

Cablefax Daily™

Monday — April 25, 2016

What the Industry Reads First

Volume 27 / No. 078

Set-Top Proposal: FTC Wants In, Comments Pour In

It's war! From holding media briefings earlier in the week attacking the legal aspects of the **FCC's** set-top proposal to a few hundred pages of comments filed the initial deadline of Fri, cable wasn't shy about expressing its displeasure of the agency's plan to open up the market for third party vendors. And joining in the fight is the **FTC**. If the FCC proceeds with the proposal, the final rule would mandate that MVPDs provide data access only to third-party set-top vendors that have certified compliance with privacy regulations applied to cable and satellite companies, *Jessica Rich*, dir of the agency's Consumer Protection Bureau, said in a filing. "I encourage the FCC to require that cable and satellite companies limit access only to those third-party set-top box manufacturers that also have made public promises about these certifications to consumers, so that the FTC can provide an effective enforcement backstop," she said. And requiring third-party set-top box manufacturers to promise that they will comply with cable and satellite statutory privacy provisions will be effective only if such promises are enforceable, she wrote. The FTC can enforce manufacturers' promises by using its Section 5 authority to prohibit deceptive practices. Earlier in the week, **Comcast** announced its Xfinity Partnership Program, which was used by **NCTA** and itself as evidence that the set-top market is competitive and requires no government intervention. FCC wasn't impressed, calling the program "a proprietary, Comcast-controlled user interface" and one that "seems to allow only Comcast content on different devices." The back-and-forth continued Fri. In a blog post, Comcast senior evp and chief diversity officer *David Cohen* said it was "disappointing to see the FCC dismiss our announcements this week and incorrectly characterize them... The Commission is wrong that our new Xfinity TV Partner App with **Samsung** and **Roku** would 'only allow Comcast content on different devices.' Whether on a Roku or on a Samsung TV, all the apps that consumers can currently use to access video content will still be available to them," Cohen wrote. He said consumers can access Xfinity TV content through the app on various retail devices and without having to lease a set-top. He noted that within 48 hours of the announcement on the partnership opportunity, Comcast received inquiries from some 30 companies interested in the program,

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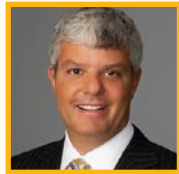
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further proving that CE vendors want to offer these app-based solutions. “What the FCC is doing far exceeds its authority under the statute and ignores this marketplace progress,” Cohen said. And the company had a lot more to say in its 164-page comments. In a nutshell, Comcast believes the proposed rules represent “some of the most expansive regulations” of MVPDs ever pursued. Instead of making sure navigation devices are commercially available, the FCC is forcing MVPDs to unbundle their service and “provide new Commission-mandated standardized Information Flows” for free to third parties so that the third parties can create their own separate, derivative services, Comcast said. That is “flatly inconsistent with the plain language, prior judicial and Commission interpretations, and legislative history of the statute,” it said. While the Obama Administration has come out to endorse the FCC’s proposal, it offers little evidence supporting its position, Comcast said. “It is puzzling that **NTIA** (the Administration’s telecom arm) would recognize the significant issues raised by the Commission’s proposal, and yet still plow ahead with its endorsement,” the MSO said. More comments are expected after our deadline.

More on Set-top Comments: **ACA** said the proposed rules, once adopted, could force small cable providers to shut down or to raise customer rates significantly. “If the FCC unwisely moves forward, the agency has no justification to apply any of its rules to the systems of these smaller providers,” pres/CEO **Matthew Polka** said. Content groups, including the **American Federation of Musicians, the Copyright Alliance, CreativeFuture, Crossings TV, Directors Guild of America, Motion Picture Association of America** and **the National Music Publishers’ Association**, as well as individual creators, are set to raise their concerns about potential copyright violations in their filings. **The US Chamber of Commerce** is also set to join the fight opposing the proposal. On the other side are public interest groups like **Public Knowledge**. “The commission’s proposal... allows for the creators of new apps and devices to market nationwide products based on open standards, instead of cutting MVPD by MVPD deals... The apps that MVPDs support now generally give viewers an incomplete and limited programming selection, offer a fragmented and often confusing user experience, and are available only on devices the MVPD has decided to support,” the group said.

Diversity 50: **AT&T** ranked fourth on **DiversityInc’s** annual list of the Top 50 companies for diversity. That’s up 3 spots from last year’s ranking. Other familiar names in the rankings include **Cox Comm** (18), **Comcast NBCU** (29), **Time Warner** (37), **The Walt Disney Company** (38) and **Nielsen** (41). More than 1800 companies participated in the 2016 survey, with each receiving a free report card assessing their performance against competitors.

Research: Connected TVs are on the rise, with **Leichtman Research** reporting that 65% of US TV homes have at least 1 set connected to the Internet via a video game system, smart TV, Blu-ray player or stand-alone device (such as **Roku** or **Chromecast**). That figure is up from 44% in 2013 and 24% in 2010. And those who have one connected TV are likely to have another, with 74% having more than one device for a mean of 3.3 per connected TV household. Something to note as the **FCC** embarks on its set-top box rule-making: subs don’t seem to hate them. 44% with a box disagreed with the statement that a pay TV HD box is a waste of money (20% agreed); 42% with a box agree that set-tops from pay TV companies provide features that add value to the TV service (16% disagree); and 68% with 3 or more MVPD-provided set-tops are very satisfied with their pay TV provider.

Programming: Fans of motorcycles and/or “The Walking Dead” actor **Norman Reedus** have a new show to launch June 12. “Ride with Norman Reedus” will premiere on **AMC** at 10pm, featuring the actor exploring the country on his bike.

Publisher’s Note: Just a friendly reminder that the best ad positions are quickly selling out for special extended issues of **Cablefax Daily** at INTX May 16-18. Three daily issues, along with a special pre-show issue, will fully cover the industry’s annual confab from top to bottom. Do you really want to wake up one morning of the show and find that your competitors snagged the best spots. Contact **Rich Hauptner** (rhauptner@accessintel.com), **Olivia Murray** (omurray@accessintel.com) or **Jo Ben-Atar** (jbenatar@accessintel.com) to ensure you’re not left out this year. And see you in Boston!

Cablefax Week in Review

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DISH:	DISH	49.76	11.49%	(12.98%)
ENTRAVISION:	EVC	7.46	3.76%	(3.24%)
GRAY TELEVISION:	GTN	12.73	6.44%	(21.9%)
MEDIA GENERAL:	MEG	17.26	1.95%	6.87%
NEXSTAR:	NXST	50.85	7.66%	(13.37%)
SINCLAIR:	SBGI	32.90	2.88%	1.11%
TEGNA:	TGNA	23.84	0.93%	(6.58%)

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLE ONE:	CABO	458.02	0.98%	5.62%
CABLEVISION:	CVC	33.63	0.12%	5.42%
CHARTER:	CHTR	197.91	(2.54%)	8.15%
COMCAST:	CMCSA	61.10	(1.4%)	8.28%
GCI:	GNCMA	17.34	(1.2%)	6.45%
LIBERTY BROADBAND:	LBRDA	55.41	(3.6%)	7.28%
LIBERTY GLOBAL:	LBTYA	38.00	(2.61%)	(10.29%)
SHAW COMM:	SJR	18.61	3.22%	8.26%
SHENTEL:	SHEN	27.56	3.22%	(35.98%)
TIME WARNER CABLE:	TWC	201.45	(1.94%)	8.55%

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	30.93	3.07%	13.88%
AMC NETWORKS:	AMCX	66.36	1.34%	(11.14%)
CBS:	CBS	56.49	4.82%	19.86%
CROWN:	CRWN	5.08	(0.2%)	(9.45%)
DISCOVERY:	DISCA	28.80	1.62%	7.95%
DISNEY:	DIS	103.77	5.25%	(1.25%)
GRUPO TELEVISIA:	TV	27.08	3.36%	(0.48%)
HSN:	HSNI	54.23	0.35%	7.03%
LIONSGATE:	LGF	20.43	1.14%	(36.92%)
MSG NETWORKS:	MSGN	17.25	2.86%	(17.07%)
SCRIPPS INT:	SNI	65.04	1.78%	17.80%
STARZ:	STRZA	26.42	4.30%	(21.13%)
TIME WARNER:	TWX	76.65	2.89%	18.52%
VIACOM:	VIA	46.50	11.59%	5.71%
WWE:	WWE	16.85	3.12%	(5.55%)

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	1.76	(5.38%)	(2.76%)
AMDOCS:	DOX	56.59	(3.59%)	3.70%
AMPHENOL:	APH	56.96	(3.03%)	9.06%
APPLE:	AAPL	105.68	(3.8%)	0.40%
ARRIS GROUP:	ARRS	22.33	0.63%	(26.95%)
AVID TECH:	AVID	5.96	1.53%	(18.24%)
BLNDER TONGUE:	BDR	0.42	2.44%	5.00%
CISCO:	CSCO	28.15	0.90%	3.65%
COMMSCOPE:	COMM	26.76	(0.56%)	3.36%
CONCURRENT:	CCUR	6.17	(1.12%)	24.65%
CONVERGYS:	CVG	26.86	(2.58%)	7.91%
CSG SYSTEMS:	CSGS	45.34	0.09%	26.01%
ECHOSTAR:	SATS	41.08	1.33%	5.04%
GOOGLE:	GOOG	718.77	(5.3%)	(5.29%)
HARMONIC:	HLIT	3.61	9.06%	(11.3%)
INTEL:	INTC	31.64	0.57%	(8.16%)
INTERACTIVE CORP:	IAC	46.68	(1.58%)	(22.26%)
LEVEL 3:	LVT	53.73	(0.06%)	(1.16%)
MICROSOFT:	MSFT	51.78	(6.95%)	(6.67%)

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
NETFLIX:	NFLX	95.90	(14%)	(16.16%)
NIELSEN:	NLSN	51.92	(1.48%)	11.42%
SEACHANGE:	SEAC	3.86	2.12%	(42.73%)
SONY:	SNE	26.64	(0.08%)	8.25%
SPRINT NEXTEL:	S	3.74	4.18%	3.31%
SYNACOR:	SYNC	1.38	(4.17%)	(21.14%)
TIVO:	TIVO	9.38	(0.95%)	8.69%
UNIVERSAL ELEC:	UEIC	68.62	4.00%	33.63%
VONAGE:	VG	4.67	0.65%	(18.64%)
YAHOO:	YHOO	37.48	2.66%	12.69%

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	38.07	(1.07%)	10.64%
CENTURYLINK:	CTL	31.39	(2.7%)	24.76%
FRONTIER:	FTR	5.63	4.07%	20.56%
TDS:	TDS	29.90	(0.37%)	15.49%
VERIZON:	VZ	50.55	(1.56%)	9.37%

Company	Ticker	4/22 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	DJI	18003.75	0.59%	3.32%
NASDAQ:	IXIC	4906.23	(0.65%)	(2.02%)
S&P 500:	GSPC	2091.58	0.52%	2.33%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VIACOM:	46.50	11.59%
2. DISH:	49.76	11.49%
3. HARMONIC:	3.61	9.06%
4. NEXSTAR:	50.85	7.66%
5. GRAY TELEVISION:	12.73	6.44%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. NETFLIX:	95.90	(14%)
2. MICROSOFT:	51.78	(6.95%)
3. ADVANTAGE:	1.76	(5.38%)
4. GOOGLE:	718.77	(5.3%)
5. SYNACOR:	1.38	(4.17%)

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