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What the Industry Reads First

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Set-top Proposal: The Fight Gets Bigger

The war over the controversial FCC proposal to open up the set-top market for third party vendors has intensified as the agency continues to gather comments on the plan. Several Democrat lawmakers from both chambers vowed to support the bill Thurs. The lawmakers, including Rep *Anna Eshoo* (CA) and Sens. *Ed Markey* (MA) and *Richard Blumenthal* (CT), hosted a conference call to defend the proposal. “Opponents of the FCC’s proposal to unlock the cable box have thrown together a salad of criticisms to derail it and have kept the market locked up for 20 years at a yearly intake of \$20 billion. It’s time for innovation and competition in this market so consumers can finally win,” Eshoo said. “It’s been 20 years since we passed my provision in the 1996 Telecommunications Act to make the set-top marketplace a centerpiece of our telecommunications universe. We don’t need any more studies to understand the problem—bloated rental fees, nominal choice, and virtually no competition in the set-top box marketplace. The solution is simple: no fees, greater competition and more consumer choice,” said Markey. Added Blumenthal: “Consumers deserve competitive options in accessing technology and television, not exorbitant prices dictated by monopolistic cable companies.” The lawmakers were joined by other backers of the proposal, including *Chip Pickering*, CEO of **INCOMPAS**; *Robert Johnson*, chmn of **RLJ Entertainment** and founder of **BET**; *Joe Weber*, CTO of **TiVo**’s service provider business unit; *DeShuna Spencer*, CEO of **kweliTV**; *Corri Freedman*, political director of **Writers Guild of America West**; and *Chris Lewis*, vp of government affairs at **Public Knowledge**. **The Future of TV Coalition**, backed by pay-TV providers, fired back. “This isn’t a debate over whether consumers should have more options for video devices and services—this is a debate about the best approach to achieve this goal. An overwhelming majority of the voices that have weighed in during this debate point to apps, not box mandates, as the better path forward,” the group said in a statement. It noted that since the rules were proposed, content creators, programmers, distributors and 180 bipartisan members of Congress have voiced concerns. Among the concerns are potential consumer privacy issues. The coalition cited the **Electronic Privacy Information Center**, which said the proposal’s toothless privacy self-certification

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scheme “fails to meaningfully protect consumers... Why are Members of Congress who claim to champion consumer privacy backing an FCC proposal that will shred pay-TV customers’ federal privacy rights?” Meanwhile, legislative efforts to fight the proposal continued. The **House Appropriations Committee** advanced a bill Thurs that includes provisions to require the FCC to complete a study on the impact of the set-top proposal on consumers and the industry. The FY 2017 Financial Services and General Government Appropriations Bill also includes language that would prevent the FCC from implementing its Open Internet Order, pending a decision by the DC Circuit. It would also require the agency to make all proposed regulations publicly available 21 days before a Commission vote. **House Commerce** Democrat members *Gene Green* (TX) and *Yvette Clarke* (NY) praised the proposed set-top impact study in the bill. The FCC’s proposed rule could “detrimentally impact consumer privacy, creative rights, diversity of voices, cybersecurity, energy efficiency and the consumer experience,” the pair said in a joint statement. “Given the breadth of opposition and the likely harm that would result to consumers, Congress is right to insist that the FCC suspend its artificial timetable and conduct an independent review that will fully examine the potential unintended consequences that would likely result from the Chairman’s proposal.” The bill has upset public interest groups like **Public Knowledge**. In a statement, Kate Forscey, government affairs associate counsel, expressed disappointment at the majority’s “insistence... on using the blunt instrument of appropriations bills to settle technically complicated policy matters that are typically left to the expert agency or Committees of jurisdiction.”

Viacom’s Take: Talks regarding a sale of **Viacom’s Paramount Pictures** have continued, chmn/CEO *Philippe Dauman* said at the **Gabelli & Company** media and entertainment conference Thurs. The exec said the company is having discussions with a new list of players, following initial talks with about 40 companies. “It is strategically important to look at what will enhance and accelerate the growth of Paramount into the future... We are now at a stage where we have had more limited discussions with a more limited group who would be strategic partners. The sale was originally expected to close by the end of the month. However, “recent events have slowed down the process,” Dauman said, referring to *Sumner Redstone*’s apparent move to block the sale. That said, “we are continuing to explore the potential of unlocking value with select partners... We will move forward deliberately with our board,” the exec said.

Senate Hearing: The **Senate Investigations Subcmte** has scheduled a hearing titled “Customer Service and Billing Practices in the Cable and Satellite Television Industry” on June 23. The panel’s chmn *Rob Portman* (R-OH) and ranking member *Claire McCaskill* (D-MO) said in a joint statement that the hearing will include testimony from several major pay-TV providers. The subcmte has conducted a bipartisan investigation into customer service and billing practices at the country’s largest cable and satellite companies, the pair said. “We believe our hearing will be a big step forward for consumers, allowing them to understand how their TV providers really work and make informed decisions about their video service,” they said.

ACA on EAS Proposal: As the **FCC** looks to update Part 11 of its rules regarding the Emergency Alert System (EAS), **ACA** wants to make sure the agency will reaffirm its policy of allowing, but not requiring, local cable ops to let broadcasters opt-out of cable-provided EAS messages. “This policy remains the best way to ensure that the public has access to important emergency information,” the group said in a filing Wed. FCC polices permit cable operators to satisfy the general requirement that they transmit EAS information over all programming channels by automatically tuning subscribers’ set-top boxes to a single, pre-designated channel that carries the required audio and video EAS message and do so on a cable system-wide basis. This option is known as “forced tuning.” A **National Association of Broadcasters** proposal would give TV stations the right to demand selective override, which would prevent cable ops from providing EAS alerts on a system-wide basis. “ACA members believe that the existing EAS rules serve the public interest and appropriately take account of the special considerations of smaller entities. The FCC’s policies in this area have allowed ACA members to better serve their predominantly rural and smaller market service areas in a manner that reliably provides alerting, including local alerts that are not always offered by in-market broadcasters,” pres/CEO *Matt Polka* said.

BUSINESS & FINANCE

Ratings: The 2016 NBA Finals on WatchESPN, the net's authenticated streaming service, is up double-digits from 2015 through 3 games. The series scored around 143mIn total minutes, an average of 952K unique viewers and an average minute audience of 293K, up 42%, 35% and 61% from last year. -- **WE tv's** "Marriage Boot Camp: Reality Stars" returned for its 5th season on Friday and scored 1.4 million total viewers in Nielsen live+3 ratings, up 7% from last year's the season four premiere, including 864K adults 25-54 – up 14% from the season 4 premiere.

On the Circuit: **NAMIC** Mid-Atlantic and **WICT** DC/Baltimore host "A Conversation with *Henry Schleiff*," an evening interview of the **Discovery Comm** group pres by Emmy Award winning journalist *Tony Harris*, June 21, 6-9pm. The event will take place at Discovery Comm's Silver Spring HQ. For free registration, go to <http://bit.ly/1UCKS7w>

People: **BBC America** named *Oswald Méndez* evp of marketing and digital, reporting directly to *Sarah Barnett*, pres of the net. Prior to joining BBC America, Méndez was evp/chief marketing officer for **MundoFox Broadcasting**. Previously, Méndez was svp, Lifestyle Entertainment with **FOX International Channels**.

Cablefax Daily Stockwatch

Company	06/09 Close	1-Day Ch	Company	06/09 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	55.36	(0.44)	HARMONIC:	2.88	(0.12)			
ENTRAVISION:	7.24	0.03	INTEL:	31.94	0.05			
GRAY TELEVISION:	11.49	(0.13)	INTERACTIVE CORP:	55.79	1.52			
MEDIA GENERAL:	17.93	(0.04)	LEVEL 3:	53.08	(0.25)			
NEXSTAR:	52.86	(0.49)	MICROSOFT:	51.62	(0.42)			
SINCLAIR:	31.83	(0.54)	NETFLIX:	97.09	(0.77)			
TEGNA:	22.50	(0.06)	NIELSEN:	54.98	0.29			
MSOS								
CABLE ONE:	500.68	(3.69)	SEACHANGE:	3.46	(0.02)			
CABLEVISION:	34.70	0.04	SONY:	28.77	(0.41)			
CHARTER:	222.97	(0.11)	SPRINT NEXTEL:	3.81	(0.01)			
COMCAST:	62.93	(0.29)	SYNACOR:	3.20	(0.09)			
GCI:	14.44	(0.31)	TIVO:	9.82	(0.03)			
LIBERTY BROADBAND:	59.85	0.01	UNIVERSAL ELEC:	66.43	(0.26)			
LIBERTY GLOBAL:	38.16	(0.68)	VONAGE:	4.78	(0.01)			
SHAW COMM:	19.40	(0.16)	YAHOO:	37.35	0.38			
SHENTEL:	34.11	(2.08)	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	29.32	(0.12)	AT&T:	40.09	0.23			
AMC NETWORKS:	60.99	(0.7)	CENTURYLINK:	27.00	(0.04)			
CBS:	53.00	(0.53)	FRONTIER :	5.12	(0.08)			
DISCOVERY:	27.33	(0.71)	TDS:	28.55	(0.35)			
DISNEY:	97.84	(0.2)	VERIZON:	51.95	0.43			
GRUPO TELEVISIA:	25.94	(0.46)	MARKET INDICES					
HSN:	53.39	(0.06)	DOW:	17985.19	(19.86)			
LIONSGATE:	21.86	(0.57)	NASDAQ:	4958.62	(16.03)			
MSG NETWORKS:	17.23	(0.19)	S&P 500:	2115.48	(3.64)			
SCRIPPS INT:	64.86	(0.02)						
STARZ:	27.26	(0.6)						
TIME WARNER:	75.01	(0.45)						
VIACOM:	48.42	(0.08)						
WWE:	17.91	(0.13)						
TECHNOLOGY								
ADVANTAGE:	1.82	(0.04)						
AMDOCS:	57.46	(0.2)						
AMPHENOL:	59.98	(0.13)						
APPLE:	99.65	0.71						
ARRIS GROUP:	24.05	(0.15)						
AVID TECH:	6.05	(0.13)						
BLNDER TONGUE:	0.42	0.02						
CISCO:	29.14	UNCH						
COMMSCOPE:	32.40	(0.1)						
CONCURRENT:	6.10	(0.13)						
CONVERGYS:	28.15	(0.24)						
CSG SYSTEMS:	43.09	(0.16)						
EHOSTAR:	40.57	(1.19)						
GOOGLE:	728.58	0.30						

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PROGRAMMER'S PAGE

On the Road

Take the most beloved actor from TV's most popular show and create a nonfiction series starring him. It has all the makings of contrivance, but instead **AMC's** "Ride with Norman Reedus" (premieres Sun, 10pm) is less fan pop and more open road beauty. Sure, fans of "The Walking Dead's" *Daryl Dixon* will be able to revel in his badassery and good looks, but serious motorcyclists will be busy checking out his Ducati Hypermotard 939 or drooling over a Roland Sands custom bike. "We worked really hard to create a series that's authentic for gearheads who have all the motorcycle knowledge in their heads, but also a pleasure to watch for people who enjoy a good travelogue and also something satisfying for Norman's fans, who frankly would watch him do just about anything," said exec producer *Ken Druckerman*. The most amazing shots aren't of heartthrob Reedus, but of the countryside, with episode one featuring a trek up the Pacific Coast Highway from L.A. to Santa Cruz. It's not easy to film—the crew had to keep things safe, while still allowing Reedus and his riding companions to have a good time (the actor sometimes begged to go faster), according to Druckerman, who admits he himself is at only the Vespa level. Ride came about after AMC did a digital video for TWD with Reedus meeting with a custom bike builder that was well received. The network set up an introductory meeting with the team at **Left/Right Productions**, and the rest unfolded quickly. It had to, with filming required to take place during the hiatus of TWD. "We shot the pilot episode basically in Norman's backyard, right near where they film *The Walking Dead*," Druckerman said. "Coincidentally, thank goodness, there is some of the best motorcycle riding in the world in northern GA and NC. We were able to shoot the pilot on a weekend when Norman wasn't filming." No word yet on a sophomore season, but if Reedus has his way his bike may cross the Atlantic. — *Amy Maclean*

Reviews: "Animal Kingdom," series premiere, Tuesday, 9pm, **TNT**. If this adaptation of an Australian film decides what it wants to be, it could garner tremendous critical acclaim. A larger question, though, is whether or not what might turn out to be a seriously strong drama can find an audience on TNT. We're hoping it forgoes unnecessary doses of sex and violence and instead explores the dynamic of the severely dysfunctional family headed by ultra-sexy sexagenarian Janine "Smurf" Cody (*Ellen Barkin*). With an Oedipus complex thick in the air, Barkin oversees her four grown sons, preparing healthy meals for the lads one minute and advising on an upcoming criminal caper the next. In addition to that complicated relationship, Smurf's daughter dies suddenly of an overdose, leaving 17-year-old grandson J (*Finn Cole*) homeless. Eventually he moves in with grandma Smurf and her brood, who love and torture him. His journey will be most interesting to watch. -- "O.J.: Made in America," begins Tuesday, 7pm ET, **ESPN**. We know, "I just watched **FX's** 'The People vs. O.J. Simpson.' Do I need to see more?" Yes. That's doubly so if you're interested in sociology, psychology and historical context. In fact, large chunks of this 5-part series never mention O.J., and that's fine. It's outstanding filmmaking and storytelling, if a bit biased. — *Seth Arenstein*

Basic Cable Rankings (5/30/16-6/05/16)			
Mon-Sun Prime			
1	DSNY	2.4	702
2	NKJR	1.4	333
3	DSJR	1.3	307
4	NAN	0.9	269
5	NKTN	0.6	124
5	SPRT	0.6	104
7	DXD	0.5	133
7	BOOM	0.5	81
9	ADSM	0.4	133
9	TNT	0.4	111
11	USA	0.3	81
11	TNNK	0.3	78
11	DFC	0.3	65
11	UDN	0.3	53
15	FRFM	0.2	63
15	FOOD	0.2	53
15	HGTV	0.2	53
15	DISC	0.2	52
15	FX	0.2	50
15	LIFE	0.2	44
15	TLC	0.2	43
15	NBCS	0.2	41
15	DSE	0.2	9
15	DFAM	0.2	8
25	HIST	0.1	43
25	TBSC	0.1	42
25	TRU	0.1	40
25	A&E	0.1	38
25	MTV	0.1	37
25	SYFY	0.1	36
25	FXX	0.1	35
25	ESPN	0.1	34
25	APL	0.1	34
25	VH1	0.1	31
25	BET	0.1	31
25	GALA	0.1	30
25	SPK	0.1	30
25	LMN	0.1	29
25	GSN	0.1	28
25	ID	0.1	27
25	FS1	0.1	27
25	BRAV	0.1	26
25	AMC	0.1	25
25	CMDY	0.1	22

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

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