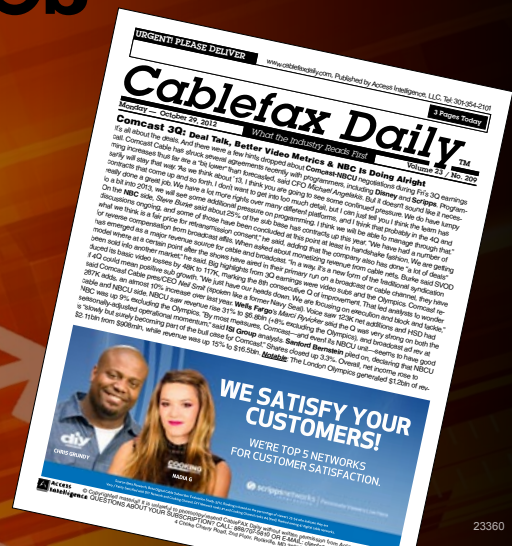
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about Verizon's existing MVNO agreement with cable, Shammo declined to get into whether discussions are underway about revising it. He did state that Verizon doesn't believe WiFi or LTE are a replacement for the other. Verizon shares closed up 1.2% Tues with its 3Q earnings per share of \$1.04 beating the Street's \$1.02 estimate. Revenue of \$33.2bln also topped analyst estimates.

Retrans Watch: AT&T U-verse and Tribune were still talking after their 5pm ET deadline for a new retrans deal passed Tues. We're told the 2 agreed to extend talks until 9pm ET Tues night. Fingers crossed...

AT&T/CWA Reach Deal: AT&T and CWA reached a tentative agreement covering wireline employees in the telco's Southeast territory Tues. The company also inked tentative agreements with the union on 2 Southeast regional contracts covering AT&T Billing Southeast and Southeast Utility Operations. The agreements will be submitted to the union's membership for a ratification vote in the next few days. They cover around 24K total employees in AL, FL, GA, KT, LA, MS, NC, SC and TN. "Out of respect for the union membership, AT&T will not comment on details of the tentative agreements until they have been presented to them for a vote by their leadership," AT&T said in a statement.

TWC Upgrades Customer Service: Time Warner Cable launched a new and improved online tool that aims to provide instant feedback to any questions a customer might have about their TWC service. The "Ask TWC Virtual Assistant" feature can be used on a mobile device or PC and is included as part of the My TWC app. The redesigned tool also provides a list of suggested questions when the search field is engaged to help subs easily locate answers.

OTT Deal: Zonzia Media, an OTT provider that has VOD carriage across Comcast, DISH and Verizon FiOS, inked a contract with Kaltura to use the video platform's end-to-end pay OTT TV service to power its new VOD offerings. The partnership seeks to support server-side and native ad insertion technology for VOD and live content, in-app purchases, a range of payment options and referral discounts. In addition, Kaltura's Digital Rights Management support is expected to offer content protection, while its monetization tools will be customized to Zonzia's content distribution model.

COMPTEL Rebrands: COMPTEL, which has represented competitive telecom carriers, as members, renamed itself as INCOMPAS, CEO Chip Pickering announced at the association's expo in San Francisco Mon. The move reflects changes to the group's membership base. "In addition to competitive broadband providers, INCOMPAS now counts video providers, social media leaders, content providers, wireless companies, Internet companies, international leaders, start-ups and venture capitalists among its growing membership base," the group said in a release. The association has added companies including Google, Level 3, T-Mobile, Amazon and Netflix as members over the last 2 years.

Viacom's Social Impact: Viacom released its 2015 Social Impact Review: Raising Voices. The annual review outlined specific social responsibility goals and set benchmarks for each impact area for the 1st time. According to the review, Viacom employees donated 25K volunteer hours in 2014 and its net MTV's "Look Different" campaign inspired 1mln+ young people to take action against bias. Other highlights of the review include Paramount's SELMA, which was watched by 320K students for free and the \$1.2mln raised for Big Brothers Big Sisters of NYC during Nick's 2014 Worldwide Day of Play event and Race for the Kids. Spike's 1st Veterans Operation Wellness campaign raised \$135,227. In addition, \$133K music grants were awarded to mostly high-need schools by the VH1 Save the Music Foundation in 2014.

Research: About 86% of US adults over the age of 35 have a pay-TV subscription versus 72% for adults 18-34, according to a new report by consultancy Altman Vlandrie & Company. Among younger millennials (18-24), 54% said they are likely to choose a pay-TV provider based on multiplatform offerings. That number is 47% for older millennials (25-34).

ASL Videos: Comcast is launching a series of American Sign Language tutorial videos that provide details on how to turn closed captioning on or off across its platforms, including on X1 and the Xfinity TV mobile app. The company worked closely with the Deaf-Hearing Communication Centre and The Pennsylvania School for the Deaf in creating the videos, which are on YouTube and at Xfinity.com/ASL. They will soon be added to the accessibility section of help and support on set-tops.

Programming: FYI's docu-series "Married at First Sight" returns for Season 3 with 13 eps on Dec 1. -- Discovery

BUSINESS & FINANCE

Comm examines *Fidel Castro's* life and personality in its 1-hour special "Castro: The World's Most Watched Man" on Thurs at 10pm ET on **American Heroes Channel**. The program will debut on Sun in Spanish on **Discovery en Español** as "Fidel Castro En La Mira," as part of the net's Discovery a Fondo (#Afono) investigative block. The special features interviews with **KGB** agents, **CIA** analysts, Cuban intelligence operatives and exiles from the island, spanning more than 50 years of history. -- **Spike** greenlit an 8th season of tattoo-competition series "Ink Master" that will premiere next summer. Season 6 wrapped Tues with a live 90-min finale that delivered 2.4mln viewers. Season 7 will bow in the spring. -- **Disney** ordered comedy series "Bizaardvark," about best friends who are working to become online stars. It will debut next summer.

Honors: Former **ESPN** CTO *Chuck Pagano* will receive the Lifetime Achievement Award at the 67th Technology & Engineering Emmy awards in Jan during **CES**. -- **Discovery Education** was the winner of the US Chamber's Corporate Citizenship Award in the category of Best Corporate Steward, Small and Middle-Market. **IBM** won in the category of Best Corporate Steward, Large Business. The Chamber Foundation announced the winners earlier this month at a ceremony in DC.

Cablefax Daily Stockwatch

Company	10/20 Close	1-Day Ch	Company	10/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	62.18	0.88	CONVERGYS:	25.52	0.01
ENTRAVISION:	8.34	(0.04)	CSG SYSTEMS:	32.21	(0.34)
GRAY TELEVISION:	14.59	(0.31)	ECHOSTAR:	45.09	(0.02)
MEDIA GENERAL:	14.75	(0.05)	GOOGLE:	650.28	(15.82)
NEXSTAR:	52.16	UNCH	HARMONIC:	6.10	0.10
SINCLAIR:	29.35	0.16	INTEL:	33.44	(0.15)
TEGNA:	25.04	0.04	INTERACTIVE CORP:	69.01	(1.49)
MSOS					
CABLE ONE:	434.97	(7.43)	LEVEL 3:	48.09	0.65
CABLEVISION:	32.94	(0.03)	MICROSOFT:	47.77	0.15
CHARTER:	185.58	(0.73)	NETFLIX:	98.99	(2.7)
COMCAST:	61.55	(0.01)	NIELSEN:	48.53	0.35
COMCAST SPCL:	62.25	0.11	RENTRAK:	53.61	(2.27)
GCI:	19.43	0.45	SEACHANGE:	6.94	(0.11)
LIBERTY BROADBAND:	54.48	(0.59)	SONY:	27.23	(0.2)
LIBERTY GLOBAL:	45.39	(0.39)	SPRINT NEXTEL:	4.36	(0.05)
SHAW COMM:	20.69	0.47	TIVO:	9.25	(0.01)
SHENTEL:	47.18	0.94	UNIVERSAL ELEC:	46.48	1.01
TIME WARNER CABLE:	187.31	(0.02)	VONAGE:	6.14	0.04
PROGRAMMING					
21ST CENTURY FOX:	29.57	0.09	YAHOO:	32.83	(0.67)
AMC NETWORKS:	69.38	(4.7)	TELCOS		
CBS:	43.95	1.03	AT&T:	33.75	0.12
CROWN:	5.73	(0.01)	CENTURYLINK:	27.25	0.33
DISCOVERY:	29.18	0.48	FRONTIER:	5.32	0.07
DISNEY:	109.84	0.37	TDS:	26.74	0.29
GRUPO TELEVISIA:	26.94	0.15	VERIZON:	45.24	0.54
HSN:	60.09	(0.67)	MARKET INDICES		
LIONSGATE:	39.84	(0.69)	DOW:	17217.11	(13.43)
MSG NETWORKS:	19.99	(0.19)	NASDAQ:	4880.97	(24.5)
SCRIPPS INT:	56.56	0.60	S&P 500:	2030.77	(2.89)
STARZ:	38.48	0.09			
TIME WARNER:	71.73	0.57			
VIACOM:	51.24	0.65			
WWE:	20.31	0.53			
TECHNOLOGY					
ADDVANTAGE:	2.26	(0.03)			
AMDOCS:	58.72	0.37			
AMPHENOL:	53.41	0.33			
APPLE:	113.77	2.04			
ARRIS GROUP:	28.86	0.13			
AVID TECH:	8.64	0.05			
BLNDER TONGUE:	0.66	(0.03)			
BROADCOM:	51.68	0.14			
CISCO:	28.50	0.25			
COMMSCOPE:	31.85	0.14			
CONCURRENT:	5.04	0.02			



Call for Entries

Final Entry Deadline
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