

Cablefax Daily™

Tuesday — December 13, 2016

What the Industry Reads First

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Tis the Season: Comcast Dropping Fox College Sports Nets

December is historically the time of year that carriage spats pop up, be it retrans consent breakdowns or expiration of cable network affiliation agreement renewals. Not many headlines thus far, but one to keep watch is **Comcast** and **21st Century Fox**. The two are said to be in the middle of negotiations for **Fox News** and the **Fox Sports** RSNs, including **FSN Ohio** and **Fox Sports Southeast**. Neither company offered any insight into how those talks are going. Comcast has a history of negotiating deals without any interruption, and there are no signs of fireworks at this point. However, it does look like Comcast will at least lower the number of Fox Sports channels it carries. Comcast has notified customers that as of Dec 31, it will no longer distribute **Fox College Sports**. That's a trio of small, nationally distributed nets—**Fox College Sports Atlantic**, **Fox College Sports Central** and **Fox College Sports Pacific**—that are currently included in MSO's Sports and Entertainment Package. The channels launched in 2004 and include a hodgepodge of college sporting events as well as weekly coach's shows. Neither company responded to requests for comment. One thing to watch with this negotiation is whether it may result in **YES Network** returning to Comcast's lineup. Comcast dropped the Yankees and Nets channel in November 2015. 21CF owns 80% of the channel, prompting speculation that a new Comcast-Fox RSN deal could include renewed carriage of YES. Other outstanding carriage deals coming up include Comcast and **TEGNA** along with **Optimum** and **AMC Networks** (a possible positive sign: after a brief crawl last month on AMC, it's been quiet). **Altice USA's** deal with **Disney** is said to be up in early 2017.

Golden Globe Noms: **HBO** dominated the 2017 Golden Globe Awards nominations with 14 noms, topping other cable nets as well as streaming services. The net scored nominations across almost all the categories. In fact, its shows will compete with each other in multiple categories. For example, "Game of Thrones" will go head-to-head with "Westworld" in the best drama category. Following HBO is **FX** with 9 noms. Streaming players **Netflix** and **Amazon** each bagged 5 noms. Two Netflix series, "The Crown" and "Stranger Things," were nominated in the drama category. **AMC Nets** also scored 5 noms. Its thriller "The Night Manager" was nominated in 4 categories: best limited series, best actor, best actress, and best supporting actor. However, the show that scored the most noms (5 nominations) is FX's limited series "The People v. O.J. Simpson: American Crime Story." The ceremony airs on **NBC** on Jan 8.



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Wednesday, December 14
4:00 - 6:00PM
The Standard, High Line | NYC

CONGRATULATIONS

- Miles Aghajanian, *Destination America, American Heroes Channel*
- Michael Baireuther, *The Agency, Discovery Communications*
- Michael Benjamin, *TV One*
- Christian Blauvelt, *BBC Worldwide North America*
- Rachel Brenner, *Investigation Discovery*
- Jasmine Clennon, *Turner Broadcasting Systems*
- Briana Currier, *TiVo*
- Christina Douglas, *Investigation Discovery*
- Nichole Earl, *Manager, Sony Pictures*
- Lauren Elias, *Viacom Velocity*
- Julie Feinerman, *EPIX*
- Charlotte Fletcher, *Investigation Discovery & Destination America*
- Gaige Flint, *Comcast*
- Isaac Holub, *Lucky 8 TV*
- Brittany Kayton, *Discovery Communications*
- Yong Kim, *NBC Entertainment & Universal Television*
- Eric Kuhn, *Layer3 TV*
- Jessica Lee, *Discovery Communications*
- Samantha Lee, *SundanceTV*
- Marshall Lipman, *Jewelry Television*
- Ben Litvinas, *Comcast*
- Michelle Lochmus, *Crown Media Family Networks*
- Adam Lynch, *Viamedia*
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- Whitney Marshall, *TV One*
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- Matthew McConnell, *Food Network & Cooking Channel*
- Nicole McIntyre, *Showtime Networks Inc.*
- Andrew Mearns, *SNL Kagan*
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- Brian O'Toole, *Viacom*
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- Jaunice Sills, *REVOLT Media & TV*
- Evan Smith, *Comcast*
- Luke Snyder, *Discovery Communications*
- Regina Sommese, *Discovery Communications*
- Katya Troyky, *Viamedia*
- Danielle Wager, *A+E Networks*
- Monica Walsh, *Discovery Communications*
- Kate Warburton, *CMT*
- Tyler Zlotnick, *BBC America*

Register at www.cablefax.com/events

Celebrate the Rising Stars!

Join CFX on December 14 at The Standard, High Line in NYC to recognize and celebrate the industry's rising talent!

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Rate Increases: **Altice USA** has notified CT regulators that **Optimum** customers with a Value or higher video tier will see a \$2.98 increase in the Sports & Broadcast TV fee, which will be split into a \$3.99 broadcast TV fee (this fee also applies to Economy customers) and a \$4.97 fee for Sports. The increase takes effect this month. Optimum is also changing up the prices for broadcast basic in CT, which haven't increased since 2007. It's creating 3 rates for the basic tier, ranging from \$13.95 to \$17.95. New customers will pay \$17.95/month. No base customer will pay more than \$2.39 higher than their current charge, and some will actually see a small decrease in their rate, Altice USA said. -- **Comcast** confirmed that it will up its Internet and video fees by 3.8% on average, starting as early as Jan 1. **TVPredictions.com** first reported that the MSO was notifying its subs and city officials about the fee hike. The "Broadcast TV Fee," for example, will go from \$5 to \$7 a month, while the regional sports fee will increase to \$5 from \$3 a month. In a statement, a Comcast spokesman said "we continue to make investments in our network and technology to give customers more for their money—like faster Internet service and more WiFi hotspots, more video across viewing screens, better technology like X1 and a better customer experience. Unfortunately, the costs we are charged to carry popular networks continue to increase significantly—especially broadcast television and sports programming, which are the largest drivers of increases in price adjustments. On average, nationally, the customer bill will increase by 3.8% in 2017, less than half the projected increase in our programming costs." **DirectTV** has previously announced it will raise most of its base programming package prices by \$2 per month, starting in Jan.

CBS-Viacom Update: **Viacom** and **CBS** boards have discontinued the exploration of a potential combination, upon request from their majority owner **National Amusements**. The special committee formed to evaluate a potential marriage was dissolved. Viacom also appointed acting chief exec **Bob Bakish** as pres/CEO and to the board, effective immediately. "Following the management changes that the Viacom Board put in place, we have been very impressed with the forward-looking thinking and strategic plan being pursued under Bob Bakish's leadership... At the same time, CBS continues to perform exceptionally well under *Les Moonves*, and we have every reason to believe that momentum will continue on a stand-alone basis," said a letter from National Amusements Mon. **Wells Fargo** analysts opined in a research note that "the underlying issue came down to value—we don't know that either company was able to get to a valuation that made sense for their respective shareholders." They said the Street has warmed up to Bakish in his new role, which might have nudged National Amusements to drop the deal. Bakish has been acting pres/CEO since Nov 15. He replaced interim CEO **Tom Dooley**, who stepped into the position earlier this year after former CEO *Philippe Dauman* left.

Discovery's Continuous Digital Push: **Discovery Comm** invested in and formed a partnership with Latin America's biggest indie digital media and content firm **Batanga Media**. The deal followed a Nov investment by Discovery, which led to creation of social video firm Group Nine Media (brands include **The Dodo**, **NowThis**, **Seeker** and **Thrillist**. Included is a commercial agreement to enable advertisers to reach audiences across linear, digital, and social platforms. *Enrique Martinez* and *Michael Bremer*, CFO & COO of Discovery Networks Latin America/US Hispanic, will join the Batanga board.

T-Mobile & Charter: Add this to the list of items folks are hoping the FCC will act on before the new administration is sworn in: the transfer of 3 **Charter** 700 MHz licenses to **T-Mobile** and the accompanying request to waive acceleration of the final buildout for these licenses. In a Dec 2 letter, FCC chmn *Tom Wheeler* noted that the comment period closed Nov 7 and he expects the Wireless bureau to resolve the petition quickly. He was responding to a letter from Montana senators *Steven Daines* (R) and *Jon Tester* (D), who had urged the FCC back in Oct to act quickly. Charter obtained the spectrum licenses when it purchased **Bresnan**. **The Rural Wireless Association** has voiced concerns about such a waiver, arguing it could set a precedent for "speculators to obtain FCC licenses for the purpose of warehousing them..."

Music Choice Launch: **Music Choice** on Mon rolled out the "New Music Choice" service, first to **RCN** and **Grande Communications** subs. The enhanced next-gen version of its music streaming service is designed for IPTV set-top platforms and aims to let users navigate to related video content or any Music Choice On Demand offerings within a single interface.

UBS on DirecTV Now: An evaluation of initial app downloads for **AT&T's DirecTV Now** suggests that the service performed better than similar streaming services, according to **UBS** analysts, who partnered with **UBS Evidence Lab** to assess the service. The analysts compared early download volumes to immediate post-launch volumes for other entertainment apps such as **HBO Now**, **Showtime's** streaming offering, **Verizon's go90** and **DISH's Sling TV**. Against entertainment apps, DirecTV Now ranked #16 on the iPhone and #11 on the iPad in its week of launch. "Being a recognizable

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brand certainly helps DTV Now,” the analysts said. The rankings typically fall after week 1 (modestly for HBO Now, more so with others), which generally coincides with the biggest ad push from companies and news coverage, they said. “While we could see a similar dynamic for DTV Now, the product looks off to a good start,” which is consistent with AT&T CEO *Randall Stephenson’s* commentary at UBS’s investor conference last week. Meanwhile, the analysts found that go90 has seen uneven performance, generally falling in the rankings since its April highs (but rebounding more recently). UBS analysts said DirecTV Now could accelerate fixed/wireless convergence.

Ownership Caps: Some administrative clean-up happened over at the FCC last week. Verizon withdrew a petition for reconsideration of the agency’s 2007 order reinstating the 30% cable horizontal ownership cap. The petition became moot after the DC Circuit Court of Appeals agreed with Comcast in 2009 and threw out the cap, saying that the agency failed to show why allowing a cable operator to serve more than 30% of cable subs would threaten or reduce competition or diversity in programming.

Editor’s Note: Join us for a raw oysters, lobster, wagyu beef, an open bar, raffles, networking and a feting of *Cablefax’s* Overachiever Under 30 at our reception Wed from 4-6pm at The Standard High Line in NYC. Tickets are available at Cablefax.com.

Cablefax Daily Stockwatch

Company	12/12 Close	1-Day Ch	Company	12/12 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	57.78	(1.22)	LEVEL 3:	56.23	(0.01)
ENTRAVISION:	6.55	(0.22)	MICROSOFT:	62.17	0.20
GRAY TELEVISION:	10.20	(0.7)	NETFLIX:	122.83	(0.05)
MEDIA GENERAL:	18.73	(0.32)	NIELSEN:	42.17	(0.55)
NEXSTAR:	62.25	(2.65)	SEACHANGE:	2.60	(0.04)
SINCLAIR:	31.90	(2)	SONY:	29.12	(0.28)
TEGNA:	22.30	(0.83)	SPRINT NEXTEL:	8.20	(0.28)
MSOS					
CABLE ONE:	605.86	(5.32)	SYNACOR:	3.15	0.05
CHARTER:	277.92	(0.89)	UNIVERSAL ELEC:	67.35	(1.05)
COMCAST:	68.98	(0.48)	VONAGE:	6.67	(0.17)
GCI:	17.77	(0.72)	YAHOO:	41.30	(0.46)
LIBERTY BROADBAND:	70.15	(0.39)	TELCOS		
LIBERTY GLOBAL:	29.78	(0.36)	AT&T:	41.12	0.74
SHAW COMM:	20.54	0.32	CENTURYLINK:	23.93	(0.19)
SHENTEL:	27.80	(2.2)	FRONTIER:	3.49	(0.18)
PROGRAMMING					
21ST CENTURY FOX:	26.35	(1.86)	TDS:	29.04	(0.22)
AMC NETWORKS:	50.15	(2.25)	VERIZON:	51.76	0.27
CBS:	62.18	(0.38)	MARKET INDICES		
DISCOVERY:	28.58	(0.52)	DOW:	19796.43	39.58
DISNEY:	104.06	(0.8)	NASDAQ:	5412.54	(31.96)
GRUPO TELEVISA:	20.70	(0.04)	S&P 500:	2256.96	(2.57)
HSN:	35.90	(0.85)			
MSG NETWORKS:	20.05	(1.25)			
SCRIPPS INT:	70.42	(1.3)			
TIME WARNER:	94.67	(0.56)			
VIACOM:	39.25	(3.2)			
WWE:	19.93	(0.34)			
TECHNOLOGY					
ADVANTAGE:	1.69	0.03			
AMDOCS:	60.00	(0.57)			
AMPHENOL:	67.66	(0.85)			
APPLE:	113.30	(0.65)			
ARRIS GROUP:	29.50	(0.25)			
AVID TECH:	4.49	(0.08)			
BLNDER TONGUE:	0.49	(0.02)			
CISCO:	30.17	0.11			
COMMSCOPE:	36.87	0.34			
CONCURRENT:	5.59	0.13			
CONVERGYS:	25.39	(0.05)			
CSG SYSTEMS:	47.71	(0.45)			
EHOSTAR:	52.24	(0.68)			
GOOGLE:	789.27	(0.02)			
HARMONIC:	4.95	(0.2)			
INTEL:	35.99	0.23			
INTERACTIVE CORP:	67.05	(1.19)			

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