

Cablefax Daily™

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What the Industry Reads First

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Investor Conference: Rutledge Talks Merger Conditions, Wireless Plan

A condition of the FCC's approval of the Charter-Time Warner Cable merger is overbuilding 2mln homes over 5 years outside Charter's footprint. At least 1mln of those homes would be in competition with another ISP. For new Charter, which closed the transaction Wed, that means overbuilding telcos, not cable providers. "When I talked to the FCC, I said I can't overbuild another cable company, because then I could never buy it, because you always block those... It's really about overbuilding telephone companies," chmn/CEO *Tom Rutledge* said during the **MoffettNathanson** Media & Communications Summit Thurs. Adding more color to the buildout plan, he said "if someone builds a housing development with 20,000 homes in it, there is a phone company in there, usually it's **AT&T**, or **Frontier** in some markets... Usually that plant is in the ground in the same trenches as yours, so you're in a competitive environment." He noted as part of the FCC's conditions, Charter can acquire up to 250K cable subs in areas that aren't interconnected, another reason for not overbuilding cable. Another merger condition is no broadband tier pricing for at least 7 years post-transaction. That shouldn't be a problem because Charter wasn't considering data caps. "When AOL was a per-usage service it wasn't much of a product. When it went all-you-can-eat, it exploded... There are better ways to sell the product," Rutledge said. Meanwhile, with wireless increasingly becoming part of cable's roadmap, Charter is eyeing potential mobile offerings. Remember Comcast, TWC, **Cox** and **Bright House's** spectrum deal with **Verizon** back in 2011? That transaction gave the cable MSOs access to the telco's wireless network for use in possible MVNO services. Now that TWC was acquired, Charter can access the MVNO option as well, Rutledge acknowledged. As for Charter's wireless plan, he didn't share details but expects more use of small cell technology and Charter's wireline assets as backhaul for wireless carriers' future 5G services. Comcast Cable head *Neil Smit*, speaking at the conference on the same day, also reiterated the MSO's interest in wireless. "There's no doubt that there is a trend towards mobile... and we need to participate in that mobile trend," the exec said, noting Comcast is testing wireless services that leverage its 14mln WiFi hotspots and the MVNO agreement with Verizon. Like Charter, Comcast plans to be part of the 5G space. "You're going to need space, you're going to need power, and you're going to need backhaul... We are really well positioned," said Smit. While Comcast and Charter are ready to become MVNO providers, Cox isn't. The company's MVNO option from the Verizon deal has expired, and Cox has no plans to pursue one, a rep said.

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More from MoffettNathanson: **Comcast Cable** chief *Neil Smit* explained why the MSO hasn't reached a carriage deal with **YES Network**. "We have a big data area where we look at set-top box viewing. What we found is that viewing, relative to the price we are paying, doesn't make sense for us," he said. And he suggested YES drop is isolated, not necessarily reflecting a broader Comcast view on sports programming. "Some RSNs have reasonable rates, viewership and great proposition. Others are much more expensive," Smit said. What's happening is "we're going in with much more data and many more facts... We're much better informed about the value of the content, and that's making a big difference." YES, of course, sees it differently. "They drop the most-watched [RSN], the biggest and they triple the surcharge after they do it," YES chief *Tracy Dolgin* told us last month, referring to Comcast's RSN surcharge that jumped from \$1 to \$3 after YES was removed in Nov. Meanwhile, Smit reiterated Comcast chmn/CEO *Brian Roberts'* comments at **INTX** this week that the MSO isn't interested in providing streaming offerings outside of its footprint. That's because the company hasn't seen a streaming model that's more profitable than "packaging video in our own footprint," said Smit. That said, there will be a handful of streaming players, and there will be different ways of delivering video content, he said: "We have to be prepared for that." Still, Comcast gets the best ROI from its existing footprint, which has a lot of growth potential, said Smit. -- Unlike Comcast, **Charter** is exploring streaming service opportunities, said chief exec *Tom Rutledge*, who doesn't worry about hurting traditional cable bundles. "Most people who buy **Netflix** buy cable or satellite... It's another channel, a premium service—and an inexpensive one," he said. And offering streaming services to Charter subs would increase demand for broadband, he said.

Set-top Squabbling: On Thurs, Rep *Yvette Clarke* (D-NY) unveiled the congressional Multicultural Media Caucus, with a delay of the **FCC** set-top proposal as one of its priorities. *Alfred Liggins* of **TV One** and **BET's** *Debra Lee* attended the briefing and expressed concerns about the plan. Lawmakers including Clarke and Congressional Black Caucus chmn *G.K. Butterfield* have asked the FCC to suspend the proceeding until a **GAO** study is complete. "What's the rush FCC?" Clarke asked in prepared remarks, in which she worried that small, minority and independent programming will suffer if the FCC doesn't get this right. **Public Knowledge** took a moment Thurs to put some minority programmers who like the #Unlock-theBox proposal on the phone with reporters. Speaking out for it were **Urban Broadcasting Company's** *Peggy Dodson*, **National Black Programming Consortium** chmn *Eric Easter* and **GFNTV** CEO *Clifford Franklin*. The trio joined several other minority programmers this week, including **BET** founder *Bob Johnson* and *Robert Townsend*, in encouraging the Congressional Black Caucus to support the proceeding. According to an FCC filing, **Comcast's** *Brian Roberts*, *Neil Smit* and *David Cohen* all spoke to FCC commish *Mignon Clyburn* about the proposal (and the FCC's broadband privacy proceeding) during **INTX**. Among other things, the Comcasters argued that MVPD apps are providing retail device alternatives "without any of the numerous harms that would result from the proposed set-top box mandate."

FCC Backlog: More than 2 dozen groups, including **Protect Internet Freedom**, asked the **FCC** Thurs to extend comment periods for ongoing dockets until every submitted comment can be posted. They pointed to PIF's revelation that more than 2200 public comments on the broadband privacy proceeding went unposted for more than 2 weeks, something FCC chmn *Tom Wheeler* blamed on a software glitch at a Senate Judiciary subcmte hearing this month. "On May 12, an FCC spokesperson admitted the agency faced a backlog of... 74,000 comment filings across all of the FCC's proceedings. These backlogs are expected to exist until the implementation of a new electronic filing system," they wrote in their letter to commissioners. Not only is the delay limiting the length of time comments are available to the public, but it gives the impression the FCC is "actively silencing Americans who oppose the agency's actions," they said. At **INTX**, FCC commissioners *Jessica Rosenworcel*, *Ajit Pai* and *Michael O'Rielly* voiced support for a delay in the broadband privacy proceeding.

Open Internet Transparency: As everyone awaits the DC Circuit's Open Internet ruling, the **FCC** released guidance Thurs on fulfilling the 2015 order's enhanced transparency requirements. The FCC clarified that it did not change the requirement that disclosures required under the Transparency Rule be prominently displayed "on a publicly available website" and made at the point of sale, nor did the Commission eliminate the permissibility of making disclosures at the point of sale by directing consumers to a website link. The FCC clarified that "for those disclosures to be meaningful, BIAS providers must ensure that consumers actually receive any Open Internet-related information that is relevant to their purchasing decision at all potential points of sale, including in a store, over the phone, and online," the FCC said.

Developing Content: With more money and talent circulating than ever before, network execs dished on today's hit-making

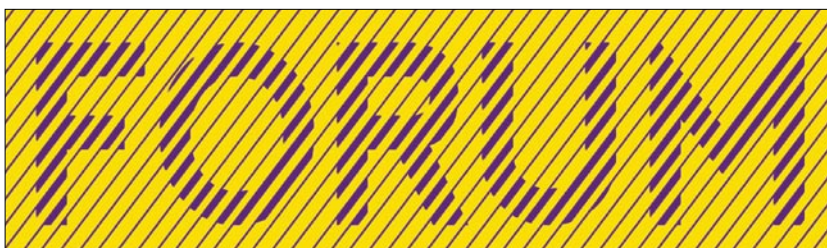
BUSINESS & FINANCE

process during the Peak TV Performance session. "With 'White Queen' we realized we had a huge response from female audience, that it was an audience that wasn't getting shows with strong female protagonist, and a love story," said **Starz** managing director *Carmi Zlotnik*. "When 'Outlander' walked in the door it was the easiest programming decision we'd ever made." The competitive landscape is opening doors for cable to take chances on creative teams. "The notion of seasoned showrunner is more a notion of broadcast," said *Gary Levine*, pres of programming at **Showtime**, pointing to the relative unproven resumes of creator/showrunners for network hits such as "Penny Dreadful" and "Billions." "If we get really talented writers, experience at running shows isn't really essential." *Eric Schrier*, pres of original programming at **FX Networks**, said the network put up \$400K-\$500K to shoot a new pilot for "It's Always Sunny in Philadelphia," now in its 12th season, because "we just believed in those guys." They cautioned development still takes time. "With the competitive landscape there's an urge to act fast," said *Jennifer Caserta*, president/GM at **IFC TV**, "but sometimes you have to resist." She noted that IFC's "Documentary Now," based on an "SNL" skit, spent 2 years in development. — *Cathy Applefeld Olson*

People: Congrats to *Chris Albert*, who was upped to evp, global comm & talent relations for **Nat Geo Global Nets**.

Cablefax Daily Stockwatch

Company	05/19 Close	1-Day Ch	Company	05/19 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	44.39	(0.51)	HARMONIC:	2.56	(0.12)			
ENTRAVISION:	6.87	(0.06)	INTEL:	29.63	(0.36)			
GRAY TELEVISION:	10.94	0.23	INTERACTIVE CORP:	53.07	(0.6)			
MEDIA GENERAL:	17.02	0.04	LEVEL 3:	51.77	(0.16)			
NEXSTAR:	48.23	(0.17)	MICROSOFT:	50.32	(0.49)			
SINCLAIR:	29.48	UNCH	NETFLIX:	89.55	(0.95)			
TEGNA:	22.22	(0.06)	NIELSEN:	51.59	(0.38)			
MSOS								
CABLE ONE:	485.16	(0.67)	SEACHANGE:	3.24	(0.06)			
CABLEVISION:	34.50	(0.04)	SONY:	26.09	(0.69)			
CHARTER:	227.57	0.16	SPRINT NEXTEL:	3.66	0.08			
COMCAST:	60.25	(0.13)	SYNACOR:	3.02	UNCH			
GCI:	15.05	(0.87)	TIVO:	9.92	(0.02)			
LIBERTY BROADBAND:	57.62	0.07	UNIVERSAL ELEC:	61.82	(0.53)			
LIBERTY GLOBAL:	35.93	(0.73)	VONAGE:	4.16	(0.21)			
SHAW COMM:	18.66	(0.24)	YAHOO:	37.02	(0.22)			
SHENTEL:	29.23	(0.12)	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	27.92	(0.23)	AT&T:	38.44	(0.01)			
AMC NETWORKS:	64.51	0.19	CENTURYLINK:	26.92	0.04			
CBS:	52.10	(0.18)	FRONTIER:	4.96	(0.06)			
DISCOVERY:	26.10	(0.61)	TDS:	27.34	0.05			
DISNEY:	98.41	(0.59)	VERIZON:	49.63	(0.76)			
GRUPO TELEVISIA:	25.63	(0.09)	MARKET INDICES					
HSN:	48.30	0.03	DOW:	17435.40	(91.22)			
LIONSGATE:	19.62	0.07	NASDAQ:	4712.53	(26.59)			
MSG NETWORKS:	16.56	UNCH	S&P 500:	2040.04	(7.59)			
SCRIPPS INT:	61.96	(0.32)						
STARZ:	25.60	(0.47)						
TIME WARNER:	71.59	0.12						
VIACOM:	41.65	(0.45)						
WWE:	16.96	(0.21)						
TECHNOLOGY								
ADVANTAGE:	1.77	(0.04)						
AMDOCS:	56.41	(0.17)						
AMPHENOL:	55.32	(0.34)						
APPLE:	94.20	(0.36)						
ARRIS GROUP:	21.98	UNCH						
AVID TECH:	5.53	(0.23)						
BLNDER TONGUE:	0.38	0.03						
CISCO:	27.57	0.85						
COMMSCOPE:	29.50	(0.19)						
CONCURRENT:	5.85	(0.04)						
CONVERGYS:	26.92	(0.14)						
CSG SYSTEMS:	40.78	(0.22)						
EHOSTAR:	39.22	(0.41)						
GOOGLE:	700.32	(6.31)						



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PROGRAMMER'S PAGE

Nat Geo's "Missing Dial"...

Nat Geo has entered the true crime arena with its 6-part series "Missing Dial" (premieres Sun, 10pm), which traces the events surrounding the mysterious disappearance of *Cody Dial*, the son of **National Geographic** explorer *Roman Dial*. Cody journeyed into the Corcovado National Park in Costa Rica in 2014 and hasn't been seen since. Roman launched a search for his son, which was documented by Nat Geo. "This is the first true crime series of this nature on National Geographic Channel. For us, it was more about this particular story," said *Tim Pastore*, pres of original programming & production. But he said the series was an obvious fit because it follows a National Geographic explorer's search for his missing son. Pastore sees growing interest in true crime programming. "There's a natural fascination in examining the motivation behind a crime, a desire to solve the mystery and a conversation that arises from that. We would explore additional crime series, if they fit the National Geographic brand and are distinct and authentic," he said. Show producer *Aengus James* wanted to capture the significant moments of Cody's journey and to reveal the soul of the journey. "The camera provokes people to be profound, and it creates a heightened sense of importance," he said. And the series is really about a father, who trained his son to follow in his footsteps, trying to come to grips with the outcome of that training, James said. "I can't imagine losing a child and to have to deal with days, then weeks, then months of the unknown, with the horrible possibilities," said James. Part of what makes the story unique is the impact it has had and continues to have on the investigation by Costa Rican authorities, he said. "I am hopeful that in the coming weeks the Costa Rican authorities will make an arrest," said James. He noted the FBI is now getting involved. "This series will hopefully push the powers that be to act... And I'm hopeful we are very close to having an arrest." – *Joyce Wang*

Reviews: "Judgment Day: Prison or Parole?" premiere, Sunday, 8pm, **Investigation Discovery**. No need to artificially raise the stakes in the first of this 3-part mini. The filmmakers chronicle parole hearings of an inmate in CO, convicted of first-degree attempted murder and one in WY, serving for second-degree murder. The proceedings in WY are better television in that the parolee faces the board. In the CO hearings, they are in separate rooms; the parole board sees the inmate only on a monitor. We learn much about the inmates, but there's a lack of insight about the parole board members' qualifications. It's one of the few issues with an otherwise terrific hour of television. -- "Mighty Ruthie," Sunday, 9pm ET, **SEC**. The first 20 minutes of this short doc are upbeat and inspiring. *Ruthie Bolton* mixes determination and talent that results in an outstanding college basketball career. Things change drastically at minute 21, when Ruthie marries while in college and her husband abuses her. Bolton was a fine basketball player, but her advocacy against domestic violence is her best work.-- "Dr. K's Exotic Animal ER," season premiere, Saturday, 9pm, **Nat Geo Wild**. *Dr. Susan Kelleher* leads her team of young veterinarians as they tackle a plethora of animal life-threatening medical issues. The patients are definitely exotic, including a bearded dragon. – *Seth Arenstein*

Basic Cable Rankings

(5/09/16-5/15/16)

Mon-Sun Prime

1	TNT	1.2	2763
2	FOXN	0.9	2019
3	ESPN	0.7	1708
4	TBSC	0.6	1480
4	HGTV	0.6	1459
4	USA	0.6	1395
4	NBCS	0.6	1229
8	DISC	0.5	1257
8	HIST	0.5	1248
8	DSNY	0.5	1218
8	DSE	0.5	110
12	ADSM	0.4	964
12	FX	0.4	909
12	FOOD	0.4	889
12	ID	0.4	852
12	TLC	0.4	829
17	AMC	0.3	822
17	MSNB	0.3	788
17	CNN	0.3	760
17	A&E	0.3	747
17	HALL	0.3	737
17	FRFM	0.3	723
17	LIFE	0.3	671
17	NAN	0.3	665
17	DSJR	0.3	619
17	SPK	0.3	596
17	VH1	0.3	586
17	BRAV	0.3	575
17	NKJR	0.3	517
17	HMM	0.3	435
31	SYFY	0.2	568
31	APL	0.2	551
31	TVLD	0.2	524
31	LMN	0.2	506
31	EN	0.2	494
31	NGC	0.2	493
31	GSN	0.2	452
31	CMDY	0.2	444
31	WETV	0.2	438
31	OWN	0.2	416
31	MTV	0.2	414
31	TRU	0.2	410
31	TRAV	0.2	401
31	INSP	0.2	397

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

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