

# Cablefax Daily™

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What the Industry Reads First

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## UBS Conference: Execs Talk AT&T-Time Warner Deal, Trump

Despite *President-elect Trump's* comments opposing the **AT&T-Time Warner** merger, chief execs from both companies sounded upbeat regarding the deal's regulatory outlook. "We filed appropriate filings...We think we will get it done by the end of 2017 if not sooner," Time Warner chmn/CEO *Jeff Bewkes* said during the **UBS** Global Media and Communications Conference Tues. AT&T head *Randall Stephenson*, speaking at the same event, said the transaction being a "vertical merger" means a "fairly straightforward" process. "We expect a good outcome from that (regulatory review)," he said. And just like what traditionally happens with vertical mergers, concerns about the deal can be addressed through conditions, he said. As for whether the transaction requires a full **FCC** review, Stephenson said "we don't even know right now whether we are going to assume any licenses from Time Warner." The programmer owns several licenses including wireless licenses and satellite licenses for **CNN**. If AT&T assumed any of those licenses, "obviously it will require an FCC review," he said, noting it's too early to tell whether AT&T is going to do that or not. Stephenson and Bewkes are scheduled to testify on the merger at the **Senate Judiciary Subcommittee on Antitrust** hearing Wed. In terms of the overall regulatory outlook for telecom and media, Stephenson said a Trump Administration generally means less regulation. Members of Trump's FCC transition team, which includes *Jeffrey Eisenach* and *Mark Jamison* (both vocal opponents of net neutrality), have written extensively about the problems of Title II and net neutrality and the implications they have on investment, Stephenson said. "We are hopeful that perhaps a more moderate approach to some of these regulations is in the making under a Trump Administration," he said. The FCC recently wrote to AT&T and **Verizon** regarding their zero-rating services such as the newly launched **DirectTV Now** due to concerns of potential net neutrality violation. The practice excludes certain content from the users' monthly data cap. "It's interesting that the FCC has somehow focused on this," Stephenson said. Zero-rating isn't a new practice, he said, noting a 2008 deal with **Amazon** for Kindle. As part of the deal, consumers pay \$10 for a book that includes the data charge for getting the book delivered to their Kindle. Amazon was paying the data charge. Under a Republican FCC, "this is an issue that probably doesn't get a whole lot of attention," Stephenson said. Another possible positive: "If we achieve any kind of meaningful corporate tax reform I am quite convinced that it's going to change this trajectory in terms of capital investment. And capital investment is the driver of productivity," he said.

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Another exec looking forward to a potential tax reform is Verizon chmn/CEO *Lowell McAdam*, also speaking at UBS. That said, “you really have to wait and see” the details of the potential tax plan, he said. Commenting on the AT&T-Time Warner deal, McAdam said “if you look at the assets that they have, it makes perfect sense for them... I respect the strategy...” As for Verizon, it’s focusing on millennials, who consume media on mobile and prefer snackable content, McAdam said.

**More from UBS:** Verizon is looking to test a skinny bundle service running on its planned 5G wireless network in 2017, chmn/CEO *Lowell McAdam* said. The trial will be conducted in “relatively small towns” initially, the exec said. The telco will be in pre-commercial trials for its 5G service in the 1st quarter of 2017, he said. The tech is expected to deliver gigabit speeds over cellular connections. The company won’t charge for the 5G services in the beginning. “We will be learning from it and figuring out the distance between the transmitter and the receiver in a 5G environment,” McAdam said. -- The early demand of **AT&T’s DirecTV** Now streaming service has been “rather dramatic. It’s been really, really impressive. We have been pleased with it,” chmn/CEO *Randall Stephenson* said. The company achieved its sub forecast for DirecTV Now for all of Dec on its 1st day, he said. He said signups for **HBO** and **Cinemax**, add-on packages that each cost \$5 a month, are also positive. The service is “doing very, very well. It’s exceeding expectations,” said Stephenson.

**Comcast’s Roy to Sprint:** Sprint officially announced that former **Comcast Cable** svp, digital revenue *Rob Roy* has joined as chief digital officer. Comcast filed a lawsuit in June over Roy pursuing a similar role at the wireless company (**CFX**, 6/27), claiming it was a violation of his 1-year non-compete clause. Comcast dismissed the case in Sept after both sides reached a settlement. Roy is tasked with driving Sprint’s digital efforts across multiple functions.

**The Word Against Comcast:** The **Word Network** has had its share of complaints against the cable industry over the years, with *Al Sharpton* National Action Network giving it support. But things seemed to quiet down in recent years after the African American religious network had some distribution gains. Well, that’s out the window. Visit [thewordnetwork.org](http://thewordnetwork.org), and **Comcast** execs *Jennifer Gaiski* and *Justin Smith*’s emails are blasted across the homepage as the channel fights back against a carriage drop in certain markets. Word said it has filed complaints with the **FCC** and **FTC**, claiming the net was removed unjustly and asking the agencies to investigate diversity in key management positions, customer complaints, prices, etc. **Cablefax** was not able to obtain a copy of the complaints by deadline, and Comcast said it has not seen them yet. Comcast said this was a case of exchanging the network for Bishop *Wayne Jackson*’s network in some markets. “We continuously evaluate the content we deliver to our customers. As part of this ongoing process, we determined that **The Impact Network** provides a broader array of programming than The Word Network, which led us to our decision to increase Impact’s distribution. We are also continuing to carry The Word Network to millions of our customers in the Midwest and South based on its appeal in those regions,” the MSO said.

**Charter Chat:** With more than 200mln devices connected to **Charter’s** network, the MSO already is a wireless company, CEO *Tom Rutledge* said at Tues’ **UBS** investor conference. Charter’s wireless MVNO with **Verizon** “has limitations in terms of building future product sets,” he said, adding that the company intends to test a 10-gig symmetrical infrastructure. “I think we can remain superior, and we can attach wireless devices to that high capacity wireline network in a way that I don’t think anyone else can really do, at the same level of capital efficiency,” he said. But it will take time. If Charter goes into the business, even as an MVNO, it won’t ramp up in any significant way until well into 2018, he said. As for the incoming Trump administration, Rutledge said he didn’t realize how “captured he was in the psychology of that regulatory environment... Gosh, it’s gone. It’s pretty cool.” Title II hasn’t really hurt Charter, but it has the potential to hurt us, he said. “And even the privacy regulations have the potential of hurting us relative to the edge companies,” he said.

**FCC Spokesperon Moves to Axios:** *Kim Hart*, most recently press secretary at **FCC**, is now a technology editor at new media company **Axios**, according to her **LinkedIn** profile. The company, which covers media trends, technology, business and politics, provides its content on mobile platform.

**People:** Following *Nicole Clemens*’ departure for **Anonymous** as a manager and producer, **FX Networks** expanded the roles of evps *Gina Balian* and *Jonathan Frank*. Balian, previously limited series evp, will oversee all original series development for the nets inclusive of drama, comedy and limited series as evp, series development. Frank becomes evp, FX current programming and FX Productions, making him responsible for FXP original series produced for non-Fox Networks outlets as well as business operation responsibilities for FXP. He previously was evp, current programming. Both

# BUSINESS & FINANCE

will continue to report to *Nick Grad* and *Eric Schrier*, Presidents of Original Programming for FX Networks and FX Productions. -- *Nina Diaz*, newly elevated head of unscripted for **MTV** and **VH1**, announced her leadership team. *Eli Lehrer* will serve as head of development for MTV; *Lily Neumeyer* as head of development for VH1; *Paul Ricci* as head of alternative programming for MTV and VH1; and *Andy Portnoy* as head of strategic content operations for MTV and VH1. -- *Yael Flohr* joined **AMC**, **SundanceTV** and **AMC Studios** in the newly created role of svp, franchise development. He most recently served as the co-founder of **Thirty Labs Inc.**, a NY-based start-up studio focused on the emerging digital video space.

**Honors:** Years ago, **Cablefax** magazine inaugurated its Faxies with honors for cable's nicest gal and guy. It was poetic justice that those honorees, **CTAM's Anne Cowan** and **NCTA's Rob Stoddard**, found themselves on the podium Tues at the National Press Club, inducted into the Hall of Fame of sister brand *PR News*. In her acceptance speech, Cowan thanked former CTAM chief *Char Beales* for taking a chance on her years ago "when I wasn't qualified to do anything." Similarly, Stoddard thanked CFX columnist *Steve Effros* for "plucking me from a career in trade journalism" to work at CATA. Beales, Effros and many other cable colleagues joined the honorees at the celebration.

## Cablefax Daily Stockwatch

Company	12/06 Close	1-Day Ch	Company	12/06 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	58.51	1.85	INTEL:	34.72	0.33
ENTRAVISION:	6.70	(0.1)	INTERACTIVE CORP:	66.89	0.51
GRAY TELEVISION:	10.60	0.40	LEVEL 3:	56.07	(0.04)
MEDIA GENERAL:	18.75	0.38	MICROSOFT:	59.95	(0.27)
NEXSTAR:	62.70	3.25	NETFLIX:	124.57	5.41
SINCLAIR:	33.00	0.60	NIELSEN:	42.40	(0.01)
TEGNA:	22.77	0.35	SEACHANGE:	2.80	0.08
<b>MSOS</b>					
CABLE ONE:	612.84	2.65	SONY:	28.16	0.02
CHARTER:	276.32	5.39	SPRINT NEXTEL:	8.17	0.12
COMCAST:	68.70	0.02	SYNACOR:	3.10	(0.05)
GCI:	17.97	0.38	UNIVERSAL ELEC:	64.00	(0.15)
LIBERTY BROADBAND:	70.35	1.44	VONAGE:	6.69	(0.21)
LIBERTY GLOBAL:	29.91	0.36	YAHOO:	39.97	(0.23)
SHAW COMM:	19.74	0.17	<b>TELCOS</b>		
SHENTEL:	27.65	0.40	AT&T:	39.35	0.72
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	27.50	(0.06)	CENTURYLINK:	24.01	(0.18)
AMC NETWORKS:	52.16	(1.53)	FRONTIER:	3.53	0.11
CBS:	61.15	0.16	TDS:	28.37	0.29
DISCOVERY:	27.79	0.40	VERIZON:	50.36	0.61
DISNEY:	100.66	0.70	<b>MARKET INDICES</b>		
GRUPO TELEVISIA:	20.31	0.42	DOW:	19251.78	35.54
HSN:	35.90	(0.2)	NASDAQ:	5333.00	24.11
LIONSGATE:	24.10	0.86	S&P 500:	2212.23	7.52
MSG NETWORKS:	21.15	(0.35)			
SCRIPPS INT:	70.36	1.16			
STARZ:	34.29	0.60			
TIME WARNER:	93.88	0.54			
VIACOM:	40.55	0.05			
WWE:	18.95	0.03			
<b>TECHNOLOGY</b>					
ADVANTAGE:	1.70	(0.01)			
AMDOCS:	59.29	0.35			
AMPHENOL:	67.60	(0.25)			
APPLE:	109.92	0.81			
ARRIS GROUP:	28.87	0.19			
AVID TECH:	4.49	0.06			
BLNDER TONGUE:	0.48	(0.01)			
CISCO:	29.33	(0.21)			
COMMSCOPE:	36.45	0.39			
CONCURRENT:	5.48	0.02			
CONVERGYS:	25.14	(0.1)			
CSG SYSTEMS:	46.45	1.20			
EHOSTAR:	52.00	0.35			
GOOGLE:	759.11	(3.41)			
HARMONIC:	5.25	0.50			

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