

Cablefax Daily™

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What the Industry Reads First

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FCC Friday: Set-Tops, Foreign Ownership Reviews & Zero Rating

FCC chmn *Tom Wheeler* has asked staff to arrange meetings with stakeholders to discuss cable's alternative set-top proposal that would have large MVPDs develop and deploy video apps built on open HTML5 web standards. During a press conference Wed, Wheeler was asked what he does not like about the plan. "We're going to sit down with all the players, with the cable folks, the consumers, the programmers and everybody else next week," he said. "We need to understand what it is, and until we understand what 'it' is that's a pretty hard question to answer." **NCTA** said it expects to be a part of those meetings. He plans to meet with large and independent programmers, public interest and consumer groups, the cable industry, and other parties with an interest in this proceeding to get feedback on the best path forward to ensure consumers have the competition and choice they deserve, a spokesperson said. But news of the powwows seemed to sound some alarms for GOP commissioner *Michael O'Rielly*. "I'm worried just learning of this meeting next week to see what that means for the proposal. Does that mean it's now going to have to veer in another direction and [will] not be able to do the things we can do in an app-based world?" he said. "I'm worried that such a meeting—if we're going to have some grand discussion of how to mangle what's been put on the table—will be problematic, from my viewpoint." Fellow Republican commish *Ajit Pai* said he's still studying the proposal, but seemed happy it was taking an apps-based approach. O'Rielly said he "likes an awful lot" of the plan, and said the industry has addressed concerns about cost by saying it's not going to charge for the apps and that it's working to address issues of interactive search. "One of the biggest benefits is that it takes the entire discussion of cost saving off the table," O'Rielly said, referring to Wheeler's claims that the initial set-top plan would save consumers more than \$200/year on boxes. "There is no cost [with the alternative plan]. There is no hardware." In other FCC news, the Commission voted unanimously at Fri's open meeting to propose changes that would improve the timeliness and transparency of review for certain applications and petitions involving foreign ownership. Under the proposal, applicants with reportable foreign ownership would provide info ownership, network operations and related matters when they file their applications. That would replace the current process of the FCC referring such proceedings to the Executive Branch, who then would seek that same threshold info from the applicants. The FCC also is proposing a 90-day shot clock for Executive Branch review, with an additional one-time 90-day extension

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Nomination Deadline: **July 8** | **Free to Enter**

Cablefax is accepting nominations for the Most Powerful Women & Most Influential Minorities in Cable Programs that will be featured in *Cablefax: The Magazine*. It's free to enter, but you must submit your nominations by July 8!



The Most Influential Minorities in Cable

Nomination Deadline: **July 8**

Publication Date: **September 2016**



The Most Powerful Women in Cable

Nomination Deadline: **July 8**

Publication Date: **November 2016**

Event: **November 17**

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in rare circumstances provided the Executive Branch provides a status update every 30 days. Meanwhile, **Fight For the Future**, the **Center for Media Justice** and others delivered 100K complaints to the FCC Fri from Americans who want the agency to take strong action against zero-rating plans. Such plans allow customers unlimited streaming from certain services and include offerings such as **T-Mobile's** Binge On. Wheeler said the FCC continues to gather information on zero-rating, and noted that there's no specific language on it in the Open Internet order. "[The issue] is broad. It's not a one-size-fit all situation," Wheeler said. "We're in ongoing discovery mode."

Comcast Sues Over Exec Heading to Sprint: *Robert Roy* resigned as svp, digital revenue of **Comcast Cable** on June 4 to pursue a similar role at **Sprint** as svp, digital media. On Thurs, **Comcast** filed a suit against Roy, claiming that he is in violation of a 1-year non-compete clause. According to the suit, he's slated to begin his job at Sprint June 29. Sprint did not immediately offer comment. Comcast is seeking a temporary restraining order and injunctive relief barring Roy from commencing employment at Sprint until the matter is resolved by an arbitrator.

Brexit Fallout: The **Dow** lost more than 600 points following the surprising news that Britain has voted to leave the E.U. Some media stocks took the news especially hard. **Discovery Comm** shares closed down 7.24%, while **Disney** and **Time Warner** each shed 3%. Discovery Comm issued a statement saying it respects the decision of the UK people. "As a global company with a significant presence in 220 markets, we are accustomed to operating in an industry and a world where change is constant. We will work closely with U.K. and E.U. leaders to successfully navigate this change and find new opportunities to shape our future. In the short-term and medium-term, our currency hedging program will significantly minimize the foreign exchange impact of the Brexit vote on our financial performance," the programmer said. **Discovery Channel** launched in the UK in 1989. **Pivotal Research** reduced **Liberty Global's** year-end target price to \$41 from \$50 to account for the distribution of 117.4mln tracking stock shares for its Latin American operations and because of currency effects from the Brexit vote. "We highlight that the Brexit vote is considered 'advisory,' the UK will remain in the EU for at least 2 years, and they may reach an ultimate deal to remain (or effectively remain) as a member of the EU. However, until the market gains greater certainty about the ultimate effects from a potential Brexit trading in Euro cable/telco names may potentially continue to be choppy and it is likely to continue to be easier to own BUY-rated **CHTR** and **CMCSA**," said a Pivotal note to clients.

Tribune Push: **Rainbow PUSH Coalition** has gotten involved with the **DISH** and **Tribune** dispute. It issued a statement Fri detailing actions by its founder *Jesse Jackson*, who sent a letter this week urging DISH chmn/CEO *Charlie Ergen* to put the stations and **WGN America** back on. The core of the argument centered on WGN America's "Underground." "DISH's decision to force WGN America off its distribution system is especially troubling since high-quality programs like 'Underground'—in which the African-American characters are heroic, their struggle inspirational, and the audience diverse—don't make it to air very often. When they do, they should be celebrated, not put at risk as DISH has recklessly done. Reverend Jackson is looking forward to discussing this issue in greater detail with Mr. Ergen," said Rainbow in a prepared statement. The satcaster filed a suit this week against Tribune claiming the broadcaster has waged a false and defamatory campaign against it, following the expiration of the contract between the two companies and the inability to reach an agreement. WGN America and Tribune stations have been off the air for since June 12.

Also at the FCC: A group of lawmakers from both sides of the aisle wrote to **FCC** chmn *Tom Wheeler* Fri, asking him to speed up the testing process for the 5.9 GHz band. The lawmakers, including senators *Marco Rubio* (R-FL), *Cory Booker* (D-NJ) and CA Democratic reps *Darrell Issa*, *Doris Matsui*, *Anna Eshoo*, and Rep *Bob Latta* (R-OH), said the FCC's recently public notice on the issue includes deadlines to complete testing by early 2017. "We strongly encourage you to adhere to these timelines," they said. The band, currently being used for transportation communications, is being considered for WiFi use.

People: Ex-**DirectTV** CEO *Michael White* was appointed to **Bank of America's** board. -- Former **Cablevision** vice chmn and **Madison Square Garden** pres/CEO *Hank Ratner* was named pres/CEO of **Independent Sports and Entertainment**, an integrated sports, media, entertainment and management company. ISE is the new name for **Relativity Sports**. Ratner also will take a seat on the board and an equity stake in the company.

Cablefax Week in Review

Company	Ticker	6/24 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DISH:	DISH	50.59	(4.55%)	(11.53%)
ENTRAVISION:	EVC	6.50	(2.55%)	(15.69%)
GRAY TELEVISION:	GTN	10.90	(3.75%)	(33.16%)
MEDIA GENERAL:	MEG	17.08	(2.12%)	5.76%
NEXSTAR:	NXST	47.18	(2.54%)	(19.63%)
SINCLAIR:	SBGI	28.94	(4.39%)	(11.06%)
TEGNA:	TGNA	21.97	(1.3%)	(13.91%)

Company	Ticker	6/24 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLE ONE:	CABO	490.56	(0.41%)	13.12%
CHARTER:	CHTR	216.80	(1.92%)	18.47%
COMCAST:	CMCSA	61.65	(1.15%)	9.25%
GCI:	GNCMA	15.73	5.78%	(3.44%)
LIBERTY BROADBAND:	LBRDA	56.92	(3.49%)	10.20%
LIBERTY GLOBAL:	LBTYA	28.80	(16.64%)	(32.01%)
SHAW COMM:	SJR	19.12	1.49%	11.23%
SHENTEL:	SHEN	35.97	3.51%	(16.45%)

Company	Ticker	6/24 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	26.94	(6.49%)	(0.81%)
AMC NETWORKS:	AMCX	57.43	(3.48%)	(23.1%)
CBS:	CBS	51.65	(3.85%)	9.59%
DISCOVERY:	DISCA	24.46	(4.42%)	(8.32%)
DISNEY:	DIS	95.72	(3.29%)	(8.91%)
GRUPO TELEVISIA:	TV	25.10	0.00%	(7.75%)
HSN:	HSNI	48.42	0.39%	(4.44%)
LIONSGATE:	LGF	20.65	(3.23%)	(36.25%)
MSG NETWORKS:	MSGN	15.92	(6.35%)	(23.46%)
SCRIPPS INT:	SNI	60.13	(6%)	8.91%
STARZ:	STRZA	28.71	8.92%	(14.3%)
TIME WARNER:	TWX	70.72	(2.27%)	9.36%
VIACOM:	VIA	46.04	(7.16%)	4.66%
WWE:	WWE	18.17	(2.05%)	1.85%

Company	Ticker	6/24 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADDVANTAGE:	AEY	1.77	(1.67%)	(2.21%)
AMDOCS:	DOX	54.69	(2.81%)	0.22%
AMPHENOL:	APH	57.25	(1.05%)	9.61%
APPLE:	AAPL	93.40	(2.02%)	(11.27%)
ARRIS GROUP:	ARRS	21.46	(6.66%)	(29.8%)
AVID TECH:	AVID	5.77	(6.18%)	(20.85%)
BLNDER TONGUE:	BDR	0.44	7.32%	10.00%
CISCO:	CSCO	27.75	(4.15%)	2.17%
COMMSCOPE:	COMM	29.87	(8.27%)	15.36%
CONCURRENT:	CCUR	5.10	(8.11%)	3.03%
CONVERGYS:	CVG	25.02	(3.81%)	0.52%
CSG SYSTEMS:	CSGS	40.06	(0.79%)	11.34%
ECHOSTAR:	SATS	38.39	(0.65%)	(1.84%)
GOOGLE:	GOOG	675.22	(2.39%)	(11.02%)
HARMONIC:	HLIT	2.83	(3.74%)	(30.47%)
INTEL:	INTC	31.55	(0.6%)	(8.42%)
INTERACTIVE CORP:	IAC	55.03	0.55%	(8.36%)
LEVEL 3:	LVT	49.08	(4.18%)	(9.71%)
MICROSOFT:	MSFT	49.86	(0.54%)	(10.13%)
NETFLIX:	NFLX	88.44	(6.36%)	(22.68%)
NIELSEN:	NLSN	51.09	(4.34%)	9.64%
SEACHANGE:	SEAC	3.38	(3.43%)	(49.85%)

Company	Ticker	6/24 Close	1-Week % Chg	YTD %Chg
SONY:	SNE	27.60	(1.11%)	12.15%
SPRINT NEXTEL:	S	4.12	10.92%	13.67%
SYNACOR:	SYNC	3.04	(13.88%)	73.71%
TIVO:	TIVO	9.92	(0.8%)	14.95%
UNIVERSAL ELEC:	UEIC	69.08	1.29%	34.53%
VONAGE:	VG	5.67	4.42%	(1.22%)
YAHOO:	YHOO	36.24	(1.89%)	8.96%

Company	Ticker	6/24 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	41.52	1.94%	20.66%
CENTURYLINK:	CTL	27.93	1.71%	11.01%
FRONTIER :	FTR	4.87	(4.7%)	4.28%
TDS:	TDS	28.10	0.57%	8.54%
VERIZON:	VZ	54.45	1.24%	17.80%

Index	Value	% Chg	% Chg
MARKET INDICES			
DOW:	DJI	17399.86	(1.56%) (0.14%)
NASDAQ:	IXIC	4707.98	(1.92%) (5.98%)
S&P 500:	GSPC	2037.30	(1.64%) (0.32%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS		
COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	4.12	10.92%
2. STARZ:	28.71	8.92%
3. BLNDER TONGUE:	0.44	7.32%
4. GCI:	15.73	5.78%
5. VONAGE:	5.67	4.42%

THIS WEEK'S STOCK PRICE LOSERS		
COMPANY	CLOSE	1-WK CH
1. LIBERTY GLOBAL:	28.80	(16.64%)
2. SYNACOR:	3.04	(13.88%)
3. COMMSCOPE:	29.87	(8.27%)
4. CONCURRENT:	5.10	(8.11%)
5. VIACOM:	46.04	(7.16%)

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