

Cablefax Daily™

Thursday — December 10, 2015

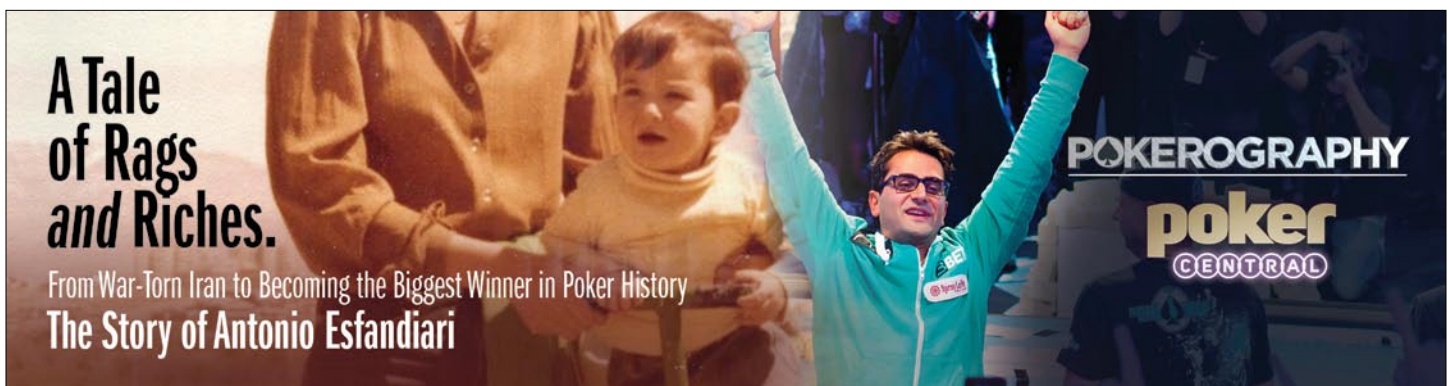
What the Industry Reads First

Volume 26 / No. 237

Rate Regulation: Little Action by LFAs in Effective Competition Rebuttals

After more than 20 years, cable rate regulation is on its way out. Tues was the deadline for local franchise authorities to file with the **FCC** to be recertified to regulate basic cable rates. By Wed afternoon, only 3 LFAs had filed, and one of those had already been rejected by the Commission. There could be some stragglers coming in via the mail, and the fates of LFAs who are part of a pending contested effective competition challenges are still up in the air. but for the most part, rate regulation is done. "It came in with a bang, but seems to have gone out with a whimper," said one cable attorney who has been dealing with the subject for decades. "It appears a lot of them [LFAs] for whatever reason aren't seeking to continue [that authority]." In June, the FCC adopted rules presuming that every market faces effective competition. As a result, franchising authorities can't regulate basic unless they successfully demonstrate that cable is not subject to effective competition from a competing provider. Franchising authorities with existing certification for regulation and that wanted to remain certified could fill out a Form 328 rebutting the presumption of effective competition by Dec 8. Cable ops can weigh in, with the FCC making a final determination. Of the 3 franchising authorities that filed, 1 has already been dismissed by the Media Bureau. The Campbell County Cable Board of KY, a market **Time Warner Cable** operates in, failed to provide "any evidence" rebutting the effective competition presumption. Also filing forms to keep certification are the MA Dept of Telecom and Cable and the HI Dept of Commerce & Consumer Affairs. In the case of HI, the department argues that the cable franchise area of Kaua'i is not subject to effective competition because the number of households subscribing to MVPD programming other than that provided through **Oceanic Time Warner Cable** does not exceed 15% of the households in the franchise. It argued that only 9.47% of all households subscribe to **DirectTV** or **DISH** in the area. The MA filing is more than 5200 pages, primarily because of the 9-digit zip codes it includes. It's seeking to retain rate regulation ability for 118 franchise areas. The bulk of the filing relates to **Comcast** markets, though there are some **Charter**, **Cox** and Time Warner Cable markets sprinkled in. The courts are still battling around effective competition. And **NAB** and **NATOA**, as well as a MN franchise authority, have filed suit in the DC Circuit, claiming the FCC's decision was an abuse of discretion. The petitioner's brief in the case is due next week, with oral arguments possibly in the spring. **ACA** and **NCTA** have filed in support of the FCC.

DirectTV's Yaveo to Close: **AT&T** is quietly ending the Yaveo Hispanic streaming service that **DirectTV** launched last year. "We regret to inform you that we are not accepting new subscribers and will no longer be offering Yaveo after December 16, 2015. However, we will continue to offer high quality Spanish-language entertainment through **DIRECTV** and **AT&T U-Verse**," the service's website said. Current subs can still access the monthly subscription service through Dec 16. After that date, the Yaveo website and apps will no longer be accessible. **AT&T** decided to discontinue the service as it focuses on the integration of **DirectTV**, the website said. After integration, **AT&T** will "evaluate new and unique opportunities to better serve the Hispanic community." As part of the disconnecting process, subscriptions with a billing cycle date after Nov 15 won't be renewed or charge for the next month. The move came as **AT&T** looks to launch a subscription streaming service in Jan.



A Tale of Rags and Riches.
From War-Torn Iran to Becoming the Biggest Winner in Poker History
The Story of Antonio Esfandiari

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Talking Charter-TWC Merger: No one knows when Charter's planned merger will wrap with Time Warner Cable. During UBS' investor conference Wed, TWC CEO Rob Marcus acknowledged that a scheduled June vote by CA regulators is "much later than we hoped for" and said the companies would work with the state to try and expedite the process. The FCC's voluntary review 180-day shot clock is slated to expire March 9, pending any delays. The CEO's best estimate? "I'm out of the business of making guesses," he said, noting surprise over Comcast abandoning its TWC deal and Altice's role in consolidation. Marcus posited that TWC will see basic video growth for the full year but didn't provide specifics.

SAG Awards: Netflix got the most noms for TV categories of the Screen Actors Guild Awards: 8 nods for "House of Cards," "Orange is the New Black" and other content. HBO was runner-up with 6 noms, followed by Showtime (5) and AMC (4). ABC, CBS, Lifetime and PBS all had 3 noms each. TNT and TBS will live simulcast the awards Jan 30 at 8pm ET.

NAD vs DirecTV: The National Advertising Division has asked DirecTV to modify or discontinue certain advertising claims challenged by Charter, including pricing and wireless claims and claims that suggest all of DirecTV's programming is available in 4K. The AT&T unit said it will appeal NAD's findings to the National Advertising Review Board. Charter took issue with DirecTV's ad campaign, "Hannah and Her Horse," which made a series of claims about DirecTV services. NAD said it was concerned that the commercials could "reasonably convey the message that DirecTV offers a substantial amount of 4K content." Regarding the advertiser's pricing claims, NAD determined that consumers could take away the message that 4K programming and the wireless service feature are included in the \$19.99 price. NAD recommended clarifying that programming packages begin at that price and making clear that the price doesn't include the advertised 4K or wireless services. NAD further recommended that DirecTV discontinue the "free" upgrade claim. DirecTV said the company "supports self-regulatory process and appreciates NAD's efforts in reviewing the challenged advertising. However, DIRECTV disagrees with NAD that the advertising subject to review had the potential to convey any misleading impressions regarding DIRECTV's service. Accordingly, DirecTV will be appealing the decision to the NARB."

Crown Scores NCTC Pact: Crown Media reached a multi-year renewal agreement with NCTC. The deal allows NCTC members' subs to access the programmer's Hallmark Channel and Hallmark Movies & Mysteries.

FCC Repeat: Senate Commerce on Wed approved the reappointment of Democrat FCC commish Jessica Rosenworcel. The full Senate will now have to vote on her re-nomination, but that's not expected to be a problem. Her term expired in June, but she could continue to serve until the end of next year without renomination.

No Deal: Nexstar said it's reached an impasse to acquire Media General, with the broadcaster's board rejecting its revised \$2.1bn bid. Media General has its own plan to acquire Meredith for \$2.4bn.

Comcast Business Expands Fiber: Comcast's enterprise unit Comcast Business has expanded its fiber network to parts of Fife, WA and Napa, CA. The expansion allows businesses to access Internet of speeds up to 10Gbps.

Research: Like many recent studies on video consumption trends this year, a new report from PwC suggests that more TV viewers are choosing to downsize or opt out of their pay-TV services. The study, titled "Videoquake 3.0: The Evolution of TV's Revolution," sampled more than 1200 U.S. consumers via an online survey. See the full story at Cablefax.com

Female Filmmakers Wanted: Lifetime will team with the AFI Conservatory Directing Workshop for Women (AFI

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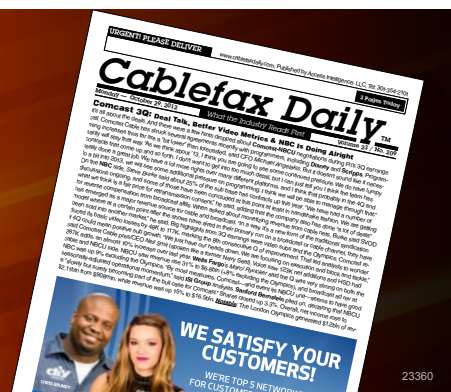
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BUSINESS & FINANCE

DWW) next year to offer production jobs for each graduate of the Institute's program throughout the **A+E Networks'** portfolio of platforms. The workshop seeks to increase the number of women working professionally in screen directing.

Ratings: **WEtv's** "Marriage Boot Camp: Reality Stars" season 4 premiere on Fri scored 1.3mIn viewers in live+3 ratings. The premiere was up 44% in total viewers from its corresponding previous winter season, up 39% in 25-54 and 44% in women 25-54.

Programming: **NBCU** said its comedy streaming channel **Seeso** will launch Jan 7. It launched its beta from last week. The service, which features library and original content, retails for \$3.99/month. -- **BBC America** premieres its new original "London Spy" on Jan 21. The mini-series features a romance between two people that quickly unravels when the true identity of one of them is exposed.

People: **Kevin Edds** was tapped as marketing vp, creative dir for **Poker Central**. He was most recently creative director at **Daedalus Creative**, a marketing agency where he worked with clients including **PBS** (Primetime and Kids), **National Geographic Channel**, **Science Channel**, **Velocity** and **Military Channel**. -- **Kevin Dawkins** was upped to evp, **TeenNick** and **Nicktoons**.

Cablefax Daily Stockwatch

Company	12/09 Close	1-Day Ch	Company	12/09 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	59.85	(0.59)	CSG SYSTEMS:	34.42	(0.09)
ENTRAVISION:	8.52	(0.02)	ECHOSTAR:	37.62	(0.22)
GRAY TELEVISION:	15.84	(0.21)	GOOGLE:	751.61	(10.76)
MEDIA GENERAL:	14.48	(0.1)	HARMONIC:	4.34	(0.15)
NEXSTAR:	54.17	(2.21)	INTEL:	34.81	0.06
SINCLAIR:	32.81	(1.01)	INTERACTIVE CORP:	59.39	(1.05)
TEGNA:	26.54	(0.46)	LEVEL 3:	52.64	(0.15)
MSOS					
CABLE ONE:	431.95	(4.1)	MICROSOFT:	54.98	(0.81)
CABLEVISION:	29.98	0.52	NETFLIX:	124.20	(2.78)
CHARTER:	185.31	(1.28)	NIELSEN:	45.09	(0.52)
COMCAST:	58.59	(0.95)	RENTRAK:	48.19	(1.73)
COMCAST SPCL:	58.61	(0.99)	SEACHANGE:	6.75	0.01
GCI:	20.69	(0.99)	SONY:	24.36	(0.44)
LIBERTY BROADBAND:	51.56	(0.37)	SPRINT NEXTEL:	3.74	(0.03)
LIBERTY GLOBAL:	41.29	(0.69)	TIVO:	8.87	(0.13)
SHAW COMM:	19.78	0.02	UNIVERSAL ELEC:	50.28	(1.54)
SHENTEL:	46.59	(1.2)	VONAGE:	6.02	(0.22)
TIME WARNER CABLE:	183.92	(0.96)	YAHOO:	34.40	(0.45)
PROGRAMMING					
21ST CENTURY FOX:	28.14	(0.59)	TELCOS		
AMC NETWORKS:	81.53	(1.23)	AT&T:	33.57	(0.28)
CBS:	48.36	(1.33)	CENTURYLINK:	26.38	(0.16)
CROWN:	5.39	(0.17)	FRONTIER:	4.92	(0.03)
DISCOVERY:	28.45	(0.98)	TDS:	27.15	(0.87)
DISNEY:	111.51	(0.97)	VERIZON:	45.36	(0.34)
GRUPO TELEVISIA:	28.10	0.11	MARKET INDICES		
HSN:	50.98	(0.15)	DOW:	17492.30	(75.7)
LIONSGATE:	35.09	1.72	NASDAQ:	5022.87	(75.38)
MSG NETWORKS:	20.25	0.10	S&P 500:	2047.62	(15.97)
SCRIPPS INT:	56.29	(0.65)			
STARZ:	34.50	0.40			
TIME WARNER:	68.30	(0.52)			
VIACOM:	46.35	(0.7)			
WWE:	16.70	(0.15)			
TECHNOLOGY					
ADDVANTAGE:	2.22	0.00			
AMDOCS:	54.95	(0.91)			
AMPHENOL:	53.89	(0.44)			
APPLE:	115.62	(2.61)			
ARRIS GROUP:	31.51	(0.29)			
AVID TECH:	6.59	0.11			
BROADCOM:	57.48	(0.11)			
CISCO:	26.73	(0.42)			
COMMSCOPE:	25.80	(0.73)			
CONCURRENT:	4.96	(0.09)			
CONVERGYS:	24.56	(0.41)			



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Think about that for a minute...

Maxwellian Observations

Commentary by Steve Effros

Paul Maxwell was one of the founders of this publication and many others in the cable business. He's still doing fine, thank you, this is not a eulogy, but a tip of the hat to a guy who spent as many if not more years pontificating about cable, telecom and broadband as I have.



Paul is a traveler. He has gone all over the world kayaking, skiing, hiking and all that other stuff. Whenever he got back, or even on the road, he would write columns about what he had seen and how it had all fit in. What's the relevance to all this? Well, my wife Lucia and I just got back from three weeks in Portugal and Spain. I'm still not sure what day or time it is, but I do know we had a great time with wonderful people and a truly sophisticated culture. From Lisbon, through the Andalusia small towns of Southern Spain, up to Madrid and then over to Barcelona, we marveled at how old and new have come together. We focused on the food, wine and sights. There's a lot to say about it all. Some initial observations, however, come from my efforts to "keep up" with what was going on at home as well.

We, of course, like everyone else in Spain it would appear, had cellphones. But ours were severely limited in terms of the amount of data we could use and the cost of calls since all calls went through the United States and then back to Spain! Yes, I know, we could have used Skype and Apple's own texting system and lots of other things, but the fact is there are at this point simply too many options, not too few, for how we communicate, and it gets tremendously complicated to decide how to do what with which service. Simplicity is one of the things we all have to look at as a true

selling value of the services we offer. It does not exist yet on cellular (and WiFi) systems. It might if they are properly integrated with wireline as well. That appears to be the way some American cable companies are aiming, and after this trip I truly hope they are successful!

Getting into hotels and airports and having to sign in to new systems all the time with that little check-mark box at the bottom of the first sign-in page saying I agreed to all their "terms and conditions" gave me a lot of pause! I have no real idea what I agreed to, and I certainly had no intention of reading the multi-page explanation that was offered. I just figure I will be "unsubscribing" from a whole lot of extra emails for a while!

In any event, if you have any doubt about the utility of cell phones and integrated services, just go on a tour in a country like Spain and see what happens when everyone is ready for your arrival because your guide has already called ahead once he knew about when we would get there, based on traffic, airplane schedules and the like. It really works well, and I wouldn't be without it.

In short, we had a wonderful time, fascinating, beautiful countryside and historical architecture, lots of incredible monuments, churches, hilltop towns and the great "Brooklyn-like" vibe of Barcelona. It was well worth the effort, and I would recommend it to everyone. And they are not at all fixated on our crazy politics. It was hardly mentioned at all, thankfully.

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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