

Cablefax Daily™

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What the Industry Reads First

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Loose Ends: Notifications, Transparency Waiver, TiVo Petition

As we saw with last month's canceled votes, it looks like the **FCC** will tackle only a limited number of items in the remaining days of the *Obama* administration. Cable is hoping that one of those actions will be for the Media Bureau to grant **NCTA** and **ACA's** petition asking for clarification that electronic dissemination by email to subscribers via confirmed email address or website links is sufficient to satisfy a requirement for public notices under the Communications Act. The Bureau sought comments on the petition, with comments due in May and June. Reps from NCTA – The Internet & Television Association met with Media Bureau staffers earlier this month to make a case for action on the item. "With the scheduled pleading cycle complete, abundant support for the petition having been expressed, and the few late-filed concerns having been answered, we urged the Bureau to complete its review and act favorably on the Petition as expeditiously as possible," NCTA said in a filing describing the meeting. There weren't many comments filed on the subject. **NATOA** raised concerns about whether the use of electronic measures could provide all subs with info required, but conceded that with sufficient safeguards electronic dissemination could work and lessen the environmental burden imposed by hard copies of the notices. In recent days, the Media Bureau released a notice seeking comment on **TiVo's** request for an extension of the waiver of the audiovisual output requirement under Section 76 of the FCC's rules. The reg in question requires that set-top boxes provided by cable operators include a digital interface to enable consumers to connect consumer electronics devices that they own to set-top boxes that they lease from their cable operators for whole-home viewing and recording. The Bureau previously granted TiVo a waiver of the rule that runs through June 1, 2017. In July, TiVo filed seeking an extension that runs through at least the end of 2018. Comments are due Dec 6, with replies due Dec 13. One item with an urgent deadline is an exemption for smaller operators from certain enhanced transparency requirements adopted under the 2015 Open Internet Order. That is set to expire on Dec 15. On Oct 25, an item was put on circulation to address the exemption by the Consumer & Governmental Affairs Bureau. Meanwhile, there's a noteworthy piece in *Politico's* Morning Tech in which **House Communications** subcommittee chairman **Greg Walden** (R-OR)—who is seeking the chairmanship of the full committee—said he doesn't plan to abandon attempts to reform FCC processes just because of a new administration. "My argument has been, I don't care who's heading up the Commission, there's a flawed public policy process there," the lawmaker is quoted as saying.



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DirecTV Now: AT&T was in NYC Mon showcasing its **DirecTV Now** product, announcing that it will launch the OTT service Wed. “This is bigger, in my view, than the introduction of the U-verse product 10 years ago,” AT&T Entertainment Group CEO *John Stankey* said during the press event. “Why is it bigger? Because for the first time in our history we have control of the full stack.” He made it clear that DirecTV Now is just the first introduction of a product on the platform. DirecTV Now is offering a 7-day free trial for any of the packages via directvnow.com. For a limited time, the “Go Big” package with 100 channels will be \$35/month—subs who sign up for the package will keep that price as long as they remain customers. That’s a significant discount from the \$60/month list price. Other packages include “Live a Little” (\$35/month for 60+ channels); “Just Right” (\$50/80+ channels) and “Gotta Have It” (\$70/120+ channels). **HBO** and **Cinemax** can be added for \$5/month in addition to the base programming package. No **Showtime** offer, natch, as DirecTV Now is still working on a deal with **CBS** and Showtime. DirecTV Now customers can get an **Apple TV** included with 3 months of pre-paid service, or customers can opt for an **Amazon Fire TV Stick** with Alexa Voice Remote with 1 month pre-paid of any DirecTV Now package. At launch, DirecTV Now is available on Amazon Fire TV and Fire TV Stick, **Android** devices, Apple TV, iPad, iPhone, Chromecast, and the Internet Explorer, Chrome and Safari web browsers. Google Cast-enabled **LeEco** ecotvs and **Vizio SmartCast Displays** also will have access to it. In 2017, DirecTV Now plans to add more devices, including Roku players, Amazon Fire tablets and Smart TVs from Samsung. AT&T also announced an offer for Mobility customers, giving them 1 free year of **Fullscreen** (1500 hours of ad-free premium scripted and unscripted series for \$5.99/month that doesn’t count against data usage) with eligible new and existing wireless plans with messaging service. AT&T Mobility customers also don’t have to worry about data charges for DirecTV Now. The flurry of DirecTV Now news included the launch of streaming video channel **Taylor Swift NOW!**, with concert performances, behind-the-scenes footage and more. *Reese Witherspoon* also will launch the “**Hello Sunshine**” VOD channel on DirecTV and DirecTV NOW, which features content aimed at fans of “female-driven stories.” A new Witherspoon series will bow on the channel in mid-2017.

More Cable Declines: Remember all the hand-wringing over **Nielsen’s** November cable network Universe Estimates? After **Disney** challenged them, the ratings service re-ran the data and got the same result. Most cable nets saw month-over-month declines, many larger than usual, with the overall cable universe declining 0.55%. December’s Nielsen estimates were released Mon, showing more declines at the cable nets. The gap between the +1.7% growth rate of TV households and households with pay TV was -3.3%, the worst in more than 2 years, **Pivotal Research’s Brian Wieser** wrote in a research note. Said TV historian *Tim Brooks*: “It’s pretty clear we’re going through a transformation in the distribution model that we’ve had for a long time. That’s the bad news... The good news is that it’s happening very, very slowly, which provides some time to adjust and open new modes of distribution.” One possible reason is that the current OTT options and skinny bundles aren’t that attractive; otherwise, “you’d see a flood of people going to that,” Brooks said. Pivotal’s Wieser noted that affiliate fees aren’t necessarily impacted in the short-term. “Still, over longer time horizons we think that the trends captured by Nielsen are likely to be reflected in the subscriber numbers that programmers get paid for. **Disney, Time Warner** and **Viacom** appear to be the major public company network groups most negatively impacted in the new data, while **Fox** fares best,” Wieser wrote. Nielsen’s Universe estimates do not account for virtual MVPDs, such as **Sling** or **Playstation Vue**.

GSN’s Victory Over Cablevision: GSN could be headed to **Optimum’s** basic tier soon. Last week, FCC administrative law judge *Richard Sippel* ruled that **Cablevision** (now owned by **Altice USA**) discriminated against GSN by placing it on a sports tier (later renamed a sports and entertainment tier). GSN filed a complaint over the move in 2011, claiming that Cablevision-affiliated **WE tv** and the now-folded **Wedding Central** were competitors that got broader distribution (both nets used to be owned by Cablevision subsidiary **Rainbow**). “GSN has proven through direct evidence that the retiering of GSN from the expanded basic tier to the premium sports tier was based on GSN’s non-affiliation with Cablevision,” said the ALJ decision, released Wed. “GSN proved that Cablevision, in its retiering decision, considered retiering only non-affiliated networks having expired or expiring contracts. Yet no consideration was given by Cablevision to retiering any of its affiliated networks, including those that also had expired or expiring carriage agreements.” The ALJ said Cablevision’s assertion that it was “powerless to retier any of its affiliated networks—with or without expiring carriage agreements” is “not credible because it is contradicted by substantial evidence.” Altice USA has said it will appeal. It has 30 days to do so. GSN declined to comment. ALJ Sippel’s determination contrasts with the FCC Enforcement Bureau’s assertion that GSN failed to produced direct evidence of discrimination by Cablevision nor that GSN was similarly situated to WE tv and Wedding Central.

BUSINESS & FINANCE

Spectrum Auction: The FCC said Mon it expects Stage 3 bidding in the reverse auction will conclude by Thurs, and it is adjusting the bidding schedule accordingly. A day after bidding has ended in Stage 3, the agency will announce the start date and initial bidding schedule for the state's forward auction. That's expected to begin Mon.

Slinging It: Sling TV announced that it will launch a limited cloud DVR beta program for Roku users. Invites will begin next month (request one at sling.com/dvr). The service won't have a 28-day restriction on shows and will offer up to 100 hours of storage at launch.

TiVo-Netflix: TiVo and Netflix entered into licensing agreements in which TiVo will continue to integrate Netflix into TiVo set-tops. A separate IP agreement provides Netflix with a license to use the TiVo patent portfolios and a license to use the Intellectual Ventures patent portfolio for OTT offerings. It's one of the first licenses granted under the exclusive partnership with Intellectual Ventures announced earlier this year. It was announced in Feb that TiVo (then Rovi) would serve as the exclusive partner for Intellectual Ventures, licensing its portfolio exclusively to OTT customers.

People: MTV confirmed a report from *The Wrap* that head of original programming Michael Klein is leaving after 8 months on the job. His departure comes after network pres Sean Atkins was replaced by VH1's Chris McCarthy.

Cablefax Daily Stockwatch

Company	11/28 Close	1-Day Ch	Company	11/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	56.15	0.22	INTEL:	35.51	0.07
ENTRAVISION:	6.68	(0.23)	INTERACTIVE CORP:	67.74	(0.42)
GRAY TELEVISION:	9.75	(0.1)	LEVEL 3:	56.91	0.12
MEDIA GENERAL:	18.29	(0.06)	MICROSOFT:	60.61	0.08
NEXSTAR:	58.80	(0.9)	NETFLIX:	116.93	(0.48)
SINCLAIR:	31.80	(0.55)	NIELSEN:	43.43	0.03
TEGNA:	22.29	(0.06)	SEACHANGE:	2.62	(0.11)
MSOS					
CABLE ONE:	588.20	1.88	SONY:	29.57	0.07
CHARTER:	270.82	(4.68)	SPRINT NEXTEL:	7.87	(0.02)
COMCAST:	68.31	(0.85)	SYNACOR:	2.95	(0.2)
GCI:	17.03	(0.21)	UNIVERSAL ELEC:	66.20	(2.4)
LIBERTY BROADBAND:	68.62	(0.95)	VONAGE:	6.60	(0.1)
LIBERTY GLOBAL:	32.25	(0.42)	YAHOO:	41.45	0.58
SHAW COMM:	19.59	0.05	TELCOS		
SHENTEL:	28.65	0.75	AT&T:	39.54	0.33
PROGRAMMING					
21ST CENTURY FOX:	28.31	(0.05)	CENTURYLINK:	24.64	(0.02)
AMC NETWORKS:	54.29	(0.07)	FRONTIER:	3.74	0.05
CBS:	60.50	(0.42)	TDS:	27.25	0.12
DISCOVERY:	27.22	(0.32)	VERIZON:	51.15	0.48
DISNEY:	98.98	0.16	MARKET INDICES		
GRUPO TELEVISIA:	20.64	0.07	DOW:	19097.90	(54.24)
HSN:	40.80	0.25	NASDAQ:	5368.81	(30.11)
LIONSGATE:	23.06	(0.31)	S&P 500:	2201.72	(11.63)
MSG NETWORKS:	19.65	(0.25)			
SCRIPPS INT:	69.02	(1.23)			
STARZ:	33.68	0.03			
TIME WARNER:	92.90	0.10			
VIACOM:	41.00	(0.9)			
WWE:	18.69	(0.1)			
TECHNOLOGY					
ADVANTAGE:	1.75	(0.1)			
AMDOCS:	60.48	0.35			
AMPHENOL:	68.49	(0.18)			
APPLE:	111.57	(0.22)			
ARRIS GROUP:	29.14	(0.33)			
AVID TECH:	4.29	(0.04)			
BLNDER TONGUE:	0.52	(0.01)			
CISCO:	29.92	(0.17)			
COMMSCOPE:	35.83	(0.53)			
CONCURRENT:	5.47	(0.04)			
CONVERGYS:	26.05	0.20			
CSG SYSTEMS:	44.35	0.12			
ECHOSTAR:	50.30	(0.46)			
GOOGLE:	768.24	6.56			
HARMONIC:	4.65	(0.05)			

T. Howard Foundation 24TH DIVERSITY AWARDS DINNER

Wednesday, March 29, 2017
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CFX TECH

by Joyce Wang

Cyber Monday Tech Deals

Another year, another battle of streaming devices for Cyber Monday. Like 2015, companies like **Roku**, **Apple** and **Google** are discounting some of their already affordable gadgets even further. First up, Google. Retailers of Google Chromecast, including **Best Buy**, **Walmart**, **Target** and **Staples**, are offering the dongle for \$25. That's \$10 off the original price. With an earlier update, the device now allows users to use their phone, tablet or laptop to play, pause and adjust the volume on content they stream to TV. The latest version of Chromecast works with apps like **Netflix**, **YouTube**, and Google Play. And this year, Google is teaming with **HBO** to offer new HBO Now customers 3 months free with the purchase of Chromecast. The \$25 price tag makes Chromecast one of the most affordable streaming devices. Equally affordable is Roku Express Plus, which turns your older TV into a smart TV. Walmart is offering the \$40 device for \$25. As for Amazon devices, the Fire TV Stick with Alexa voice remote (usually \$39.99) is on sale for \$29.99. The latest version of Fire TV allows users to launch and control content with the included voice remote. It wouldn't be a real Cyber Monday without Apple deals. Best Buy is offering the 64GB black Apple TV FOR \$169.99 (\$30 less than retail price), while the 32 GB model is available at Best Buy for \$127.49 (\$22.50 savings). Ultra HD/4K TVs deals have increasingly become consumers' favorite Cyber Monday items. This year, the **Samsung** Curved 65-inch 4K Smart LED TV is available at major retailers for \$1597.99 (usually \$1967.96). **Dell** is offering the 50-inch Vizio M50-D1 4K Home Theater Display with a \$200 Dell Gift Card and 6-inch Android Tablet Remote for \$599.99. Total savings? \$250. As for Black Friday week (Monday before Thanksgiving through Cyber Monday), the **Consumer Technology Association** said Sun that this year's top tech purchase is TV, followed by tablets and smartphones.

Videogame consoles claimed the #4 spot, followed by tech accessories, laptops, headphones, DVD/Blu-Ray players, portable Bluetooth speakers and finally, digital toys. According to CTA, it was a breakout year for emerging tech. Nascent devices, including virtual reality, drones and digital assistant devices, landed on the front page of retailer's Black Friday ads, and shoppers' baskets, for the first time this year, the trade group said. Overall, more people than ever—135.9mIn American adults (an increase of more than 6% over last year)—shopped or plan to shop over the entire 2016 Black Friday Week. Of those 135.9mIn, 76% shopped in physical stores and 57% shopped online. Additionally, of those that shopped online, 43% did so via desktop or laptop, and 35% used a mobile device, an increase of 7 percentage points YOY and quickly approaching the number of desktop and laptop shoppers.

Multiscreen M&A: Multiscreen video companies **Accedo** and **Digiflare** are getting married. Sweden-based **Accedo** was founded in 2004 by *Michael Lantz* and *Fredrik Anderson*, and counts **Netflix**, **NBCUniversal**, **Spotify**, **Fox**, **Disney**, and **HBO** as clients. Toronto-based **Digiflare** was founded in 2008 by *David George* and *Mano Kulasingam* and its customers include companies like **Charter**, **Starz**, **CNN**, **Verizon**, **Vimeo** and **Univision**. As part of the terms, Lantz will be CEO of the merged company, which will remain under the **Accedo** brand, while Anderson, George and Kulasingam will take on senior leadership positions within the new company. "As video trends continue to evolve, our combined capabilities will create greater value for our customers, delivering dynamic, true-native video apps at the forefront of the TV viewing experience on a global, unprecedented scale," Kulasingam said in a statement.

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



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