

Cablefax Daily™

Monday — February 6, 2017

What the Industry Reads First

Volume 28 / No. 023

Deregulation Day: FCC Rescinds Zero-Rating Inquiry and Much More

Late Friday, the **FCC** released a flurry of decisions targeting actions that had taken place under former chairman *Tom Wheeler*. A brief letter from the acting Wireless Bureau chief on Friday notified **Comcast, AT&T, Verizon and T-Mobile** that it has closed an inquiry into their free data offerings. "Any conclusions, preliminary or otherwise, expressed during the course of the inquiry will have no legal or other meaning or effect going forward," the missive said. The inquiry, launched in January 2016, looked at whether programs such as Comcast's Stream TV and T-Mobile's Binge On, violated the FCC's Open Internet order. Shortly before Wheeler resigned, he issued a report in which he said both AT&T and Verizon's zero-rating offerings (**DirectTV Now** and **FreeBee Data 360**) violate the order. That report was rescinded on Friday. Friday's activities included Acting Media Bureau chief *Michelle Carey* rescinding a March 2014 notice in which the Media Bureau declared that it will closely scrutinize any broadcast transaction applications that propose that 2 or more stations in the same market will enter into an arrangement to share facilities, employees or services, including JSAs and enter into an option, right of first refusal, etc on a loan guarantee. Carey also set aside two decisions related to broadcasters and political file orders that were handled by the Bureau on delegated authority, returning them to be considered by the Commission. A January 18 whitepaper on Cybersecurity Risk Reduction by the Public Safety & Homeland Security Bureau also was rescinded, as was a January 17 paper titled "Improving the Nation's Digital Infrastructure." The activity saw the FCC's lone Democratic commissioner crying foul, and sounding a bit like *Ajit Pai* did when he was in the minority. "Today multiple Bureaus retract—without a shred of explanation—several items released under the previous administration that focus on competition, consumer protection, cybersecurity and other issues core to the FCC's mission," *Mignon Clyburn* said in a statement, accusing the actions of taking place on a Friday when they are less likely to get attention. "In the past, then-Commissioner Pai was critical of the agency majority for not providing sufficient reasoning behind its decisions. . ." Clyburn said her office requested more than the allotted two days to review the dozen items released Friday and was rebuffed, nor did she have any luck with a request to have the Bureaus "comply with the reasoned decision-making requirements of the [Administrative Procedures Act]. Chairman Pai didn't back down, saying that FCC Bureaus and offices released a series of controversial orders and reports in the waning days of the last administration. "In some cases, Commissioners were given

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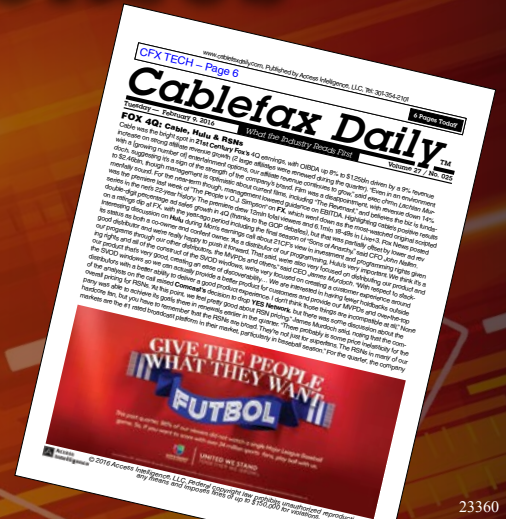
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For further information, including table prices, please call Maria Ducheine at (212) 997-0100, Ext. 1008 or e-mail at mducheine@projectsplusinc.com



NETWORKS

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no advance notice whatsoever of these midnight regulations. In other cases, they were issued over the objection of two of the four Commissioners,” he said. “And in all cases, their release ran contrary to the wishes expressed by the leadership of our congressional oversight committees. These last-minute actions, which did not enjoy the support of the majority of Commissioners at the time they were taken, should not bind us going forward.” He also commented on the closure of the Wireless Bureau’s investigation into zero-rating programs: “These free-data plans have proven to be popular among consumers, particularly low-income Americans, and have enhanced competition in the wireless marketplace. Going forward, the Federal Communications Commission will not focus on denying Americans free data. Instead, we will concentrate on expanding broadband deployment and encouraging innovative service offerings.” Clyburn’s dismay on what she referred to as “Friday News Dump” included eliminating the designations of nine entities to provide Lifeline broadband service. Other actions at the FCC Friday included rescinding a notice of inquiry on 5th Generation wireless network and device security that was published in the Federal Register Jan 23. The docket and comment cycle associated with the NOI was terminated.

FCC Reax: If *Mignon Clyburn* is right and chairman *Ajit Pai* hoped to avoid attention for some of the FCC’s dismissals, he failed. They received plenty of notice, particularly the closing of an investigation into zero-rating plans. “It is clear that net neutrality is public enemy number one for Chairman Pai, and he is starting his campaign by protecting harmful zero-rating plans. Zero-rating plans can allow ISPs to favor their own content while putting everyone else at a competitive disadvantage,” said Sen *Ed Markey* (D-MA). **Free Press** policy director *Matt Wood* said Pai followed President *Trump*’s lead by “issuing his own types of executive orders, which undermine the democratic process, strip consumers of safeguards and rob millions of the neediest families of the help they need to bridge the digital divide.” Republicans lent support. “Chairman Pai’s readiness to rescind those hastily issued bureau decisions is an encouraging turn for the better, and we’re confident that the new FCC will work quickly, efficiently, and transparently to resolve any questions that remain,” said House Commerce and Communications chairs *Greg Walden* (R-OR) and *Marsha Blackburn* (R-TN).

Super Bowl Sunday: Even if you don’t care about the on-field action Sunday, chances are the ads will pique your interest. **Cox** is among companies with Super Bowl spots, airing a commercial for its Panoramic WiFi in San Diego. **MediaRadar** did its own analysis of the top TV ad spenders for the 2017 NFL postseason, putting **Ford**, **AT&T** and **Verizon** at the top of the list. AT&T, which has been heavily hyping OTT service **DirectTV Now**, was not in the top 10 in 2016. Its spending increased 281% over 2016. **Apple** had been a top spender in 2016 post-season, but didn’t make the list for 2017 (spending dropped 100%, according to MediaRadar). -- For those who prefer cute on game day, **Animal Planet** and **Hallmark** were back with their Puppy and Kitten Bowls. It marked Animal Planet’s 13th Puppy Bowl, with 78 puppies from 34 rescues. The Discovery VR iOS app gives viewers a pup’s eye view of the action (**Pedigree** sponsored the VR component). Hallmark’s Kitten Bowl celebrated its 4th year, with the annual programming stunt resulting in the adoption of thousands of felines. Sponsor **Arm & Hammer** has a custom integration on “Home & Family,” as well as extensive social media and digital elements including an exclusive sponsorship of the “Most Valuable Kitten” award.

January Ratings: College football put **ESPN** in the #1 spot in prime among cable nets for the first month of 2017 (3.9mln total viewers). **Fox News** took first place in total day (1.82mln) and second place in prime (2.87mln). ESPN’s college football championship was the month’s most-watched program (24.7mln viewers). ESPN’s college football coverage and Lions-Cowboys game accounted for the 10 most-watched cable programs of January. Spots 11 and 12 went to Fox News for Inauguration Day coverage (11.5mln and 11.1mln viewers). Shout out to **TLC**, which had its highest-rated January in three years. It was up double-digits versus a year ago with W25-54 up +33%, W18-34 up +20% and W18-49 up +17%.

Broadband Adoption: A trio of Dems introduced a bill Friday that would authorize \$20 billion for new broadband infrastructure for rural communities. The New Deal Rural Broadband Act of 2017, introduced by *Jared Huffman* (D-CA), *Mark Pocan* (D-WI), and *Rick Nolan* (D-MN), would authorize the Rural Utility Service to offer broadband grants and loans to provide small communities with seed funds needed to compete in loan applications or develop commercially attractive proposals. It also would increase overall (RUS) broadband investment from \$25 million to \$50 million annually and establish a new Office of Rural Broadband Initiatives to coordinate and centralize all Federal rural broadband programs. -- **Altice USA** has teamed with the **New Jersey Community Development Corporation** to raise awareness about Optimum’s low-cost broadband service, “Economy Internet.” It’s currently available in Paterson, NJ, and other pilot areas in the tri-state region.

Cablefax Week in Review

Company	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DISH:	DISH	61.85	4.34%	8.17%
ENTRAVISION:	EVC	5.35	0.94%	(30.61%)
GRAY TELEVISION:	GTN	12.10	5.22%	(25.77%)
MEDIA GENERAL:	MEG	18.51	0.00%	14.61%
NEXSTAR:	NXST	66.05	3.77%	12.52%
SINCLAIR:	SBGI	33.80	0.30%	3.87%
TEGNA:	TGNA	23.46	3.39%	(8.07%)

Company	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLE ONE:	CABO	645.00	0.83%	48.73%
CABLEVISION:	CVC	34.87	0.00%	9.31%
CHARTER:	CHTR	328.71	1.59%	79.62%
COMCAST:	CMCSA	75.26	(0.91%)	33.37%
GCI:	GNCMA	19.61	(1.56%)	20.38%
LIBERTY BROADBAND:	LBRDA	84.57	1.08%	63.74%
LIBERTY GLOBAL:	LBTYA	36.52	(0.27%)	(13.79%)
SHAW COMM:	SJR	21.62	0.19%	25.77%
SHENTEL:	SHEN	27.30	(2.33%)	(36.59%)

Company	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
21ST CENTURY FOX:	FOXA	31.40	0.35%	15.61%
AMC NETWORKS:	AMCX	56.27	(0.78%)	(24.65%)
CBS:	CBS	64.15	(0.91%)	36.11%
DISCOVERY:	DISCA	28.09	0.11%	5.28%
DISNEY:	DIS	110.30	0.91%	4.97%
GRUPO TELEVISIVA:	TV	22.15	(1.34%)	(18.6%)
HSN:	HSNI	34.65	0.29%	(31.62%)
LIONSGATE:	LGF	26.09	0.00%	(19.45%)
MSG NETWORKS:	MSGN	21.65	(3.13%)	4.09%
SCRIPPS INT:	SNI	76.12	(0.2%)	37.87%
TIME WARNER:	TWX	95.87	(0.53%)	48.24%
VIACOM:	VIA	44.90	(0.11%)	2.07%
WWE:	WWE	19.70	1.03%	10.43%

Company	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
ADVANTAGE:	AEY	1.84	4.56%	1.67%
AMDOCS:	DOX	59.29	1.37%	8.65%
AMPHENOL:	APH	67.46	0.81%	29.16%
APPLE:	AAPL	129.08	6.05%	22.63%
ARRIS GROUP:	ARRS	28.79	(2.51%)	(5.82%)
AVID TECH:	AVID	5.70	13.32%	(21.81%)
BLNDER TONGUE:	BDR	0.69	(8%)	72.50%
CISCO:	CSCO	31.32	1.10%	15.32%
COMMSCOPE:	COMM	38.53	5.10%	48.82%
CONCURRENT:	CCUR	5.43	4.33%	9.60%
CONVERGYS:	CVG	25.16	(1.29%)	1.08%
CSG SYSTEMS:	CSGS	40.39	(17.97%)	12.26%
ECHOSTAR:	SATS	56.05	6.44%	43.31%
GOOGLE:	GOOG	801.49	(2.65%)	5.61%
HARMONIC:	HLIT	5.20	0.97%	27.76%
INTEL:	INTC	36.52	(3.84%)	6.01%
INTERACTIVE CORP:	IAC	74.72	7.19%	24.43%
LEVEL 3:	LVL	59.02	(0.99%)	8.57%
MICROSOFT:	MSFT	63.68	(3.19%)	14.78%
NETFLIX:	NFLX	140.25	(1.54%)	22.62%
NIELSEN:	NLSN	42.46	3.84%	(8.88%)
SEACHANGE:	SEAC	2.44	1.67%	(63.8%)

Company	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
SONY:	SNE	31.66	3.74%	28.65%
SPRINT NEXTEL:	S	8.43	(8.57%)	132.87%
SYNACOR:	SYNC	3.15	0.00%	80.00%
UNIVERSAL ELEC:	UEIC	62.95	5.36%	22.59%
VONAGE:	VG	6.88	(2.82%)	19.86%
YAHOO:	YHOO	43.71	(1.6%)	31.42%

Company	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	41.25	(1.81%)	19.88%
CENTURYLINK:	CTL	25.42	(2.08%)	1.03%
FRONTIER:	FTR	3.42	(3.39%)	(26.77%)
TDS:	TDS	29.70	(3.32%)	14.72%
VERIZON:	VZ	48.58	(2.06%)	5.11%

Index	Ticker	2/3 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	DJI	20071.46	0.93%	15.19%
NASDAQ:	IXIC	5666.77	0.11%	13.17%
S&P 500:	GSPC	2297.42	0.12%	12.40%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. AVID TECH:	5.70	13.32%
2. INTERACTIVE CORP:	74.72	7.19%
3. ECHOSTAR:	56.05	6.44%
4. APPLE:	129.08	6.05%
5. UNIVERSAL ELEC:	62.95	5.36%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CSG SYSTEMS:	40.39	(17.97%)
2. SPRINT NEXTEL:	8.43	(8.57%)
3. BLNDER TONGUE:	0.69	(8%)
4. INTEL:	36.52	(3.84%)
5. FRONTIER:	3.42	(3.39%)



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