

Cablefax Daily™

Tuesday — September 13, 2016

What the Industry Reads First

Volume 27 / No. 176

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Cablefax TV Innovation Summit

Letter From The Publisher

Ask any effective corporate leader, and it's all about the team.

After all, no business can thrive unless groups of dedicated individuals work together to achieve revenue and growth targets.

But is your team ready for what lies ahead? Does your staff have the knowledge to predict trends, plan for every contingency and understand every angle as the TV ecosystem shifts in real time?

These are tough questions. Now it's time for answers.

Cablefax's TV Innovation Summit in NYC on Sept. 22 could be just the edge your team needs to make a big difference in your bottom line.

We'll explore evolving OTT business models, multiscreen monetization, the future of the bundle, regulatory uncertainty and more—all in an information-packed format under six hours.

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See you in NYC on Sept. 22!



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OTT Launch: Q&A with Susanne Mei of Time Inc.'s People/EW Network

Time Inc. launches its new OTT service Tues, dubbed the People/Entertainment Weekly Network, a free, ad-supported streaming video service featuring celebrity, pop culture, lifestyle and human interest programming. It's available through an iOS and Android app as well as streaming devices like Apple TV and Roku and on People.com. PEN features original long-form content and will air a mixture of live events as well. We caught up with gm Susanne Mei to chat about launching an OTT network and the company's advertising strategy. Why go the AVOD model? For a couple of reasons. One is that we sell advertising, that's what we do. So the fact that we've already got these sales teams who have great relationships with these big brands, like Miller-Coors, who is one of our launch partners—who have already raised their hand and spent lots of money to reach audiences of *People* and *Entertainment Weekly*—here we are giving them a new way to reach those audiences. That really made the most sense for us—ad-supported instead of the subscription, which seems like most brands are doing now, certainly TV brands. The other thing is about the content. I had a lot of calls with distributors and OTT platform partners talking about this, and their first reaction was always “Oh so you're going to take clips from the website.” That's not what we're doing. There's a significant commitment here of both resources that we have, in terms of the four studios that we have in our new offices, but also financial resources in terms of making new, long-form content that is specifically created for the TV platform. It's entirely different original content created for the lean-back experience. **What's the ad load like?** It's really light relative to what consumers have come to expect. We are not doing pre-rolls at launch. We're doing mid-rolls around, give or take 8 minutes; there will be an ad pod and it will have 2 ads, and the max of that pod will be 60 seconds. You can launch a 30-minute program and see 2 minutes of ads, far below what the cable networks... are airing. Although, there is a trend to decrease the ad load, because I think people have reached that point where it's just too much and I don't know how much bang the advertiser gets for their buck at this point. But this is going to be a very uncluttered environment. We intend to do some research about ad recall, and I think it's going to show that it's a great environment for advertisers to engage with our consumers. **The OTT space is really crowded right now, so what is your strategy to set your service apart?** That's something we thought a lot about before we started to launch, and I think one of the things that sets us apart is the reach and the breadth of the Time Inc. brand. From *Time Magazine* to *Sports Illustrated* to *Southern*

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Living to Essence magazine, and then to of course *People* and *Entertainment Weekly*. The reach of those, both in print and digital—People is a Snapchat Discover partner—so all of those together are a pretty robust marketing platform in themselves. We'll also be doing paid promotions, really digging into the data, digitally, of who we think will watch and become a fan of this network. We're going to be doing paid advertising as well, search, all that stuff... the real benefit is being able to harness the power of the Time Inc. brand, digitally, print, events, all of that. *For the full Q&A see Cablefax.com. Mei is also a speaker at Cablefax's TV Innovation Summit next week. For more info, go to www.cfxtvsummit.com.*

Set-Top Backlash: FCC chmn *Tom Wheeler's* Plan B for getting rid of the set-top box isn't winning a lot of kudos. The **Applications Developers Alliance**, whose corporate members include **Facebook, Google, Comcast** and **Snapchat**, said the FCC should let the market work on this. "Developers are and will continue to create new and innovative ways to deliver content to their users, and the continued growth of every developer driven market should be evidence enough that competition has never been greater," Alliance pres/CEO *Jake Ward* said in a statement. "The FCC should focus on collaborative solutions developed together by all stakeholders, including competitors, pay-TV providers, and the content industry—rather than a purely regulatory intervention—to enable competition and innovation in how consumers consume video programming." And some Democratic members of Congress are still concerned. **House Commerce** Ranking Member *Frank Pallone* (D-NJ) acknowledged that consumers don't like set-tops, but he's doubtful the apps-based approach announced last week is the cure. "While I commend Chairman Wheeler for working to solve this difficult issue, I'm concerned that this latest proposal will not work, particularly when it comes to licensing. Ultimately, I'm skeptical that the revised plan will benefit consumers," Pallone said. Licensing has been a sore spot with pay TV providers and programmers. The FCC's 5 commissioners are set to vote on the revised plan later this month. **Public Knowledge** bristled at the congressman's criticism, complaining that consumers are "currently getting ripped off by more than \$20 a month in bogus set-top box fees."

Frontier CFO: Lots of new CFO hires lately. **Frontier** joins the trend, announcing *R. Perley McBride* as the company's evp, CFO. He most recently was CFO for **Cable & Wireless** and has previously worked at Frontier. He succeeds *John Jureller*, who will stay on for a bit to help with the handoff. Frontier also reiterated its guidance of \$825-900mln in FCF for this year and \$4bln+ in EBITDA in 2017.

SVODs: **Lionsgate** has teamed with **Univision Comm** to launch a Spanish-language premium movie SVOD service early next year. The on-demand product will include box office hits in the comedy, family, kids, horror and drama categories and titles from Spanish-speaking countries, many of which will be available on the same date as the theatrical release in Latin American markets. It will also include titles from **Televisa, Lionsgate's** jv **Pantelion Films**, and Hollywood films from Lionsgate's library of 16,000 titles and other catalogs dubbed into Spanish.

Carriage: **Mediacom** reached a new carriage agreement with French entertainment channel **TV5MONDE USA**. Mediacom customers in IL, IA, MN, MO, GA, AL and FL will be able to subscribe to the net beginning this month.

Litner to YES: Former **NBC Sports Group** pres *Jon Litner* is reportedly headed to **YES Network** as president. *Sports Business Journal* reported the move Mon, citing unnamed sources. Litner will work with **Fox Sports Regional Nets** pres *Jeff Krolnik*. Longtime YES pres/CEO *Tracy Dolgin* moved to a non-exec chmn role in June.

Business Services: **Comcast Business** is now offering Ethernet services to **Advocare**, a multi-specialty physician group with more than 190 locations and 600 providers across NJ and PA. The services will help support Advocare's optimization of electronic medical records and improve access to cloud-based applications. Comcast Business installed a 20 Mbps Ethernet Dedicated Internet line at some 50 Advocare care centers, which are capable of scaling to 1 Gbps as business demands evolve.

Programming: **Pivot** may be going off the air later this year, but it is still premiering programming. In celebration of International Day of the Girl (Oct 11), it will bow "Driving with Selvi" at 8:30pm. The award-winning film explores India's patriarchal culture through the narrative of Selvi. -- "That Awkward Game Show" will premiere Oct 12 at 10pm on **Spike**. Hosted by comedian *Jeff Dye*, parents and their adult children compete in the 1-hr game show to win a cash prize—all while learning each other's most uncomfortable and embarrassing secrets. -- "The Director's Chair" will air on Sept 25 at 8pm on the *El Rey*. In the 2-hr special, the net's founder, *Robert Rodriguez*, sits down with renowned filmmakers *Frank Darabont*, known for "The Shawshank Redemption" and "The Walking Dead," and *Jon Favreau*, known for "Swingers"

BUSINESS & FINANCE

and “Elf,” for one-on-one interviews. -- Thirty men and women with no military background will undergo physically and mentally challenging training tactics led by Navy SEALs, Green Berets and Army Rangers in History’s new unscripted series “The Selection: Special Operations Experiment.” The 8-eps series will premiere Dec 15 at 10pm on the net.

On the Circuit: Energy management will be on the agenda at **SCTE/ISBE Cable-Tec Expo** later this month. The conference (Sept 27-29, Philly) includes a 90-min special session on the Energy 2020 initiative as well as exhibits on reducing unnecessary power consumption in the headend and network. Other elements include an Energy 2020 lab and tour, showcasing products and service from **Arris, CableLabs, EnerNOC** and others. -- Former special assistant to President *Obama*, *Reggie Love*, will deliver the keynote at the opening general session of the 30th annual **NAMIC** Conference on Sept 20. Love will discuss his “White House Lessons,” crisis management, collaboration and the 5 P’s of leadership: perspective, preparation, persistence, passion and patience. Love now serves as vp and partner at **RON Transatlantic Advisors**.

People: *Amanda Hill* was promoted to CMO for **A+E Networks**, where she will be responsible for expanding the net’s brands across platforms. Hill will report to CEO *Nancy Dubuc*.

Cablefax Daily Stockwatch

Company	09/12 Close	1-Day Ch	Company	09/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	50.99	1.30	INTEL:	36.08	0.64
ENTRAVISION:	7.53	0.15	INTERACTIVE CORP:	57.78	0.61
GRAY TELEVISION:	10.87	0.18	LEVEL 3:	49.64	1.29
MEDIA GENERAL:	18.05	0.29	MICROSOFT:	57.05	0.84
NEXSTAR:	53.83	1.09	NETFLIX:	99.05	2.55
SINCLAIR:	28.74	0.32	NIELSEN:	52.71	0.71
TEGNA:	21.58	0.46	SEACHANGE:	2.95	0.14
MSOS					
CABLE ONE:	544.82	2.82	SONY:	32.67	0.22
CHARTER:	269.31	5.19	SPRINT NEXTEL:	6.92	0.27
COMCAST:	65.76	0.65	SYNACOR:	2.77	UNCH
GCI:	13.54	0.47	UNIVERSAL ELEC:	73.66	0.49
LIBERTY BROADBAND:	69.79	1.38	VONAGE:	5.92	0.24
LIBERTY GLOBAL:	33.10	1.57	YAHOO:	43.46	0.54
SHAW COMM:	19.94	0.05	TELCOS		
SHENTEL:	26.95	1.38	AT&T:	40.71	1.00
PROGRAMMING					
21ST CENTURY FOX:	23.95	0.38	CENTURYLINK:	28.04	0.18
AMC NETWORKS:	52.15	0.38	FRONTIER :	4.64	0.08
CBS:	52.76	0.85	TDS:	27.59	0.55
DISCOVERY:	25.18	0.63	VERIZON:	52.57	0.75
DISNEY:	93.64	1.22	MARKET INDICES		
GRUPO TELEVISIA:	25.39	0.05	DOW:	18325.07	239.62
HSN:	41.43	0.64	NASDAQ:	5211.89	85.98
LIONSGATE:	20.42	0.36	S&P 500:	2159.04	31.23
MSG NETWORKS:	17.67	0.08			
SCRIPPS INT:	62.88	1.05			
STARZ:	31.17	0.34			
TIME WARNER:	78.37	1.36			
VIACOM:	42.66	0.99			
WWE:	20.02	(0.11)			
TECHNOLOGY					
ADVANTAGE:	1.86	UNCH			
AMDOCS:	61.00	0.35			
AMPHENOL:	62.17	0.88			
APPLE:	105.44	2.31			
ARRIS GROUP:	27.06	0.33			
AVID TECH:	7.88	0.12			
BLNDER TONGUE:	0.58	(0.01)			
CISCO:	31.44	0.59			
COMMSCOPE:	29.88	0.12			
CONCURRENT:	5.50	(0.02)			
CONVERGYS:	29.78	0.13			
CSG SYSTEMS:	43.09	0.27			
EHOSTAR:	39.30	0.61			
GOOGLE:	769.02	9.36			
HARMONIC:	5.01	0.19			



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