

Cablefax Daily™

Tuesday — August 16, 2016

What the Industry Reads First

Volume 27 / No. 157

ADVERTISEMENT

THE MOST POWERFUL NAME IN NEWS™



FOR THREE FULL MONTHS
The first time **EVER** in FNC's history
Primetime & Total Day



175 MONTHS & COUNTING
Primetime & Total Day



RNC & DNC
Total Viewers for Eight Days



RNC & DNC COVERAGE
Total Social Media Interactions

Source: Nielsen, #1 in all ad-supported cable, Feb'16, Mar'16, Jul'16, M-Su 6a-6a, M-Su 8-11p, P2+ (000). #1 in cable news, 175 months and counting, Jan'02-Jul'16, FNC, CNN, MSNBC, HLN, M-Su 6a-6a, M-Su 8-11p, P2+ (000). #1 Republican & Democrat convention coverage, 7/18/16-7/21/16, 7/25/16-7/28/16, FNC, CNN, MSNBC, M-Thu 8-11p, P2+ (000). News competitive set: Fox News, CNN, ABC News, NBC News, CBS News, MSNBC, The Huffington Post, The New York Times, BuzzFeed News. Week of RNC: 7/18/16-7/21/16, Week of DNC: 7/25/16-7/28/16, Source: Socialbakers

Cablefax Daily™

Tuesday — August 16, 2016

What the Industry Reads First

Volume 27 / No. 157

More Competition: TPG Pays \$2.25bln to Combine RCN and Grande

Yes, it's true that **Google Capital** will have a minority stake in **TPG's** acquisition of **RCN** and **Grande**, but don't think that means **Google Fiber 3.0** is coming soon. Google Capital is a separate entity from Google Fiber, and it specializes in later-stage investments. This deal appears to be more about combining two regional overbuilders into a top 10 US cable company that should put the heat on incumbent MSOs. And it's also further evidence of private equity's interest in smaller operators. Private equity firm TPG will pay Abry Partners \$2.25bln—\$1.6bln for RCN and \$650mln for Grande—and combine the providers. However, both will continue to operate under their respective names, which already have established clout in the marketplace. There also won't be a big change in management, with TPG partnering with **Patriot Media**, which currently manages both RCN and Grande. Patriot is headed by *Steve Simmons* and *Jim Holanda*. Abry bought Grande in 2009 when it also owned **Atlantic Broadband**, whose existing management team added management of Grande. When Abry bought RCN a year later for \$1.2bln, Patriot was brought in to manage the overbuilder. Atlantic Broadband was sold to **Cogeco** in 2012, opening the door for Patriot to take over management of Grande in 2013. While Abry could have combined the two like TPG is doing, given the different geographies (RCN has subs in NY, DC and Boston, while Grande's customer base is in TX) and uncertainty in the M&A space, it probably made sense to keep them separate to preserve their options. The deal is expected to close in 1Q17. It would be wise to pay close attention to TPG's statement on the purchase, which focuses on HSD. "The way that content is distributed and consumed has evolved significantly in ways that create an overwhelming demand for affordable, high-speed cable networks. There is an unprecedented amount of diverse, creative content being produced that is extremely bandwidth intensive," *David Trujillo*, partner at TPG, said in a statement. "High-speed data has become, and will remain, the essential connection for both consumers and businesses. Both RCN and Grande are proven leaders in providing fast, affordable, and reliable data services." Grande is at the top of **Netflix's** ISP speed index for July, with RCN also ranking above several large incumbents. And just last week, RCN was named *PC Magazine's* Readers' Choice for best ISP for the 2nd year in a row. The added financial support of TPG given the overbuilders' offerings could help to accelerate OTT launches by incumbents. RCN offers both **Hulu** and **Netflix** content as a channel through its DVR powered by

ENTRY DEADLINE: **AUGUST 19**

**ENTER
TODAY!**

Cablefax's TRAILER AWARDS TV PROMOS + REELS THAT SIZZLE

Cablefax's Trailer Awards recognize the most effective and buzz-worthy trailers promoting shows and series running around the world on cable, broadcast, mobile, the web and beyond.

Gain recognition for promos and sizzle reels that entice viewers to watch and engage with their favorite shows.

www.cablefaxtrailerawards.com

Questions: Mary-Lou French at mfrench@accessintel.com

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir. of Market Dev.: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

TiVo. TPG was advised on the transaction by **PJT Partners, UBS, Cleary Gottlieb, and Deloitte.** Abry, Patriot Media, RCN, and Grande were advised by **Credit Suisse, Kirkland & Ellis, Locke Lord and PwC.**

Carriage: Pop, the jv between **CBS** and **Lionsgate**, scored a multiplatform distribution deal with **Verizon** that will see its continued distribution on FiOS. Verizon also gains broad distribution rights across its digital platforms, including go90 and TV Everywhere.

Louisiana Flooding: Historic flooding in Louisiana has **Cox** assessing damage and reminding customers and employees to stay safe. The hardest hit area of Cox's South Louisiana network appears to be its Denham Springs service hub, one of its Secondary Telecommunications Centers that houses equipment that transports services to the entire Livingston Parish service area. The Cox Solutions Store in Millerville is also experiencing flooding. "At this time, much of Cox's network and infrastructure has remained intact," *Anthony Pope*, svp and region manager of Cox's Southeast Region, said in a statement. "Our thoughts and prayers are with those impacted by the floods and the communities' brave first responders." Cox said customers in Acadiana and Baton Rouge can expect to experience sporadic outages as flood waters continue to rise in some areas.

Nexstar Fights Back: **Nexstar** is fighting back against **DISH, ACA, Cox** and **ITTA's** opposition to its proposed merger with **Media General.** While the groups and companies claim there is no public benefit, the broadcaster told the FCC Fri that it will increase efficiencies that will make Nexstar more attractive to programmers and will allow it to expand investment in local news. Then there's the issue of media ownership. "As a result of the required divestitures, the transaction will place one station in the hands of a minority owner, one station in the hands of a female owner, and one station in the hands of an established Spanish language broadcaster," Nexstar said in its ex parte. Conditions that DISH and Cox have proposed on the merger are inappropriate, the broadcaster argued, with Nexstar noting it's unaware of any instance in which the FCC has conditioned approval of a broadcast transaction on "independent third-party oversight and certification and reporting requirements."

Pay TV Losses: Leichtman Research did the calculations and figures the top pay TV providers lost about 665K net video subs in 2Q—more than any previous quarter. As the earnings reports showed, cable did pretty well. The top 6 companies lost about 225K subs in 2Q vs 340K in 2Q15, with losses the fewest in any 2Q since 2006. **AT&T Universe's** 391K net losses marked the most losses ever in a Q by any provider and contributed mightily to the telco's 2Q 500K video sub loss. Satellite added 61K subs in the Q (thanks in part to **Sling TV** and a 342K add by **DirectTV**).

In the Courts: A federal judge dismissed **Mediacom's** lawsuit against Iowa City and **IMON Comm**, which charged that the city's agreement letting IMON lease excess capacity on the city's fiber-optic network created an unfair advantage. US District Judge *Charles Wolle* wrote that Mediacom has no basis for its constitutional equal protection claim because the MSO and IMON are not similarly situated with respect to providing cable services. IMON doesn't provide cable yet in Iowa City and thus isn't presently required to seek a local franchise agreement, he wrote. A Mediacom rep said the company plans to appeal.

Retrans Update: **Sunbeam's WHDH-NBC** and **WLVI-CW** in Boston returned to DirectTV subs on Fri night. The satellite operator still is in the midst of a blackout with **Heartland** and **USA Television.** **WKTV** in Utica, NY, **WTVA** in Columbus-Tupelo, MS, **KEZI-ABC** in Eugene, OR, and **KDRV** in Medford-Klamath Falls, OR, have been dark since Thurs.

Programming: **ESPN** sewed up the rights for the **UEFA** European Football Championship 2020 and all UEFA national team matches between 2018 and 2022. ESPN will be the exclusive English-language home for the 2020 tourney, which will be played in stadiums across 13 European nations to mark the 60th anniversary of the competition. -- **HGTV** ordered a new season of "Vintage Flip" to premiere summer 2017. The series follows husband/wife duo *Jessie and Tina Rodriguez* as they restore vintage homes in Orange County. -- The month-long comedy special "Ouch! A Salute to Slapstick" will premiere on **TCM** starting Sept 6. Airing every Tues and Wed during September, the special will explore the history of slapstick with host *Greg Proops*. Enrollment for TCM's free six-week online multimedia course on slapstick comedy, in partnership with Ball State University and Canvas Network, began Aug 15. Sign up for the course at TCM.com/slapstick. -- **ONE World Sports** will air 10 Ivy League football games during the 2016-17 season. The first telecast will be Sept 17 as the Yale Bulldogs compete against the Colgate Raiders. -- **Investigation Discovery** greenlit a second season of "Las

BUSINESS & FINANCE

Vegas Law,” with the 6-eps series to premiere in 2017.

Election 2016: Univision and Fusion announced a partnership with the **Election Protection Coalition** to broaden their national voter engagement efforts. Pursuant to Univision’s “Vote for Your America” campaign, the nets will promote the Election Protection Coalition’s hotlines across its broadcast, digital, social, radio and community empowerment platforms to educate audiences on their voting rights and to encourage Hispanic, multicultural and millennial turnout in the 2016 general election. This is the largest nationwide bilingual voter protection media campaign. Univision will also co-host a nationwide series of educational voter protection workshops. **The Lawyers’ Committee for Civil Rights Under Law** leads the Election Protection Coalition, representing more than 100 voter rights organizations.

People: Fox Television Stations promoted *Shari Berg* to COO. She will oversee talent development and initiatives for news programs on FTS as well as maintaining her responsibilities with **Fox News**, which she helped launch almost 20 years ago. -- **Comporium** vp, media content *Karl Skroban* was elected to **NCTC’s** 14-member board. The co-op also recently elected *David Eisenberg*, pres/ CRO of **Atlantic Broadband**. Each member of the board of directors at NCTC serves for 3 years.

Cablefax Daily Stockwatch

Company	08/15 Close	1-Day Ch	Company	08/15 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	52.25	1.23	INTEL:	34.91	0.34			
ENTRAVISION:	7.77	0.05	INTERACTIVE CORP:	58.85	(0.52)			
GRAY TELEVISION:	11.87	0.47	LEVEL 3:	49.58	(0.15)			
MEDIA GENERAL:	17.96	0.14	MICROSOFT:	58.12	0.18			
NEXSTAR:	54.50	1.64	NETFLIX:	95.31	(1.28)			
SINCLAIR:	29.75	0.42	NIELSEN:	52.93	(0.03)			
TEGNA:	21.37	0.42	SEACHANGE:	3.28	UNCH			
MSOS								
CABLE ONE:	534.73	1.50	SONY:	32.76	(0.06)			
CHARTER:	260.51	1.89	SPRINT NEXTEL:	6.15	0.06			
COMCAST:	67.52	0.01	SYNACOR:	2.89	UNCH			
GCI:	12.69	(0.2)	TIVO:	10.66	0.05			
LIBERTY BROADBAND:	67.95	1.03	UNIVERSAL ELEC:	77.46	1.00			
LIBERTY GLOBAL:	32.44	0.91	VONAGE:	6.06	0.45			
SHAW COMM:	20.50	0.04	YAHOO:	42.67	(0.27)			
SHENTEL:	27.32	(0.93)	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	25.85	(0.17)	AT&T:	43.02	(0.26)			
AMC NETWORKS:	56.62	1.84	CENTURYLINK:	30.02	0.06			
CBS:	52.28	(0.07)	FRONTIER:	4.90	0.05			
DISCOVERY:	26.58	0.23	TDS:	29.45	(0.02)			
DISNEY:	97.10	0.26	VERIZON:	53.61	(0.04)			
GRUPO TELEVISA:	27.74	0.44	MARKET INDICES					
HSN:	45.52	0.02	DOW:	18636.05	59.58			
LIONSGATE:	21.94	0.63	NASDAQ:	5262.02	29.12			
MSG NETWORKS:	16.81	1.12	S&P 500:	2190.15	6.10			
SCRIPPS INT:	64.08	0.81	TECHNOLOGY					
STARZ:	31.84	0.33	ADVANTAGE:	1.79	0.01			
TIME WARNER:	80.86	0.31	AMDOCS:	59.21	(0.07)			
VIACOM:	47.54	(0.08)	AMPHENOL:	60.52	0.12			
WWE:	21.02	0.33	APPLE:	109.51	1.33			
TECHNOLOGY								
ARRIS GROUP:	28.30	0.66	ARRIS GROUP:	28.30	0.66			
AVID TECH:	9.12	0.27	AVID TECH:	9.12	0.27			
BLNDER TONGUE:	0.61	0.01	BLNDER TONGUE:	0.61	0.01			
CISCO:	31.20	0.33	CISCO:	31.20	0.33			
COMMSCOPE:	29.08	0.27	COMMSCOPE:	29.08	0.27			
CONCURRENT:	5.26	0.02	CONCURRENT:	5.26	0.02			
CONVERGYS:	29.44	0.44	CONVERGYS:	29.44	0.44			
CSG SYSTEMS:	40.70	0.37	CSG SYSTEMS:	40.70	0.37			
ECHOSTAR:	38.53	1.62	ECHOSTAR:	38.53	1.62			
GOOGLE:	782.44	(0.78)	GOOGLE:	782.44	(0.78)			
HARMONIC:	4.21	0.04	HARMONIC:	4.21	0.04			



SHARPEN YOUR VISION

SHAPE TOMORROW

THE 2016 WICT

LEADERSHIP CONFERENCE

SEPTEMBER 19-20, 2016
NEW YORK MARRIOTT MARQUIS

THE 2016 WICT

TOUCHSTONES LUNCHEON

SEPTEMBER 19, 2016
11:00 AM-1:00 PM
NEW YORK MARRIOTT MARQUIS



Women in Cable Telecommunications™

REGISTER FOR THE WICT LEADERSHIP CONFERENCE TODAY AT WICT.ORG