

Cablefax Daily™

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What the Industry Reads First

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Navigating Netflix: Comcast X1, Needham and The CW

Lots of **Netflix** news over the past few days, with the biggest coming Tues as **Comcast** confirmed it has reached a deal to incorporate the OTT service into its X1 platform. The integration will provide “seamless access to the great content offered by both companies. We have much work to do before the service will be available to consumers later this year,” Comcast said, promising more details as it gets closer. Smaller MVPDs, including **Suddenlink**, already have deals in place with Netflix, and **NCTC’s** pres/CEO *Rich Fickle* said in the spring that the co-op was close to an agreement. Internet and competitive networks assn **INCOMPAS**, of which Netflix is a member, praised the pact: “Consumers are hungry for new content, and fresh creative voices. Netflix is a trailblazer that has opened doors to other streamers, and we encourage and support policies that help make search, discovery and access to all over-the-top content easier.” The deal wasn’t enough to sway **Needham’s** *Laura Martin*, who downgraded Netflix to “hold” on Tues over Brexit concerns. “We worry that Brexit adds fundamental risks that decelerating GDP growth in the UK and the EU over the next 12-24 months will accelerate churn of Netflix subscribers (cancelable at any time), or slow subscriber growth. These heightened fundamental risks suggest valuation multiple contraction, in addition to negative currency translation risks beginning immediately,” Martin said in a research note. She believes the UK to be Netflix’s 2nd largest market after the US, with 5mln subs at the end of March. “We believe that a NFLX subscription is a luxury item, paid for with excess cash after rent/mortgage, food, etc. EU and UK GDP’s slowing over the next 2 years imply slower job growth and lower consumer FCF to pay for NFLX subscriptions than our estimates 3 weeks ago. If other countries vote to leave the EU, this could slow GDP growth further,” Martin said. While the Needham analyst was focused on the UK, some have wondered if the OTT service will be impacted by **Lionsgate’s** upcoming \$4.4bln purchase of **Starz**. After all, Lionsgate is behind some of Netflix’s originals, including “Orange is the New Black.” Lionsgate CEO *Jon Feltheimer* downplayed concerns. “We do have, as you know, an exclusive arrangement basically in terms of the shows that we would produce for Netflix or Amazon in terms of certainly a US distributor... I think that’s the way of the world, by the way,” he said on a conference call last week. He declared that Lionsgate will continue to be a global distributor of content, but there is a natural curiosity over whether it may sell more of its content to Starz down the road. In other Netflix

We’re looking for this year’s Top Woman in Technology! Nominate her now.

The 2016 *Women in Technology Award* honors personal growth and significant contributions to the cable telecom industry by one woman, and will be presented at SCTE Cable-Tec Expo 2016, on September 28 in Philadelphia.

Deadline is July 8. For the online nomination application, go to www.wict.org and look under *Career Development*.

Award jointly presented by:



Women in Cable & Telecommunications



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news, Netflix and **The CW** announced a new multi-year deal Tues that allows the service to remain the exclusive subscription home for previous seasons of scripted series broadcast on the channel. All just more fodder for the top media execs and tech moguls to dissect at the **Allen & Co** conference in Sun Valley this week...

Tennis Channel Denied Again: **Tennis Channel's** fight to get the **FCC** to declare that **Comcast** unlawfully discriminated against it was rejected again, with the DC Circuit on Tues denying the programmer's petition for review. This dates back to a 2010 program carriage complaint Tennis filed at the FCC in which it claimed that Comcast discriminated against it in favor of its own channels, **Golf** and **Versus** (now **NBCSN**), which had broader distribution. An administrative law judge sided with Tennis in Dec 2011 and FCC upheld the ALJ decision in 2012. Comcast challenged the decision and in May 2013, the DC Circuit overturned the FCC order and said the Commission had not proved evidence that Comcast discriminated. After unsuccessfully attempting a rehearing at the DC Circuit and a review by the US Supreme Court, Tennis tried to get the FCC to take on further proceedings and reaffirm the initial order—or at least reopen the record. The FCC denied Tennis' petition, which is how the case ended up before the DC Circuit again. Tennis and the FCC didn't immediately offer comment. Comcast's 2-cents: "We're pleased the court agreed that the FCC was right in ending this case once and for all." In Tues' opinion, the DC Circuit said that when the FCC reopens a proceeding, the decision is reviewable by the court. But when the FCC exercises its discretion not to reopen a case, it's not reviewable unless the petition is based upon new evidence or changed circumstances, the court said. "Tennis Channel does not maintain that it presented 'new evidence' to the Commission on remand... indeed, it did not identify what new evidence it would have introduced had the Commission reopened the record," said the opinion.

Comcast's Arris Incentive: **Arris** entered into a warrant agreement with **Comcast Cable**, providing Comcast with the opportunity to purchase up to 8mln shares of Arris based on specific sales targets for 2016 and 2017. Between 1mln-3mln shares are issuable based on Comcast's purchases this year, and 1mln-5mln are issuable based on purchases made in 2017. For the warrant to vest about 1mln shares in 2016 and 2017, a set percentage of the purchases must be for products and services in Arris' Network and Cloud segment. The exercise price per share is \$22.19, which represents the average volume-weighted price of Arris' ordinary shares on **NASDAQ** for the 10-day trading period preceding the date of the Warrant.

Charter's Exec Suite: With **Altice's** acquisition of **Cablevision** complete, former Cablevision evp, gen counsel *David Ellen* has moved on to Stamford where he'll serve as senior evp for Charter, reporting to CEO *Tom Rutledge*. In this new post, Ellen oversees several business and corporate functions including Programming, News & Sports Networks, Strategic Policy Development, Regulatory Compliance, Human Resources, Communications and Security. Fun fact: Ellen succeeded *Barack Obama* as president... of the Harvard Law Review that is.

Rocco's Take: When it comes to the future of the big video cable bundle, **Mediacom** chmn/CEO *Rocco Commisso* doesn't know what is going to happen. "What if I told you 'I don't know,' because I don't control everything. I surely don't control the flexibility that the big 6 programming companies are willing to provide me and giving the consumer what they want. There has not been a louder voice than Rocco and his company when it comes to programming costs." Watch the full interview with Commisso discussing his family business, the future of video and consolidation at **Cablefax.com**. It's part of the **Cablefax 100** series of videos with our 100 honorees.

Heroes Work Workshop: The Heroes Work Here Workshop, a 1-day program focusing on how to engage military vets in the cable industry, will feature keynote speakers including *Jeffrey Horne*, CEO of vet training firm **IVET** and Brigadier General (Ret.) US Army, and *Wes Moore*, Army combat vet, best-selling author and host of "Beyond Belief" on **OWN**. The program, scheduled for July 13, will also feature a panel titled "Transitioning from Military to Civilian Careers in Cable and Media." The discussion will be moderated by *Carol Eggert*, vp of military and vet affairs for **Comcast**, and will feature *Jon Dorsey*, associate producer for **Discovery Comm Emerging Networks**; *Yamil Cedeno*, network operations center technician for **Charter**; and *Michael Smith*, solutions specialist for **Cox**. The program is sponsored by **CTHRA** and **NCTA**.

Programming: **Freeform** greenlit new comedy pilot "Alone Together," from **The Lonely Island** team of *Andy Samberg*, *Jorma Taccone* and *Akiva Schaffer*. It's described as millennial misfits trying to make their way in L.A. -- **Investigation Discovery** is holding off on filming the 6th and final ep in its "The Vanishing Women" series in an effort to cover real-time breaks

BUSINESS & FINANCE

in the case. The series documents an active investigation into deceased and missing women in the Chillicothe, OH, area. The conclusion is set to debut this fall, which will allow the net to cover new tips and a summer criminal trial of *Jason McCrary*, who is accused of killing *Timberly Claytor*. The first 4 eps have reached more than 9.2mln unique P2+ viewers. -- **Vice Media** acquired *Garage Magazine*, which publishes content on art, architecture, fashion and design. Vice and Garage will build a new digital channel for the traditionally print-focused title.

International Channels: Canada-based **Ethnic Channels Group** has signed on as a content provider for **JungoTV**, an intl content OTT service slated to launch in the fall with more than 30K hours of on demand programming in multiple languages, including Arabic, Chinese, Filipino, Greek, Iranian, Italian, Spanish, Turkish, Vietnamese, Hindi and Tamil. A co-founder of JungoTV is *Dr Mehmet Oz* of "The Dr Oz Show." Ethnic Channels operates more than 107 TV channels.

Charter-TWC Sterling: Charter announced its intention to voluntarily delist **Time Warner Cable's** sterling pound notes from the NY Stock Exchange. TWC's common stock was removed from the NYSE on May 31. Charter deems the listing no longer economically justified. The voluntary delisting is for a 5¾ % notes due 2031 and 5¼ % notes due 2042.

Cablefax Daily Stockwatch

Company	07/05 Close	1-Day Ch	Company	07/05 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	50.81	(1.76)	INTEL:	32.68	(0.07)			
ENTRAVISION:	6.76	(0.15)	INTERACTIVE CORP:	56.00	(0.81)			
GRAY TELEVISION:	10.52	(0.31)	LEVEL 3:	50.58	(1.36)			
MEDIA GENERAL:	16.88	(0.09)	MICROSOFT:	51.17	0.01			
NEXSTAR:	46.63	(1.03)	NETFLIX:	97.91	1.24			
SINCLAIR:	29.73	(0.24)	NIELSEN:	51.66	(0.47)			
TEGNA:	22.55	(0.74)	SEACHANGE:	3.28	UNCH			
MSOS								
CABLE ONE:	511.66	(0.28)	SONY:	29.19	(0.2)			
CHARTER:	231.77	(0.52)	SPRINT NEXTEL:	4.49	(0.04)			
COMCAST:	65.01	(0.27)	SYNACOR:	2.99	(0.05)			
GCI:	15.81	(0.14)	TIVO:	9.98	0.07			
LIBERTY BROADBAND:	59.54	(0.34)	UNIVERSAL ELEC:	71.25	(1.96)			
LIBERTY GLOBAL:	27.49	(2.21)	VONAGE:	5.80	(0.1)			
SHAW COMM:	18.98	(0.22)	YAHOO:	37.50	(0.49)			
SHENTEL:	39.36	0.51	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	26.65	(0.61)	AT&T:	43.35	(0.12)			
AMC NETWORKS:	58.32	(1.05)	CENTURYLINK:	28.93	(0.44)			
CBS:	54.67	(0.19)	FRONTIER:	4.98	0.02			
DISCOVERY:	24.77	(0.48)	TDS:	29.30	(0.53)			
DISNEY:	97.66	(0.37)	VERIZON:	56.53	0.30			
GRUPO TELEVISA:	25.92	(0.52)	MARKET INDICES					
HSN:	48.77	0.01	DOW:	17840.62	(108.75)			
LIONSGATE:	19.10	(0.75)	NASDAQ:	4822.90	(39.67)			
MSG NETWORKS:	15.05	(0.14)	S&P 500:	2088.55	(14.4)			
SCRIPPS INT:	61.74	(1.04)						
STARZ:	29.39	(0.29)						
TIME WARNER:	73.85	(0.46)						
VIACOM:	45.54	(0.81)						
WWE:	17.96	(0.16)						
TECHNOLOGY								
ADVANTAGE:	1.80	UNCH						
AMDOCS:	57.46	0.01						
AMPHENOL:	55.97	(1.28)						
APPLE:	95.04	(0.85)						
ARRIS GROUP:	22.53	1.26						
AVID TECH:	5.72	(0.09)						
BLNDER TONGUE:	0.53	0.02						
CISCO:	28.33	(0.47)						
COMMSCOPE:	30.14	(0.65)						
CONCURRENT:	5.31	0.13						
CONVERGYS:	25.01	(0.12)						
CSG SYSTEMS:	39.90	(0.45)						
ECHOSTAR:	37.52	(2.17)						
GOOGLE:	694.49	(4.72)						
HARMONIC:	2.80	(0.21)						

Cablefax Industry Jobs

3 Tips to Finding and Hiring the Perfect Candidate

TIP 1 : Target Candidates!

Post your openings on Cablefax's job board to reach top talent and filter applicants that lack industry experience. Ask about bundles to fit your needs and budget.

TIP 2 : Be Selective!

Don't waste time reading pointless resumes. You can search Cablefax's resume database for free, while utilizing the demographic filters.

TIP 3 : Stand Out!

Take advantage of upgrades to add exposure by taking advantage of upgrades, including weekly job eletters sent to over 40k industry executives.

