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What the Industry Reads First

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RSN Teamwork: Capitals, Wizards Form Partnership with CSN

The threat of whether *Ted Leonsis* would take DC's Capitals and Wizards games away from **CSN Mid-Atlantic** is over. His **Monumental Sports & Entertainment**, which owns the **NHL** and **NBA** teams, signed a long term rights deal that includes Monumental becoming an equity partner in CSN Mid-Atlantic. *The Washington Post* reports that Monumental may get about 1/3 ownership in the DC-area RSN. But that's not the end of it. Rather than fold the fledgling, all-digital Monumental Sports Network, **NBC Sports** is taking an equity stake in it and a seat on its board. What's to come is an OTT, direct-to-consumer service via Monumental Sports offering live streams of **WNBA** Washington Mystics games and **AFL's** Valor games, as well as additional live events and other content. MSE owns both the Mystics and Valor and is a co-owner of **aXiomatic**, which has a controlling interest in global eSports franchise **Team Liquid**. "It's a win-win for both NBC Sports Group and Monumental Sports. The blueprint of the deal has NBC doing deals where they do not become a straight rights fee," said *Curt Pires*, pres of **CAP Sports Group**. "In this case, they partner with Monumental on both the digital rights and the traditional TV rights. Makes a lot of sense. The two leagues have to sign off on it, but I do not see any issues there. They both need each other in the region without baseball rights available." **MASN**, a jv between the Baltimore Orioles and Washington Nationals, is home to **MLB** games. As for the OTT aspect, it's worth noting that Sun's Game 1 of the WNBA Finals was the league's most-watched ever Game 1 on **ABC**, with an average audience of 597K, according to **Nielsen**. The OTT offering is a positive play, with more teams likely to do it in the future, Pires said. Sports consultant *Lee Berke* of **LHB Sports, Entertainment & Media** seconded that. "We're seeing an industry that used to be mature until a year or two ago. Now it's becoming a start-up. Everyone is scrambling and inventing," he said, with the NBC-Monumental deal indicating "there's a substantial opportunity for regional and national sports networks to develop a wide range of distribution outlets for their content." While OTT offering Monumental isn't being described as a home for Wizards or Caps games, it gives the teams some options if consumption patterns change. MSE CEO and majority owner Leonsis seemed to signal that with his statement Tues: "We're especially pleased that by investing in our Monumental Sports Network, NBC Sports Group is embracing the future growth of OTT services that can exist and thrive in parallel with content offered by multichannel video programming distributors and other content distributors. This partnership ex-

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tends possibilities for sports fans at home or on-the-go, whenever and wherever they choose to consume sports content.” NBC Sports Regional Nets pres *David Preschlack* was more succinct, but also emphasized the exploration angle. “Our new relationship furthers our mission to explore innovative partnerships and offerings in the new media and OTT space as we strive to offer maximum value to our team partners, distributors, advertisers, and especially the fans,” he said. With NBC Sports and Monumental co-owning each other’s networks, there is some potential to move programming back and forth, Berke said, adding that maybe down the road that could mean something like an alternate camera angle version via OTT for a Caps or Wizards game. “You can’t just say ‘I’m going to be on cable. I’m going to be on OTT.’ There’s a lot of audience out there,” he said. “I think you’ll see a lot of experimentation.”

Comcast Fined: The FCC’s Enforcement Bureau announced **Comcast** will pay a \$2.3mln fine to resolve an investigation into whether the company wrongfully charged cable TV subs for services and equipment that they never authorized. That’s the largest civil penalty assessed to a cable operator by the FCC. The agency said consumer complaints alleged the MSO added charges to their bills for services or products they didn’t order, such as premium channels, set-tops or DVRs. Consumers also claimed they weren’t aware of the unauthorized charges until they received the equipment or services. As part of the settlement, Comcast will implement a 5-year compliance plan, which includes adopting processes and procedures designed to obtain affirmative informed consent from customers prior to charging them for any new services or equipment. Comcast also will send customers an order confirmation separate from any other bill, clearly describing newly added products and their associated charges. In addition, Comcast will let customers, at no cost, block the addition of new services or equipment to their accounts. Comcast doesn’t agree with the Bureau’s legal theory. After 2 years, the Bureau found no problematic policy or intentional wrongdoing, but just isolated errors or customer confusion, a rep said. “We agree those issues should be fixed and are pleased to put this behind us and proceed with these customer service-enhancing changes,” she said. In addition, “we have been working very hard on improving the experience of our customers in all respects and are laser-focused on this. We acknowledge that, in the past, our customer service should have been better and our bills clearer, and that customers have at times been unnecessarily frustrated or confused. That’s why we had already put in place many improvements to do better for our customers even before the FCC’s Enforcement Bureau started this investigation almost two years ago.” The changes the bureau asked for were in most cases changes Comcast had already promised to make, she said, as many changes were already well underway or will be implemented soon.

Quotable: “Cable programmers have no pricing power anymore, and that’s what **Viacom** is. I don’t know who today would really want to be in what’s called the major movie theatrical business, certainly in terms of actually sustained profit making... I think it’s a very difficult proposition for those special committees.” – IAC chmn *Barry Diller* on **CNBC’s** “Squawk Box” regarding a Viacom-CBS reunion.

Ratings: The **Weather Channel’s** hurricane coverage made it the #1 net among P25-54 across all cable nets, scoring 568K P25-54 on Thurs, surpassing **Fox News** (295K) and **CNN** (293K). It bagged 1.5mln P2+ across Today Day that day. Across the 5-day period of hurricane coverage, the net reached 52mln P2+, or 17% of the total TV viewing audience. Similarly, it reached 18.4mln P25-54 or 15% of audience in this demo. -- Thanks to original movie “Autumn in the Vineyard,” **Hallmark Channel** was the #1 non-sports cable net among HH rating and delivery on Sat in Prime Time. The program averaged a 2.0 HH rating and 2.2mln total viewers.

Wall Street’s Take on Charter: **MoffettNathanson** downgraded **Charter** stock to “Neutral,” with the target price remaining unchanged at \$305. Among the uncertainties for the stock is Charter’s path to wireless. While the MSO has said it plans to exercise its **Verizon** MVNO rights, Verizon has yet to confirm whether Charter has MVNO rights in its entire footprint versus just the legacy footprints of **Time Warner Cable** and **Bright House**, said a research report. **MoffettNathanson** views cable’s entry into wireless as positive. Meanwhile, the **Telsey Advisory Group** raised its price target for Charter stocks to \$302. With the restart of the all-digital initiative at the TWC systems and the completed rollout of the Spectrum Guide at the legacy Charter systems, the firm said it expects higher year-over-year video and broadband net adds in 2017.

First Jobs: **Viacom**, **AT&T** and **Frontier** are among the first companies to sign up for the White House’s First Job Compact, a nationwide effort to help connect out-of-school, out-of-work youth to their first jobs. Nearly 40 major companies signed on to participate. The idea is to help young people get into year-round and summer jobs

BUSINESS & FINANCE

Getting Giddy With It: WOW! announced 1Gig Internet service for Auburn and Huntsville, AL; Knoxville, TN; and Evansville, CO. The service is \$70/month with a 2-year term agreement.

People: Lost in the news last month that Sarah Tomassi Lindman was joining Freeform as svp, content planning and strategy was that Salaam Coleman Smith left to pursue other opportunities. Coleman Smith, previously president of Style Network, was appointed evp of strategy and programming in July 2014. She helped guide the network from its rebranding from ABC Family. -- Marjorie Kaplan will leave Discovery Comm at the end of the year following a restructuring that sees the Intl Content Group she's lead move to the UK/Ireland business, overseen by Susanna Dinnage. Kaplan moved to London a year ago to work with Discovery Nets Intl pres/CEO JB Perrette on intl strategy. Discovery said she helped determine that the international content group should work directly with the UK business. "Marjorie is an incredible business leader, widely admired both internally and externally, having transformed multiple businesses at the company and with long-running hit series on virtually all our channels, to her credit. I know she is excited to seek out an entirely new challenge, but her legacy will remain and she will be missed," Perrette said in a statement. Dinnage is being promoted to pres and MD, Discovery Nets UK/Ireland.

Cablefax Daily Stockwatch

Company	10/11 Close	1-Day Ch	Company	10/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	55.33	(0.67)	INTEL:	37.27	(0.75)
ENTRAVISION:	7.30	(0.26)	INTERACTIVE CORP:	62.00	(0.4)
GRAY TELEVISION:	9.83	(0.29)	LEVEL 3:	45.38	(0.66)
MEDIA GENERAL:	18.27	(0.18)	MICROSOFT:	57.19	(0.85)
NEXSTAR:	56.67	(1.12)	NETFLIX:	100.59	(2.74)
SINCLAIR:	27.51	(0.2)	NIELSEN:	51.75	(0.78)
TEGNA:	20.59	(0.22)	SEACHANGE:	2.74	(0.05)
MSOS					
CABLE ONE:	584.80	(14.18)	SONY:	32.78	0.05
CHARTER:	257.86	(9.99)	SPRINT NEXTEL:	6.78	0.05
COMCAST:	64.96	(0.82)	SYNACOR:	2.80	UNCH
GCI:	14.49	(0.31)	UNIVERSAL ELEC:	70.87	(2.19)
LIBERTY BROADBAND:	67.08	(2.53)	VONAGE:	6.35	(0.24)
LIBERTY GLOBAL:	32.29	(0.53)	YAHOO:	42.68	(1.24)
SHAW COMM:	19.90	(0.37)	TELCOS		
SHENTEL:	26.02	(0.51)	AT&T:	39.10	0.09
PROGRAMMING					
21ST CENTURY FOX:	24.64	(0.07)	CENTURYLINK:	27.64	(0.2)
AMC NETWORKS:	49.97	(1.5)	FRONTIER:	4.15	UNCH
CBS:	55.45	(0.28)	TDS:	26.78	(0.42)
DISCOVERY:	26.40	(0.64)	VERIZON:	49.90	(0.29)
DISNEY:	91.86	(0.63)	MARKET INDICES		
GRUPO TELEVISA:	26.14	(0.5)	DOW:	18128.66	(200.38)
HSN:	38.26	(0.71)	NASDAQ:	5246.79	(81.89)
LIONSGATE:	19.68	(1.51)	S&P 500:	2136.73	(26.93)
MSG NETWORKS:	18.75	(0.38)			
SCRIPPS INT:	62.14	(0.13)			
STARZ:	31.21	(1.08)			
TIME WARNER:	78.57	(0.79)			
VIACOM:	40.30	(0.65)			
WWE:	20.03	(0.44)			
TECHNOLOGY					
ADDVANTAGE:	1.82	(0.03)			
AMDOCS:	59.01	(0.2)			
AMPHENOL:	64.00	(0.86)			
APPLE:	116.30	0.25			
ARRIS GROUP:	28.71	(0.9)			
AVID TECH:	7.24	(0.31)			
BLNDER TONGUE:	0.56	(0.04)			
CISCO:	31.04	(0.43)			
COMMSCOPE:	31.80	(0.18)			
CONCURRENT:	5.77	(0.1)			
CONVERGYS:	29.18	(0.41)			
CSG SYSTEMS:	40.00	(0.64)			
ECHOSTAR:	46.62	(0.67)			
GOOGLE:	783.07	(2.87)			
HARMONIC:	5.67	(0.23)			



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