

# Cablefax Daily™

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What the Industry Reads First

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## Gordon Smith: 2017 Regulatory Forecast, Take on Wheeler Legacy

NAB CEO *Gordon Smith* believes the FCC, under new chmn *Ajit Pai*, will be good for the broadcasters, especially as the agency reviews numerous existing proceedings and as the broadcast industry enters the final stage of the spectrum incentive auction. Speaking on C-SPAN's "The Communicators" program, scheduled to air Saturday at 6:30pm ET, Smith said Pai is "one of the nicest people I have ever known... The guy understands the value of broadcasters...He is not just pro-broadcast, he is pro-localism. I am really thankful for his appointment." While previous chmn *Tom Wheeler* is "a very bright man," the FCC under his chairmanship was "highly regulatory," Smith said. The intention may have been good, but a lot of Wheeler's initiatives "don't make a lot of sense," he said, citing the extension of the ban of station joint sales agreements. While the FCC under Wheeler allowed major cable mergers such as **Charter-Time Warner Cable** to go through, it continued to consider common ownership of 2 TV stations in the same market anticompetitive, which doesn't make sense, according to Smith. Luckily, "all three commissioners understand it (the ban) is a problem," Smith said. Pai launched a rulemaking process for ATSC 3.0 rollout. The latest broadcast standard "holds enormous promises for consumers," given its ability to enable data casting, better picture quality, immersive sound and internet interoperability, Smith said, saying the standard is especially important as video consumption on mobile devices continues to increase. The technology also is important for public safety. "It's no mystery that when you do streaming, you get traffic jams. Broadcasting has no such limitation. It's the most efficient transport of video. If there is an emergency in the middle of the night, 3.0 will allow broadcast stations to 'wake up' your device" and alert consumers, he said. While Smith is glad the spectrum incentive auction is about the close, he sees repacking of the 84 MHz of spectrum, which involves 1100 TV towers across the country, as a big challenge. He hopes the \$1.7bn set aside for repacking cost is enough and that there will be minimal disruption to viewers. "But that's a big hope," he said. Another challenge is the time allowed for repack. The 39-month repack clock is set to start after March 30 and based on current rules, if repositioning wasn't done within the timeframe, stations would go dark. "I don't think it's politically sustainable," Smith



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said. Pai and fellow GOP commissioner *Michael O’Rielly* have said publicly it’s unlikely they will enforce the rules. “We hope to be given some elbow room” given the variety of factors needed to be considered during the repacking process, Smith said. “It’s a huge job” and it makes the DTV transition “look like a Sunday school lesson by comparison,” he said. The good news, he said, is there’s bipartisan political support to extend the timeline because legislators don’t want their local stations to go dark.

**Markey on Merger:** Sen *Ed Markey* (D-MA), member of the **Commerce Committee**, said he plans to continue his investigation and seek input on the \$85bln **AT&T-Time Warner** deal. Markey called on the **DOJ** and the **FCC** last year to carefully review the acquisition. “It’s not surprising that AT&T would claim the proposed deal benefits consumers, but we need an objective review from the Justice Department and the FCC to truly evaluate how merging two massive companies into one behemoth will benefit my constituents and consumers from coast to coast,” Markey said. AT&T and Time Warner offered a public interest statement to lawmakers including Markey, citing the benefits of the deal that include expansion of broadband, better services and prices for consumers, among others. The companies aren’t filing with the FCC as they don’t plan to transfer any of Time Warner’s FCC licenses to AT&T once the deal closes.

**Liberty Global 4Q:** **Liberty Global** plans to continue to expand its bundles with 4G offerings and the addition of new content and functionality, including the launch of **Netflix** across its footprint, the company said in its 4Q earnings release late Thurs. The company will also expand the deployment of new products like its 4K cloud-based set-top and its WiFi Connect Box. In addition, the company will start field trials of the DOC-SIS 3.1 technology in late 2017. Net income in the quarter was \$2.24bln, versus a net loss of \$284mln in the year-ago quarter.

**Zombie Ratings:** **AMC’s** “The Walking Dead” returned Sunday night for the 2nd half of its 7th season with 15.9mln total viewers, 9.9mln adults 18-49 and 10mln adults 25-54 in **Nielsen** live+3 ratings. Total viewers were up 5% from December, adults 18-49 increased 3% and adults 25-54 increased 5%. Live after show “Talking Dead” returned with 5.6mln total viewers, 3.2mln adults 18-49 and 3.4mln adults 25-54 in Nielsen live+3 ratings.

**Power of Cloud:** **Liberty Global** subsidiary **VTR**, the largest cable operator in Chile, reported that its VOD platform saw a 138% YOY increase in the number of views since it was implemented in October. In addition, the number of customers accessing the platform grew 11%, while views per sub grew 83%. The new service is delivered from a cloud-based browser to the set-tops of more than 95% of VTR subs with digital TV. VTR partnered with **ActiveVideo** in the virtualization functionalities of cloud-based set-tops.

**Showtime Sports Streaming:** **Showtime Sports** will live-stream the first ever boxing event on **Twitter** Saturday, featuring four-division world champion *Adrien Broner vs Adrian Granados*. The collaboration with Twitter is an extension of the Showtime Free Preview Weekend during which the net will be available to more than 73mln TV HHs nationwide from Friday through Monday. Twitter’s live stream will be available for free to logged-in and logged-out users on Twitter and connected devices in the US and Canada.

**SCTE Foundation Grants:** **SCTE** and the **SCTE Foundation** are accepting applications for 2017 SCTE Foundation grants to be awarded to FIRST Robotic teams that are associated with and nominated by SCTE members. In conjunction with National Engineers Week (EWeek) Feb 19-25, SCTE and the SCTE Foundation are encouraging high school robotics clubs and groups whose membership includes at least one son or daughter of a current SCTE/ISBE member to apply for grants of \$2,500 each. Four grants, one per quarter, will be awarded this year.

**Cartoon Network-NBA:** **Cartoon Network** and **NBA** joined forces as 17 local New Orleans students graduated from Big Class/826 National’s Code Your Story 3-day mini camp. Coinciding with the 2017 NBA All-Star Weekend, the program inspired students to develop their storytelling abilities through creative coding and culminated with a special school celebration featuring guests *Tim Frazier (New Orleans Pelicans)*, *Ruth Riley (San Antonio Stars)* and *Greg Cipes (Teen Titans Go!)* plus executives from Cartoon Network and the NBA.

**Cablefax Week in Review**

Company	Ticker	2/17 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDs</b>				
DISH:	DISH	62.89	2.85%	9.99%
ENTRAVISION:	EVC	5.40	1.89%	(29.96%)
GRAY TELEVISION:	GTN	12.55	0.00%	(23.01%)
NEXSTAR:	NXST	67.80	0.37%	15.50%
SINCLAIR:	SBGI	36.50	1.67%	12.17%
TEGNA:	TGNA	24.37	3.00%	(4.51%)
<b>MSOS</b>				
CABLE ONE:	CABO	635.69	(0.37%)	46.59%
CHARTER:	CHTR	326.55	0.59%	78.44%
COMCAST:	CMCSA	75.30	0.19%	33.43%
GCI:	GNCMA	19.88	(3.64%)	22.04%
LIBERTY BROADBAND:	LBRDA	85.04	0.26%	64.65%
LIBERTY GLOBAL:	LBTYA	36.75	3.93%	(13.24%)
SHAW COMM:	SJR	21.39	(0.05%)	24.43%
SHENTEL:	SHEN	29.00	4.88%	(32.64%)

Company	Ticker	2/17 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	30.35	1.54%	11.75%
AMC NETWORKS:	AMCX	55.83	1.16%	(25.24%)
CBS:	CBS	65.69	2.02%	39.38%
DISCOVERY:	DISCA	28.68	0.77%	7.50%
DISNEY:	DIS	110.06	0.71%	4.74%
GRUPO TELEVISIVA:	TV	23.11	(1.07%)	(15.07%)
HSN:	HSNI	35.95	(0.55%)	(29.05%)
MSG NETWORKS:	MSGN	21.40	(2.95%)	2.88%
SCRIPPS INT:	SNI	76.04	(2.32%)	37.73%
TIME WARNER:	TWX	96.48	(0.08%)	49.19%
VIACOM:	VIA	47.00	0.86%	6.84%
WWE:	WWE	22.14	0.77%	24.10%

Company	Ticker	2/17 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE:	AEY	1.81	(4.79%)	(0.06%)
AMDOCS:	DOX	59.98	0.15%	9.91%
AMPHENOL:	APH	69.46	1.00%	32.99%
APPLE:	AAPL	135.69	2.70%	28.91%
ARRIS GROUP:	ARRS	30.20	3.92%	(1.21%)
AVID TECH:	AVID	5.87	5.96%	(19.48%)
BLNDER TONGUE:	BDR	0.75	0.00%	87.50%
CISCO:	CSCO	33.72	7.01%	24.15%
COMMSCOPE:	COMM	39.45	2.68%	52.38%
CONCURRENT:	CCUR	4.90	(3.73%)	(1.01%)
CONVERGYS:	CVG	24.54	(1.68%)	(1.41%)
CSG SYSTEMS:	CSGS	39.79	1.20%	10.59%
ECHOSTAR:	SATS	55.12	2.40%	40.94%
GOOGLE:	GOOG	828.07	1.78%	9.12%
HARMONIC:	HLIT	5.70	5.56%	40.05%
INTEL:	INTC	36.48	3.23%	5.89%
INTERACTIVE CORP:	IAC	75.38	(0.67%)	25.53%
LEVEL 3:	LVLT	57.30	(0.74%)	5.41%
MICROSOFT:	MSFT	64.62	0.98%	16.47%
NETFLIX:	NFLX	142.22	(1.82%)	24.34%
NIELSEN:	NLSN	45.08	1.71%	(3.26%)
SEACHANGE:	SEAC	2.49	(0.4%)	(63.06%)
SONY:	SNE	31.34	(1.35%)	27.35%
SPRINT NEXTEL:	S	9.30	3.79%	156.91%
SYNACOR:	SYNC	3.15	5.00%	80.00%

Company	Ticker	2/17 Close	1-Week % Chg	YTD %Chg
UNIVERSAL ELEC:	UEIC	72.65	16.05%	41.48%
VONAGE:	VG	6.19	(11.06%)	7.84%
YAHOO:	YHOO	45.10	0.16%	35.60%
<b>TELCOS</b>				
AT&T:	T	41.48	0.24%	20.55%
CENTURYLINK:	CTL	24.28	(0.86%)	(3.5%)
FRONTIER :	FTR	3.29	(0.9%)	(29.55%)
TDS:	TDS	31.93	4.24%	23.33%
VERIZON:	VZ	49.19	0.39%	6.43%
<b>MARKET INDICES</b>				
DOW:	DJI	20624.05	1.75%	18.36%
NASDAQ:	IXIC	5838.58	1.82%	16.60%
S&P 500:	GSPC	2351.16	1.51%	15.03%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. UNIVERSAL ELEC:	72.65	16.05%
2. CISCO:	33.72	7.01%
3. AVID TECH:	5.87	5.96%
4. HARMONIC:	5.70	5.56%
5. SYNACOR:	3.15	5.00%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. VONAGE:	6.19	(11.06%)
2. ADVANTAGE:	1.81	(4.79%)
3. CONCURRENT:	4.90	(3.73%)
4. GCI:	19.88	(3.64%)
5. MSG NETWORKS:	21.40	(2.95%)



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