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What the Industry Reads First

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Verizon 4Q: FiOS Video Net Adds Suffer as Demand Slows

Verizon added the lowest number of FiOS TV net new subs in 4Q since it launched the service in 2006, with only 20K net adds in the quarter and 178K for the year for a total of 5.8m FiOS video subs (35.3% penetration). CFO *Fran Shammo* acknowledged that “in linear video, we are seeing slowing of market demand,” he said on the company’s earnings conference call Thurs. He noted the telco is signing up more and more broadband-only new customers. He also suggested the slowdown in FiOS video net adds in the quarter reflected the trend of consumers wanting skinny bundles. On the bright side, Shammo said he’s encouraged by the use of Go90, not only on but also off the Verizon network as well. As Go90 evolves and gains attention, “you can expect new and exciting content, features and functionality like the **NBA** content we added this past quarter,” he said. To encourage mobile video use, the telco launched FreeBee Data earlier this week, a new sponsored data service that bills participating content providers for each gigabyte they serve to consumers. Consumers, on the other hand, are exempt from their monthly data caps when they access those providers’ services. The company said customer interest continues to grow for Custom TV, which represented about 1/3 of FiOS video sales in 4Q. The offering was launched in April, providing a “Base” (**ESPN-free**) package with more than 35 channels, plus 2 of 7 “Channel Packs” that each includes about a dozen additional channels. ESPN is among the channels offered in the packs. Shammo declined to comment on Verizon’s legal dispute with ESPN over Custom TV but said the company will refresh Custom TV offerings in the short term to comply with contractual arrangements. And Verizon will look to continue to refresh its FiOS TV offerings to “take advantage of this secular trend of video bundles with options and more choices to address the increasing over-the-top video trend,” he said. The company added 99K net new FiOS broadband subs in the quarter, compared with 145K per year earlier, to end the year with 7.9m. Financially, total operating revenue was \$34.3bn, up 3.2% YOY. FiOS revenue grew 6.8% YOY to \$3.5bn.

Charter/TWC: Opponents of Charter’s acquisition of Time Warner Cable formed the **Stop Mega Cable Coalition** Thurs. Members include **Public Knowledge, Free Press, DISH, USTelecom**, rural telecom association **NTCA**, and

100 Cablefax

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the **Writers Guilds**, among others. Calling the new Charter “Mega Cable,” the coalition claimed Mega Cable and Comcast will dominate the broadband market, serving nearly 90% of all broadband homes in the country. “That puts these giants in a position to control the fate of new and emerging OTT services that rely on a robust high-speed broadband connections,” it said. Charter, on the other hand, promised to commit to principles of net neutrality and agreed not to engage in paid prioritization as part of its several commitments for the merger. Charter’s move already gained support from SVOD providers like **Netflix**, a vocal opponent of the failed Comcast/TWC deal. Commenting on the creation of the coalition, a Charter spokeswoman said “it should come as no surprise that Dish and other parties seeking to use the regulatory review process to extract concessions are also engaging in tired PR tactics to further their self-interests.” The facts are that the deal has received support from companies like Netflix because of its online video friendly practices, and from indie programmers like **Fuse Media** and **RFD-TV** because of their commitments to diverse programming, she said. She also noted NY state regulators recently approved the merger. Meanwhile, consultancy **Telsey Advisory Group** expects regulatory approval for the merger to come in the May-June range due to **California PUC**’s deal review timeline. The California PUC scheduled a hearing on the deal on Jan 26. The evidentiary hearing is expected in mid-Feb, followed by the opening and reply briefs in March. A proposed decision might come in May, followed by a final decision in June.

TiVo Teams with Oracle: TiVo has tapped **Oracle** to beef up its digital measurement capabilities. Under the deal’s terms, TiVo Research will integrate its data into the Oracle Data Cloud, which is expected to enhance advertisers’ ability to reach and measure specific TV audiences on digital devices. In addition, the agreement seeks to help programmers measure the impact of digital campaigns on viewership.

NATPE Notebook: “People hate branded content,” **Wise Ent** co-pres and partner *Mauricio Mota* told a NATPE audience Thurs. He cited **Pepsi**’s \$20mln spend for a 3-ep buy-in to “*Empire*,” and the resulting backlash from public health advocates. Instead Mota, whose company produces award-winning **Hulu** teen drama “*East Los High*,” talked up the potential of brands investing as equity owner of IP, with no product placement. Wise is working with **Unilever** and **Virgin** right now. He says it’s not just a win for creators. “I always say ‘*American Idol*’ would never had happened without **Coca-Cola**. How much equity do they have in *American Idol*? Zero,” he said. What about crowdsourcing? Mota seemed dubious, saying **Kickstarter** can be a bit of a nightmare. “You’re not in the business of sending shirts through FedEx,” he said, referring to the swag that is sent to backers. **WME/IMG** has had some successes with crowdfunding, but it’s not easy, said *Eric Rovner*, intl TV packaging agent. “It’s tough unless you have those influencers,” he said. -- It’s been a year since the merger of Endemol and Shine, with 715 productions continuing throughout the process. “I feel like 2016 is almost a first year. No distraction of the merger,” **Endemol Shine Group** CEO *Sophie Turner Laing* said. “The jigsaw puzzle pieces are slowly falling into place... For me, the most fascinating challenge going forward is to develop from a B2B business to a B2C business.” With dramas so hot right now, Turner Laing said there is a bit of “reverse snobbery” for entertainment shows. “Drama carries a flag on it that says quality... We’re as proud of ‘*Big Brother*’ and ‘*Masterchef*’ as ‘*Broadchurch*,’” she said. Dramas aren’t just difficult because of their big budgets, but they’re a big pull on talent. It can take 2 years for writers to finish up what they’ve already commissioned, she said. In the meantime, she believes there’s an opportunity to figure out what unscripted means on OTT. And Endemol Shine is trying a little of everything, with Turner Laing challenging her team to figure out how to do a game show on **Snapchat**. “No one has really cracked [unscripted on OTT yet]. How do we exploit that, how do we look at our brands and see what could work,” she said. “I have an archive of glittering jewels of IP”

Vubiquity Scores VOD Deals: **Vubiquity** inked deals to manage VOD content distribution for 3 indie nets: **Bright TV**, **Grokker** and **RIDE TV**. Under the terms, Vubiquity will provide distribution services including the ingest, content prep, asset management, transcoding and provisioning services for the nets.

Showtime/Sky Deal: **CBS** scored its largest and most expansive international deal for **Showtime** with a long-term licensing agreement with EU’s **Sky**. The deal means Sky Atlantic will be the exclusive home to Showtime’s programming across its territories in the UK, Ireland, Germany, Austria and Italy. Previously, Sky has licensed select Showtime content from CBS on a program-by-program basis. The agreement covers all new and future series and offers Sky subs on demand access to Showtime programming.

BUSINESS & FINANCE

Programming: Discovery Channel premieres new series “Venom Hunters” on Feb 17, featuring 4 teams of expert snake hunters as they chase down the world’s most venomous snakes. -- **One World Sports** is partnering with **NBC Sports** to air 2016 IIHF World Ice Hockey Championships. The event, being broadcast on both One World Sports and NBC Sports Net, will feature 16 national teams. Approx 20 of the games will air live on One World Sports. -- **Spike** renewed “Lip Sync Battle” for a 3rd season consisting of 20 half-hour eps. The new season will tape later this year. -- **Bravo** premieres new series “Tour Group” on March 1. The travel docu-series follows a group of 11 travelers as they search for the ultimate vacation.

People: Scripps Interactive tapped *Deirdre O’Hearn* to head the programming and development team for **Food Network** and **Cooking Channel**, following the Jan 31 departure of *Bob Tuschman*. She will report to Scripps chief programming, content and brand officer *Kathleen Finch*. Before joining Scripps in 2014, O’Hearn was vp of development & talent for **WE tv**.

Editor’s Note: Join **Needham & Co’s Laura Martin**, **Time Warner Cable’s Alix Cottrell**, **Comcast’s Peter Nush**, **Discovery’s Jen Corbett** and other experts for **Cablefax’s** Multiscreen Summit on March 8 in NYC. More info at www.cablefaxmultiscreensummit.com

Cablefax Daily Stockwatch

Company	01/21 Close	1-Day Ch	Company	01/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	47.67	(0.69)	CSG SYSTEMS:	34.33	0.11
ENTRAVISION:	7.48	0.18	ECHOSTAR:	33.92	0.16
GRAY TELEVISION:	13.00	(0.05)	GOOGLE:	706.59	8.14
MEDIA GENERAL:	15.60	(0.02)	HARMONIC:	3.28	0.07
NEXSTAR:	48.06	0.33	INTEL:	29.66	0.07
SINCLAIR:	29.01	(0.05)	LEVEL 3:	45.56	0.01
TEGNA:	22.80	(0.03)	MICROSOFT:	50.48	(0.31)
MSOS					
CABLE ONE:	408.89	(1.15)	NETFLIX:	102.35	(5.39)
CABLEVISION:	31.32	(0.02)	NIELSEN:	43.89	(0.05)
CHARTER:	169.45	(1.06)	RENTRAK:	44.87	1.80
COMCAST:	54.32	0.71	SEACHANGE:	6.11	(0.07)
GCI:	17.75	(0.84)	SONY:	21.16	0.12
LIBERTY BROADBAND:	46.96	(0.38)	SPRINT NEXTEL:	2.50	0.05
LIBERTY GLOBAL:	32.83	0.43	TIVO:	7.50	(0.24)
SHAW COMM:	16.42	0.27	UNIVERSAL ELEC:	46.55	(0.33)
SHENTEL:	20.71	(0.23)	VONAGE:	4.85	0.14
TIME WARNER CABLE:	179.29	(0.94)	YAHOO:	29.31	0.53
PROGRAMMING					
21ST CENTURY FOX:	25.52	(0.12)	TELCOS		
AMC NETWORKS:	73.85	1.25	AT&T:	34.54	0.64
CBS:	45.77	1.75	CENTURYLINK:	22.62	0.38
CROWN:	4.45	(0.18)	FRONTIER:	4.00	0.06
DISCOVERY:	25.89	0.36	TDS:	20.99	(0.41)
DISNEY:	94.02	1.48	VERIZON:	45.87	1.45
GRUPO TELEVISA:	25.56	0.33	MARKET INDICES		
HSN:	48.00	0.36	DOW:	15882.68	115.94
LIONSGATE:	27.20	(0.49)	NASDAQ:	4472.06	0.37
MSG NETWORKS:	17.69	0.18	S&P 500:	1868.99	9.66
SCRIPPS INT:	57.37	1.21			
STARZ:	30.00	0.15			
TIME WARNER:	69.48	0.58			
VIACOM:	44.08	1.06			
WWE:	15.95	(0.58)			
TECHNOLOGY					
ADDVANTAGE:	1.71	(0.01)			
AMDOCS:	51.69	(0.85)			
AMPHENOL:	47.78	1.27			
APPLE:	96.30	(0.49)			
ARRIS GROUP:	25.98	(0.49)			
AVID TECH:	7.31	0.05			
BLNDER TONGUE:	0.34	(0.02)			
BROADCOM:	54.13	(0.06)			
CISCO:	22.90	UNCH			
COMMSCOPE:	21.91	0.14			
CONCURRENT:	5.13	0.01			
CONVERGYS:	23.32	0.11			

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PROGRAMMER'S PAGE

Life Off the Grid

WGN America's new original series "Outsiders" (premieres January 26, 9pm) follows a tight-knit family community that's lived outside of society in the Appalachian mountains of Kentucky for hundreds of years, largely by their own set of rules. But trouble ensues when "a perfect storm" of events occurs, according to executive producer Peter Tolan. We sat down with Tolan and creator/executive producer Peter Mattei to chat about this highly intricate, invented world following a panel of cast and crew at this Jan's Television Critics' Association press tour in Los Angeles. **Tell me about the backstory of the mountain clan.** Mattei: They came over from Scotland, Ireland, Whales, about 250 years ago... and just didn't want to work as laborers on farms, didn't want to get conscripted into the army in the Revolutionary War and they sort of fled and went West and ended up living on top of a mountain so that they could be left alone and they could live their own way. There were originally three families, so they all still retain those family names. There's the Farrells, the Shays and the McGintuks. The first season we spend all of our time in the Farrell compound with the Farrell family, but there's other stuff on that mountain that you haven't seen. **Mr. Tolan, you've done more comedy in the past. "Rescue Me," for instance. Is this a new direction towards drama?** Rescue Me was sort of half a drama, and so I feel like I can do both things. And the stuff that I'm generating now other than Outsiders—doing a half hour that is a very funny thing with a very serious thing at the center of it, and I'm also doing a pilot at Showtime that, because it's contemporary, early 1990s, is very funny but very raw—and ultimately a drama. *For the full Q&A go to Cablefax.com -- Kaylee Hultgren*

Reviews: "Challenger Disaster: Lost Tapes," Monday, 9pm, **Nat Geo.** This is a well-edited re-telling of the Space Shuttle disaster, using footage and news reports, no narration, on its 30th anniversary. Besides the footage and editing, the star of the doc is *Christa McAuliffe*, the schoolteacher and first private citizen sent to space. Pieces of McAuliffe's interviews for the position provide an intimate portrait; a spot with *Bryant Gumbel* on "Today" might make you cringe. And agree with his politics or not, President Reagan knew how to deliver a speech. -- "The Magicians," premiere, Monday, 9pm, **Syfy.** Based on *Lev Grossman's* novel of the same name, this series about young people who enroll (you'll see) in an unusual grad school shows promise due to the unusual premise, strong characters and good acting. -- "London Spy," premiere, Thursday, 10pm, **BBC America.** This 5-part series essentially is several love stories. It begins slowly, but gains momentum and allows viewers to see an outstanding performance from *Ben Whishaw* and nice work from old pros *Jim Broadbent* and *Charlotte Rampling*. -- "The Artful Detective," Season 9 premiere, Saturday, 7pm ET, **Ovation.** It's a good opener, but ep 2 (Jan 30) centers on Detective Murdoch (*Yannick Bisson*) trying to figure out who's shooting at *Mark Twain*, played well by *William Shatner*, as he lectures in Toronto. -- *Seth Arenstein*

Basic Cable Rankings (1/11/16-1/17/16) Mon-Sun Prime			
1	ESPN	1.8	4183
2	FOXN	0.9	2018
3	HGTV	0.7	1638
3	DSNY	0.7	1603
5	TBSC	0.6	1494
5	TNT	0.6	1488
5	DISC	0.6	1446
5	USA	0.6	1395
5	FBN	0.6	1320
10	HIST	0.5	1249
10	FX	0.5	1090
10	ID	0.5	1089
10	DSE	0.5	118
14	FOOD	0.4	1087
14	ADSM	0.4	1035
14	TLC	0.4	893
14	MSNB	0.4	861
14	AMC	0.4	860
14	A&E	0.4	855
20	CNN	0.3	830
20	FAM	0.3	794
20	SPK	0.3	792
20	HALL	0.3	790
20	NAN	0.3	776
20	BRAV	0.3	751
20	LIFE	0.3	705
20	TVLD	0.3	669
20	DSJR	0.3	639
20	VH1	0.3	632
20	APL	0.3	629
20	CMDY	0.3	590
20	NKJR	0.3	552
20	HMM	0.3	530
34	EN	0.2	590
34	SYFY	0.2	539
34	WETV	0.2	534
34	MTV	0.2	502
34	LMN	0.2	502
34	OWN	0.2	499
34	BET	0.2	491
34	GSN	0.2	459
34	NGC	0.2	445
34	TRAV	0.2	434
34	INSP	0.2	427

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks

Cablefax Industry Jobs

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