

Cablefax Daily™

Wednesday — February 15, 2017

What the Industry Reads First

Volume 28 / No. 030

Greg Walden: Priorities for 2017

Love was definitely in the air at DC's **Media Institute** luncheon that fell on Valentine's Day. **House Commerce** chmn *Greg Walden* (R-OR) started his speech to the crowd by saying "it's great to call *Ajit Pai* chairman of the **FCC**." He then praised Pai's recent moves to launch a pilot program to increase agency transparency and other steps to update FCC process. Pai, along with several FCC and Hill staff, attended the event. Walden used his appearance to outline 2017 priorities, including a legislative fix to Title II net neutrality rules passed under previous chmn *Tom Wheeler*. He's still seeking to work with Democrats on a Title II compromise (a Title II repeal could also come under Pai). Also on Walden's to-do list: Reauthorization of the FCC and **NTIA**, FCC process reform, broadband buildout in rural America, cybersecurity, and of course, a telecom rewrite. Interestingly, Walden said he is looking at a rewrite of the Communications Act through several bills, rather than full-scale legislation that seeks to address everything. Walden, through the House Communications Subcmte he previously chaired, has been working on the rewrite for a few years. The new piecemeal approach is largely in line with Walden's Senate counterpart *John Thune*'s recent comments. Thune (R-SD) said in January that he plans to adjust key parts of the Act step-by-step. Walden said "you will see work moving forward on Comm Act rewrite." The monthly Media Institute gatherings draw execs and lawyers from a host of media companies, with reps from **AT&T, Verizon, Viacom, Disney, Comcast, Charter** and **Cox** spotted at Tuesday's affair. Walden said he is working with the Trump administration to include broadband buildout in a potential infrastructure package. "I hope there will be energy and telecom pieces" in the infrastructure package discussion, he said. He's also communicated with the administration about the two vacancies on the 5-member Commission following the departures of Wheeler and Democrat commish *Jessica Rosenworcel*. Pai's term expires at the end of the year so he will also have to be re-nominated and confirmed. All these things "need to happen sooner than later," Walden said. The House Commerce chair expects his committee to move quickly to reauthorize the FCC and the NTIA, saying actions on this front could impact the FCC's already approved broadband privacy rules, among other things. The rapid expansion of Internet of Things services and the associated security risks have caught many lawmakers' attention. In November, the House Communications Subcmte and Commerce Subcmte held a joint hearing in Nov to understand the role of IoT devices. In addition, House Democrats asked **FTC** to step in to encourage

27430

REGISTER
TODAY!

Cablefax's Awards Breakfast

Honoring three amazing programs under one roof!

DIGITAL + TECH

Plus The Most Innovative People in Multiscreen

March 30 | The Yale Club, New York City

Questions: Contact Alex Virden,
avirden@accessintel.com or 301-354-1619.

www.cablefax.com/events



© 2017 Access Intelligence, LLC. Federal copyright law prohibits unauthorized reproduction by any means and imposes fines of up to \$150,000 for violations.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Bus Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Sr. Dir., Market Development: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Prod: Jo Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

device makers to implement IoT security measures. Walden called hacking and security breaches the biggest threat to the expansion of IoT business and the risk is getting bigger as cyberattacks continue to increase in magnitude. “The government can give the right tools” to defend network infrastructure against cyber threats, he said.

Discovery on TVE & TLC: **Discovery Communications**, which recently had a carriage showdown with **Sky** in the UK, is sitting pretty in the States. Following July’s renewal with **AT&T**, it has no near-term deals up in the US, CEO **David Zaslav** said during the company’s 4Q earnings call Tuesday. And yes, the company is talking with **Hulu** and **Google**. “We are talking to all the players,” he said. Stateside, the programmer has focused on its TV Everywhere family of apps, running various commercial spots for them across its portfolio of networks. It’s a service that Discovery believes will help fortify the pay TV marketplace. Zaslav said the GO product is available today to more than 80% of US pay TV households or 150mln people. “We are finding that GO is a great vehicle for reaching younger viewers, with about 40% of our viewers ages 18 to 34 averaging one-hour length of tune in,” he said, adding that in 1Q the apps will contribute more than 1 point of US ad growth to the bottom line and it may hit 2% by year-end. **TLC**, which has had some challenges, got a nice shout-out from Zaslav, who called the net “the biggest momentum story” in the US right now. January marked its highest ratings in 3 years, helped by season highs for “Sister Wives” and a most-watched premiere for “My Big Fat Fabulous Life.” “We have worked very hard on getting TLC turned around, and we spent a lot of time talking to the audience,” the CEO said. Much of the call dealt with Discovery’s international business. International networks were a drag on earnings, with revenues of \$819mln flat in the quarter. AOIBDA at the intl nets dropped 12%. Zaslav was strong in his support of intl and **Eurosport**, noting that Eurosport viewership was up 23% in the quarter. “We’re head down on Eurosport that it’s going to continue to make money, and we are not going to over index on the IP and tip that over,” he said. “And then we are full out—over the next 24 months—to really drive this sports Netflix strategy, which no one else has.” Overall, Discovery Comm reported earnings of \$304mln. Tuesday’s call marked **Andy Warren**’s final call as CFO, with **Gunnar Widenfels** joining the company April 1 from **ProSieben**.

Facebook Video: **Facebook** announced a new video app for the TV to roll out soon for **Apple TV**, **Amazon Fire TV** and **Samsung** Smart TV, with more platforms to come. It will let users watch videos shared by friends or pages they follow to the TV—increasing the incentive for brands to go all-in on Facebook video. The app will recommend videos based on interests and showcase top live videos from around the world. Facebook made several video related announcements Tuesday, including that videos in the news feed will begin to play with sound unless configured to be silent.

Ratings: **AMC**’s “The Walking Dead” returned Sunday night, with the mid-season premiere drawing 12mln total viewers and about 7.3mln 18-49s. That’s down from the 13.7mln P2+ for last year’s mid-season premiere, which was also up against the Grammys. However, it’s up from the 10.6mln for the mid-season finale in December. AMC won’t be releasing any stats until Live+3 numbers are available. The zombies were the only thing that could unseat Fox News for top cable show of the week, with the premiere and “Talking Dead” (4.8mln total viewers) taking first and second place. Third through sixth place went to episodes of **Fox News**’ “The O’Reilly Factor” (all averaging more than 4mln viewers). The news net once again dominated the week—averaging 2.95mln viewers in prime. Runner-up **HGTV** had 1.6mln in prime, followed by **AMC** and **USA**, which each averaged 1.56mln. Fox News reined in total day as well, averaging 1.8mln viewers compared to runner-up **Nick’s** 1.2mln. -- UConn’s 100th consecutive win against South Carolina Monday was a high performer for **ESPN2**, ranking as the highest women’s college hoops regular season overnight since 2010. It scored a 0.9 overnight rating, with Hartford/New Having averaging a 14.3 local rating. Online, the game netted 69K unique viewers.

Spectrum Auction Alert: The **FCC** will begin the assignment phase of its incentive auction on March 6. That’s when forward auction bidders can bid for specific frequency blocks. After it closes on March 30, the agency will release results, including winning stations and channel sharing status. On Friday, the forward auction clock phase ended with a total bid of \$19.6bln. The broadcaster reverse auction ended last month at \$10 billion for 84 MHz.

Comcast Stream App: **Comcast** will make the Xfinity Stream app available on Feb 28. The successor to the Xfinity TV app will let customers watch their entire lineup on phones, tables and laptops in the home and more than 200 live channels outside the home. Features include favorite channel filtering, the ability to switch to a

BUSINESS & FINANCE

Spanish guide, and Common Sense Media content reviews.

ESPN Ranks High in Beta Research: ESPN was the network with the highest perceived value among cable operators, with it pegged at an average of \$1.14, according to **Beta Research**. It was followed by **ESPN2** (\$0.89), **NFL Network** (\$.78), **Fox News** (\$.76) and **Disney** (\$.75). Some 77% of affiliates ranked **Disney and ESPN Media Networks** as very helpful in selling TV Everywhere, HDTV and/or VOD. Beta said 63% of affiliates surveyed said the same thing about **Discovery Networks**, while 62% voiced similar praise for **Fox Cable Networks** and **NBCU**. Interviews were completed in August and October and included a national sample of 103 cable operators.

ATSC 3.0: ACA is asking the FCC to include questions relating to the impact of the transition to the ATSC 3.0 broadcast standard on small MVPDs in its final NPRM. Such questions were included in the draft NPRM. "Rural MVPDs are uniquely susceptible to changes in broadcast service areas—both during the proposed transition and in respect to ATSC 3.0 transmissions. And capacity-constrained MVPDs will face unique burdens associated with the transition, particularly if forced to carry higher resolution ATSC 3.0 signals," ACA said in a letter this week.

Cablefax Daily Stockwatch

Company	02/14 Close	1-Day Ch	Company	02/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	61.95	UNCH	MICROSOFT:	64.57	(0.15)
ENTRAVISION:	5.35	UNCH	NETFLIX:	140.82	(2.38)
GRAY TELEVISION:	12.50	0.10	NIELSEN:	44.77	(0.21)
NEXSTAR:	68.15	0.05	SEACHANGE:	2.44	(0.06)
SINCLAIR:	35.70	UNCH	SONY:	31.63	(0.05)
TEGNA:	24.15	0.33	SPRINT NEXTEL:	9.07	0.23
MSOS					
CABLE ONE:	636.30	0.45	SYNACOR:	3.15	UNCH
CHARTER:	322.00	(1.02)	UNIVERSAL ELEC:	63.10	0.90
COMCAST:	76.09	0.38	VONAGE:	6.80	(0.06)
GCI:	19.89	(0.44)	YAHOO:	45.02	(0.44)
LIBERTY BROADBAND:	84.51	0.21	TELCOS		
LIBERTY GLOBAL:	35.51	0.05	AT&T:	40.75	0.10
SHAW COMM:	21.47	0.07	CENTURYLINK:	24.54	(0.08)
SHENTEL:	27.75	0.25	FRONTIER:	3.34	0.06
PROGRAMMING					
21ST CENTURY FOX:	30.30	0.58	TDS:	30.74	0.11
AMC NETWORKS:	55.90	0.40	VERIZON:	48.27	(0.28)
CBS:	65.33	0.03	MARKET INDICES		
DISCOVERY:	28.53	(0.5)	DOW:	20504.41	92.25
DISNEY:	110.33	0.68	NASDAQ:	5782.57	18.62
GRUPO TELEVISIA:	22.83	(0.4)	S&P 500:	2337.58	9.33
HSN:	36.05	0.35			
MSG NETWORKS:	21.90	(0.1)			
SCRIPPS INT:	76.90	(0.57)			
TIME WARNER:	96.39	0.32			
VIACOM:	47.40	0.80			
WWE:	22.50	(0.16)			
TECHNOLOGY					
ADVANTAGE:	1.81	(0.08)			
AMDOCS:	59.22	(0.29)			
AMPHENOL:	69.13	0.16			
APPLE:	135.02	1.73			
ARRIS GROUP:	29.87	0.34			
AVID TECH:	5.70	0.12			
BLNDER TONGUE:	0.72	(0.03)			
CISCO:	32.31	0.34			
COMMSCOPE:	38.86	0.11			
CONCURRENT:	4.97	(0.03)			
CONVERGYS:	25.00	(0.14)			
CSG SYSTEMS:	39.20	(0.39)			
ECHOSTAR:	53.99	0.16			
GOOGLE:	820.45	1.21			
HARMONIC:	5.75	0.25			
INTEL:	35.93	0.13			
INTERACTIVE CORP:	76.00	(0.48)			
LEVEL 3:	57.87	(0.14)			



**CALL FOR ENTRIES
ENTER TODAY!**

Honoring the Best in Marketing & PR

First Deadline: **March 3** | Final Deadline: **March 10**

Cablefax.com/awards