

Cablefax Daily™

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What the Industry Reads First

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Charter Merger: Small Ops Want Overbuild Condition Removed

ACA and NTCA, the rural broadband association, petitioned the FCC to reconsider its overbuild condition on the Charter/Time Warner Cable/Bright House merger. Thurs was the deadline to file such petitions, which were posted Fri. Among the conditions of the FCC's approval of the deal, which came in May, is deploying broadband service of 60 Mbps or more to at least 1mln locations in areas already served by broadband providers offering speeds of at least 25 Mbps. "That overbuild condition is unlawful. It is not tailored to mitigate a merger-specific harm or confirm a merger-specific benefit. It will exacerbate the merger harms the Order identifies, damage economic efficiency, injure small providers, and harm consumers. The condition should be stricken," ACA said. The group argued that the FCC's order approving the merger nowhere finds that the overbuild condition would remedy harms created by the merger, or confirm merger benefits that might otherwise fail to materialize. ACA said the condition would increase New Charter's footprint and market concentration. NTCA said the Commission's build-out requirement is "dramatically different" from that originally proposed by the merging companies. And the changes came on somewhat of a short notice. "The only 'notice' of the Commission's change in plans was [the] statement issued by Chairman Wheeler on April 26, 2016—only nine business days before the merger was approved. Consequently, NTCA and other stakeholders had no realistic opportunity to comment or propose modifications," NTCA said. The group argued that its members are quite small, and many don't currently face competition in their service areas because these areas are often difficult and expensive to serve. "Mandating competition where none would otherwise exist imposes the risk of undermining, rather than furthering, broadband availability and affordability. The lack of consideration and coordination with other efforts will lead to duplicative and wasteful efforts to reach certain locations, even as other unserved locations remain ignored altogether in frustration of the Commission's stated objectives. The public interest demands reconsideration and further review," NTCA said. The FCC declined to comment on the petitions. In its order, the agency said the purpose of the residential build-out requirement is to ensure "the promised public benefits as a result of such investment will inure to consumers." The condition could also enable increased competition from

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- Reality
- Reality Competition/Game Show
- Regional Program
- Sci Fi
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- Talk Shows
- Other: enter your best in a genre (not mentioned above)

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- Drama
- Family Friendly
- Food
- Music
- News/Public Affairs
- Reality Competition/Game Show
- Regional Program
- Sports
- Talk Shows
- Other: enter your best in a genre (not mentioned above)

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Questions: Contact Mary-Lou French at mfrench@accessintel.com or (301) 354-1851.
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services that rely on wired broadband access to deliver video by creating more customer locations or more service options that can deliver higher speeds, the FCC said. As for New Charter, it's not looking to overbuild cable ops. Pres/CEO *Tom Rutledge* recently said at the **MoffettNathanson** investor conference that the overbuilding is really targeting the telcos. "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," Rutledge said at the time.

CTAM's TVE Offering: CTAM, which has been coordinating the industry's TV Everywhere efforts, announced a standard (developed in collaboration with **Adobe**) that will "dramatically improve the sign-in experience for pay-TV customers across platforms, both in and out of the home." The non-proprietary specification announced Fri features home-based authentication, which automatically signs in a user when in the home, as well as single sign-on, which asks a user to provide their credentials once to be signed in across multiple pay-TV and programmer-supported TVE apps, outside the home. The standard is expected to be partially available this year. Currently, **A+E Networks, AMC Networks, Comcast, Cox, Disney/ESPN, Fox Networks Group, Mediacom, NBCUniversal, Scripps Networks Interactive, Turner** and **Viacom** are among the CTAM member-companies supporting deployment in the next 6 to 12 months, CTAM said. The standard is an extension of CTAM and **Open Authentication Technology Committee's** TVE collaboration. CTAM is also developing a standardized approach to TVE marketing, including an unified consumer messaging strategy, alignment with best practices and collaborative research to best understand and enhance consumer experience, the group said.

Broadband Privacy: Sen *Jeff Flake* (R-AZ) slammed the **FCC's** broadband privacy proposal, which he called "flawed as a matter of law and policy." In comments filed with the agency, the lawmaker said the proposed rules are unnecessary, and they seek to solve a problem that the FCC created. Flake argued the restrictive opt-in requirement isn't narrowly tailored in light of the FTC's longstanding opt-out approach to protect consumer privacy. On March 31, the FCC voted along party lines to adopt a NPRM to create regulatory data security and privacy rules for ISPs. Initial comments were due May 27. Reply comments are due June 27. Flake previously asked the agency to extend the initial comment period beyond May 27. The FCC denied his request.

Rumor Mill: **Verizon** has been considered as the front-runner in the bid for **Yahoo**, partly because of potential synergies it could benefit from the deal thanks to its **AOL** assets. However, Reuters reported that **AT&T** is looking to top Verizon's offer as Yahoo continued to draw interests from potential bidders. Earlier on Thurs, **CNBC** reported Verizon's \$2.5bln offer was topped by several offers at or above \$5bln.

GigaPower Expansion: **AT&T** expanded GigaPower in San Diego, CA and El Paso, TX. With the launch, the broadband service is now available to more than 1.6mln locations across 24 of the largest metro areas. The telco plans to reach more than 14mln customer locations. Meanwhile, the company is launching 1Gbps speeds on its business fiber network in the 2 markets, with more markets to come.

Programming: **ESPN's** coverage of UEFA European Football Championship 2016 in France is set to start Fri with the opening match of France vs Romania live on **ESPN2, ESPN Deportes** and WatchESPN. The net said this year's coverage of the quadrennial event (June 10--July 10) will feature more than 300 live hours. The net televised all 31 matches in 2008 and 2012. This year, the event was expanded to 24 teams, leading to 51 matches. -- **Animal Planet** premieres "Toucan Nation" on Aug 2, featuring Grecia, the toucan in Costa Rica whose abuse sparked outrage and inspired a national animal welfare campaign.

People: **FCC** chmn *Tom Wheeler* appointed *Katja Seim* as chief economist for the agency, effective July 1. Seim is currently an associate professor of business economics and public policy at the **Wharton School** in Philly. She will take on the new role from *Jonathan Levy* who has filled the role over recent months and will now return to his deputy chief economist position in the agency.

Oops!: Because of a technical error, the weekly ratings chart in the June 10 issue of CFX Daily was based on P2-11 instead of the usual P2+ ratings. We apologize for the confusion.

Cablefax Week in Review

Company	Ticker	6/10 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DISH:	DISH	53.47	(1.53%)	(6.49%)
ENTRAVISION:	EVC	7.03	(1.26%)	(8.82%)
GRAY TELEVISION:	GTN	11.26	(4.74%)	(30.92%)
MEDIA GENERAL:	MEG	17.62	(1.67%)	9.10%
NEXSTAR:	NXST	51.45	(2%)	(12.35%)
SINCLAIR:	SBGI	31.18	(2.44%)	(4.18%)
TEGNA:	TGNA	21.91	(4.07%)	(14.15%)

MSOS

CABLE ONE:	CABO	496.34	(2.32%)	14.45%
CABLEVISION:	CVC	34.68	0.09%	8.71%
CHARTER:	CHTR	223.53	(0.63%)	22.15%
COMCAST:	CMCSA	62.80	(1.2%)	11.29%
GCI:	GNCMA	14.28	(2.79%)	(12.34%)
LIBERTY BROADBAND:	LBRDA	59.85	0.35%	15.88%
LIBERTY GLOBAL:	LBTYA	36.57	(6.04%)	(13.67%)
SHAW COMM:	SJR	19.08	(1.04%)	10.99%
SHENTEL:	SHEN	33.77	(1.11%)	(21.56%)

PROGRAMMING

21ST CENTURY FOX:	FOXA	28.93	(1.53%)	6.52%
AMC NETWORKS:	AMCX	60.36	(5%)	(19.18%)
CBS:	CBS	52.73	(3.05%)	11.88%
DISCOVERY:	DISCA	26.15	(7.89%)	(1.99%)
DISNEY:	DIS	97.34	(1.43%)	(7.37%)
GRUPO TELEVISIA:	TV	25.09	(5.29%)	(7.79%)
HSN:	HSNI	52.65	0.36%	3.91%
LIONSGATE:	LGF	21.29	(9.13%)	(34.27%)
MSG NETWORKS:	MSGN	17.03	(3.51%)	(18.13%)
SCRIPPS INT:	SNI	63.96	(2.24%)	15.85%
STARZ:	STRZA	26.02	(5.9%)	(22.33%)
TIME WARNER:	TWX	73.63	(2.91%)	13.85%
VIACOM:	VIA	46.22	(6%)	5.07%
WWE:	WWE	17.59	(0.51%)	(1.4%)

TECHNOLOGY

ADVANTAGE:	AEY	1.81	2.26%	0.00%
AMDOCS:	DOX	57.38	(0.69%)	5.15%
AMPHENOL:	APH	59.47	0.35%	13.86%
APPLE:	AAPL	98.83	0.93%	(6.11%)
ARRIS GROUP:	ARRS	23.59	(4.11%)	(22.83%)
AVID TECH:	AVID	5.91	(1.34%)	(18.93%)
BLNDER TONGUE:	BDR	0.44	22.19%	9.97%
CISCO:	CSCO	29.03	(0.34%)	6.89%
COMMSCOPE:	COMM	32.03	0.34%	23.72%
CONCURRENT:	CCUR	6.09	0.16%	23.03%
CONVERGYS:	CVG	27.38	(3.05%)	10.00%
CSG SYSTEMS:	CSGS	42.19	(0.68%)	17.26%
ECHOSTAR:	SATS	39.18	(3.92%)	0.18%
GOOGLE:	GOOG	719.41	(0.41%)	(5.2%)
HARMONIC:	HLIT	2.82	(2.42%)	(30.71%)
INTEL:	INTC	32.04	1.33%	(7%)
INTERACTIVE CORP:	IAC	54.47	(1.82%)	(9.29%)
LEVEL 3:	LVT	52.27	(1.12%)	(3.84%)
MICROSOFT:	MSFT	51.48	(0.6%)	(7.21%)
NETFLIX:	NFLX	93.75	(5.86%)	(18.04%)
NIELSEN:	NLSN	54.41	1.32%	16.76%

SEACHANGE:	SEAC	3.34	(2.34%)	(50.45%)
SONY:	SNE	28.03	0.29%	13.90%
SPRINT NEXTEL:	S	3.71	(1.85%)	2.49%
SYNACOR:	SYNC	3.18	3.92%	81.71%
TIVO:	TIVO	9.82	(0.61%)	13.79%
UNIVERSAL ELEC:	UEIC	65.49	2.03%	27.54%
VONAGE:	VG	4.66	3.10%	(18.82%)
YAHOO:	YHOO	36.83	0.63%	10.73%

TELCOS

AT&T:	T	40.33	2.86%	17.20%
CENTURYLINK:	CTL	26.96	(1.43%)	7.15%
FRONTIER:	FTR	5.11	(2.29%)	9.42%
TDS:	TDS	27.81	(2.39%)	7.42%
VERIZON:	VZ	52.67	3.44%	13.95%

MARKET INDICES

DOW:	DJI	17865.34	0.33%	2.53%
NASDAQ:	IXIC	4894.55	(0.97%)	(2.25%)
S&P 500:	GSPC	2096.07	(0.15%)	2.55%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	0.44	22.19%
2. SYNACOR:	3.18	3.92%
3. VERIZON:	52.67	3.44%
4. VONAGE:	4.66	3.10%
5. AT&T:	40.33	2.86%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. LIONSGATE:	21.29	(9.13%)
2. DISCOVERY:	26.15	(7.89%)
3. LIBERTY GLOBAL:	36.57	(6.04%)
4. VIACOM:	46.22	(6%)
5. STARZ:	26.02	(5.9%)

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