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What the Industry Reads First

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Set-Top War: The Fight Over MVPD-Controlled Apps & More

NCTA wasted no time addressing the **Computer & Communications Industry Assn's** criticism of its alternative apps-based set-top plan. On Thurs, the trade group, which represents **Google, TiVo** and others, submitted a paper to the **FCC** declaring that cable's plan is "light in detail and heavy with loopholes." CCIA takes issue with only MVPD-controlled proprietary HTML5 apps being able to deliver pay TV services. "Because MVPDs already provide most of this functionality to mobile devices today, this proposal largely perpetuates the current non-competitive landscape. Third-party devices should not be expected to compete on an unlevel playing field," CCIA said. NCTA responded with a 24-page letter to the FCC Fri, saying that the use of MVPD apps is about protecting programmers. It quoted **CBS** as saying that the use of MVPD apps helps "ensure that our valuable content and services remain inside of, and under the control of, MVPDs with whom we have a direct contractual relationship for the distribution of our product." According to filings at the FCC, the agency is seriously considering a revised approach that would ensure all programmers' content remain inside of apps developed exclusively by the MVPDs. **Fox** and **Disney** have expressed general support for a rule in which programming remains inside an MVPD-controlled app at all times, which they said "is the only way of ensuring that security of content is not jeopardized." While that would sit well with NCTA, the group is still concerned with other aspects of the FCC plan could be problematic. In its white paper, CCIA offered up a 3rd proposal, meant to incorporate the initial FCC set-top plan and NCTA's apps-based approach. It suggests requiring devices to have a digital certificate, similar to ones websites use to show that they are a secure site vs an impostor. NCTA said it's heard this before, and it won't work because programmers don't pool their content and license from a single source. They, of course, negotiate them with MVPDs. "It is a rehash of the debunked theory of self-certification, and no substitute for apps and a MVPD license," NCTA said. It also rejected calls for receiving 3rd-party metadata licensed to MVPDs and direct FCC intervention into content licensing. "All of these suggestions amount to the same proposal that unbundling proponents have long been pursuing, leading to the same problems with copyright, piracy, privacy, and more boxes in the home."

Dauman's Departure: **Viacom** shares closed up 1.78% Fri on reports that the chmn/CEO *Philippe Dauman* is stepping down with current COO *Thomas Dooley* to step in to the role on an interim basis. There was no official comment from Viacom Fri, with the news breaking late Thurs. Analysts spent Friday offering up their advice on what the content company needs to do. First on *Craig Moffett's* list is selling **Paramount**, whose profits dropped by \$500mln in FY16. Right behind that, Viacom should hire a CEO to oversee the cable nets. And like many others, he called for Viacom and **CBS** to combine again. **BTIG's Rich Greenfield** wrote in a blog post in June that the analysts believed a sr management change at Viacom was inevitable. He also believes it sets the stage for a recombination of Viacom and CBS. "We believe time is of the essence to merge CBS and Viacom, as new smaller, skinner bundles are set to emerge later this year/early next year," he wrote in a blog post. One firm not cheering for a CBS-Viacom marriage is **Bernstein Re-**



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search. “Even if the CBS board and management can be convinced to acquiesce to acquiring Viacom, we don’t think it would be good for either stock,” a research note in June said. “We don’t think Viacom shareholders would be paid a premium, and we think CBS shareholders are better off with the company they currently have, compared to the risk-adjusted hope of ‘fixing’ Viacom and capturing that value.”

Trouble in the Fiberhood: Cable’s been sneering for a while now over **Google Fiber** cherry picking terms of its service. The disdain was on display this week after a Google Fiber representative reportedly said that the company’s delayed rollout in Nashville could lengthen or cease to happen if a pole attachment issue wasn’t resolved. *The Tennessean* has the [full report](#), writing that **Comcast** lobbyist *James Weaver* sent a letter to the Metro Council committee assuring them that the MSO isn’t going anywhere. “Comcast has had serious pole attachment issues with (the Nashville Electric Service) for years,” the letter reads. “That’s not a secret. NES representatives talked about the same Monday night. Not ONCE in all these years has Comcast said, ‘fix this or we will pick up and leave.’ This despite the fact that NES issues have cost Comcast millions and resulted in lost customers and damaged business-to-business relationships.” Comcast is pushing for a non-legislative solution that should apply to everyone. “A ‘bill’ just to have a ‘bill,’ while perhaps politically expedient or helpful from a national PR standpoint for Google, is simply not a real goal.”

Forum Comm-DirecTV: DirecTV’s 10-week blackout of **Forum Comm** stations, primarily in ND, came to an end Thurs night. **WDAY** of Fargo and **KBMY** of Bismarck are back on the satcaster’s lineup. **WDAZ** of Grand Forks is not part of the deal, nor will DirecTV be carrying multicast nets **XTRA**, **Justice Network** or **MYNetwork TV**.

WOW! Refinancing: **WOW!** announced a refinancing of its Term B loan that bears interest, at the Company’s option, at LIBOR plus 3.50% or ABR plus 2.50% and includes a 1.00% LIBOR floor. The new Term B Loan has a maturity date of August 19, 2023 unless certain circumstances trigger an earlier maturity date. Proceeds were used to repay in full the existing \$1.825bln Term B loan. The company expects to use the remaining \$240mln in proceeds to fund the pending acquisition of **Nulink** and to redeem a portion of the Company’s 13.375% Senior Subordinated Notes.

Ratings: **Hallmark’s** newest original series “Chesapeake Shores” bowed Aug 14, garnering 2.5mln total viewers on a L+3 basis. It also was the Sunday’s 2nd most social ad-supported cable drama airing a new ep, attracting the 2nd most uniques and interactions on **Facebook** and **Twitter** combined.

Affiliate Relations: **HSN** will host the first-ever “American Dreams Inventor Search” with *Randi Zuckerberg* at the Palo Alto **Xfinity** store on Sept 10. Entrepreneurs get 3 minutes to present their product to judges for the chance to launch their product on HSN. It’s open to the first 140 people who register online on HSN.com from Aug 19-31.

WICT Leadership: Speakers and presenters at the **WICT Leadership** conference (Sept 19-20, NYC) include **Nielsen** client solutions svp *Judi Allen*, **Comcast’s** *David Cohen*, Olympic medalist (figure skating) *Sasha Cohen*, **A+E Nets** chmn emeritus *Abbe Raven* and many more. The conference also includes the Touchstones Luncheon honoring Woman of the Year, *Kathleen Finch* of **Scripps Networks Interactive**.

People: **Univision** promoted *Silvia García* to svp, media planning and multiplatform strategy. García is a founding member of Univision’s employee resource group, the Women’s Leadership Council.

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Cablefax Week in Review

Company	Ticker	8/19 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DISH:	DISH	50.40	(1.22%)	(11.86%)
ENTRAVISION:	EVC	7.81	1.17%	1.30%
GRAY TELEVISION:	GTN	11.49	0.79%	(29.51%)
MEDIA GENERAL:	MEG	17.79	(0.17%)	10.15%
NEXSTAR:	NXST	53.53	1.27%	(8.81%)
SINCLAIR:	SBGI	29.32	(0.03%)	(9.9%)
TEGNA:	TGNA	21.49	2.58%	(15.79%)

Company	Ticker	8/19 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLE ONE:	CABO	546.72	2.53%	26.07%
CHARTER:	CHTR	252.63	(2.32%)	38.05%
COMCAST:	CMCSA	66.29	(1.81%)	17.47%
GCI:	GNCMA	12.61	(2.17%)	(22.59%)
LIBERTY BROADBAND:	LBRDA	66.87	(0.07%)	29.47%
LIBERTY GLOBAL:	LBTYA	31.78	0.79%	(24.98%)
SHAW COMM:	SJR	20.30	(0.78%)	18.09%
SHENTEL:	SHEN	26.01	(7.93%)	(39.58%)

Company	Ticker	8/19 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	25.15	(3.34%)	(7.4%)
AMC NETWORKS:	AMCX	55.95	2.14%	(25.08%)
CBS:	CBS	51.85	(0.96%)	10.01%
DISCOVERY:	DISCA	26.73	1.44%	0.19%
DISNEY:	DIS	96.39	(0.46%)	(8.27%)
GRUPO TELEVISIA:	TV	27.58	1.03%	1.36%
HSN:	HSNI	43.52	(4.35%)	(14.11%)
LIONSGATE:	LGF	21.43	0.56%	(33.84%)
MSG NETWORKS:	MSGN	18.89	20.40%	(9.18%)
SCRIPPS INT:	SNI	64.42	1.82%	16.68%
STARZ:	STRZA	31.48	(0.1%)	(6.03%)
TIME WARNER:	TWX	80.80	0.31%	24.94%
VIACOM:	VIA	48.70	2.27%	10.71%
WWE:	WWE	20.93	1.16%	17.32%

Company	Ticker	8/19 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	1.80	1.12%	(0.55%)
AMDOCS:	DOX	59.28	0.00%	8.63%
AMPHENOL:	APH	61.19	1.31%	17.15%
APPLE:	AAPL	109.36	1.09%	3.90%
ARRIS GROUP:	ARRS	27.06	(2.1%)	(11.48%)
AVID TECH:	AVID	9.69	9.49%	32.92%
BLNDER TONGUE:	BDR	0.63	4.98%	57.48%
CISCO:	CSCO	30.52	(1.13%)	12.37%
COMMSCOPE:	COMM	28.58	(0.8%)	10.39%
CONCURRENT:	CCUR	5.11	(2.48%)	3.23%
CONVERGYS:	CVG	29.43	1.48%	18.24%
CSG SYSTEMS:	CSGS	42.37	5.06%	17.76%
ECHOSTAR:	SATS	38.56	4.47%	(1.41%)
GOOGLE:	GOOG	775.42	(1%)	2.18%
HARMONIC:	HLIT	4.12	(1.2%)	1.23%
INTEL:	INTC	35.24	1.94%	2.29%
INTERACTIVE CORP:	IAC	57.91	(2.46%)	(3.56%)
LEVEL 3:	LVL	48.54	(2.39%)	(10.71%)
MICROSOFT:	MSFT	57.62	(0.55%)	3.86%
NETFLIX:	NFLX	95.87	(0.75%)	(16.18%)
NIELSEN:	NLSN	53.15	0.36%	14.06%
SEACHANGE:	SEAC	3.26	(0.61%)	(51.63%)

Company	Ticker	8/19 Close	1-Week % Chg	YTD %Chg
SONY:	SNE	32.72	(0.3%)	32.95%
SPRINT NEXTEL:	S	5.93	(2.63%)	63.81%
SYNACOR:	SYNC	2.74	(5.19%)	56.57%
TIVO:	TIVO	10.65	0.38%	23.41%
UNIVERSAL ELEC:	UEIC	76.68	0.29%	49.33%
VONAGE:	VG	6.33	12.83%	10.28%
YAHOO:	YHOO	43.02	0.19%	29.34%

Company	Ticker	8/19 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	41.01	(5.24%)	19.18%
CENTURYLINK:	CTL	28.84	(3.74%)	14.63%
FRONTIER:	FTR	4.69	(3.3%)	0.43%
TDS:	TDS	28.51	(3.26%)	10.12%
VERIZON:	VZ	52.45	(2.24%)	13.48%

Index	Value	% Chg	YTD %Chg	
MARKET INDICES				
DOW:	DJI	18552.57	(0.13%)	6.47%
NASDAQ:	IXIC	5238.38	0.10%	4.61%
S&P 500:	GSPC	2183.87	(0.01%)	6.85%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. MSG NETWORKS:	18.89	20.40%
2. VONAGE:	6.33	12.83%
3. AVID TECH:	9.69	9.49%
4. CSG SYSTEMS:	42.37	5.06%
5. BLNDER TONGUE:	0.63	4.98%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SHENTEL:	26.01	(7.93%)
2. AT&T:	41.01	(5.24%)
3. SYNACOR:	2.74	(5.19%)
4. HSN:	43.52	(4.35%)
5. CENTURYLINK:	28.84	(3.74%)

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