

Cablefax Daily™

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What the Industry Reads First

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Quad Review: FCC Releases Media Ownership Order

The FCC released its quadrennial review of the broadcast ownership rules order Thurs, with Rep *Bob Goodlatte* (R-VA) immediately criticizing the agency for “advancing unnecessary and burdensome regulations on a partisan basis while ignoring new technologies and market realities, with the likely outcome of harming competition.” The FCC actually voted 3-2 on the rules earlier this month, but didn’t publish the order until now. “While the goal of preventing the consolidation of media power in the hands of an elite few has merit, the FCC has again overreacted. This time, it has reacted in a way that is likely to harm the objectives of smaller media outlets eager to compete,” Goodlatte said in a statement. In a blistering dissent GOP commish *Ajit Pai* complained that the FCC is clinging to the newspaper-broadcast cross ownership ban. Unless Congress or the courts step in, the “Commission’s media ownership regulations will never be relaxed. Efforts to promote diversity will remain stalled. The law, the marketplace, and common sense will continue to be ignored,” Pai wrote. **ACA** is happy that the Commission used the review to close what the agency called a potential regulatory loophole that allows TV stations to form otherwise prohibited local duopolies without FCC review. “The FCC already prohibits the ownership of one top-four rated television station from acquiring a second top-four rated station in the same market. Its action today will rein in the practice of a single owner of a top-four and non-top-four rated station achieving this same goal by simply swapping their network affiliations outside the purview of the FCC,” ACA pres/CEO *Matt Polka* said. For ACA, this of course boils down to retrans, with the assn arguing that stations owners use the practice to negotiate retrans consent for 2 top-four stations at the same time. “Affiliation swaps undermine the purpose of the top-four prohibition and the Local Television Ownership Rule as a whole,” the FCC order said. Under the revised rules, affiliation swaps must comply with the top-4 prohibition at the time the agreement is executed. The FCC did not go so far as to prohibit dual network affiliations via multicast, saying such arrangements do not result in an entity owning 2 stations rated in the top four in a market. Read all 199 pages of the order at FCC.gov.

Ad Numbers: July was strong for cable, with the sector scoring an impressive 5.6% growth in ad spending,

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according to **Standard Media Index** data. Overall, US ad expenditures were up 3% for the month, with cable leading the way. The big broadcast nets were down 1%. Strong performances at **HGTV, TNT, Food, Bravo** and the news nets helped with cable's growth, while **NBC** and **CBS** were the only broadcasters to grow in July. SMI's average costs data shows average unit costs on cable jumped 2% on an annual basis with early fringe and prime jumping by 9% to \$3,240 per spot and 7% to \$6,600, respectively. Broadcast pricing fell 1% led by prime, down 10% to \$62,400 per spot and a decline in late fringe of 5% to \$18,720 per spot. Digital grew at 12% for the month which is approximately half the growth SMI has been seeing from the sector over the past 3 years. -- **Canoe** reports it had more than 4.8bln ad impressions in Q2, with the number of mid-roll ads per a break average holding at 4. That's up from 4.1bln impressions in Q1. Canoe's had 2,166 total campaigns running in 2Q, with about 22% of those network tune-in ads. The rest were external client ad campaigns in a variety of categories, including automotive and healthcare. Canoe's footprint covers 35mln+ HHs in 130+ DMAs (49 of the top 50 DMAs).

Unhappy Cord-Cutters: Consumers may think they want to cut the cord, but a **J.D. Power** study finds that satisfaction is higher among those who keep traditional pay TV service and add an OTT service. On a 1000-point scale, the lowest satisfaction was reported among cord-cutter (802), followed by cord-never (807). Cord-stackers had the highest score (826), followed by cord shavers (822). The study looked at performance and reliability; content; cost of service; ease of use; communication and customer service. The OTT add-on is important as streaming service are how 62% of customers binge watch—and overall satisfaction is 35 points higher among those who binge vs those who don't. Three-fifths (60%) of streaming customers are cord stackers; 23% are cord shavers; 13% are cord cutters; and 4% are cord nevers, the study found. TV continues to be the primary viewing device, with 65% of those studies viewing streaming content through their TV. **Netflix** had the highest rank among streaming brands (829), followed by **Hulu** (821). J.D. Power's 2016 Streaming Video Satisfaction Study is based on responses from 3,928 customers in June-July.

Windstream Franchise App: **Windstream** has submitted a formal bid for a cable TV franchise to bring its Kinetic TV service to more than 50K homes in 13 NC communities, including Albemarle and New London. NC will mark the 4th market for Kinetic, which is powered by the **Ericsson** Mediaroom platform on Windstream's fiber-backed network. It's launched over the past 2 years in Lexington, KY, Lincoln, NE and Sugar Land, TX. The NC rollout is slated for 4Q.

Italy Quake: **Altice USA** announced a free unlimited calling period for its **Optimum** and **Suddenlink** residential and business customers in the wake of Italy's devastating earthquake. Effective through Aug 28, the period includes calls placed to both landline and mobile phone numbers in Italy.

Google Fiber: A report by *The Information* says **Alphabet** may cut the size of **Google Fiber's** workforce in half, which would be approx 500 staffers. This fits with reports that it's pulling back on its rollout as its failed to bring in projected subs since launching in Kansas City in 2012. Earlier this month, the *WSJ* reported that Google is exploring using wireless vs building costly fiber networks from scratch. In July, Google Fiber bought Webpass, which uses point-to-point wireless to deliver high-speed broadband.

OTT Play: **CBS All Access** is now available on **Microsoft's** Xbox One. The \$5.99/month live streaming service features more than 7500 on demand eps and the ability to live stream CBS stations in more than 150 markets.

Programming: For the 1st time ever, the 62nd NHRA Chevrolet Performance US Nationals will be broadcast live beginning Sept 5 at 11am on FS1 and moving to Fox at 1pm. Drag racing's premier event, the NHRA is the final race before the championship playoffs in late Sept. -- **FYI** greenlit series "Stove Tots" from the producers of the "Dance Moms" franchise. It follows kid chefs and their overbearing parents through the pressures of junior culinary competitions. The 13 one-hour eps will premiere in 2017. -- **Univision** and **Fusion** announced a 2-day event "RiseUP AS ONE" to celebrate music and unity in America. Oct 14 will emphasize inclusion issues with thought leaders, while Oct 15 will be a free ticketed concert headlined by acclaimed artists and musicians. The concert will air live on Univision in Spanish and on Fusion in English from 7-10pm. For more event details and

BUSINESS & FINANCE

to sign up, go to RiseUpAsOne.com.

4KTV: AT&T will air the final 3 days (Aug 26-28) of The World Series of Beach Volleyball from Long Beach, California in 4K UHD. 4K coverage is only available on channel 106 for **DirectTV** customers with 4K-compatible equipment. AT&T's exclusive 4K coverage began earlier this year at The Masters and has continued to add MLB, UFC, PGA and Rio Olympic events.

On the Circuit: **BET** Nets chmn/ CEO *Debra Lee* will serve as honorary co-chair of the 30th annual **NAMIC** conference, Sept 20-21 at the NY Marriott Marquis. This year's conference theme is "Diversity 3.0—Innovation through Inclusion." -- **The Rocky Mountain Cable Assn** will host the "Cable 2020—Technology's Future" Panel on Sept 14 from 7:30-10am at Comcast's office in Englewood, CO. Featured panelists include *Tony Werner*, pres of technology and product at **Comcast Cable**; *Jeff Binder*, CEO of **Layer3TV**; and *John Childress*, vp of product strategy and management at **NCTC**. Register at RockyMountainCableAssociation.com.

People: **Univision** promoted *Patsy Loris* to evp of news and exec news director. Joining Univision over 3 decades ago, she played a key role in the launch of Fusion in 2013.

Cablefax Daily Stockwatch

Company	08/25 Close	1-Day Ch	Company	08/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			INTEL: 35.09 (0.06)		
DISH:	49.30	(0.29)	INTERACTIVE CORP:	57.23	0.13
ENTRAVISION:	7.56	0.05	LEVEL 3:	49.44	(0.23)
GRAY TELEVISION:	11.04	(0.11)	MICROSOFT:	58.18	0.23
MEDIA GENERAL:	17.64	(0.13)	NETFLIX:	97.32	2.14
NEXSTAR:	52.74	(0.07)	NIELSEN:	52.60	0.12
SINCLAIR:	28.88	0.08	SEACHANGE:	2.77	(0.04)
TEGNA:	21.05	(0.44)	SONY:	33.44	0.19
MSOS			SPRINT NEXTEL:	6.18	0.09
CABLE ONE:	535.49	(2.87)	SYNACOR:	2.77	UNCH
CHARTER:	252.07	0.33	TIVO:	10.95	0.08
COMCAST:	65.56	(0.13)	UNIVERSAL ELEC:	76.62	0.62
GCI:	13.36	0.54	VONAGE:	5.95	(0.02)
LIBERTY BROADBAND:	67.11	0.38	YAHOO:	42.03	0.12
LIBERTY GLOBAL:	31.04	(0.57)	TELCOS		
SHAW COMM:	20.49	0.16	AT&T:	41.07	0.20
SHENTEL:	26.13	0.36	CENTURYLINK:	29.15	0.10
PROGRAMMING			FRONTIER :	4.62	(0.04)
21ST CENTURY FOX:	24.57	(0.23)	TDS:	28.32	0.32
AMC NETWORKS:	54.50	0.29	VERIZON:	52.75	0.22
CBS:	51.69	(0.69)	MARKET INDICES		
DISCOVERY:	25.87	(0.24)	DOW:	18448.41	(33.07)
DISNEY:	95.55	(0.27)	NASDAQ:	5212.20	(5.49)
GRUPO TELEVISIA:	27.75	0.26	S&P 500:	2172.47	(2.97)
HSN:	42.85	(0.47)			
LIONSGATE:	21.05	0.01			
MSG NETWORKS:	17.86	(0.1)			
SCRIPPS INT:	64.08	(0.52)			
STARZ:	31.22	(0.03)			
TIME WARNER:	79.81	(0.36)			
VIACOM:	46.31	(0.08)			
WWE:	21.23	0.08			
TECHNOLOGY					
ADDVANTAGE:	1.86	0.05			
AMDOCS:	59.66	0.43			
AMPHENOL:	61.44	0.01			
APPLE:	107.57	(0.46)			
ARRIS GROUP:	26.86	0.20			
AVID TECH:	9.18	(0.19)			
BLNDER TONGUE:	0.61	(0.01)			
CISCO:	31.29	0.23			
COMMSCOPE:	29.77	(0.18)			
CONCURRENT:	5.08	0.01			
CONVERGYS:	29.91	0.12			
CSG SYSTEMS:	43.43	0.33			
ECHOSTAR:	38.77	0.09			
GOOGLE:	769.41	(0.23)			
HARMONIC:	4.44	0.25			

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PROGRAMMER'S PAGE

Go to Jail

If you missed Season 1 of **A&E's** "60 Days In," you're in luck. The net had the wherewithal to go ahead and order a second season while the first was still filming. And it's a good thing because with a show like this, you only have a limited window before the jig is up. Safety is a huge issue, with the series taking ordinary citizens and putting them in the Clark County (IN) Jail for 60 days under the pretense they've been charged with a crime. The idea is for the public to learn about the justice system, while the sheriff hears the good and bad about the facility. "For obvious security reasons, to stop and restart [production], it just becomes more and more difficult as time goes on. So A&E said go ahead," exec producer *Greg Henry* said, explaining that Season 2 wrapped filming before even the 1st commercial about the show aired. The crew was in the jail under the guise of creating a doc about first-time offenders. The actual inmates had to sign waivers before filming started as cameras are going 24/7. Those who didn't were put in another pod. Security issues are why you might not see a Season 3. "We would absolutely welcome the opportunity. I think it would take a lot to do again," Henry said. "It would mean really re-thinking the cover story, finding a sheriff who has the sort of authentic reasons to want [to do it]." The new season's faux inmates include a retired police captain and a mother with an incarcerated daughter. It comes at a time when the justice system is under great scrutiny through the Black Lives Matter movement as well as some high profile cases (**Netflix's** "Making of a Murderer," and podcast "Serial," which are credited with re-examinations of cases). "We very deliberately wanted it to feel more reality show than follow-doc. That's the way you get people to get hooked and entertained. But within that entertainment, there's a big takeaway and a lot of things to talk about," Henry said. "We want to make entertaining television, but it has a purpose." Ep 1 of Season 2 repeats at 8pm Thurs and Fri (8/25-8/26) on A&E followed by a brand new installment at 9pm. — *Amy Maclean*

Reviews: "Haunted Case Files," Sun, 10pm, **Destination America**. Viewers who enjoyed "Paranormal Survivor" will like this new series. The elements are similar: paranormal investigators discuss visits to sites reported to have spirits. Stories are reenacted and interspersed with interviews with participants, the investigators, not the spirits. For believers, it's catnip. -- "The Night Of," Sun, 9pm, **HBO**. Has it been 7 eps already? We're not ready for this gripping limited series to end. HBO, though, is being true to the series' English roots, where short, often excellent, series abound. While it's uncertain if 20-something student Naz (*Riz Ahmed*) is a murderer, at least we'll find out how he fares in court during this week's finale. We're also anxious to see if he and his alluring, doe-eyed lawyer Chandra (*Amara Karan*) will be able to reignite their passion. -- "Gomorra," Wed, 10pm ET, **Sundance**. There's been tremendous hype for this Italian import about the Neapolitan crime ring known as the Camorra. Originally a book, then a film, the 2-year-old TV series has become a European hit, and been compared to elites like HBO's "The Wire" and "The Sopranos." With that build-up, ep 1 failed to blow us away. We were impressed, though, with its gritty look at Italian criminal culture. We'll keep watching and hoping. — *Seth Arenstein*

Basic Cable Rankings (8/15/16-8/21/16) Mon-Sun Prime			
1	FOXN	0.9	2143
2	USA	0.6	1314
3	HGTV	0.5	1260
3	HIST	0.5	1230
3	TBSC	0.5	1226
3	DSNY	0.5	1198
3	TNT	0.5	1164
3	MSNB	0.5	1062
3	NBCS	0.5	1002
3	NFLN	0.5	746
11	ADSM	0.4	929
11	ID	0.4	854
11	AMC	0.4	836
11	DSE	0.4	88
15	DISC	0.3	823
15	NAN	0.3	792
15	FRFM	0.3	785
15	FOOD	0.3	760
15	LIFE	0.3	749
15	CNN	0.3	746
15	HALL	0.3	710
15	FX	0.3	689
15	SYFY	0.3	661
15	A&E	0.3	627
15	TVLD	0.3	604
15	BRAV	0.3	578
15	ESPN	0.3	572
15	SPK	0.3	569
15	OWN	0.3	564
15	HMM	0.3	545
15	DSJR	0.3	524
15	NKJR	0.3	519
33	TLC	0.2	553
33	APL	0.2	511
33	VH1	0.2	507
33	LMN	0.2	479
33	NGC	0.2	442
33	WETV	0.2	428
33	INSP	0.2	416
33	EN	0.2	412
33	CMDY	0.2	399
33	MTV	0.2	392
33	TRAV	0.2	366
33	FXX	0.2	365

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks

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