

Cablefax Daily™

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What the Industry Reads First

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Universe Estimates: Pay TV Homes Continue to Decline

The number of pay TV homes continues to decline, according to the most recent **Nielsen** Universe cable estimates. Data released Fri shows a media decline in pay TV homes of 2.4% and cable network HH penetration of 3% YOY. “As Nielsen’s data likely understates total household growth and excludes newer OTT pay TV services such as **Sling** and **Playstation Vue**, the decline is overstated to a degree. However, on balance, the figures are consistent with the notion that cord shaving is impacting owners of cable networks,” declared a **Pivotal Research** note to clients. Pivotal analysts believe that over a longer term horizons Nielsen trends are likely to be reflected in sub numbers that programmers are paid for. Of the 119 measured networks, 28 showed subscriber growth, including **TV One**, which was up about 3% for July '16 compared to July '15 Universe Estimates. Nielsen pegs TV One at about 58mln subs vs 56mln a year ago. Recent carriage deals include **AT&T**. “Over the last two years TV One has been engaged with our partners to renew our affiliation agreements. We have seen additional subscriber roll-out from both new launches and incremental distribution commitments in key markets,” the net said. **Pop**, fresh off its carriage deal with **Cablevision**, rose 3.9% to 77.5mln subs, and **UP** was up 4.5% to 69.5mln. One especially big gainer was **FS2**, which is up 10% to more than 51mln HHs vs 46.7mln in July 2015. A 5.5% gain at **FXM** helped balance a 3.6% decline at **FX**, making **Fox Networks** one of the best performing network groups in the data. Pivotal identified **Disney** and **Viacom** as the network groups most negatively impacted in the data, with each down about 3.5% in HH subscriptions. **ESPN** and **ESPN2** losses of 4.36% and 4.26%, respectively, took the biggest toll on Disney, though other nets also declined. **Freeform** (formerly **ABC Family**) was down 3.57% YOY. **Comcast’s** decision to retier Viacom’s **Spike** and **CMT** earlier this year contributed to the nets taking declines of 5.71% and 6.33%, respectively. **Hallmark Channel** and **Hallmark Mysteries & Movie’s** return to AT&T U-verse last July after nearly 5 years saw the flagship channel’s HH base rise 5.5% to 88.6mln, while Hallmark Mysteries was up a whopping 18% to 66.3mln. Other big increases were found at **Discovery Comm’s Velocity**, which is up 8% to 69mln, **Univision Deportes**, whose 47mln HHs is up 6.75%, and **Boomerang**, which saw a 5% lift to 45mln. Smaller nets (under 40mln) with increases include **Bein Sport** (+31% to 23.8mln), **El Rey** (+11% to 39.6mln) and **Smithsonian** (+10% to 37.3mln). Separately, Nielsen released its Q1 Total Audience Report Mon, which found a

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THE MAGAZINE

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Cablefax congratulates the 2016 Top Ops

MSO of the Year

- ★ Mediacom

MSO Lifetime Achievement Award

- ★ Nomi Bergman, Bright House

MSO Product Launch of the Year

- ★ Comcast Cable

MSO Business Services Leadership

- ★ Cox Communications

MSO Financial Executive of the Year

- ★ Christopher Winfrey, Charter

In Memorial

- ★ John Andrews, US Sonet, Lightspeed Telecom

Independent Operator of the Year

- ★ Cincinnati Bell

Independent Lifetime Achievement Award

- ★ Amy Tykeson, Tykeson Associates

Independent Project Launch of the Year

- ★ Armstrong

Independent Marketing Team of the Year

- ★ Dave Auger and the MI-Connection Team

Independent Community Service Award

- ★ Cable One

Independent Financial Executive of the Year

- ★ Wayne Schattenkerk, Wave Broadband

Independent Technology Executive of the Year

- ★ Michael Hain, Nittany Media

Profiles of The Top Ops will be featured in the much anticipated July Issue of *Cablefax: The Magazine*. Congratulate the winners and advertise your brand in this true coffee-table publication.

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SEPT. 22

Join Cablefax for the Program & Top Ops Awards Breakfast on **Sept. 22** in NYC where we'll celebrate cable's top operators!

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small dip in the amount of live TV watched. For the quarter, US adults spent 4 hours and 31 minutes tuning into live TV, 3 minutes less than 1Q15. The decline in live TV viewing is slowing though, with the decline much more pronounced in 2014 vs 2013, which saw a 16-minute shrinkage. What's more, Nielsen found that total media consumption among adults has actually increased to an additional hour being consumed per day over different devices and platforms compared to prior year. Perhaps some of that is due to SVOD penetration (**Hulu, Netflix**, etc) now on par with DVR penetration. Close to 30% of homes have both DVR and access to SVOD—up nearly 20% from last year.

O’Rielly on Set-top Proposal: The fight over the **FCC’s** set-top proceeding continues. GOP **FCC** commish *Michael O’Rielly* fired back at opponents of the apps solution Mon with a blog post. **NCTA** recently proposed an alternative approach that would have large MVPDs develop and deploy video apps built on open HTML5 web standards. Regarding opponents’ claim that apps aren’t good enough or consumers don’t know how to use apps, O’Rielly said there are more than 2.2mln Google Play apps, 2mln Apple Store apps and another 1.3mln or so in the **Amazon, Microsoft** and **Blackberry** stores. “Consumers seem very familiar with app operations,” he said. When it comes to concerns that apps won’t provide unified search, the commish said making an app that allows integrated search is achievable. He noted cable providers are already working to develop such features, as demonstrated at the most recent **INTX**. Meanwhile, to the extent that consumers voluntarily move to the apps environment, equipment, reliable or not, would no longer be an issue. Finally, in an all-app world for video distribution, there’s no need for a set-top, meaning no monthly rental or separate purchase is required, according to O’Rielly.

Media Ownership: After much delay, **FCC** chmn *Tom Wheeler* circulated the 2010/2014 Quadrennial review Mon, which contained proposed media ownership rules that preserve the existing ownership restrictions. The item would also carry out the 3rd Circuit’s remand of diversity issues, re-adopt the small business revenue-based eligible entity standard and adopt a definition of shared services agreements.

NCTA on 5G: **NCTA** plans to file comments regarding its concerns about the **FCC’s** Business Data Service proceeding, citing the FNPRM’s potential negative impact on future 5G deployment, the group said in a blog post. Chmn *Tom Wheeler* laid out his plan to push for 5G last week. However, 5G networks will “rely on substantially more cell sites than prior generations of wireless service and, as a result, there will be a need for significant new fiber facilities to provide backhaul connecting these cell sites,” **NCTA** said. The Commission’s Business Data Service proposal would result in “extensive new rate regulation” of business services, including backhaul, resulting in less, not more, deployment of fiber, said **NCTA**. The **FCC** said the FNPRM is driven by its conclusion that competition for business data services is “uneven” across places and products. **NCTA** argued that given there’s no factual or theoretical reason to think that market forces will result in insufficient investment in fiber for 5G backhaul, rate regulation for such service can only have negative consequences. The agency provided more details on the 5G proposal last week. Dubbed the Spectrum Frontiers proceeding and scheduled for a July 14 vote (**CFX 6/21**), the rules, if adopted, will open up 10.85 GHz of spectrum for wireless broadband use, 3.85 GHz of licensed spectrum and 7 GHz of unlicensed spectrum. The proposal “would adopt a balanced approach and flexible framework that builds off of years of successful spectrum policies with important updates to address the new shared use challenges in these bands,” said the **FCC**. The agency would make available 3.85 GHz of licensed, flexible use spectrum in the 28 GHz, 37 GHz and 39 GHz bands (4 times the amount of flexible use spectrum the **FCC** has previously licensed), 7GHz of unlicensed spectrum in the 64-71 GHz band and 600 MHz of spectrum in the 37-37.6 GHz band for dynamic shared access between different commercial and federal users.

PUSHing Back: Another day of **Tribune** dark on **DISH**. The satcaster responded to **Rainbow PUSH Coalition** founder *Jesse Jackson’s* written request last week to put the **Tribune** stations and **WGN America** back on the air, particularly the cable net’s original “Underground.” (**CFX 6/27**). “When we received the Rev. Jackson’s letter on Monday, it was clear that he was only listening to the **Tribune** side of the story,” **DISH** said. “Therefore, on Tuesday, the CEO of **DISH** sent a letter to Rev. Jackson and the CEO of **Tribune**, inviting them to lunch in Denver on Thursday, where it was our hope that, with all the facts on the table, there could be a sharing of ideas that would have allowed **DISH** and **Tribune** to reach an agreement that was fair to our subscribers and to **Tribune**. Neither Rev. Jackson nor the CEO of **Tribune** provided the courtesy of a response to our invitation. Having passed on an opportunity to get all the facts and hav-

BUSINESS & FINANCE

ing issued a press release after that meeting was scheduled to occur, we are skeptical that Rev. Jackson is truly interested in finding a fair deal for DISH customers.” WGN America and Tribune stations have been dark on DISH since June 12.

Election 2016: *Hillary Clinton's* campaign site features a list of business leaders endorsing her run for presidency, with several big names in media lending their support. Among them are **IAC's Barry Diller**, **DISH** co-founder **Candy Ergen**, **Netflix** CEO **Reed Hastings**, **BET** founder **Robert Johnson**, **BET** chmn/CEO **Debra Lee**, former **Time Warner Cable** CEO **Rob Marcus** and interestingly, **AT&T** lobbyist **Jim Cicconi**. “I’ve supported every Republican Presidential candidate since 1976, and was honored to work for two of them,” Cicconi said in a statement. “But this year I think it’s vital to put our country’s wellbeing ahead of party. Hillary Clinton is experienced, qualified, and will make a fine President. The alternative, I fear, would set our Nation on a very dark path.” **Donald Trump's** supporters include **Hubbard Broadcasting** CEO **Stanley Hubbard**, who *Politico* reported switched last month from donating to the anti-Trump movement to deciding Trump was better than Clinton. Trump also has received the endorsements of **Duck Commander** founder/“Duck Dynasty” star **Phil Robertson** and **NASCAR** CEO **Brian France**.

Cablefax Daily Stockwatch

Company	06/27 Close	1-Day Ch	Company	06/27 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	49.60	(0.99)	INTEL:	30.72	(0.83)			
ENTRAVISION:	6.13	(0.36)	INTERACTIVE CORP:	52.28	(2.75)			
GRAY TELEVISION:	10.64	(0.24)	LEVEL 3:	47.43	(1.66)			
MEDIA GENERAL:	16.81	(0.27)	MICROSOFT:	48.43	(1.4)			
NEXSTAR:	45.29	(1.89)	NETFLIX:	85.33	(3.11)			
SINCLAIR:	28.22	(0.72)	NIELSEN:	50.17	(0.93)			
TEGNA:	21.77	(0.21)	SEACHANGE:	3.23	(0.15)			
MSOS								
CABLE ONE:	481.54	(9.02)	SONY:	27.08	(0.52)			
CHARTER:	216.28	(0.52)	SPRINT NEXTEL:	4.19	0.07			
COMCAST:	62.46	0.81	SYNACOR:	2.90	(0.14)			
GCI:	15.25	(0.48)	TIVO:	9.79	(0.13)			
LIBERTY BROADBAND:	56.24	(0.68)	UNIVERSAL ELEC:	67.17	(1.91)			
LIBERTY GLOBAL:	26.99	(1.81)	VONAGE:	5.47	(0.21)			
SHAW COMM:	18.96	(0.16)	YAHOO:	35.22	(1.02)			
SHENTEL:	36.11	0.14	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	26.37	(0.57)	AT&T:	42.03	0.51			
AMC NETWORKS:	55.24	(2.19)	CENTURYLINK:	26.82	(1.11)			
CBS:	50.89	(0.76)	FRONTIER :	4.60	(0.27)			
DISCOVERY:	23.73	(0.73)	TDS:	27.57	(0.52)			
DISNEY:	94.38	(1.34)	VERIZON:	54.74	0.31			
GRUPO TELEVISIA:	23.91	(1.19)	MARKET INDICES					
HSN:	46.69	(1.73)	DOW:	17140.24	(260.51)			
LIONSGATE:	19.91	(0.74)	NASDAQ:	4594.44	(113.54)			
MSG NETWORKS:	15.25	(0.67)	S&P 500:	2000.54	(36.87)			
SCRIPPS INT:	59.41	(0.72)	TECHNOLOGY					
STARZ:	27.96	(0.75)	ADVANTAGE:	1.78	0.01			
TIME WARNER:	69.21	(1.51)	AMDOCS:	54.63	(0.03)			
VIACOM:	43.60	(2.44)	AMPHENOL:	55.52	(1.73)			
WWE:	17.74	(0.44)	APPLE:	92.04	(1.36)			
TECHNOLOGY								
ARRIS GROUP:	20.30	(1.16)	AVID TECH:	5.55	(0.22)			
BLNDER TONGUE:	0.44	0.00	BLNDER TONGUE:	0.44	0.00			
CISCO:	27.31	(0.44)	CISCO:	27.31	(0.44)			
COMMSCOPE:	28.52	(1.34)	COMMSCOPE:	28.52	(1.34)			
CONCURRENT:	5.20	0.10	CONCURRENT:	5.20	0.10			
CONVERGYS:	24.34	(0.68)	CONVERGYS:	24.34	(0.68)			
CSG SYSTEMS:	38.65	(1.41)	CSG SYSTEMS:	38.65	(1.41)			
ECHOSTAR:	37.25	(1.14)	ECHOSTAR:	37.25	(1.14)			
GOOGLE:	668.26	(6.96)	GOOGLE:	668.26	(6.96)			
HARMONIC:	2.65	(0.18)	HARMONIC:	2.65	(0.18)			



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