

# Cablefax Daily™

Monday — November 9, 2015

What the Industry Reads First

Volume 26 / No. 216

## Start Your Engines: FCC Seeks Comment on Cablevision Deal

The FCC established a pleading cycle to consider **Altice's** proposed \$17.7bln purchase of **Cablevision**. Comments and petitions to deny the deal are due to the Commission on Dec 7, with reply comments due Dec 22 (Docket 15-257). Altice's planned \$9.1bln acquisition of **Suddenlink** has received very few comments, but it's unclear if Cablevision may draw more opposition given its high-profile NY-NJ-CT footprint. Besides the cable assets, the deal includes Long Island daily newspaper *Newsday*, the **News 12** programming networks and **Lightpath**, which provides telecom services to companies in the NY metro area. Cablevision has long been a target of **CWA**, but the 2 buried the 3-year dispute in Feb with a collective bargaining agreement—the first for the MSO's more than 250 Brooklyn technical workers. In recent months, the MSO has settled litigation with **Viacom** and seems to be nearing the end of a program carriage complaint filed at the FCC by **GSN** (closing arguments were held Oct 30; the Enforcement Bureau has recommended a finding that Cablevision did not discriminate). In the case of Suddenlink, the deal is expected to close after Thanksgiving, but before mid-December, according to Altice CEO *Dexter Goei*. Thurs' 3Q earnings call for Suddenlink served as a goodbye platform for CEO *Jerry Kent*. He will step down upon the transaction's close but will continue as Cequel III CEO, where it sounds like he'll stay busy. "Throughout my entrepreneurial career, I've been excited and energized by seeking new opportunities in companies, and I'm looking forward to the next chapter," Kent said on the call. Only the **Humboldt County (CA) Board of Supervisors** has urged the FCC to deny the Altice-Suddenlink transaction. The Board's unhappy with Suddenlink over PEG fees and is concerned "absentee ownership" will hurt community interest. The **CA Emerging Technology Fund**, a non-profit dedicated to closing the digital divide, recommended conditions for the Suddenlink-Altice deal, including a standalone \$9.95 broadband offer for 3 years or until 80% of the eligible persons in targeted underserved areas are connected. As for Altice's acquisition of Cablevision, the companies state it's in the public interest because consumers will benefit from Altice's global experience. They also argue that it will reduce vertical integration because Altice's acquisition doesn't include any of Cablevision's interest in **MSG Networks** and **AMC Networks**. Vertical integration is a hot potato that's being raised in the **Charter-Time Warner Cable-Bright House** transactions, with **ACA** and a few others expressing concern over *John Malone's* interest in **Discovery** and **Starz**.

## Celebrate. Empower. Inspire.

 **MOST POWERFUL WOMEN  
IN CABLE** PRESENTED BY **Cablefax**

**Selling Quickly – Register Today!**

**Awards Breakfast  
November 20, 2015**

8:30 - 11:00 am ■ The Edison Ballroom, NYC

Join us as we salute the women who have made their mark on the industry with leadership, innovation and community.

Sponsored By:



Register at  
[www.cablefaxpowerfulwomen.com](http://www.cablefaxpowerfulwomen.com)

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 ● 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 ● 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, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

**AllVid:** It's heating up at the **FCC**... With FCC chmn *Tom Wheeler* signaling that an NPRM could come soon, cable's trying to cut off any attempts to establish a new technology mandate that would essentially replace the CableCARD regime. On Tues, a contingent of content owners, service providers, manufacturers and small and rural service provider associations descended on the FCC to fight back against an Oct 20 ex parte by AllVid proponents. That filing was meant to clarify technical standards in the AllVid proposal, but opponents say that it really amounted to virtually a new proposal relying on an entirely different set of proposed technical standards. And it's still flawed, argued the contingent, which included reps from **NCTA, Comcast, Arris, ACA, CableLabs, Cisco** and the **MPPAA**. What's more, they said, the proposal would mandate a new govt-designed intermediary device in the home that MVPDs must provide in order for the consumer to use any new retail device, thus "locking consumers into more (not fewer) boxes with their associated lease payments and higher energy consumption." The group said the AllVid backers, which include **Public Knowledge**, have a proposal that invites copyright infringement and imposes massive costs on MVPDs and their customers. All of this stems from the Downloadable Security Technology Advisory Committee report released in Aug. Reply comments on the report are due Mon. NCTA had asked for at least a 30-day extension to respond to the Oct 20 ex parte by AllVid supporters, but the Media Bureau denied the request last week. The DSTAC report made no recommendations, but did describe 2 approaches—an apps-based approach currently in use or a tech mandate, often dubbed "AllVid," that the FCC has previously abandoned.

**Mickey's Plan:** Again, **Disney** CEO *Bob Iger* hinted at his interest in direct-to-consumer services during the company's earnings conference call late Thurs. Disney is "very interested in taking content directly to consumers as a company," he said. Disney subs "typically buy through third parties. There's nothing wrong with that, by the way. We do great business with movie theater chains and big-box retailers and multichannel distributors," he said. That said, "given the way the world is and what technology makes available... we have an opportunity to reach our consumers directly in a way that our competitors can't come close to doing. So it is a competitive advantage, and it is an opportunity that technology is providing us. And it's something ultimately that you'll see more of." The company launched subscription on demand app DisneyLife in UK in Oct and is looking to expand it to other places in EU next year. The product is a trial for more digital services. "We wanted to test this in a market where there was strong brand affinity... When you look at technology today... the app experience is, I'll call it a 3D experience versus the 2D experience that linear television offers," Iger said. The chief exec also defended **ESPN** over its sub losses. The brand is strong, evidenced by ratings, he said, noting of the 50 top cable shows in fiscal 2015, 26 were ESPN's. "We feel bullish about ESPN and ESPN's business. We like the environment, because we think long-term it gives us more opportunities. I should also add that ESPN has been at the forefront of using technology to create more compelling product for its consumers and to be present on more platforms," he said.

**Liberty Global 3Q:** **Liberty Global** saw its 3Q operating income decline 22.5% YOY due to higher charges including \$28m network infrastructure charges at **Virgin Media** and \$7m incremental costs related to the Liberty 3.0 program, a growth driven initiative. During the quarter, the MSO increased its next-gen TV sub base by 339K, of which **Horizon TV** contributed 248K and **TiVo** delivered 91K. That brings the combined base to 4.3m at the end of Q3. With only 20% of its video base subscribed to next-gen platforms, "we see ample up-sell potential ahead of us," the company said in a release.

**Five More Years for Cohen:** Some have wondered if *David Cohen's* star faded any at **Comcast** given the opposition the MSO faced for its proposed deal to buy **Time Warner Cable**, but it looks like he's doing just fine. The EVP's contract was renewed beginning Oct 23 for another 5 years, expiring Dec 31, 2020 (Nice catch by the *Philadelphia Inquirer*). No base salary increase, but his annual cash bonus opportunity will increase to 250% of base salary for 2016.

**SCOTUS-Contraception:** **EWTN** is cheering the **US Supreme Court's** decision to hear a challenge to the Affordable Care Act's contraceptive mandate. The Catholic television network has been waiting on the Atlanta-based 11th Circuit to issue a decision on its challenge to the mandate following oral arguments in Feb. The EWTN case may be put on hold pending the outcome of the Supreme Court's decision. "We are extremely encouraged by the fact that the Supreme Court has chosen to weigh in on this unprecedented government violation of religious liberty," EWTN chmn/CEO *Michael Warsaw* said.

**TWC Tackles Cybersecurity:** **Time Warner Cable Business Class** held a Cyber Resiliency Summit Fri to provide cybersecurity risk and solutions information for business customers and non-profit groups. The summit featured keynote speaker **FBI** special agent *Jay Kramer*, the supervisor of a cyber team in the FBI's NY office that focuses on criminal cyber crimes. Nonprofits that attended the summit are eligible for a grant from TWC to improve their cybersecurity measures.

Cablefax Week in Review

Company	Ticker	11/6 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DISH	DISH	63.77	1.27%	(12.51%)
ENTRAVISION	EVC	9.26	5.65%	42.82%
GRAY TELEVISION	GTN	17.00	6.99%	51.79%
MEDIA GENERAL	MEG	15.43	3.84%	(7.77%)
NEXSTAR	NXST	56.73	6.58%	9.54%
SINCLAIR	SBGI	33.51	11.66%	22.48%
TEGNA	TGNA	27.04	0.00%	0.00%

Company	Ticker	11/6 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLE ONE	CABO	457.95	5.65%	0.00%
CABLEVISION	CVC	31.35	(3.8%)	51.89%
CHARTER	CHTR	190.26	(0.36%)	14.19%
COMCAST	CMCSA	61.61	(1.61%)	6.21%
COMCAST SPCL	CMCSK	61.89	(1.31%)	7.50%
GCI	GNCMA	21.07	3.44%	53.24%
LIBERTY BROADBAND	LBRDA	54.75	0.35%	9.30%
LIBERTY GLOBAL	LBTYA	46.13	3.62%	(8.13%)
SHAW COMM	SJR	20.59	(0.77%)	(23.71%)
SHENTEL	SHEN	48.47	3.59%	55.10%
TIME WARNER CABLE	TWC	188.09	(0.69%)	23.69%

Company	Ticker	11/6 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX	FOXA	29.83	(2.8%)	(22.34%)
AMC NETWORKS	AMCX	76.31	3.28%	19.66%
CBS	CBS	48.64	4.56%	(12.11%)
CROWN	CRWN	6.09	5.18%	72.03%
DISCOVERY	DISCA	29.01	(1.46%)	(15.79%)
DISNEY	DIS	115.67	1.70%	22.80%
GRUPO TELEVISIA	TV	29.07	(0.24%)	(14.65%)
HSN	HSNI	54.16	(12.43%)	(28.74%)
LIONSGATE	LGF	39.37	1.03%	22.95%
MSG NETWORKS	MSGN	20.92	1.95%	0.00%
SCRIPPS INT	SNI	59.04	(1.73%)	(21.56%)
STARZ	STRZA	34.80	3.85%	17.17%
TIME WARNER	TWX	68.86	(8.6%)	(19.39%)
VIACOM	VIA	49.22	(4.11%)	(34.81%)
WWE	WWE	17.53	(1.68%)	42.06%

Company	Ticker	11/6 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE	AEY	2.30	(0.56%)	(5.86%)
AMDOCS	DOX	60.71	1.91%	30.11%
AMPHENOL	APH	55.17	1.75%	2.53%
APPLE	AAPL	121.06	1.31%	9.68%
ARRIS GROUP	ARRS	28.80	1.91%	(4.6%)
AVID TECH	AVID	6.66	(21.18%)	(53.13%)
BLNDER TONGUE	BDR	0.51	6.25%	(81.04%)
BROADCOM	BRCM	53.79	4.65%	24.14%
CISCO	CSCO	28.45	(1.39%)	2.26%
COMMSCOPE	COMM	32.33	(0.31%)	41.61%
CONCURRENT	CCUR	4.76	(4.23%)	(32.86%)
CONVERGYS	CVG	25.99	1.25%	27.59%
CSG SYSTEMS	CSGS	37.05	10.53%	47.79%
EHOSTAR	SATS	45.30	1.05%	(13.71%)
GOOGLE	GOOG	733.76	3.23%	39.39%
HARMONIC	HLIT	5.90	2.43%	(15.83%)
INTEL	INTC	33.84	(0.06%)	(6.75%)
INTERACTIVE CORP	IACI	66.40	(0.91%)	9.23%

Company	Ticker	11/6 Close	1-Week % Chg	YTD %Chg
LEVEL 3	LVL	50.86	(0.18%)	3.00%
MICROSOFT	MSFT	54.92	4.33%	18.23%
NETFLIX	NFLX	114.06	5.24%	(66.61%)
NIELSEN	NLSN	48.05	1.14%	7.42%
RENTRAK	RENT	54.82	(0.65%)	(24.72%)
SEACHANGE	SEAC	6.77	4.64%	6.11%
SONY	SNE	28.05	(1.23%)	37.03%
SPRINT NEXTEL	S	4.53	(4.23%)	9.16%
TIVO	TIVO	9.23	1.65%	(22.04%)
UNIVERSAL ELEC	UEIC	47.07	(1.05%)	(27.62%)
VONAGE	VG	6.80	12.03%	78.48%
YAHOO	YHOO	34.20	(3.99%)	(32.29%)

Company	Ticker	11/6 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T	T	33.16	(1.04%)	(1.28%)
CENTURYLINK	CTL	28.57	1.28%	(27.82%)
FRONTIER	FTR	4.65	(9.53%)	(27.34%)
TDS	TDS	29.04	1.40%	15.01%
VERIZON	VZ	45.78	(2.35%)	(2.14%)

Market Index	Value	% Chg	YTD %Chg
DOW	17910.33	1.40%	0.49%
NASDAQ	5147.12	1.85%	8.68%
S&P 500	2099.20	0.95%	1.96%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VONAGE	6.80	12.03%
2. SINCLAIR	33.51	11.66%
3. CSG SYSTEMS	37.05	10.53%
4. GRAY TELEVISION	17.00	6.99%
5. NEXSTAR	56.73	6.58%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. AVID TECH	6.66	(21.18%)
2. HSN	54.16	(12.43%)
3. FRONTIER	4.65	(9.53%)
4. TIME WARNER	68.86	(8.6%)
5. CONCURRENT	4.76	(4.23%)

Corporate Licenses

Cablefax Daily

WHAT THE INDUSTRY READS FIRST.

Get reduced subscription rates for multiple readers in your organization.

Find out more!  
Contact Laurie Hofmann at  
L.Hofmann@accessintel.com

www.cablefax.com

