

Cablefax Daily™

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What the Industry Reads First

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Set-top War: More Opposition, Support Pours In

Initial comments on the FCC's set-top plan seeking to open up the market for 3rd party vendors were due April 22, but lawmakers and groups continued to voice their concerns and support beyond the initial deadline. In a letter to chmn Tom Wheeler Fri, **House Judiciary Committee** head *Bob Goodlatte* (R-VA) and ranking member *John Conyers* (D-MI) said they worried the proposal could lead to an expansion in the unauthorized distribution of copyrighted works. The cable industry shares that concern. The lawmakers said content creators are concerned that future set-top boxes could be designed to distribute pirated movies and TV shows. For example, apps such as **Popcorn Time** that focus on providing access to piratical content have tried to match the format and ease of use of legitimate apps to "mask the theft of copyrighted content," the legislators said. "If the FCC decides to continue to pursue this rulemaking, we urge it to ensure that the marketplace of legal copyrighted works is not harmed by such actions... We will continue to remain watchful to ensure that any proposed FCC regulations are appropriate and promote, rather than inhibit, future innovation and competition... and that any proposed regulations do not impose a disproportionate burden on small or rural providers," they said. Wheeler seemed determined to move his proposal forward, as he indicated in the most recent FCC Open Meeting. As opposition grows, so does support. **The Consumer Video Choice Coalition**, which counts companies like **Google** and **TiVo** as members, said more than 100K consumers have contacted the FCC to support its proposal. The group noted during the opening comment period, 105,972 consumers filed petitions backing the plan. That number, while significant, is still far fewer than the number of consumer comments submitted during the net neutrality proceeding. The coalition claimed an additional 15K contacts were sent to lawmakers and *Consumer Reports* generated more than 30K comments in 24 hours. Consumer groups supporting Wheeler's plan include **Consumer Action**, **Consumer Reports**, **Common Cause**, **Consumer Video Choice Coalition**, **CREDO**, **Demand Progress**, **Fight for the Future**, **Progressive Campaign Change Committee** and **Public Knowledge**. Meanwhile, **NCTA**, in a filing with the FCC last week, said the 9 largest US incumbent cable ops have deployed 55mln operator-supplied set-top devices with CableCARD integrated. That's about the same number it reported in Feb.

Hulu: *The Wall Street Journal* reported that **Hulu** is considering offering an OTT skinny bundle service that includes numerous linear TV nets for \$40 a month. Hulu, a joint venture between **Disney**, **21st Century Fox** and **Comcast NBCUniversal**, couldn't be immediately reached for comment. WSJ said Disney would license **ABC**, **ESPN** and the **Disney Channel** to Hulu's service, while Fox would deliver the Fox broadcast network, **Fox News**, **FX**, **Fox Sports 1** and RSNs. **Bernstein Research** analysts predicted the potential move in a recent research note. The bundle is expected to feature a wide variety of genres including sports, news, entertainment, kids and non-fiction. "The appeal of Skinny Hulu, we suppose, would be: if skinny bundles are gaining popularity, the major network owners should take their product directly to consumers, capture the opportunity (and the margin, and the



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asset value) themselves, and ensure their networks are part of the most widely distributed skinny bundle offering,” the analysts said. They believe Skinny Hulu would accelerate the migration to on-demand and the loss of TV advertising inventory. And if Hulu is seriously contemplating a Skinny Hulu launch, “we don’t think we’ll have to wait long to find out,” the analysts said. They noted that among Hulu’s owners, “Comcast seems least likely to support Skinny Hulu (for obvious reasons). But Comcast doesn’t get a vote. Until 2018, Comcast has to go along with whatever the majority owners decide (namely Disney and Fox). So Hulu might decide to try and launch Skinny Hulu before Comcast can do anything to stop it.”

NewFront Spending: With the NewFronts underway, a new study reminds us just how much sway digital advertising has these days. The **Interactive Advertising Bureau** reports that advertisers and media buyers increased by 114% investments in original digital video programming over the past 2 years. The survey is based on 360 marketing and media buying professionals. What’s more, 8 of the 10 respondents said their attendance at the 2015 NewFronts resulted in increased spending on original digital video content in the 12 months that followed and/or motivated them to increase original digital video budgets overall. Buyers who primarily focus on TV were more likely to commit those extra dollars at the NewFronts (64% vs. 42%), while digital-focused buyers were more likely to spend throughout the year (49% vs. 41%).

WICT Signature Luncheon: *Mary Carillo*, the Olympic Correspondent and tennis analyst for **NBC**, will host the 2016 Signature Luncheon, to be held on May 16 in conjunction with INTX. The luncheon will honor the 2015 PAR Best Companies for Women in Cable, including ops like **Comcast, Time Warner Cable** and **Cox**, as well as programmers such as **Discovery Comm, NBCUniversal** and **Turner**.

Ratings: NFL Net averaged a 0.82 HH rating and 1.28mln viewers for the NFL Draft, making it the highest-rated and most-watched draft on the net since the beginning of the new 3-day format in 2010. The draft racked up more than 545mln minutes of engagement with NFL Digital Media (NFL Mobile from **Verizon**, NFL.com and NFL Now) over the 3 days. Some 38mln minutes of draft coverage got viewed on NFL Now—up 337% YOY and reaching totals 2.5x higher than the week of Super Bowl 50. On **Twitter**, #NFLDraft garnered 8mln tweets.

Hallmark Update: *Donald Hall Jr.*, CEO of **Hallmark Cards**, said Hallmark has completed the short-form merger with **Crown Media Holdings**, which owns **Hallmark Channel** and **Hallmark Movies & Mysteries**, and has taken the company private. Because Hallmark Cards already owns 90% of Crown shares, the \$5.05/share transaction did not require shareholder approval. Hallmark Cards has said taking the programmer private allows it to use the Hallmark brand across businesses and control Crown content decisions and potential monetization paths. Crown Media’s 1Q earnings conference call, previously scheduled for Tues, was canceled.

Programming: The latest special from Discovery Impact, a series of docs focusing on humankind’s impact on the environment and what can be done to solve the problems facing the planet, dives into the ocean to uncover the damaging consequences of increased ocean noise pollution. “Sonic Sea” premieres May 19 at 9pm on **Discovery Channel**. It was created in partnership with **Natural Resources Defense Council (NRDC)**, **Imaginary Forces** and **International Fund for Animal Welfare (IFAW)**. -- HGTV ordered a 2nd season of its home reno-

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BUSINESS & FINANCE

vation and flipping series “Good Bones,” which features mother/daughter duo *Karen Laine* and *Mina Starsiak* as they transform homes. The 12-ep 2nd season is scheduled to premiere in January 2017. -- **FYI's** new docu-series, “Teenage Newlyweds,” following 3 couples as they transition to the married life, debuts May 31.

People: *Jonathan Schwartz* was promoted to the new position of chief legal and corporate affairs officer for **Univision Comm.** He'll continue to report to pres/CEO *Randy Falco*. -- *Jill Ratner* was upped to evp, litigation for the **Fox Entertainment Group.** She was most recently svp, litigation. -- *Mia Rondinella* was named svp, global distribution and strategy for **Disney Media Distribution Disney** and **ESPN Media Networks.** She will report to both *Ben Pyne*, pres, global distribution, Disney Media Networks, and *Justin Connolly*, evp, affil sales and marketing, Disney and ESPN Media Networks. In addition, *Jimmy Zasowski* was upped to vp, business strategy, Disney and ESPN Media Networks. He will report to *Rondinella*. -- *Catrice Monson* was named svp, diversity and inclusion for **CBS**, reporting to *Josie Thomas*, evp, chief diversity and inclusion officer.

Editor's Note: Do you have what it takes to prevail in the Cablefax Program Awards? Enter by June 17 at www.cablefax.com to find out. Good luck!

Cablefax Daily Stockwatch

| Company | 05/02 Close | 1-Day Ch | Company | 05/02 Close | 1-Day Ch | | | |
|------------------------------|-------------|----------|-----------------------|-------------|----------|--|--|--|
| BROADCASTERS/DBS/MMDS | | | | | | | | |
| DISH: | 48.92 | (0.37) | GOOGLE: | 698.21 | 5.20 | | | |
| ENTRAVISION: | 8.27 | 0.32 | HARMONIC: | 3.48 | 0.02 | | | |
| GRAY TELEVISION: | 13.18 | 0.33 | INTEL: | 30.61 | 0.33 | | | |
| MEDIA GENERAL: | 17.51 | 0.18 | INTERACTIVE CORP: | 47.83 | 1.49 | | | |
| NEXSTAR: | 52.53 | 1.20 | LEVEL 3: | 52.19 | (0.07) | | | |
| SINCLAIR: | 32.47 | 0.40 | MICROSOFT: | 50.61 | 0.74 | | | |
| TEGNA: | 23.39 | 0.03 | NETFLIX: | 93.11 | 3.08 | | | |
| MSOS | | | | | | | | |
| CABLE ONE: | 464.94 | 5.98 | NIELSEN: | 52.51 | 0.37 | | | |
| CABLEVISION: | 33.65 | 0.26 | SEACHANGE: | 3.77 | 0.04 | | | |
| CHARTER: | 216.53 | 4.29 | SONY: | 24.72 | 0.62 | | | |
| COMCAST: | 61.23 | 0.47 | SPRINT NEXTEL: | 3.49 | 0.06 | | | |
| GCI: | 17.98 | 1.08 | SYNACOR: | 1.35 | (0.06) | | | |
| LIBERTY BROADBAND: | 59.10 | 1.78 | TIVO: | 9.71 | (0.27) | | | |
| LIBERTY GLOBAL: | 38.50 | 0.77 | UNIVERSAL ELEC: | 66.67 | 0.26 | | | |
| SHAW COMM: | 18.60 | 0.09 | VONAGE: | 4.60 | (0.07) | | | |
| SHENTEL: | 30.57 | 1.88 | YAHOO: | 36.53 | (0.07) | | | |
| TIME WARNER CABLE: | 215.06 | 2.95 | TELCOS | | | | | |
| PROGRAMMING | | | | | | | | |
| 21ST CENTURY FOX: | 30.36 | 0.10 | AT&T: | 39.10 | 0.28 | | | |
| AMC NETWORKS: | 65.90 | 0.67 | CENTURYLINK: | 31.48 | 0.53 | | | |
| CBS: | 56.47 | 0.56 | FRONTIER: | 5.44 | (0.12) | | | |
| DISCOVERY: | 27.93 | 0.62 | TDS: | 30.12 | 0.55 | | | |
| DISNEY: | 104.36 | 1.10 | VERIZON: | 51.32 | 0.38 | | | |
| GRUPO TELEVISIA: | 28.58 | (0.65) | MARKET INDICES | | | | | |
| HSN: | 53.22 | 0.19 | DOW: | 17891.16 | 117.52 | | | |
| LIONSGATE: | 22.28 | 0.08 | NASDAQ: | 4817.59 | 42.24 | | | |
| MSG NETWORKS: | 17.14 | 0.05 | S&P 500: | 2081.43 | 16.13 | | | |
| SCRIPPS INT: | 62.47 | 0.12 | | | | | | |
| STARZ: | 27.97 | 0.76 | | | | | | |
| TIME WARNER: | 75.32 | 0.18 | | | | | | |
| VIACOM: | 45.09 | 1.16 | | | | | | |
| WWE: | 17.61 | 0.97 | | | | | | |
| TECHNOLOGY | | | | | | | | |
| ADVANTAGE: | 1.81 | 0.01 | | | | | | |
| AMDOCS: | 57.01 | 0.47 | | | | | | |
| AMPHENOL: | 56.26 | 0.43 | | | | | | |
| APPLE: | 93.64 | (0.1) | | | | | | |
| ARRIS GROUP: | 23.20 | 0.43 | | | | | | |
| AVID TECH: | 5.57 | (0.01) | | | | | | |
| BLNDER TONGUE: | 0.43 | UNCH | | | | | | |
| CISCO: | 27.37 | (0.12) | | | | | | |
| COMMSCOPE: | 30.34 | (0.07) | | | | | | |
| CONCURRENT: | 6.27 | 0.21 | | | | | | |
| CONVERGYS: | 26.63 | 0.13 | | | | | | |
| CSG SYSTEMS: | 45.08 | 0.70 | | | | | | |
| ECHOSTAR: | 41.48 | 0.56 | | | | | | |

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CFX TECH SPOTLIGHT by Joyce Wang

CFX Tech Spotlight, a once a month feature, profiles companies providing interesting, innovative and sometimes below-the-radar technology across the video and broadband.

Company: Nominum

Established in 1999, Nominum's co-founders were early innovators of Domain Name System (DNS) technology. Today, the company provides DNS technology to accelerate digital transformation for communication service providers. The company's Vantio CacheServe is currently used by more than 100 communications service providers in more than 40 countries worldwide, including tier 1 cable operators, to protect their networks, help retain existing customers and gain new subs. The solution processes 1.6 trillion DNS queries daily across 500mln browser sessions. The company's new N2 platform sits on top of Vantio CacheServe DNS engines, enabling service providers to transition their networks to evolve beyond the network-centric model to a subscriber-centric model.

How does the company work with the cable industry?



CEO: Gary Messiana

Messiana told us that Nominum's main focus in cable has been helping operators to digitally transform their businesses and networks, and deliver value-added, personalized subscriber services that generate new revenue streams and strengthen subscriber loyalty. Such services include advanced cybersecurity protection and subscriber-defined content control.

Specifically, the parental control and monitoring tools can be integrated at multiple levels, including household, individual subscribers and unique devices. No software downloads are required. "Because DNS sits in the control plane, it provides visibility into all requests for resource IP addresses—so it makes sense to apply those capabilities to things like network and subscriber safety, parental control and in-browser messaging, as well as to provide deep analytics on subscriber activities," Messiana said. The N2 platform aims to lower the cost of communicating with subscribers, improve their relationship with the provider, and provide an effective network-based security service for subs across devices. The goal is to create more customer engagement.

Management Team

CEO *Gary Messiana* joined Nominum in July 2011. Starting in 2008, he was an entrepreneur-in-residence with **Bessemer Venture Partners**, one of the longest-standing venture capital practices in the US. At Bessemer, he focused on the software and infrastructure-as-a-service sectors. Prior to Bessemer, Messiana served as CEO of **Netli**, a content-and-application delivery network provider that counts network operators as customers. Netli was sold to **Akamai** in 2007. SVP/CTO *Srini Avirneni* previously held technical lead roles at **Comcast, Lucent** and **INS**.

Total number of employees

150

Competitors

While plenty of companies compete with **Nominum** for individual applications, few provide a full suite of pre-integrated applications running on an extensible DNS-based platform to accelerate a service provider's digital transformation.

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



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