

Cablefax Daily™

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What the Industry Reads First

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Verizon 3Q: CFO Praises Cable MVNO Deals

Remember the MVNO arrangements that **Verizon** inked with major cable MSOs as part of a spectrum deal in 2011, which would allow the MSOs to resell **Verizon Wireless** services? “We would do the agreement today again if we had to,” Verizon CFO *Fran Shammo* said during the company’s 3Q earnings conference call Thurs. “I mean, it’s a good agreement for Verizon Wireless. It’s a good wholesale agreement,” according to Shammo, who plans to retire at the end of this year. The MSOs that signed the deal back then include **Comcast**, **Time Warner Cable** and **Bright House Networks**. Comcast has already executed the MVNO rights, with plans to offer wireless services next year. **Charter**, which now has those MVNO rights thanks to its TWC/Bright House acquisition, has activated the rights. Verizon isn’t concerned about potential competition from the MSOs. While everyone wants a piece of the wireless pie, the industry itself will continue to grow around that pie, thanks to opportunities like 5G, said Shammo. “We will compete against the competition. We will compete against new entrants in the marketplace,” he said. **MoffettNathanson** analysts suggested with cable activating their MVNO rights, cable and wireless might form a broader alliance. “An alliance between Verizon and the cable industry would have much to recommend it,” with cable benefiting from Verizon’s wireless infrastructure, and Verizon benefiting from cable’s dense wired infrastructure, said a research note Thurs. Such a partnership could save cable tens of billions it would otherwise spend on a wireless network, they said. That said, major obstacles remain. For one, a full merger would be “a bridge too far even under the most permissive Administration, and even an exclusive deal in either direction would probably be unacceptable,” the analysts said. But none of that means they wouldn’t, or shouldn’t, try, they said. On the go90 mobile video service, Shammo said the level of viewer engagement as measured by daily usage has been rising steadily since it completely moved the service onto the Verizon Digital Media Service platform in June. In 3Q, the average daily usage in go90 surpassed more than 30 minutes per viewer with less than 20% of traffic served on the Verizon Wireless network, according to Shammo. “While still early in its product cycle, we are very encouraged by the traction with users primarily attracted by unique content,” he said. For the quarter, Verizon added 36K FiOS video subs, beating Wall Street forecast of 28K net adds. It added 90K FiOS Internet subs. FiOS video penetration was 34.5%, compared to 35.4% a year ago, partly due to softer linear TV demand. “We continue to see an opportunity to further penetrate the FiOS markets we serve,” Shammo said.

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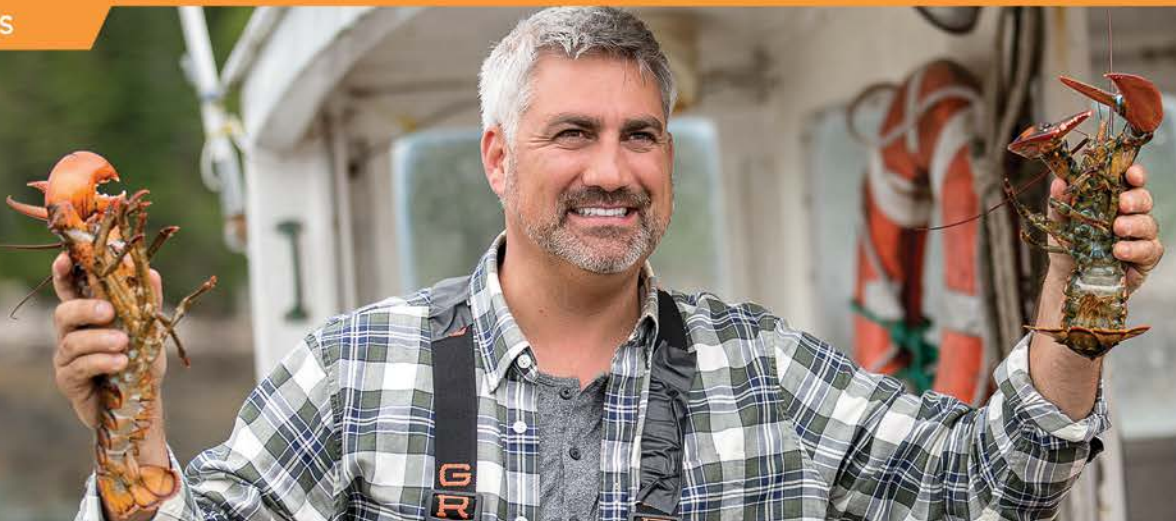
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More on Verizon: With the expansion of connected devices, everyone wants a share of the Internet of Things market, which “provides us with new business opportunities for our customers globally,” **Verizon** CFO *Fran Shammo* said during the company’s earnings call. The carrier plans to scale telematics, smart city, ThingSpace (Verizon’s web-based IoT development platform) and other IoT solutions internationally, he said, noting Verizon’s IoT revenues were \$217mln in 3Q, up 24% YOY. The growth is driven by Telematics, Shammo acknowledged.

Privacy Patrol: It was dueling press statements Thurs on the **FCC’s** broadband privacy plan. Sen *Ed Markey* (D-MA) joined public interest groups, including **Public Knowledge** and **Consumer Federation of America**, to advocate for the FCC’s proposed rules, declaring that they give consumers more control over the vast amount of personal information ISPs have on them. Former **FTC** chmn turned **21st Century Privacy Coalition** co-chair *Jon Leibowitz* quickly dinged such a narrative. “Notwithstanding clear evidence in the record to the contrary, a few people continue to argue that ISPs have unique and comprehensive insight into consumers’ web-browsing and app-usage information. They are using this mistaken claim to urge the FCC to implement a sensitivity-based approach that looks quite different from the one backed by both the Obama administration and the FTC,” he said. The Coalition is funded by communications companies, including **Comcast** and **AT&T**. The FCC is set to vote on broadband privacy at its open meeting next Thurs. The leading advertising and marketing trade associations have presented their own plan to the FCC after expressing concern that chmn *Tom Wheeler’s* plan would inappropriately classify all web browsing history and application use history as “sensitive information,” and unduly subject such information to an opt-in requirement. The plan, which is supported by the **4A’s**, **AAF**, **ANA DMA**, **IAB** and **NAI**, would remove web browsing history and application use history information from the “sensitive information” category. The groups also want the FCC to separately define the appropriate consumer choice standard(s) for the use of such data. Meanwhile, Public Knowledge is trying to rally the public’s support for the plan. It’s organizing a thunderclap campaign that will post a message to supporters **Twitter**, **Facebook** or **Tumblr** accounts on Mon at 12:30pm ET. The message reads: “Internet users deserve the strongest #FCCPrivacy rules! We should control how our personal data is used and shared.”

Debate Ratings: **Fox News** was in the limelight for the final presidential debate. Not only was the net’s *Chris Wallace* in the moderator chair (drawing a lot of attention for his probing of Trump over a rigged election), but the net was the most-watched net for the debate, according to early **Nielsen** numbers. Fox News averaged 11.26mln viewers from 9-10:45pm, ahead of **ABC** (10.96mln), **NBC** (10.39mln) and **CBS** (10.12mln). Among cable nets, Fox easily outdelivered **CNN’s** 8.68mln total viewers, though it was a bit closer in the 25-54 news demo. Fox averaged 3.47mln to CNN’s 3.44mln. **MSNBC** delivered 5.5mln total viewers for the debate and 1.8mln 25-54s. **Fox Business** topped **CNBC** in P2+ (714K vs 547K), while CNBC had more 25-54s (283K vs 169K). **Univision** averaged 2.4mln total viewers, but had 6.8mln who tuned in to at least part of its 2.5 hour live broadcast.

AT&T + TWX: **Time Warner** shares closed up 4.7% Thurs after *Bloomberg* reported that the company had been in talks with **AT&T** about various business strategies, including a merger. The talks are informal, though one anonymous source told Bloomberg that CEO *Jeff Bewkes* is a willing seller if the offer is fair. AT&T shares were down 1.8% at market close.

Hoops in VR: At least 1 **NBA** game a week will get VR treatment thanks to a deal between the league and **NextVR**.

RSN Restructure, Part 2: Following an **NBC Sports** RSN restructure this week comes the news that *Princell Hair* will serve as svp, gm of **CSN New England**. He replaces *Bill Bridgen*, who was promoted to head NBC’s Western RSNs (**CSN Bay Area**, **CSN CA**, **CSN Chicago** and **CSN Northwest**) as pres, group leader. Hair has served as svp, news and talent for NBC Sports since 2012. He’ll report to *Ted Griggs*, who was promoted to pres, group and strategic production and programming for the RSNs. Griggs is leading the Eastern RSNs.

Programming: Sundance is launching a new daytime block of iconic TV series from the past. Beginning Nov 7 from 6am to 1pm ET, Sundance will air eps of “M*A*S*H,” “All In The Family,” “The Bob Newhart Show,” “The Mary Tyler Moore Show,” and “The Andy Griffith Show.” The programming block is called “The Set,” with a tagline of “Timeless. Timely. TV.” To kick off the programming, the net will air a 48-hour M*A*S*H marathon that begins Nov 6 at 6am ET. -- **VH1’s** reincarnation of “America’s Next Top Model” is set to premiere Dec 2. The show goes back to its roots, featuring an all-female cast and new host, *Rita Ora*. -- **GSN** is adding “Wheel of Fortune” to its daytime schedule starting Mon, with eps airing at 11am and 11:30am ET. The network is adding 195 episodes from season 31 of the show. Additionally, **GSN Games** has

BUSINESS & FINANCE

launched a new mobile app featuring Wheel of Fortune-themed slot games.

NAMIC ELDP: Congrats to Class XVI of NAMIC's Executive Leadership Development Program. This marks the 5th group being presented in partnership with the University of Virginia Darden School of Business. There will be 4 sessions, the first of which began this week. Check out the entire class at this [link](#).

On the Circuit: Cox Communications pres Pat Esser will deliver opening remarks during the opening night of WICT's Betsy Magness Graduate Institute on Nov 30. This year's BMGI will focus on leadership foresight.

Charter Communications is the premier sponsor. -- **Mission Media** will host a session at CTHRA's HR Symposium called "Invisible Wounds at Work." *Majorie Morrison*, CEO/founder of **PsychArmor Institute**, will lead the session to help HR professionals understand and ease the unique challenges that veterans face when transitioning into a civilian career. CTHRA's HR Symposium takes place Nov 2 in Philadelphia.

People: **Viacom Labs**, an incubator for viewer engagement, tapped *Kiel Berry* to join as co-head and svp. Berry, most recently head of *Linkin Park's Machine Shop Ventures*, will co-lead Viacom Labs with Viacom vet *Susan Claxton* who was recently promoted to svp. The division reports to Viacom evps *Ross Martin* and *Kern Schireson*.

Cablefax Daily Stockwatch

Company	10/20 Close	1-Day Ch	Company	10/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	59.18	1.74	INTEL:	35.43	(0.08)
ENTRAVISION:	6.88	(0.23)	INTERACTIVE CORP:	65.83	0.01
GRAY TELEVISION:	9.60	(0.25)	LEVEL 3:	47.52	(0.11)
MEDIA GENERAL:	17.45	(0.18)	MICROSOFT:	57.25	(0.28)
NEXSTAR:	52.05	(0.87)	NETFLIX:	123.35	1.48
SINCLAIR:	26.30	(0.3)	NIELSEN:	54.05	(0.27)
TEGNA:	20.14	(0.19)	SEACHANGE:	2.68	(0.03)
MSOS					
CABLE ONE:	579.15	(3.88)	SONY:	32.72	(0.19)
CHARTER:	258.12	(2.08)	SPRINT NEXTEL:	6.72	(0.16)
COMCAST:	64.35	(0.56)	SYNACOR:	2.95	0.05
GCI:	14.89	UNCH	UNIVERSAL ELEC:	68.85	(0.6)
LIBERTY BROADBAND:	66.51	(0.14)	VONAGE:	6.25	UNCH
LIBERTY GLOBAL:	31.66	0.10	YAHOO:	42.38	(0.35)
SHAW COMM:	20.00	(0.12)	TELCOS		
SHENTEL:	25.85	(0.2)	AT&T:	38.65	(0.73)
PROGRAMMING					
21ST CENTURY FOX:	25.27	0.15	CENTURYLINK:	27.97	(0.21)
AMC NETWORKS:	48.91	(0.34)	FRONTIER :	4.09	UNCH
CBS:	56.49	0.96	TDS:	26.70	(0.23)
DISCOVERY:	25.71	0.10	VERIZON:	49.14	(1.24)
DISNEY:	92.03	0.10	MARKET INDICES		
GRUPO TELEVISIA:	26.02	(0.27)	DOW:	18162.35	(40.27)
HSN:	38.10	(0.2)	NASDAQ:	5241.83	(4.58)
LIONSGATE:	19.30	0.26	S&P 500:	2141.34	(2.95)
MSG NETWORKS:	18.80	(0.3)			
SCRIPPS INT:	62.51	0.62			
STARZ:	30.95	0.18			
TIME WARNER:	82.99	3.75			
VIACOM:	40.95	0.25			
WWE:	19.73	(0.06)			
TECHNOLOGY					
ADDVANTAGE:	1.90	UNCH			
AMDOCS:	59.51	0.05			
AMPHENOL:	66.43	1.72			
APPLE:	117.06	(0.06)			
ARRIS GROUP:	29.24	0.12			
AVID TECH:	7.13	(0.15)			
BLNDER TONGUE:	0.57	(0.01)			
CISCO:	30.16	(0.19)			
COMMSCOPE:	31.89	(0.13)			
CONCURRENT:	5.75	(0.2)			
CONVERGYS:	29.79	(0.37)			
CSG SYSTEMS:	38.50	(1.03)			
ECHOSTAR:	46.02	UNCH			
GOOGLE:	796.97	(4.59)			
HARMONIC:	5.45	0.05			

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PROGRAMMER'S PAGE

Absolute Absurdity

BBC America's newest series, "Dirk Gently's Holistic Detective Agency," delivers a story about a number of odd events that are interconnected (premieres Sat, 8pm). Written by *Max Landis*, Dirk Gently is adapted from the books of the same name by *Douglas Adams*, author of *The Hitchhiker's Guide to the Galaxy*. The absurdism makes the books "hard to adapt for TV from a production and relatability standpoint," explained Dirk Gently showrunner *Rob Cooper*. So don't look for a retelling of the books, but rather a series that will "capture the spirit of Adams." Writer Landis "put it eloquently when he said, 'it's not a cover, it's a tribute album.'" Cooper warned that it would be easy to let the story get away from viewers, but it was important to "create something that would work on a cable network... that people can hopefully relate to." Landis created most of the characters on the show, aside from Dirk Gently. Arguably the most valuable character is Dirk's reluctant sidekick, Todd, who Cooper said becomes the viewer's lens with which we can understand the show. This is done by slowly integrating the abnormal through the episodes. At the beginning, "we see a very grounded, relatable world, and slowly that begins to unpeel... revealing the aspects that lie beneath," said Cooper. What begins as an ordinary day at work for Todd slowly becomes larger than itself—involving the search for a missing girl, her father's killer, a corgi and a kitten. Cooper warned that it would be easy to let such a far-flung story get away from viewers, but that complexity is a reflection of what we see in our own world. "What we can all identify with is that in the face of that complexity, we still need to find ways for us to connect with each other as human beings," he said. "And that was what was important for me to nail for our characters in the story because our plot was so complicated." — *Hayley Spillane*

Reviews: "Rats," Saturday, 9pm ET, **Discovery**. Your reviewer made the colossal mistake of screening this awfully excellent *Morgan Spurlock* documentary not long after eating in NYC. We learn early on that there's at least 1 rat per person in NYC, that's more than 8 million rats in NYC. (My stomach begins churning). But wait, exterminator *Ed Sheehan* featured in the film, who's been stalking rats for more than 50 years, disagrees. There are probably more than one rat per person, he insists. He tells us he's seen them in hospitals, graveyards and, of course, "the finest restaurants." (My stomach begins churning rapidly). Later a professor discusses the biology of how rats spread pathogens to humans. Beyond interviews, Spurlock provides copious images. Oy. The worst part: humans basically are inviting rats to thrive by leaving our food-laden trash in bags at night. Rats don't need the help. They're extremely clever and adaptable. "I have to admire them," Sheehan says. (At this point my stomach is... no, I'll spare you). -- "Berlin Station," Sunday, 9pm, **Epix**. The reviews have been split about this Germany-based spy caper. We come out on the positive side. "Berlin" provides a behind-the-scenes look at CIA life that's rare on the screen. The cast is strong, especially *Richard Jenkins* ("Six Ft Under") as the CIA station chief. — *Seth Arenstein*

Basic Cable Rankings

(10/1016-10/1616)

Mon-Sun Prime

1	FS1	1.7	3648
2	FOXN	1.1	2494
3	TBSC	0.9	2118
3	ESPN	0.9	2079
5	MSNB	0.7	1615
6	CNN	0.6	1471
6	USA	0.6	1460
8	DISC	0.5	1295
8	HGTV	0.5	1229
8	DSNY	0.5	1161
8	DSE	0.5	96
12	LIFE	0.4	1001
12	FOOD	0.4	983
12	HIST	0.4	958
12	ADSM	0.4	935
12	ID	0.4	854
17	FX	0.3	810
17	HALL	0.3	801
17	NAN	0.3	760
17	AMC	0.3	722
17	FRFM	0.3	671
17	BRAV	0.3	658
17	TLC	0.3	623
17	A&E	0.3	614
17	TNT	0.3	608
17	VH1	0.3	602
17	NKJR	0.3	602
17	TVLD	0.3	593
17	NGC	0.3	591
17	SPK	0.3	582
17	NFLN	0.3	578
17	DSJR	0.3	555
17	OWN	0.3	541
17	HMM	0.3	459
35	SYFY	0.2	545
35	CMDY	0.2	465
35	TRAV	0.2	459
35	APL	0.2	437
35	LMN	0.2	433
35	WETV	0.2	391
35	BET	0.2	387
35	FXX	0.2	372
35	MTV	0.2	371
35	EN	0.2	371

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



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