

Cablefax Daily™

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What the Industry Reads First

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Charter Review: Opponents Sharpening Knives for CPUC Hearing

The **California Public Utilities Commission** was set to hold a public hearing Tues night (Jan 26) on **Charter's** proposed acquisition of **Time Warner Cable**. Consumer groups, including **Common Cause**, **Writers Guild of America** and the **National Hispanic Media Coalition**, are among the opponents expected to take aim at the transaction. The combination will result in New Charter and **Comcast** controlling "the overwhelming majority of American broadband. This is particularly concerning here in Southern California, where the entertainment industry is experiencing a New Golden Age thanks to over-the-top innovation. The resulting level of market concentration would inevitably result in coordinated, cartel-like business practices in restraint of innovation," according to a copy of Common Cause program director **Todd O'Boyle's** testimony sent to **Cablefax**. He claimed the New Charter would control more than 17mln video subscribers—35% of the market—and dominate the L.A. market. "For all of Charter's protestations that they are the 'good guy of cable'—consider their treatment of California PEG operators," said the testimony, claiming Charter resisted allowing CA communities to collect PEG fees to support community programming. Asking CPUC to reject the merger proposal, O'Boyle said "post-merger consumers would still lack choice. Programming diversity would decline. And over-the-top innovation would suffer." Anti-merger efforts have intensified recently following the launch of the **Stop Mega Cable** coalition last week, which is made up of many of the same companies and groups that fought against the Comcast-TWC merger, including **DISH** and **Public Knowledge**. Charter fired back at the coalition's criticism that the deal would create strong incentives for Charter and Comcast to manipulate their treatment of programmers and broadband video distribution. "Charter is a different type of cable company—committed to creating American jobs, offering the most innovative products, delivering fast internet speeds, preserving an open internet and advancing online video friendly policies including no data caps and no modem fees," Charter said last week. **Wells Fargo** analysts see NY regulators' approval of the merger, **Netflix's** support and an earlier-than-expected CPUC hearing as positives. While the level of complaints during the CA approval process has some people concerned, the FCC doesn't tend to be persuaded by state regulators, the analysts said in a research note Mon. They noted Charter has already agreed to some major concessions, and they expect the merger to close in June.

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AT&T 4Q: AT&T saw video subs decline in 4Q, with **U-verse** losing 240K. That was partially offset by the addition of 214K satellite subs through **DirectTV** in the quarter. The company ended the quarter with 25.4mln video subs. AT&T chalked up the U-verse decline to its focus on profitability and increasingly emphasizing satellite sales. “Our DirecTV integration is going well, and the customer response to our new integrated mobile and entertainment offers is strong. Throughout this year, we plan to launch a variety of new video entertainment packages that give customers even more choices,” chmn/CEO *Randall Stephenson* said in a statement. AT&T’s Entertainment Group had a net gain of 171K IP broadband subs in the Q, while total broadband subs were down 37K due in part to fewer U-verse promotions and declining U-verse TV subs. Financially, consolidated revenues for the quarter totaled \$42.1bln, up more than 22% versus the year-earlier period largely due to the acquisition of **DirectTV**.

Municipal Broadband: FCC chmn *Tom Wheeler* responded to a Dec letter from 8 GOP Senators regarding the agency’s order that preempted TN and NC state laws regulating government-owned broadband networks. The lawmakers asked Wheeler to detail any plans to adopt additional policies relating to muni broadband and whether the Commission intends to extend its Feb 2015 decision to additional states. Wheeler said the decision was in response to specific petitions filed with the Commission. “Currently, there are no such petitions pending before the Commission,” Wheeler said. The senators also asked Wheeler to provide the total dollar amount that the FCC has committed to municipal broadband providers through USF’s rural broadband experiments program. The FCC hasn’t authorized any municipal broadband providers to receive rural broadband experiment support at this time, Wheeler wrote. The 8 Republicans are *Deb Fischer* of NE, *Ron Johnson* of WI, *Marco Rubio* of FL, *John Cornyn* of TX, *Pat Roberts* of KS, *John Barrasso* of TN, *Mike Enzi* of WY, and *Tim Scott* of SC.

CableLabs’ Geek Room: **CableLabs** created a space in its Sunnyvale, CA, facility that it’s calling the “Moveable Experience Lab” (aka “MEL”) that simulates a consumer living room. MEL currently contains several experience exhibits. The **Sony 65”** UltraHD display is equipped with **Comcast X1** with voice remote, **Apple TV**, **Amazon** Kindle Fire TV, and PlayStation 4. The virtual reality exhibit features head mounted displays and mobile devices such as **Google** Cardboard, Google Glass, **Oculus** and **Samsung** Gear VR headset. In addition, visitors to the lab can gain a sense of how quickly the wearable market has been populated. The wearable exhibit features devices such as the MetaWatch, one of the 1st smartwatches launched in 2012, the AndroidWear Watches and the Apple Watch. When it comes to multiscreen experiences, the lab features Comcast’s Watchable video service, which curates content from popular online video nets, **HBO** Now, HBO Go, and Xfinity TV remote.

CNN Town Hall Ratings: Mon night’s **CNN** Iowa Democratic Candidates Town Hall was the most watched primary candidates’ cable news event on record, according to **Nielsen** Fast National Data. The program averaged just over 3.2mln total viewers, followed by **Fox** with 2.13mln and **MSNBC** with 850K. Among 25-54, CNN scored 944K and outperformed the combined delivery of **Fox News** (407K) and MSNBC (205K). Among the younger demo 18-34, CNN ranked #1 with 404K, followed by Fox at 51K and MSNBC at 40K.

Comcast Launches WiFi Pro: **Comcast’s** enterprise arm **Comcast Business** launched WiFi Pro, which includes cloud-based controls, marketing tools and other WiFi capabilities. Designed for SMBs and enterprise branch locations, the service provides 2 commercial WiFi networks —a private network for employees and a guest network for visitors and patrons. The marketing feature aims to allow SMBs and enterprises to create a more personalized experience through WiFi to help drive customer retention and revenue growth, Comcast Business vp of product management *John Guillaume* said in a release. The service can be managed on a smart device via a mobile app or an online portal that enables on-demand activity reporting and network configuration controls to set schedules and allocate bandwidth.

Ratings: **Hallmark Channel’s** Winterfest programming event Sat night, featuring the premiere of original film “Unleashing Mr. Darcy,” scored 2.7 HH rating and 3mln total viewers, becoming the 2nd highest HH-rated program of the day. In addition, the movie helped Hallmark become the most-watched and highest-rated net among HHs in its 9-11pm time period. -- **HGTV** saw its highest-rated week last week for primetime ratings among key demos thanks to series like “Fixer Upper,” “Ellen’s Design Challenge,” and “Flip or Flop.” The net scored more than 25mln total viewers last week. It was the #1 cable net for the week among P25-54 and women 25-54. -- Final ratings are in for this weekend’s winter storm. **The Weather Channel** reached more than 37.3mln P2+ viewers during Winter

BUSINESS & FINANCE

Storm Jonas, ranking #1 among basic cable nets during the 3-day coverage (Thurs-Sat), beating CNN (31.9MLN), Fox (30.5mln) and HLN (17.3mln). On Sat, the net averaged 256K P25-54, beating all news nets.

Programming: Showtime picked up a 2nd season of “Billions,” which holds the record as the net’s highest-rated freshman series premiere with 6.5mln viewers. -- **OWN** booked 8 additional eps of its Sat night freshman docu-series “Livin’ Lozada” featuring “Basketball Wives” reality star *Evelyn Lozada*. It also booked a new 8-ep 2nd season of “Flex & Shanice” following husband/wife celebrity duo *Flex Alexander* and *Shanice*. The new eps of both series will premiere later this year. -- **NFL Net** is set to offer 88+ live hours of on-location coverage of the Super Bowl week starting Feb 1. On Super Bowl Sunday, the net will offer more than 10 hours of live pregame and postgame coverage, with an 8.5-hour edition of NFL GameDay Morning. -- **Nick** and **NFL** are teaming up for “Nickelodeon at Super Bowl Week,” featuring NFL-themed original content leading up to Super Bowl 50. Starting Feb 1, the event will include Super Bowl Opening Night, Kids’ Day and the NFL Experience and will air on the linear network, during **Nicktoons’** NickSports programming block, the net’s websites, social media and the Nick App.

Cablefax Daily Stockwatch

Company	01/26 Close	1-Day Ch	Company	01/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			CSG SYSTEMS: 35.25 (0.15)		
DISH:	48.36	1.30	ECHOSTAR:	34.64	0.85
ENTRAVISION:	7.58	0.07	GOOGLE:	713.04	1.37
GRAY TELEVISION:	13.41	0.54	HARMONIC:	3.44	0.18
MEDIA GENERAL:	16.13	0.55	INTEL:	29.94	0.34
NEXSTAR:	49.14	1.77	INTERACTIVE CORP:	51.69	0.43
SINCLAIR:	30.72	1.21	LEVEL 3:	47.81	1.06
TEGNA:	23.48	0.21	MICROSOFT:	52.17	0.38
MSOS			NETFLIX:	97.83	(1.29)
CABLE ONE:	420.57	(4.43)	NIELSEN:	45.57	0.84
CABLEVISION:	31.27	0.17	RENTRAK:	49.35	1.94
CHARTER:	172.17	(0.17)	SEACHANGE:	6.05	(0.04)
COMCAST:	54.84	0.63	SONY:	21.23	0.10
GCI:	18.01	0.02	SPRINT NEXTEL:	2.99	0.47
LIBERTY BROADBAND:	47.32	(0.03)	TIVO:	7.70	0.08
LIBERTY GLOBAL:	34.68	0.84	UNIVERSAL ELEC:	48.61	1.34
SHAW COMM:	16.87	0.33	VONAGE:	5.17	0.25
SHENTEL:	22.19	0.42	YAHOO:	29.98	0.20
TIME WARNER CABLE:	179.17	(0.63)	TELCOS		
PROGRAMMING			AT&T:	35.40	0.40
21ST CENTURY FOX:	26.91	0.91	CENTURYLINK:	24.56	0.80
AMC NETWORKS:	73.22	0.62	FRONTIER :	4.42	0.23
CBS:	47.51	1.22	TDS:	22.66	0.77
CROWN:	4.35	UNCH	VERIZON:	48.25	1.22
DISCOVERY:	27.42	1.17	MARKET INDICES		
DISNEY:	96.27	0.98	DOW:	16167.23	282.01
GRUPO TELEVISA:	26.48	0.58	NASDAQ:	4567.67	49.18
HSN:	49.22	1.53	S&P 500:	1903.63	26.55
LIONSGATE:	27.19	(0.06)	TECHNOLOGY		
MSG NETWORKS:	16.93	(0.97)	ADVANTAGE:	1.86	0.09
SCRIPPS INT:	60.60	1.99	AMDOCS:	53.20	1.05
STARZ:	30.11	0.93	AMPHENOL:	48.58	0.40
TIME WARNER:	71.99	2.24	APPLE:	99.99	0.55
VIACOM:	46.77	1.84	ARRIS GROUP:	27.42	0.65
WWE:	18.00	0.71	AVID TECH:	7.05	UNCH
TECHNOLOGY			BLNDER TONGUE:	0.33	0.00
ADDVANTAGE:	1.86	0.09	BROADCOM:	54.47	0.42
AMDOCS:	53.20	1.05	CISCO:	23.72	0.55
AMPHENOL:	48.58	0.40	COMMSCOPE:	22.35	0.64
APPLE:	99.99	0.55	CONCURRENT:	5.19	0.14
ARRIS GROUP:	27.42	0.65	CONVERGYS:	23.69	0.71
AVID TECH:	7.05	UNCH			
BLNDER TONGUE:	0.33	0.00			
BROADCOM:	54.47	0.42			
CISCO:	23.72	0.55			
COMMSCOPE:	22.35	0.64			
CONCURRENT:	5.19	0.14			
CONVERGYS:	23.69	0.71			



Who deserves to appear in Cablefax’s annual power player list?

Every year, Cablefax 100 salutes the most influential cable executives whose leadership continues to take the industry to new heights.

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