

Cablefax Daily™

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What the Industry Reads First

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Opening Day: Comcast/Yes Dispute Continues

With any hope of Comcast adding YES Net before Opening Day now dashed, will this dispute quietly fade away? It doesn't sound like it. "The purpose of this marketing campaign was to inform loyal Yankees fans that they needed to switch because we didn't believe there was a really good, reasonable chance that Comcast would change the way it was acting," YES pres/CEO Tracy Dolgin said. "This is not a little blip here. We intend to keep marketing this thing more and more and more until Comcast somehow changes... This campaign is not going to stop when the season begins." Talk to the two sides, and it seems we're a long way from compromise. A recent print ad that Comcast is running in the NY DMA serves as a great example of their differing viewpoints. "FACT: The YES Network has demanded more money for the same sports programming and shows," it begins. If Dolgin could take out a red pen and copy edit, the ad would read: "FACT: Comcast has demanded more money for less sports programming and shows." Even after the MSO was no longer paying for YES, customer bills went up because a regional sports surcharge jumped from \$1 to \$3. "They drop the most-watched [RSN], the biggest and they triple the surcharge after they do it," Dolgin said. Comcast Cable evp, consumer services Marci Jenckes acknowledged the rate increase, but said it doesn't come close to covering Comcast's costs and wasn't related to YES. "It covers on average 4 different regional sports networks in the NY DMA, and the \$3 doesn't even cover the cost of any of them," he said. "When you look at overall costs and actual rate increases for our service, overall costs have gone up by more, and that takes into account even the dropping of the YES Network." YES is also irritated with Comcast's stance that it told customers no to YES' rate increase to hold costs down. "They didn't say no, they said yes," agreeing to pay the new rate from Feb 1 2015 through Nov 18 when the channel was dropped. Jenckes' take: "That's nonsense." When Comcast's YES deal expired, it agreed to a series of short-term extensions with YES owner Fox while the 2 sides negotiated. "The only way we could get [the extensions] was to pay that rate, but that's very different from us agreeing to pay the rate on a long-term basis," Jenckes said. "The only reason we agreed to the short-term agreements is that our hope was we would come to a long-term agreement that would make sense for both sides and our subscribers. Unfortunately, we haven't been able to do this." Why did the drop happen after the Yankees' season had ended? That's when it became clear to Comcast it couldn't reach an agreement, he said. There are still some attempts at

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TOP OPS

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negotiating. Jenckes said that as recently as 2 weeks ago Comcast put together a proposal, but it was rejected. There's a lot of stake with the Yankees, a high-profile team in a high profile DMA. On Fri, Sens *Richard Blumenthal* (D-CT) and *Christopher Murphy* (D-CT) asked both sides to end the blackout and urged Comcast to refund a portion of consumers' bill commensurate with YES' value. "Both your companies must do better by their customers by negotiating a resolution to this impasse so that Yankees fans do not risk missing the nationwide celebration that is Opening Day," they wrote.

Frontier/Verizon Integration: Frontier Comm completed its acquisition of Verizon's wireline assets in CA, FL and TX on Fri. However, some users reported having problems with their video and broadband services during initial integration. According to Frontier's customer service **Twitter** account, @AskFrontier, an unrelated fiber cut impacted customers in the Tampa, FL market, while a technical issue during the integration of the Verizon systems impacted customers in the 3 states over the weekend. Services have been restore. A company spokesman said "given the size and scope of this transaction, some of our customers experienced service disruptions. This is not the result we intended and we apologize to our customers experiencing any problems." The transaction includes around 3.3mln voice connections, 2.1mln broadband connections and 1.2mln FiOS video subs. The company is also aware that some customers are having issues viewing some of the previously available VOD content as well as with registering for a Frontier ID, he said. VOD content is now available and the company is working to resolve the Frontier ID problem. "We want to assure our customers that they do not need to be concerned if their bill was due during this transition period because no late fees will be applied to their account for the first month," the spokesman said.

Broadband Labels: The FCC on Mon unveiled a pair of new mobile and fixed broadband labels for consumers including information about price and performance. The goal is to help consumers make informed decisions about purchasing broadband. See what the labels look like at Cablefax.com

Set-top Box Plan: The Hispanic Technology and Telecommunications Partnership, a nonpartisan coalition of national Latino organizations, is the latest group opposing the FCC's set-top proposal, which seeks to open up the market for 3rd party vendors. "We believe this approach will undermine diversity in the television industry, all to solve a 'problem' that does not currently exist," the group said in a letter to agency chmn *Tom Wheeler* Mon. Calling the plan "regressive," the group said that "instead of acknowledging the unprecedented innovation sweeping the video marketplace today, this rule seeks to put its thumb on the scale and favor large tech companies at the expense of independent and diverse programmers." Wheeler repeatedly said his plan won't affect programming diversity.

YipTV Joins Binge On: Mobile-based OTT video service provider YipTV joined T-Mobile's Binge On program, which allows the carrier's subs to stream content from their cellphones without having it count against their monthly data plans. Other video nets already available via Binge On include **A&E, YouTube, HBO, Hulu, ESPN, Showtime, WWE Network** and **MLB Baseball**. The FCC is looking into zero-rating practices like Binge On. The agency has sought information from other companies like **Comcast, Verizon** and **AT&T** regarding similar practices.

DISH/Nielsen Deal: Nielsen scored a multi-year deal with DISH to integrate the pay-TV provider's aggregated set-top box data. As part of the deal, anonymized data from DISH HHs will be combined with "true, person-level insights" from Nielsen's local markets. Initially, the data provided by DISH will be integrated into Nielsen's Local TV Measurement service across all 210 designated market areas. The agreement will also enable Nielsen to use DISH's set-top-box data to complement its local and national products including Nielsen Scarborough, Nielsen Data Fusion, Nielsen Media Custom Insights, and multiple national insight services.

Vox/NBCU: Vox Media and NBCU teamed up to launch "Concert," a premium content and audience inventory for advertisers. The move marks the 1st major initiative following NBCU's investment in Vox in Aug. The offering features mobile, video, native and other ad products aimed at delivering higher engagement. Vox and NBCU's sales teams will work together to expand the service to include other premium publishers in the next few months.

Programming: Select cable, satellite and telco affiliates are offering a free sampling of **Starz's** 16-ep first installment of "Outlander." The eps are also available via Starz.com and the Starz Play app. The 2nd installment of the series debuts Apr 9. -- **FXX** renewed "It's Always Sunny in Philadelphia" for seasons 13 and 14. The recently concluded Season 11 saw ratings up 8% among 18-49s and 13% for total viewers in L+7. -- **USA's** unscripted

BUSINESS & FINANCE

competition series "First Impressions" snagged *Freddie Prinze Jr* as host. It debuts May 10 after "Chrisley Knows Best," which the net just gave an additional 8-ep order for Season 4 (20 eps total). -- **Showtime** is offering up free samples of the TV-14 versions of "Dice" and "House of Lies" on **YouTube, Facebook** and **SHO.com**. Both premiere on linear back-to-back on Apr 10, starting at 9pm. -- **CNBC's** summer lineup includes new unscripted series "Cleveland Hustles," in which **NBA** star *LeBron James* and his business partner *Maverick Carter* give local entrepreneurs support and in doing so, help a neighborhood that needs investment (premieres Aug 24).

People: *Zenita Henderson*, a member of the Cable Television Pioneers, joined **SCTE** as dir, marketing operations and business development, following 3 decades in key roles with **Arris, Motorola** and **General Instrument**. She was most recently marketing manager for Arris. She currently serves as vp of the Philadelphia Chapter of **WICT**. -- **AMC Nets** announced that *Allison Clarke* has expanded her responsibilities to include oversight of ad sales for both **WE tv** and **IFC**. As svp of ad sales for WE tv and IFC, she will oversee a combined ad sales team supporting both nets, reporting to *Scott Collins*, evp of ad sales for AMC Nets.

Cablefax Daily Stockwatch

Company	04/04 Close	1-Day Ch	Company	04/04 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	45.91	(0.38)	ECHOSTAR:	43.21	(0.73)
ENTRAVISION:	7.24	(0.31)	GOOGLE:	745.29	(4.62)
GRAY TELEVISION:	11.64	(0.22)	HARMONIC:	3.28	(0.01)
MEDIA GENERAL:	16.56	(0.09)	INTEL:	32.00	(0.45)
NEXSTAR:	45.39	(0.44)	INTERACTIVE CORP:	46.20	(0.43)
SINCLAIR:	30.77	(0.22)	LEVEL 3:	52.64	(0.42)
TEGNA:	22.38	(0.43)	MICROSOFT:	55.43	(0.14)
MSOS					
CABLE ONE:	434.84	(6.67)	NETFLIX:	104.35	(1.35)
CABLEVISION:	32.97	0.02	NIELSEN:	53.01	(0.44)
CHARTER:	205.35	1.88	SEACHANGE:	5.68	0.20
COMCAST:	61.43	(0.44)	SONY:	25.61	0.69
GCI:	18.34	(0.24)	SPRINT NEXTEL:	3.44	(0.19)
LIBERTY BROADBAND:	58.81	0.22	SYNACOR:	1.35	(0.03)
LIBERTY GLOBAL:	39.01	0.09	TIVO:	8.98	(0.05)
SHAW COMM:	19.15	(0.18)	UNIVERSAL ELEC:	62.70	0.35
SHENTEL:	27.23	(0.47)	VONAGE:	4.60	(0.04)
TIME WARNER CABLE:	205.99	0.96	YAHOO:	37.02	0.54
PROGRAMMING					
21ST CENTURY FOX:	28.58	(0.01)	TELCOS		
AMC NETWORKS:	63.86	(1.98)	AT&T:	39.36	0.31
CBS:	54.82	(0.35)	CENTURYLINK:	32.23	0.05
CROWN:	5.07	(0.03)	FRONTIER:	5.42	(0.05)
DISCOVERY:	28.88	(0.02)	TDS:	30.56	0.13
DISNEY:	98.68	(0.39)	VERIZON:	54.42	0.41
GRUPO TELEVISA:	27.47	(0.01)	MARKET INDICES		
HSN:	51.45	(1.36)	DOW:	17737.00	(55.75)
LIONSGATE:	20.91	(0.22)	NASDAQ:	4891.80	(22.75)
MSG NETWORKS:	17.03	(0.17)	S&P 500:	2066.13	(6.65)
SCRIPPS INT:	67.26	(0.15)			
STARZ:	25.73	(0.85)			
TIME WARNER:	73.56	0.57			
VIACOM:	43.00	(1.87)			
WWE:	16.56	(0.75)			
TECHNOLOGY					
ADDVANTAGE:	1.89	0.02			
AMDOCS:	60.11	(0.3)			
AMPHENOL:	58.22	(0.26)			
APPLE:	111.12	1.13			
ARRIS GROUP:	22.81	0.07			
AVID TECH:	6.37	(0.29)			
BLNDER TONGUE:	0.42	0.04			
CISCO:	28.14	(0.55)			
COMMSCOPE:	27.71	0.07			
CONCURRENT:	6.23	0.06			
CONVERGYS:	26.76	(0.98)			
CSG SYSTEMS:	45.33	(0.51)			



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CFX TECH SPOTLIGHT by Joyce Wang

Starting today, we will feature companies providing interesting, innovative and sometimes below-the-radar technology across the video and broadband space in CFX Tech Spotlight.

Company: Philo

Philo is named after Philo Farnsworth, the brilliant innovator who conceived of the electronic television at the age of 16 while living on a farm in rural Idaho. The company began at Harvard University, where TV service wasn't offered and the over-the-air (OTA) signals were weak inside the centuries-old brick residence halls. The founders of Philo were Harvard undergrads and TV fanatics, so they wrapped their room in aluminum foil to boost the OTA signal and connected it to a server to stream it over the campus network. Untethering television from the wall made them realize that there could be a better way to watch TV. "We've set out to re-invent television, using college as our laboratory. Since those earliest days, we've found many other ways to improve the experience of TV, and in doing so, we strive to embody the innovative and revolutionary spirit of our namesake," CEO Andrew McCollum told us.



CEO: Andrew McCollum

McCollum joined Philo as the CEO in the fall of 2014. Previously, he was Entrepreneur in Residence at 2 of Philo's investors: New Enterprise Associates and Flybridge Partners. He was also on the founding team of Facebook, and is an active early-stage angel investor.

Total Number of Employees

5 and growing

Near-term Strategy

"Our goal is always to bring a better TV experience to the widest audience that we can. We continue to focus on expanding our reach in the college market and learning

from this demographic that is on the leading edge of a sea change in television. Campuses are also special because they are tightly-knit social networks where there is a high density of people who know and care about each other in the same place. This gives us the opportunity to do something that has never been done before-- build the first truly social TV experience," McCollum said. The company is now working with more than 50 schools and plans to further build on the momentum.

Investors

NEA, a venture capital firm investing in information technology, healthcare and energy tech companies; Felicis Ventures, which focuses on 5 areas: mobile, e-commerce, enterprise, education and health; Rho Ventures, which focuses on high-growth companies in large markets; HBO; CBC, a communications company; MCC, the investment arm of Mark Cuban; Flybridge Capital Partners, an early-stage venture capital firm; TriplePoint Capital, a global financing provider; WME, a talent and literary agency; Xfund, which connects universities with venture firms.

Competitors

Other companies that offer video services to campuses include Comcast and Cox.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at jwang@accessintel.com

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