

# Cablefax Daily™

Tuesday — July 26, 2016

What the Industry Reads First

Volume 27 / No. 142

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A woman with long brown hair, wearing a camouflage baseball cap and a grey tactical vest, is looking through blue binoculars. She is holding a bow in her left hand. The background is a blurred outdoor setting. A large diagonal graphic element, consisting of a blue and red triangle, is overlaid on the right side of the image.

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## Indie Spirit: Clyburn Pro Exemption, Favors Indie Programming

With her often voting in the FCC's 3-2 majority, *Mignon Clyburn* could have been seen as a possible foe at NCTC and ACA's Independent Show Mon in Orlando. Instead, she painted herself as a bridge builder willing to compromise. The regulator was quick to tell the crowd of small and independent operators how much she appreciates the "invaluable roles" they play in bringing broadband and other services to small and rural markets. Addressing ACA concerns about the cost of the FCC's proposed set-top plan—and NCTA's alternative apps-based approach, she declared that it's still a deliberative proceeding with comments coming in from all sides. "At the end of the day, when a decision is made we are going to be as close to Nirvana as possible," Clyburn said. Regulators have to keep in mind that it's not one-size-fits-all, she said. That's something to keep in mind given her support of the FCC's broadband privacy proceeding. She's willing to consider that small operators may have unique needs, with possibly those ops with 5K or fewer subs being exempted from the rules. "We do have a blanket framework. But if there needs to be exemptions or exceptions, I am not closed to that," she said. "Our goal here is to protect and serve... But we want to do it in a realistic format. If we are overly burdensome and costing your industry as smaller providers, then the ecosystem is not enhanced, benefitted or improved." Clyburn used her appearance to bring up the FCC's pending Notice of Inquiry on Independent Programming. More than 36K comments, including some from individual consumers, have been filed in the docket. It sounds like an area very close to the Commissioner, who said she's talking to FCC chmn *Tom Wheeler* about next steps. "I've heard from producers that these agreements are really short circuiting their ability to go to the next level. An agreement that something airs on your platforms, and when it's said and done, I have limited or no opportunity to migrate online because of some of the agreements," she said, adding that the FCC is trying to determine if this is a dysfunctional market. ACA chief *Matt Polka* said the lobbying group is hopeful for further action on indie programming, including a possible rulemaking. Earlier in the day, Sen *Deb Fischer* (R-NE) took the stage in Orlando and complained that the FCC's set-top plan is a "solution in search of a problem," declaring that "vibrant competition" in the video marketplace already exists. "I am concerned that overregulation in the telecom sector will harm investment and will make carriers less likely to invest in the infrastructure that is needed to bring benefits of broadband to our consumers," she said.



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**Yahoo Sale:** In a long-awaited move, **Verizon Comm** announced Mon it will acquire **Yahoo's** operating business for \$4.83bln in cash. Yahoo will be integrated with **AOL**, which Verizon purchased for \$4.4bln, and operate under Verizon evp/pres of product innovation and new businesses *Mami Walden*. "The acquisition of Yahoo will put Verizon in a highly competitive position as a top global mobile media company, and help accelerate our revenue stream in digital advertising," said Verizon chmn/CEO *Lowell McAdam* in a statement. **Pivotal Research Group's** *Brian Wieser* agrees that the transaction cements the combined company as a strong player in digital advertising. "As Verizon represents the legacy inventory associated with Verizon as an ISP, the legacy AOL inventory, the bulk of **Microsoft's** global display inventory and now Yahoo, the company probably captures somewhere around \$8-9bn of gross ad revenue and more \$4-5bn in net ad revenue." He noted it "firmly entrenches" Verizon as the #3 three digital ad player behind **Google** and **Facebook**, but that Verizon will need to drive costs out of Yahoo's ad business "to retain that position." The sale does not include Yahoo's cash, its stake in Chinese firm **Alibaba Group Holdings**, **Yahoo Japan**, Yahoo's convertible notes, certain minority investments, and the patents within its Excalibur portfolio. "The sale of our operating business, which effectively separates our Asian asset equity stakes, is an important step in our plan to unlock shareholder value for Yahoo," said Yahoo CEO *Marissa Mayer* in a release. Mayer, who took the reigns of the Internet giant in 2012, plans to stay on at the company, though her precise role is yet to be defined. "We have the next months and weeks to really work through these integration plans. That will start this week. We've had some conversations. I certainly plan to stay," she said on **CNBC's** "Squawk On The Street" Mon. The deal is subject to customary closing conditions, approval by Yahoo's shareholders and regulators, and is expected to close in Q1 of 2017.

**Indy Show Notebook:** It was standing room-only at a panel on smart homes, but operators may want to hold off on launching services. "I think it's a little early. This is one time to stand back and watch it evolve a bit, but you do need to be preparing teams for entry," said **Westman Comm** CTO *Jeffrey DeSarno*. Perfecting managed WiFi is a good first step, according to **Conway Corp** CTO *Jason Hansen*. He warned that smart home services means thinking about WiFi outside of just the living areas so that the outside of a house is connected. That's key in order for things such as a smart doorbells or garage openers to work. DeSarno's wish is that there would be a standards body to create something like DOCSIS for home automation. Both execs said one of the biggest challenges is that there are a lot of sexy devices on the market, but they don't work together. -- "TV is not dying. It's having babies." That was a line from **Cadent Networks' Jim Tricarico** that made it into **Forrester Research** analyst *Jim Nail's* presentation to the Indie Show Mon. "Think about what having babies means. It changes your life in ways you never expected. And as they group up... they leave a little bit of havoc in their wake," Nail said, referring to the changing TV ecosystem. Some of his takeaways: TV navigation needs to stop revolving around the linear live-viewing grid; focus on cord-nevers over cord-cutters, as the former will drive the future shape of the TV business; and content isn't just the king; it's the emperor. -- Mississippi-based overbuilder **C Spire** is the first US pay TV operator to sign on to offer **MobiTV's** IP video delivery solution. MobiTV has already been playing in the wireless space, but it's hoping to get more pay TV to turn to it for IP video without a set-top. Customers can bring their own devices, such as **Roku**, smart TVs or **Apple TV**, to launch the MobiTV app for a live, full video offering as well as VOD and network DVR content. When the app launches, it goes straight to the last channel viewed so that it mimics a traditional linear TV offering. "We see a transition in the industry with people rethinking the set-top box," MobiTV CEO *Charlie Nooney* told us. "This is really a move to make sure that, especially with small to mid-size cable operators, they can maintain motivation. That they can keep up with the **Comcasts** and others of the world." His pitch is that companies can use MobiTV to replace their infrastructure gradually instead of ripping out set-tops all at once.

**Farewell, Joe:** **Discovery Comm** ad sales pres *Joe Abruzzese* will retire at the end of this year after a 46-year career in the TV business. Ad sales exec *Ben Price* will fill his shoes as head of the company's US ad sales division. As anyone who has met him knows, those shoes are not only large ones to fill—they're also some of the most dapper in the biz. "I am lucky to have found my way into this wonderful business more than 45 years ago, and to have worked for the best media companies in the world," said Abruzzese in a statement. "I've loved this industry from the moment I set foot in 30 Rock many years ago and still love it today. I've established relationships with clients and agency partners who have turned into lifelong friends. I leave Discovery feeling proud of what the team has accomplished; confident in Ben's leadership to take the organization forward; and thankful for the opportunities I've had here." Said pres/CEO *David Zaslav*: "Joe has defined what it means to lead with integrity, has made clients into friends, built the best ad sales organization in the business—



# BUSINESS & FINANCE

including our new leader Ben Price—and created fantastic value for Discovery and our shareholders. He is a great person, an incredible friend and on behalf of the Discovery leadership team, our board of directors and the entire Discovery family we say thank you, Joe. You are the gold standard.”

**NFL on Vue:** NFL Media struck a deal with Sony Interactive Ent for national distribution of NFL Network and NFL Redzone on Playstation Vue. They’ll launch in time for kickoff of the NFL’s regular season on streaming service.

**People:** Mike Fallon was named pres of Alticast Americas. Previously head of Alticast’s North American customer engagement activities, Fallon now oversees its business strategy and operations in the North and South American markets. Past pres and CTO of Alticast US John Carlucci will now serve as CTO. -- Joe Ferreira was named to the newly created role of vp, content strategy for CSN Mid-Atlantic. He will report to CSN Mid-Atlantic pres Rebecca Schulte and begin Aug 1. -- Justin Rosenblatt will succeed Paul Adler as Pop’s evp, original programming and development. Currently serving as CW Network’s svp of alternative programming, he will start in Sept and report to Pop pres Brad Schwartz. -- Telemundo appointed Lia Silworth to svp, insights and consumer development. She will lead the programming and consumer research departments for Telemundo Network, NBC Universo and its digital properties.

## Cablefax Daily Stockwatch

Company	07/25 Close	1-Day Ch	Company	07/25 Close	1-Day Ch			
<b>BROADCASTERS/DBS/MMDS</b>								
DISH:	52.25	(1.23)	INTEL:	34.69	0.03			
ENTRAVISION:	7.36	(0.13)	INTERACTIVE CORP:	59.96	(0.18)			
GRAY TELEVISION:	10.98	(0.12)	LEVEL 3:	56.13	(0.77)			
MEDIA GENERAL:	17.83	0.07	MICROSOFT:	56.73	0.16			
NEXSTAR:	54.14	(0.36)	NETFLIX:	87.66	1.77			
SINCLAIR:	29.94	(0.25)	NIELSEN:	55.22	(0.59)			
TEGNA:	25.00	0.15	SEACHANGE:	3.25	(0.06)			
<b>MSOS</b>								
CABLE ONE:	528.96	(5.17)	SONY:	29.85	(0.36)			
CHARTER:	240.69	(2.78)	SPRINT NEXTEL:	5.90	1.28			
COMCAST:	67.47	0.01	SYNACOR:	3.08	0.01			
GCI:	15.76	(0.41)	TIVO:	10.52	0.02			
LIBERTY BROADBAND:	62.85	(0.32)	UNIVERSAL ELEC:	74.79	(1.45)			
LIBERTY GLOBAL:	31.00	(0.36)	VONAGE:	5.74	(0.13)			
SHAW COMM:	19.80	(0.06)	YAHOO:	38.32	(1.06)			
SHENTEL:	41.26	(0.34)	<b>TELCOS</b>					
<b>PROGRAMMING</b>								
21ST CENTURY FOX:	26.85	(0.26)	AT&T:	42.94	(0.17)			
AMC NETWORKS:	55.98	(0.29)	CENTURYLINK:	30.88	(0.02)			
CBS:	54.42	(0.73)	FRONTIER:	5.13	(0.04)			
DISCOVERY:	25.46	(0.05)	TDS:	31.57	(0.18)			
DISNEY:	97.39	(0.32)	VERIZON:	55.87	(0.23)			
GRUPO TELEVISIA:	26.31	(0.8)	<b>MARKET INDICES</b>					
HSN:	51.20	(1.01)	DOW:	18493.06	(77.79)			
LIONSGATE:	20.61	(0.49)	NASDAQ:	5097.63	(2.53)			
MSG NETWORKS:	16.01	(0.14)	S&P 500:	2168.48	(6.55)			
SCRIPPS INT:	66.01	(0.86)	<b>TECHNOLOGY</b>					
STARZ:	30.46	(0.28)	ADDVANTAGE:	1.90	0.05			
TIME WARNER:	78.50	0.14	AMDOCS:	58.31	(0.11)			
VIACOM:	49.61	(0.09)	AMPHENOL:	58.65	(0.33)			
WWE:	19.87	0.01	APPLE:	97.34	(1.32)			
<b>MARKET INDICES</b>								
DOW:	18493.06	(77.79)	ARRIS GROUP:	24.79	(0.09)			
NASDAQ:	5097.63	(2.53)	AVID TECH:	6.23	(0.02)			
S&P 500:	2168.48	(6.55)	BLNDER TONGUE:	0.58	(0.01)			
<b>TECHNOLOGY</b>								
ADDVANTAGE:	1.90	0.05	CISCO:	30.79	0.08			
AMDOCS:	58.31	(0.11)	COMMSCOPE:	31.53	(0.1)			
AMPHENOL:	58.65	(0.33)	CONCURRENT:	5.30	(0.02)			
APPLE:	97.34	(1.32)	CONVERGYS:	26.59	(0.08)			
ARRIS GROUP:	24.79	(0.09)	CSG SYSTEMS:	41.22	(0.03)			
AVID TECH:	6.23	(0.02)	ECHOSTAR:	38.94	(0.26)			
BLNDER TONGUE:	0.58	(0.01)	GOOGLE:	739.77	(2.97)			
CISCO:	30.79	0.08	HARMONIC:	3.17	0.01			
COMMSCOPE:	31.53	(0.1)						
CONCURRENT:	5.30	(0.02)						
CONVERGYS:	26.59	(0.08)						
CSG SYSTEMS:	41.22	(0.03)						
ECHOSTAR:	38.94	(0.26)						
GOOGLE:	739.77	(2.97)						
HARMONIC:	3.17	0.01						

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- ★ Mediacom

## MSO Lifetime Achievement

- ★ Nomi Bergman

## MSO Product Launch of the Year

- ★ Comcast Stream TV

## MSO Business Services Innovation

- ★ Cox Business

## In Memorial

- ★ John Andrews, US Sonet, Lightspeed Telecom

## Independent Operator of the Year

- ★ Cincinnati Bell

## Independent Lifetime Achievement

- ★ Amy Tykeson

## Independent Project Launch of the Year

- ★ EXP from Armstrong

## Independent Marketing Team of the Year

- ★ 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



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