

Cablefax Daily™

Wednesday — December 9, 2015

What the Industry Reads First

Volume 26 / No. 236

AT&T CEO: Mobile Video, New Content Package Coming

Mobile video is definitely the buzzword at the **UBS** Global Media and Communications Conference this week. Citing 30mln homes without pay-TV subscriptions, **AT&T** CEO *Randall Stephenson* said his company is interested in a mobile video streaming service targeting those consumers. "It is something we are pursuing very, very aggressively, and you should assume that we will be doing something in the market with that," he said Tues. Having already secured mobile streaming rights from programmers, the exec said AT&T has "a lot of irons in the fire" in terms of its content lineup. "We're developing some unique and exciting things... we think we have about as robust an entertainment portfolio of content for our customers as any OTT providers out there," Stephenson said. The service will run on AT&T's LTE network, and the company will deploy 40 MHz contiguous spectrum for the service. At the conference on Mon, **Comcast** and **Charter** execs also expressed interest in mobile video that can potentially run on their WiFi networks as well as cellular through partnerships with telcos. According to reports, *Brian Roberts* said Comcast is looking at relationships with **Verizon**, **Sprint** and others during Tues' **Business Insider's** conference. Comcast confirmed in Oct that it will activate its MVNO agreement with Verizon. Cellular will be an essential part of cable's possible mobile video initiative as consumers increasingly watch video out of the home, Stephenson said. Meanwhile, the **DirecTV** integration seems to be going well. The company has completed numerous content deals since the acquisition, he said. Touting the deal, Stephenson said when consumers buy DirecTV services, "they are buying a big bundle of content" that can be streamed to mobile devices. "You go down the premium content channels, we got the stacking rights and mobile rights," he said, citing deals with **Showtime**, **HBO**, **Starz**, **Viacom networks** and **A+E Nets**. "This is a big deal... This is about the best over-the-top portfolio of content I believe in the United States." Combining with the company's sports content rights, within the next 30 days, "you're going to see us announce some new capabilities, some new products, integrated products and pricing that will bring together a really premium content package with a premium wireless asset," he said. AT&T started selling DirecTV products in its retail stores almost immediately after it closed the transaction, allowing DirecTV to go from declining in subs to growing in subs in 3Q almost overnight. "You'll see DirecTV momentum continue into the fourth quarter," Stephenson said. That said, there will be some migration from U-verse video into DirecTV, "putting a little pressure on the overall growth," he noted. However, "I think we still have a shot at



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growth in the fourth quarter. But for sure, as we move into the first quarter, we will have TV subscriptions growing.”

Altice-Cablevision: Zoom Telephonics has asked the FCC to deny Altice’s acquisition of Cablevision. If the Commission wants to approve the deal, Zoom argued that it should only do so by imposing conditions that insure Altice-owned systems separately state an unsubsidized price for cable modem leases. It wants Altice to be forced to maintain “reasonable policies” with respect to allowing attachment of non-harmful cable modems to its networks. Zoom also has asked the FCC to deny the Charter-Time Warner Cable merger over the issue of access to 3rd party modems. Cogent did not file a petition to deny the deal, but did urge the FCC to impose conditions that would ensure Altice would not engage in interconnection practices that would jeopardize broadband customers’ access to Internet endpoints. Cogent said that nowhere in Cablevision and Altice’s application did they explain how they intend to ensure an enhanced level of broadband access for their subs or how interconnection practices will fulfill that pledge. “This stands in stark contrast to commitments concerning interconnection made by Charter in its proposed merger with Time Warner Cable, as well as recent actions by other market participants underscoring that uncongested interconnection is essential to the continued growth of the Internet and the innovative services it provides to consumers,” Cogent said. While Cogent made a point to say it has a strong relationship with Cablevision, Zoom was less complimentary. Zoom quizzed some Cablevision CSRs and is taking issue with them suggesting that the MSO is offering “free” cable modems to HSD customers. As previously reported, CWA also filed a petition to deny the deal or impose conditions on it (CFX, 12/8).

UBS Notebook: Turner would like to get its hands on the NFL’s Thurs night package, but Time Warner chief Jeff Bewkes stressed it would have to make sense financially. “We’ve got a strong sport offering. We’re interested in the NFL. It’s terrific programming, but we don’t have to have it,” he said during UBS’ media conference Tues. The exec declined to comment on whether Time Warner wants to invest in Hulu. He did call it a “pretty good service” and suggested it would be nice if Hulu—or frankly anyone—helped the industry with its clunky user interfaces. He complimented Comcast and Verizon FIOS (again) on their interfaces, but said 2 companies doing it isn’t enough. “It needs to be everyone,” he said. Similarly, Bewkes argued that everyone should be offering VOD, likening it to something as basic to television viewing as volume control on a TV set. -- Liberty Media pres/CEO Greg Maffei suggested that Liberty Broadband could be collapsed and merged into Charter, saying that it could be attractive to the MSO to eliminate some of Liberty’s governance rights. He wouldn’t speculate on an appropriate premium, saying that’s usually something negotiated. He said distributors have gained some leverage in the past 6-12 months with offerings such as skinny bundles and are “scaling faster than content guys.” Have sports rights values peaked? “I don’t think so,” he said, saying it depends on the team and event. Still, he said “some of the regional sports networks look pretty expensive in terms of what they’re trying to achieve,” pointing to the Dodgers net specifically.

IBM Buys Clearleap: IBM is beefing up its cloud offering with the acquisition of cloud video tech firm Clearleap. Financial terms weren’t disclosed. Clearleap, which will be integrated into the IBM Cloud platform, counts programmers and ops like HBO, A+E Networks, the NFL, BBC America, Sony Movie Channel, Time Warner Cable and Verizon as clients. The move is IBM’s latest acquisition in the video and large data file management space.

SVOD + Amazon: Amazon is adding a lineup of SVOD partners, including Showtime, Curiosity Stream, Lifetime Movie Club, as add-on-subscriptions for its Prime users. While the add-on services range in price from \$2.99/month, Amazon’s offering free trials right now for its Prime Video customers. Why aggregate services already available on a subscription basis? Well, in some instances Amazon will offer discounts... Showtime is \$8.99/month vs \$10.99 on iOS. Not surprisingly, you won’t find competitor Netflix among the SVOD services Amazon’s offering.

Showtime VR: Showtime captured the 1st boxing match in 360 degree virtual reality. Sat night’s match between WBA Middleweight World Champion Daniel Jacobs and challenger Peter Quillin was produced in 360 video from ring-side. The footage is available on the Showtime Sports’ YouTube channel, the Showtime Boxing Facebook page, on the Samsung Gear VR via the MLK VR app and Littlestar VR apps for Samsung Gear VR, iOS and Android.

Spectrum Bill: Rep Doris Matsui (D-CA) and Sen Tom Udall (D-NM) on Tues introduced the Spectrum Challenge Prize Act, which would instruct the National Telecommunications and Information Administration, in consultation with other federal partners, to award up to \$5mln in prizes to those who develop solutions to spectrum efficiency. The bill would pay only for successful solutions, not research and development costs.

BUSINESS & FINANCE

NAACP Image Awards: BET led the cable net nominees in the NAACP Image Awards with 13 nominations. It was the 2nd most-nominated network behind ABC (28 noms) and ahead of 3rd place finisher Fox (12 noms). Showtime's "House of Lies," Comedy Central's "Key & Peele," ABC's "black-ish," Netflix's "Orange is the New Black" and Starz's "Survivor's Remorse" are in the running for Outstanding Comedy Series. For Outstanding Drama Series, the nominees are BET's "Being Mary Jane," Fox's "Empire," ABC's "How to Get Away with Murder," Starz's "Power" and ABC's "Scandal." Winners will be announced during the 2-hour live telecast on TV One, Feb 5.

Turner Ad Sales: Turner realigned its ad sales division, with Turner Ad Sales forming the new Client Strategy & Ad Innovation unit. The Ad Innovation and Programmatic Solutions team are charged with developing next-gen capabilities (particularly around audience targeting and ROI guarantees), with the Client Strategy & Development team focusing on individual clients and overall category strategy. Michael Strober, previously svp within the entertainment sales division, will lead the new group. He was upped to evp and will report to Turner Ad Sales pres Donna Speciale. Dan Riess will head up content partnerships. The division's evps—Katrina Cukaj, Joe Hogan and Frank Sgrizzi—will now support strategy across Turner's suite of brands.

Cablefax Daily Stockwatch

Company	12/08 Close	1-Day Ch	Company	12/08 Close	1-Day Ch
BROADCASTERS/DBS/MMDs					
DISH:	60.44	(0.95)	CONVERGYS:	24.97	(0.11)
ENTRAVISION:	8.54	(0.13)	CSG SYSTEMS:	34.51	(0.65)
GRAY TELEVISION:	16.05	(0.44)	ECHOSTAR:	37.84	(0.65)
MEDIA GENERAL:	14.58	(0.51)	GOOGLE:	762.37	(0.88)
NEXSTAR:	56.38	(1.86)	HARMONIC:	4.49	(0.76)
SINCLAIR:	33.82	(0.73)	INTEL:	34.75	(0.24)
TEGNA:	27.00	(0.95)	INTERACTIVE CORP:	60.44	(0.23)
MSOS					
CABLE ONE:	436.05	(7.43)	LEVEL 3:	52.79	1.31
CABLEVISION:	29.46	(0.18)	MICROSOFT:	55.79	(0.02)
CHARTER:	186.59	(1.22)	NETFLIX:	126.98	1.62
COMCAST:	59.54	(0.83)	NIELSEN:	45.61	(1.07)
COMCAST SPCL:	59.60	(0.83)	RENTRAK:	49.92	(1.56)
GCI:	21.68	0.38	SEACHANGE:	6.74	0.16
LIBERTY BROADBAND:	51.93	(0.36)	SONY:	24.80	(0.5)
LIBERTY GLOBAL:	41.98	(0.42)	SPRINT NEXTEL:	3.77	0.14
SHAW COMM:	19.76	(0.48)	TIVO:	9.00	(0.04)
SHENTEL:	47.79	0.60	UNIVERSAL ELEC:	51.82	0.36
TIME WARNER CABLE:	184.88	(0.73)	VONAGE:	6.24	0.12
PROGRAMMING					
21ST CENTURY FOX:	28.73	(0.59)	YAHOO:	34.85	0.17
AMC NETWORKS:	82.76	(0.45)	TELCOS		
CBS:	49.84	(0.61)	AT&T:	33.85	(0.42)
CROWN:	5.56	(0.17)	CENTURYLINK:	26.54	(0.59)
DISCOVERY:	29.43	(1.27)	FRONTIER:	4.95	(0.11)
DISNEY:	112.48	(1.35)	TDS:	28.02	0.02
GRUPO TELEVISIA:	27.99	(0.71)	VERIZON:	45.70	(0.36)
HSN:	51.13	0.13	MARKET INDICES		
LIONSGATE:	33.37	0.01	DOW:	17568.00	(162.51)
MSG NETWORKS:	20.15	0.12	NASDAQ:	5098.24	(3.57)
SCRIPPS INT:	56.94	(1.81)	S&P 500:	2063.59	(13.48)
STARZ:	34.10	(0.32)			
TIME WARNER:	68.82	(1.54)			
VIACOM:	47.06	(2.54)			
WWE:	16.85	0.09			
TECHNOLOGY					
ADDVANTAGE:	2.22	(0.05)			
AMDOCS:	55.86	(0.34)			
AMPHENOL:	54.33	(0.38)			
APPLE:	118.23	(0.05)			
ARRIS GROUP:	31.80	(0.21)			
AVID TECH:	6.48	(0.17)			
BLNDER TONGUE:	0.41	0.02			
BROADCOM:	57.59	(0.18)			
CISCO:	27.15	(0.34)			
COMMSCOPE:	26.53	(0.19)			
CONCURRENT:	5.05	(0.01)			

Cablefax Webinar

Virtual Reality: Are You Ready to Capitalize on TV's Next Big Leap?

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