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What the Industry Reads First

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Military Mission: NCTI Makes Moves to Bring More Veterans to Cable

Cable's made its mission over the past few years to ramp up the hiring of military veterans. In 2015, it launched **Mission Media**, an initiative created from **NCTA's** Veteran's Advisory Council and founded with the sponsorship of the **Cable and Telecommunications Human Resources Association (CTHRA)** to help the industry become more inclusive for veterans. Individual companies have been doing their part as well. **Comcast** and **NBCU** are on track to have hired 10,000 veterans, National Guard and Reserve members and military spouses by the end of this year. **Charter** has committed to hiring thousands of veterans, with former military members already making up 13% of its 11,500-person workforce. Last month, the MSO expanded its Broadband Technician Apprenticeship program from five states to its national footprint and committed to growing its partnership with military bases. The program provides thousands of hours of on-the-job training, with veterans who complete it able to collect tax-free money from their GI Bill benefits in addition to their Charter paychecks. Now, the industry has a new tool in helping these men and women join its ranks. **NCTI**, long a source for education for cable operators' frontline, has reached an agreement with **Warriors4Wireless**, a nonprofit founded by military veterans in the wireless industry that helps bridge the gap between the need for trained communication techs and qualified service men and women. Warriors4Wireless will utilize NCTI content in a blended flip classroom format, meaning foundational learning is done outside the classroom so that the time in the classroom can be used to focus on craftsmanship and questions. NCTI has traditionally worked with cable operators after a hire, with its training complementary to their own programs. "For us to be working with individuals pre-hire is a new space for us, and we're pretty excited about it," NCTI CEO *Stacey Slaughter* told **CFX**. "We think that the potential impact, while not necessarily a direct ROI that we can calculate, will help set expectation for those individual who are hired into those roles... And also hopefully it will assist operators with having a higher level of commitment right out of the gate so that retention overall improves." NCTI also has recently linked up with The Learning Alliance to train and place individuals, including military veterans and reservists, within the cable industry. And it's talking to other groups as well. Why are veterans so coveted? "They come with experience and usually have fairly significant leadership experience right out of the gate. They're coming from a structure environment with a high work ethic and loyalty," Slaughter said. At the same time, veterans often need additional assistance moving into a civilian environment and understanding how technology they are familiar with translate into the cable world, she said.

Parity with Satellite Providers: Comments were due to the **FCC** last week on a proposed rulemaking related to regulatory fee collection for FY17. Not surprisingly, **NCTA** and **ACA** pushed for regulatory fee parity between cable/IPTV providers and satellite companies like **AT&T/DirectTV** and **DISH**. "It is inequitable to once again require the smaller cable and IPTV providers that comprise ACA's membership to cross-subsidize the regulatory fees of their far larger and better-capitalized direct competitors," ACA told the agency. Naturally, satellite sees things differently. AT&T and DISH said the FCC has failed to explain how regulatory developments in the last year justify a "dramatic" rate increase for the third year. By DISH's cal-



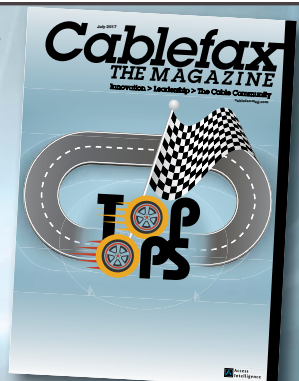
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culations, it would be a 217% increase to the annual per-sub regulatory fee imposed on DBS. What's more, DISH argues that DBS shouldn't have similar fees since it's not identical to cable and the two DBS operators don't generate anything approaching the regulatory costs that hundreds of cable ops do. The FCC also in considering raising its regulatory fee threshold to \$1000 from \$500, meaning a regulatee is exempt from paying regulatory fees if the sum total of all its regulatory fee liabilities for annual fees is \$1000 or less for the fiscal year. It's a move ACA heartily supports.

M&A Powder Keg: Macquarie Research foresees a wave of M&A activity in the cable industry this summer "brought on by the back-to-back debut of **WOW** and **Altice** on the NYSE as well as cable-hungry **Charter** and (maybe) **Verizon**." The firm points to **Cox**, **Cable One**, **Mediacom** and **Frontier** as possible sellers and considers Charter and **Altice** "major buyers." Cox is the "most prized asset," even as management continues to publicly deny it is for sale. A combined Charter-Cox would result in 28.5mln broadband subs, surpassing **Comcast** by 3.4mln. Charter, however, could face a competing offer from Altice, which has expressed an interest in getting bigger. Macquarie believes that Altice, which has about 4.3mln broadband subs, "could gobble up smaller regional players and quickly double its size."

Cutting Crisis?: New data suggests cord cutting may be getting worse this quarter, an alarming development given the unprecedented video sub losses that hit pay-TV providers during 1Q17. While observers will have to wait for the next round of financial disclosures for certainty, research firm **M Science** says cord-cutting indications "do not appear to have improved from Q1 through the end of May" for either **Comcast** or **Charter**, two of the three largest MSOs in the US. M Science claims it has developed a directional indicator of cord-cutting behavior by "analyzing the frequency of various price declines across consistent paying subscribers." Based on this research, the firm says cord-cutting indications at Comcast have "increased dramatically Q/Q," more so than between the first two quarters of 2016. At Charter, cord-cutting indications have consistently increased since the company closed its acquisitions of **Time Warner Cable** and **Bright House** last summer. That trend is continuing so far in 2Q. In fact, cord-cutting indications for Charter were "at record highs in May," according to M Science's data.

Tube Ride: **YouTube** announced at Vidcon that its virtual MVPD, **YouTube TV**, will expand to ten more markets within the next several weeks: Dallas-Ft. Worth, DC, Houston, Atlanta, Phoenix, Detroit, Minneapolis-St. Paul, Miami-Ft. Lauderdale, Orlando-Daytona Beach-Melbourne and Charlotte. On the content side, **YouTube Red** ordered four new original series, including "Good Game," a comedy about esports.

Altice Closes TEADS Deal: **Altice** on Friday closed its acquisition of online video ad marketplace **TEADS**. The deal, first announced in March, values TEADS at \$319.3mln, subject to it achieving certain revenue goals this year.

Ratings: **ESPN's** Thursday night coverage of the **NBA** Draft averaged a 2.7 metered market rating, according to **Nielsen**, up 13% from a 2.4 last year. It matches the third-highest rated NBA Draft on the net. Louisville was the most tuned-in local market with a 5.3 rating, followed by Charlotte (4.7), Indianapolis (4.4), Norfolk (4.0) and Oklahoma City (3.9).

Programming: **Outdoor Channel** acquired cable syndication rights for the first six seasons of **Discovery's** "Deadliest Catch." The show is currently in its thirteenth season on Discovery. -- **HBO** will debut **Vice** special report "A World in Disarray" on July 21 at 10pm. The 75-minute doc examines the past, present and future of American foreign policy. Interviewees include former UK prime minister *Tony Blair* and former secretary of state *Condoleezza Rice*.

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