

# Cablefax Daily™

Tuesday — December 1, 2015

What the Industry Reads First

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## In this Corner: Title II Gets Its Day in Court

The net neutrality main event—years in the making—takes center stage Fri when the **DC Circuit** hears oral arguments in a challenge of the **FCC's** Open Internet rules. We've been down this road before, most recently in 2014 when the same court struck down the Commission's previous Open Internet rules. But that case wasn't at high profile at this challenge by **NCTA, US Telecom, ACA, AT&T** and others. Chalk up the heavy interest this go-around in the clear division set up by reclassifying broadband as a Title II service. It was a fear of Title II classification that prompted NCTA in 2010 to agree to a compromise solution that did not reclassify Internet. **Verizon**, however, wasn't a fan of the 2010 rules and successfully challenged them—in front of one of the same judges who will hear Fri's case, Judge *David Tatel*. Notably, Tatel, who was appointed to the court in 1994 by President *Clinton*, also was part of the panel who struck down the FCC's previous net neutrality attempt under then-chmn *Kevin Martin* to sanction **Comcast** for throttling **BitTorrent**. Tatel will be joined by President *Reagan* appointee Judge *Stephen Williams* and President *Obama* appointee *Sri Srinivasan*. Tatel's involvement wasn't lost on **Free Press**, which sent a note soliciting support Mon and noting that the case "is even in front of one of the same judges who wrote the decision last year, tossing out the agency's last attempt at Net Neutrality because the FCC picked the wrong legal theories." Fri's arguments are a hot ticket, with folks expecting to start lining up for a seat inside the courtroom at 7am. The case will get underway at 9:30am with **Sidley Austin** partner *Peter Keisler* handling arguments for the petitioners on reclassification, which include the ISPs. Given the number of parties challenging the case, sometimes on different grounds, it's a complicated schedule. FCC gen counsel *Jonathan Sallet* will argue reclassification for the agency, while *Kevin Russell* will get 5 minutes for the intervenors who support the rules (ie, **Free Press** and crew). Several other high-profile attorneys will get time before the 3-judge panel, including **Steptoe & Johnson's Pantelis Michalopoulos** who will offer support on why the rules should apply to mobile broadband. The DC Circuit has allotted an hour for the reclassification issue, 40 minutes for the regulation of mobile broadband, 20 minutes on 1st Amendment issues and 20 minutes on **Full Service Network's** petition that the FCC order doesn't go far enough (it's against the FCC forbearing some Title II regs). Pro-tip: The no-phones-in-the-courtroom rule is strictly enforced, so don't plan to catch up on any email you're missing during the more than 2 hours of arguments.



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**Disney Subs:** Disney shares closed down 1.4% Mon after media dug into its SEC report filed after the bell Wed, a Thanksgiving tradition. While much was made by reporters over ESPN losing 3mln subs over the past year, one analyst wasn't that disturbed. "We were truly amazed by the extensive media coverage of subscriber losses at ESPN as disclosed by the 10-K. We understand the market's focus on getting this right, but we just don't think we learned anything new on subscriber count trends in Disney's annual filing," wrote **Moffett Nathanson's Michael Nathanson**. He noted that decline was actually an improvement from last year's Nielsen-reported decline of 4mln. "Nielsen's subscriber counts are just estimates, rather than paid subscribers, which we actually want. At best, these figures are directionally indicative," said Nathanson's note to clients. Despite the quibbling, he said one thing is clear: the mature pay TV universe is now in decline.

**AMCN vs NCTC:** Another NCTC member is getting vocal about **AMC Networks'** Dec 31 contract expiration. VA-based **Shentel** is warning subs that the proposed rate increase, the carriage of additional channels and the relocation of some channels to a broader distributed tier represent a "379% increase over the term of the contract." Shentel's reference to additional channels is for **Sundance** and **BBC World**, which it doesn't carry. It has a separate contract in place covering **BBC America** that doesn't expire at this time. The operator sounds prepared to bid the channel adieu if need be, issuing a statement that it plans to reimburse customers the cost of the channels being dropped until new programming can be obtained. Last month, **MCTV** complained that AMCN is "actively trying to incite panic" by running spots during popular series "The Walking Dead," whose mid-season finale was Sun (11/29). "We know that the AMC channel itself has popular programming, but outside those programs the content is weak. The secondary channels are not popular and adding them to our lineup could impact our ability to enhance broadband capacity," **Chris Kyle**, Shentel vp of industry relations and regulatory, said in a statement. For its part, AMCN said it has created "enormous value" for NCTC members, and "while we are committed to continuing to negotiate with NCTC, we are informing our loyal viewers who are NCTC customers that they are at risk of losing access to their favorite AMC shows."

**Streaming Media Study:** Accounting for 35% market share, **Google's** Chromecast led the global digital media streaming market for the 5th quarter in a row in 3Q, according to **Strategy Analytics**. **Apple TV** was a distant 2nd, accounting for 20% market share, followed by **Amazon Fire TV** and **Roku**, which were tied at 16%. During the quarter, global shipments of digital media streaming devices reached 9.2mln, according to the research firm's latest report. Meanwhile, worldwide shipments of all connected TV devices, including smart TVs, Blu-ray players, gaming consoles and digital media streaming players, reached 53mln units in 3Q and are on track to hit 221mln units for the full year, representing 17% YOY growth. **Samsung** continued to lead the global smart TV market, accounting for 25% of smart TVs in use worldwide. In the gaming console segment, **Sony** shipped more than twice as many devices as **Microsoft** in the quarter although the Xbox One is expected to close the gap on the PlayStation 4 during Q4 thanks to bundle options, the report said. The growing adoption of connected TVs in the home means the big TV screen is still the dominant medium for consuming video content, sr research analyst **Chirag Upadhyay** said in a statement.

**UHF Spectrum Decision:** Delegates at the World Radiocommunication Conference made a decision last week to keep Ultra High Frequency spectrum exclusively allocated to terrestrial TV services for the next decade. The move was welcomed by the **Dynamic Spectrum Alliance**, which counts tech companies and vendors like **Google, Facebook, Broadcom** and **Microsoft** as members. The decision sets the stage for "the globally harmonized rollout of digital television in the 470 MHz to 694/698 MHz bands," licensing of mobile broadband services on a primary basis in the 694/698 MHz to 862 MHz bands, and deployment of TV white space technologies, the alliance said. **NAB** also approved of the move. "Of the 162 nations attending the conference, more than 140 countries rejected the wireless broadband industry's anti-broadcasting UHF spectrum grab and recognized that frequency band is harmonized to provide television services on a worldwide scale. This broad consensus should send a strong message that while wireless broadband services are important for those who can afford the fees, that service should not come at the expense of a ubiquitous over-the air TV service that is available to all for free," the broadcaster group said.

**Going for the Gold:** **Discovery Comm** is gearing up for **Eurosports** gaining broadcast rights to the Olympics across Europe (2018-24). It's created an Olympic Games leadership organization team that will have 5 key areas: Commercialization (led by **Jean-Thierry Augustin**, pres, sports development & Olympic commercialization), Operations & Planning (led by **David Schafer**, svp, Olympic ops and planning), Olympic Relations & Coordination (led by **Géraldine Filiol**),

# BUSINESS & FINANCE

Engineering/Tech (to be appointed) and Production (to be appointed). Additionally, Eurosport tapped *Sameer Pabari* to lead biz dev, *Antonio Ruiz* to head marketing and *Fiona McLachlan* as vp, communications.

**Programming:** **MLB Net** will offer 35+ live hours of coverage over 5 days at the MLB Winter Meetings in Nashville next week. We'll be keeping an ear out for anything on **Comcast's** spat with **Fox-owned Yankees RSN YES**. -- **Telemundo** said it's the 1st Spanish-language TV net to surpass 1mln subs on YouTube. Telemundo's YouTube channel added 613K subs YOY (from 1/1/15- 10/31/15), increasing the number of views during that period 262% (460mln). -- **Disney** ordered a 3rd season of "Star Wars Rebels." -- **Nat Geo** is partnering with producers *Mike Medavoy* and *Jason Clark* to develop a scripted mini-series based on *The New York Times* best seller "The Long Road Home" by *Martha Raddatz*.

**People:** *Andy Forssell*, once acting CEO at **Hulu**, was tapped by **Fullscreen** as COO, reporting to CEO/founder *George Stropoulos*. Forssell was most recently CEO of **ShowYou**, a video aggregation platform. Fullscreen, which started as a video network on **YouTube**, is looking to launch its own subscription service. **Otter Media**, the online video-focused joint venture between the **Chernin Group** and **AT&T**, acquired a majority stake of Fullscreen last year.

## Cablefax Daily Stockwatch

Company	11/30 Close	1-Day Ch	Company	11/30 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	62.71	(0.36)	CONVERGYS:	25.76	(0.12)
ENTRAVISION:	8.39	0.03	CSG SYSTEMS:	35.73	(0.26)
GRAY TELEVISION:	16.75	(0.41)	ECHOSTAR:	39.11	(0.1)
MEDIA GENERAL:	15.53	(0.34)	GOOGLE:	743.21	(7.05)
NEXSTAR:	58.59	(0.58)	HARMONIC:	5.53	(0.06)
SINCLAIR:	35.10	(0.55)	INTEL:	34.77	0.31
TEGNA:	28.25	0.13	INTERACTIVE CORP:	62.79	(0.14)
<b>MSOS</b>					
CABLE ONE:	446.26	(0.21)	LEVEL 3:	50.83	0.09
CABLEVISION:	30.50	0.22	MICROSOFT:	54.35	0.42
CHARTER:	187.36	0.12	NETFLIX:	123.33	(2.11)
COMCAST:	60.86	(0.73)	NIELSEN:	46.68	(0.42)
COMCAST SPCL:	61.04	(0.6)	RENTRAK:	48.39	(0.89)
GCI:	20.80	0.26	SEACHANGE:	6.97	0.36
LIBERTY BROADBAND:	53.01	0.27	SONY:	25.92	(0.57)
LIBERTY GLOBAL:	42.41	0.42	SPRINT NEXTEL:	3.65	(0.08)
SHAW COMM:	20.74	0.16	TIVO:	8.99	(0.23)
SHENTEL:	48.28	(1.65)	UNIVERSAL ELEC:	52.99	0.08
TIME WARNER CABLE:	184.77	(0.49)	VONAGE:	6.45	(0.1)
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	29.51	(0.03)	YAHOO:	33.81	0.87
AMC NETWORKS:	81.31	(1.5)	<b>TELCOS</b>		
CBS:	50.48	(0.27)	AT&T:	33.67	0.10
CROWN:	5.67	(0.18)	CENTURYLINK:	26.93	(0.13)
DISCOVERY:	31.14	0.06	FRONTIER:	4.99	0.03
DISNEY:	113.47	(1.66)	TDS:	28.29	(0.25)
GRUPO TELEVISIA:	28.20	(0.74)	VERIZON:	45.45	0.22
HSN:	49.90	(1.06)	<b>MARKET INDICES</b>		
LIONSGATE:	33.94	(0.86)	DOW:	17719.32	(78.57)
MSG NETWORKS:	19.78	(0.17)	NASDAQ:	5108.67	(18.86)
SCRIPPS INT:	56.80	(0.94)	S&P 500:	2080.41	(9.7)
STARZ:	35.28	(0.17)			
TIME WARNER:	69.98	0.20			
VIACOM:	51.80	(0.93)			
WWE:	16.99	(0.39)			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.35	0.05			
AMDOCS:	56.57	(0.53)			
AMPHENOL:	55.05	0.09			
APPLE:	118.30	0.49			
ARRIS GROUP:	30.57	0.11			
AVID TECH:	7.59	0.62			
BLNDER TONGUE:	0.39	(0.01)			
BROADCOM:	54.63	0.01			
CISCO:	27.25	(0.07)			
COMMSCOPE:	28.62	0.02			
CONCURRENT:	4.97	0.03			



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## CFX TECH by Joyce Wang

### What's on Sale for Black Friday?

Tech vendors wanted consumers to say no to gifting sweaters and socks this holiday season. Among the top tech items on sale this Black Friday are the latest 4K TV models and of course various streaming players such as **Roku**, **Amazon TV** and **Google Chromecast**. While some deals would last till Cyber Monday, most were sold out quickly over the weekend. Major 4K TV vendors have already cut prices over the past year. Among Black Friday 4K TV deals, few could beat **Samsung's** 4K Smart LED TV. The \$900 price tag means it's 53% off MSRP! An almost equally good deal comes from **Sony**, which put on its 55-inch 4K TV with 3D capability on sale for \$1198. That's nearly 50% off regular price. The sale was still available on **Amazon.com** as of Mon. The online retailer is offering free tech support for the model for 30 days from the date of delivery, making technicians available to help set up, configure, connect and troubleshoot. **Vizio** didn't enact a major price reduction for its 60-inch 4K TV, but given that the model is priced at \$1098 (16% off retail), it still makes a good purchase. As for streaming devices, while **Walmart** was selling the 1st generation Google Chromecast for \$20, the 2nd generation device (retail price is \$35) was offered at **Best Buy**, **Staples** and even **Costco** for \$50 in a 2-pack bundle sale that includes a digital downloadable \$6 Google Player Credit for each Chromecast. The latest **Apple TV** was launched less than a month ago. That didn't stop Apple from putting it on sale at **hhgregg**. However, discount is small and limited: The 64GB version for the 4th generation Apple TV is \$180, only \$20 off retail. As a door-buster deal, **Target** offered 25% off older generation Apple TVs. Roku quickly sold out its Roku SE, the new limited edition streaming box for Black Friday on Roku.com. Running on Roku OS7, the device offers access to nearly 3K streaming channels and enables users to cast content from a mobile device to the TV via specific streaming channels or the

Roku Mobile App. The box is compatible with HDMI and analog TVs. Major retailers' Black Friday sales offered the device at \$25 versus the regular price of \$50. As for other Roku devices, Best Buy and Staples offered the Roku Streaming Stick for \$40, \$10 off retail. Amazon dropped prices for its smart speaker, the Amazon Echo, from \$180 to \$149, and the deal lasts until Dec 1. The Amazon Fire TV box is being offered at \$75 versus regular price of \$100 until Dec 1. The Fire TV features 4K Ultra HD.

**Cyber Monday Deals:** In addition to Black Friday promotions from streaming device and 4K TV providers that would last through Dec 1, additional Cyber Monday deals include **LG's** 58-inch Ultra HD TV for \$999 plus a \$200 gift card from **Dell** (list price is \$1297), as well as **Samsung's** 55-inch 4K HD Smart LED TV for \$998 (regular price \$1600). A higher-end model from Samsung, the 55-inch SUHD TV is being offered at \$1498, 50% off regular price. The model features a brighter picture and up to 64X greater color expression than HD/UHD TVs thanks to Nano-crystal technology. It also features 3D capability. Meanwhile, cable equipment vendor **NetGear** is offering 66% discount on select router, range extender and powerline adapter exclusively through **Amazon.com**. The 1-day offer is only valid on Mon.

**RCN Upgrades Ethernet:** **RCN Business**, the enterprise arm of **RCN**, upgraded its Ethernet network backbone to include 100 Gbps second links. The provider is targeting SMB and large enterprises in markets across Northeast and Midwest.

**Editor's Note:** We are less than 2 weeks away from the entry deadline (Dec 11) for the Cablefax Digital Awards, the industry's top honor in the digital space. Submit your entry today and get recognized for outstanding websites and digital initiatives among cable programmers, operators and industry partners.

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



## Call for Entries

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December 11, 2015

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