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What the Industry Reads First

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Legal Limbo: Charter Responds to Showtime's Lawsuit

Rather than acknowledge the terms of its contract, **Showtime** is attempting to leverage **Charter's Time Warner Cable** and **Bright House** transactions to force the new company to pay "millions of dollars more in programming fees," Charter has told the court. It made the argument in its answer to Showtime's breach of contract suit, filing its own counterclaims. Showtime filed the suit in Aug, joining **Univision** and **Fox News** in challenging Charter's efforts to impose Time Warner Cable's contract after the deal closed. Charter's counterclaims include seeking a declaration that legacy TWC and Bright House systems meet the definition of a Time Warner Cable system and are thus entitled to continue to operate under the TWC rate card. Beyond that, it's a bit difficult to decipher what Charter is asking for as the filing is heavily redacted. Reading between the blacked out lines, it appears Charter is claiming Showtime has breached the TWC-Showtime agreement since the deal closed in May and it's seeking a declaration on which contract legacy Charter falls under. With Showtime a premium net, some of the squabbling here is also over how much Showtime owes Charter, presumably for sub wins, with the MSO claiming it hasn't received all the payments it believes it should have since the TWC and BH transactions closed. Meanwhile, Univision and Fox News' lawsuits against Charter also continue to wind their way through the NY State Supreme Court. Univision was the 1st to file suit, with the Spanish-language programmer most recently filing its opposition to Charter's motion to dismiss certain counts of the complaint (**CFX**, 9/6). Charter claims no contract was breached as it did pay the agreed rate until the deal expired on June 30. Thus "it is a matter of basic contract law that a plaintiff cannot state a breach of contract claim for an expired contract." Univision rejected that argument, saying plenty of stuff happened before the contract expired—including Charter refusing to negotiate license fees for legacy Charter systems and denying that TWC license fees apply only to legacy TWC systems until the end of the calendar year. Last month, Charter filed a motion to dismiss 2 counts of Fox News' complaint. Fox News "maintains that the deal that should set the terms for the combined New Charter is the higher-rate deal that applied to a smaller operator, with fewer customers, rather than a lower-rate deal that applied to a bigger operator, with more customers. This is nonsensical and contrary to the fundamental economic logic of the cable industry," Charter said.

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CNN Cable's Debate Winner: As America debates whether anyone was the winner at Sun's presidential debate, **CNN** has earned bragging rights among the cable nets. CNN averaged 11.2mln total viewers for the debate and 4.8mln 25-54s, according to early **Nielsen** data. That's ahead of both **Fox News** (9.9mln P2+ and 2.93mln 25-54s) and **MSNBC** (5.6mln and 1.8mln). This was CNN's highest presidential debate performance on record (back to 1996) in both total viewers and adults 25-54. **CBS** led the broadcast with 16.5mln total viewers, compared to 11.5mln for **ABC** and 5.6mln for Fox. **NBC** stuck with football, which could help account for the 20mln viewer decline from Debate 1 to Debate 2. **Univision** averaged 2.4mln total viewers and 1.2mln 25-54s from 9-11pm Sun, with Univision stations out delivering Fox stations in Miami, L.A., Houston and Chicago. As for Sun Night Football on NBC, it peaked in the 15 minutes before the debate with 20.5mln. Head to head against the debate, it averaged 16.6mln viewers. Overall, it was down about 15% compared to the same week last year.

Still Local News: Some upcoming changes in **Optimum's** News 12 channels have made local headlines, but new owner **Altice** assured us it's very much committed to the news operations—so much so that it's even working on implementing a similar set-up in France. *The Danbury News-Times* reported last week that Altice will move News 12 Connecticut's Norwalk studio production to NJ. A similar move is planned for its Westchester and Hudson Valley, NY, operations, with the studios to move to Long Island. Before Altice, Cablevision already implemented a studio sharing arrangement with the Bronx and Brooklyn. It's important to note that there are separate studios for each bureau (ie, NJ and CT can report at the same time) and that local studios will remain in place in Norwalk, Hudson Valley and Westchester. There will be some impact to staff, and "News 12 Networks has announced upcoming changes to its studio operations that will enable us to more effectively and consistently deliver high-quality hyper local news for viewers in New York, New Jersey and Connecticut. For more than 30 years, we have been at the heart of our local communities and we remain committed to delivering news via our seven local channels and covering everything from local politics and education to the small businesses and leaders who are making a positive impact on the local community," News 12 said. Meanwhile, **Charter** continues to operate all of the former **Time Warner Cable** and **Bright House** news networks. You'll notice that they are slowly starting to transition to the name Spectrum News, with TWC station websites declaring "TWC News is Becoming Spectrum News." The new name is expected to fully roll out as markets rebrand to Spectrum.

Atairos Acquisition: **Atairos**, the investment firm backed by **Comcast NBCU**, agreed to acquire **Learfield Communications**, which provides integrated marketing for college sports. Learfield pres/CEO *Greg Brown* will continue to lead the senior management team, all of whom will remain shareholders in the company. Based on Atairos' partnership with Comcast NBCU, Learfield expects to collaborate on new opportunities, services, and insights for its collegiate partners, particularly in programming, Brown said in a release.

VOD Deal: **Kabillion** inked a deal with **Cox** to add the **Kabillion** and **Kabillion Girls Rule VOD networks** to Cox Advanced TV subs nationwide starting Mon. With the addition of Cox, the kids free on demand content provider will be available to 57mln homes.

UBS' Take on BDS Proposal: The **FCC's** Business Data Service proposal, circulated last week, is a win for cable, according to **UBS** analysts. The framework proposed price cap regulation for legacy providers. For Ethernet providers, while they are subject to a complaint process, they would be no price caps or network bundling regulation. "While 'light-touch' regulation is still more than the previous approach, we do not anticipate an onerous impact. Without access to high-bandwidth capacity on regulated rates, 5G providers could face a more challenging business model," UBS analysts said in a research note Mon. The proposal isn't on the agenda for the Oct 27 FCC Open Meeting. However, an agreement could be reached given the lighter approach on regulation, the analysts said. That said, incumbents could challenge the ruling in court, they noted.

Sports Rights: Media rights are expected to surpass ticket gate revenues as the sports industry's largest segment by 2018, according to **PwC's** new "At the Gate and Beyond" report, which looks at the sports market in North America through 2020. Rights for broadcast, cable, Internet and mobile properties are expected to reach

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\$19.9bln by 2018, surpassing revenue from live gate revenue (\$19. bln) and revenue from sponsorship (\$17.blm) that year. More at Cablefax.com.

Programming: **Bravo** booked new original design series “Cyrus vs. Cyrus” (WT), where *Tish Cyrus* and her daughter *Brandi Cyrus* propose competing interior design ideas to Nashville-based clients. The series is set to premiere in 2017. -- **LOGO** will censor LGBT content on-air and online today. Yep, you read that right. It’s the net’s way to show solidarity with LGBT people who live in countries where positive LGBT images are banned or invisible. Today is National Coming Out Day. While censoring content, LGBT will display facts on screen about intl LGBT issues. -- This week, **Cinémoi** premieres 3-part series “Ways to School. The documentary (airing Mondays at 8pm ET) is a French program that tells the stories of young children from remote corners of the world who face insurmountable challenges as they seek an education. Cinémoi airs on **Verizon FiOS** and **Frontier Communications**.

People: **Showtime** tapped *Brendan Countee* as vp, original programming. He will report to pres of programming *Gary Levine*. Countee most recently was head of comedy at **Hulu**.

Cablefax Daily Stockwatch

Company	10/10 Close	1-Day Ch	Company	10/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	56.00	0.55	INTEL:	38.02	(0.08)
ENTRAVISION:	7.56	0.04	INTERACTIVE CORP:	62.40	0.85
GRAY TELEVISION:	10.12	(0.21)	LEVEL 3:	46.04	0.22
MEDIA GENERAL:	18.45	(0.05)	MICROSOFT:	58.04	0.24
NEXSTAR:	57.79	(0.45)	NETFLIX:	103.33	(1.49)
SINCLAIR:	27.71	(0.75)	NIELSEN:	52.53	0.17
TEGNA:	20.81	(0.24)	SEACHANGE:	2.79	(0.02)
MSOS					
CABLE ONE:	598.98	2.36	SONY:	32.73	0.20
CHARTER:	267.85	0.88	SPRINT NEXTEL:	6.73	0.25
COMCAST:	65.78	0.42	SYNACOR:	2.80	(0.03)
GCI:	14.80	0.24	UNIVERSAL ELEC:	73.06	0.52
LIBERTY BROADBAND:	69.61	0.56	VONAGE:	6.59	0.06
LIBERTY GLOBAL:	32.82	0.35	YAHOO:	43.92	0.70
SHAW COMM:	20.27	0.28	TELCOS		
SHENTEL:	26.53	0.56	AT&T:	39.01	0.14
PROGRAMMING					
21ST CENTURY FOX:	24.71	0.36	CENTURYLINK:	27.84	0.08
AMC NETWORKS:	51.47	(0.05)	FRONTIER:	4.15	(0.08)
CBS:	55.73	0.51	TDS:	27.20	0.52
DISCOVERY:	27.04	(0.13)	VERIZON:	50.19	0.27
DISNEY:	92.49	UNCH	MARKET INDICES		
GRUPO TELEVISA:	26.64	0.75	DOW:	18329.04	88.55
HSN:	38.97	(0.77)	NASDAQ:	5328.67	36.27
LIONSGATE:	21.19	0.04	S&P 500:	2163.66	9.92
MSG NETWORKS:	19.13	0.43			
SCRIPPS INT:	62.27	(0.11)			
STARZ:	32.29	0.13			
TIME WARNER:	79.36	0.38			
VIACOM:	40.95	(0.04)			
WWE:	20.47	0.13			
TECHNOLOGY					
ADDVANTAGE:	1.85	(0.01)			
AMDOCS:	59.21	0.17			
AMPHENOL:	64.86	(0.51)			
APPLE:	116.05	1.99			
ARRIS GROUP:	29.61	(0.04)			
AVID TECH:	7.55	0.08			
BLNDER TONGUE:	0.60	(0.02)			
CISCO:	31.47	UNCH			
COMMSCOPE:	31.98	0.36			
CONCURRENT:	5.87	0.04			
CONVERGYS:	29.59	0.45			
CSG SYSTEMS:	40.64	0.17			
ECHOSTAR:	47.29	0.33			
GOOGLE:	785.94	10.86			
HARMONIC:	5.90	(0.01)			



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CFX TECH by Joyce Wang

CableLabs' Kyrio Talks IoT Testing

With the rapid expansion of IoT devices, CableLabs' testing unit Kyrio has added IoT device certification testing to its current wireless, network and security services. And testing will be in compliance with the **Open Connectivity Foundation** (OCF) specifications. CableLabs has been active with OCF with a top focus on device security, Kyrio pres *Mitch Ashley* told us. CableLabs also sits on the OCF Board of Directors. "We believe that device security and an effective certification program are critical to the success of the IoT market. Our members seek to leverage the largest open market of IoT devices and OCF is delivering this non-proprietary marketplace of interoperable IoT devices," Ashley said. The OCF, with 200 members worldwide from consumer, enterprise, industrial, automotive and health industries, aims to provide a unified IoT platform regardless of manufacturer, operating system, chipset or physical transport. Ashley noted Kyrio is one of the first Approved Test Labs of OCF's certification program. And OCF Certified means that the device has passed a series of tests that demonstrate interoperability across connected devices according to the OCF's specifications. With so much fragmentation in the IoT market, Ashley said the key to achieve test interoperability across vendor solutions is to have an open source reference implementation. Also required is a consistent set of certification tests and a consistent process by which certification is undertaken, he said. Rather than just performing black box testing or acting as a roadblock to certification, "we have always had a philosophy of guiding manufacturers through a certification process," said Ashley. Meanwhile, OCF, backer of the IoTivity open source project, announced Mon that it's merging with the **AllSeen Alliance**, which provides the AllJoyn open source IoT framework. The merger is expected to achieve interoperability between connected devices from both groups. The groups will collaborate on future OCF specifications, as well as the IoTivity and AllJoyn open source projects. The

expanded OCF board of directors will include execs from companies including **ARRIS, CableLabs, Canon, Cisco, GE Digital, Haier, Intel, LG Electronics, Microsoft, Qualcomm, Samsung, and Technicolor.**

SCTE Award: *Franklin Snider*, founder of the **CATV Training Institute** was the recipient of the 2016 "Excellence in Training and Development" Award at the **SCTE Expo** this year. The institute was recognized for its ability to reduce training hours and increase performance of broadband field technicians.

NEC-Netcracker Deal: **NEC Corporation** and **Netcracker Technology** launched their Network-as-a-Service (NaaS) product aimed to help service providers generate new revenue in B2B and residential markets. The platform is expected to combine virtualized network infrastructure and services, cloud applications, orchestration and commercialization tools through pre-integrated partners. The new NaaS service is part of NEC-Netcracker's Agile Virtualization Platform and Practice, which seeks to enable service providers to rapidly commercialize new services through the use of software-defined networking and network functions virtualization technologies.

Roku Update: **Roku** has its eyes on fast OTT video publishing. The company streamlined its streaming platform to allow its content partners to offer content without creating individual apps. Using Roku Direct Publisher, content creators can offer a branded content feed on the Roku platform with custom features in as little as a week.

People: **Level 3** upped company vet *Andrew Dugan* as its new CTO. He replaced *Jack Waters*, who departed in Aug. Dugan was most recently the interim head for Level 3's global technology and IT organization. The company also named *Atilla Tinic* as its new chief information officer. Tinic joined Level 3 in 2014 as part of the **TW Telecom** acquisition.

Got tech news? Reach out to Cablefax Tech editor *Joyce Wang* at jwang@accessintel.com



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