BCAP 60th Anniversary

NewsClips

June 22, 2017

Advanced Television
Analyst: Pay-TV to dominate US video/TV market

Philadelphia Inquirer
Comcast Spectacor makes deal for Brûlée Catering

MediaPost
Democratic Senators Warn Against AT&T-Time Warner Merger

Reuters
Google to push for law enforcement to have more access to overseas data

Zap2It
Cable Top 25 for Week Ending June 18

Philadelphia Inquirer
Days from the deadline, budget indecision in Pa.

Associated Press
Wolf takes dim view of GOP's budget-balancing strategies

Harrisburg Patriot-News
Op-ed: It's time for Pa.

The upcoming season for cable TV could see yet another merger.

Charter Communications — the nationwide cable giant whose properties include Spectrum, formerly Time Warner Cable — is weighing a fresh plan to acquire Atlanta-based Cox Communications, three sources told The Post. Charter Chief Executive Tom Rutledge is eyeing family-owned Cox despite the fact that the latter has repeatedly rejected overtures from larger rivals, industry insiders say.

"Tom wants to buy Cox," said one highly placed cable source. Another confirmed the news, but stressed there have been no formal approaches. "If they're going to sell it to anyone, they're going to sell it to an old cable guy," one industry source said.

Rutledge is a former chief operating officer at Cablevision, which was acquired for $17.7 billion from the Dolan family last year by French-based Altice NV, which has also acquired Suddenlink. Cox, the third-largest cable company in the US with 6.2 million customers, has long said it isn't for sale. "Cox has been very clear and consistent that we are not for sale and, in fact, we're aggressively investing in our network, products and strategic partnerships and investments of our own," Cox spokesman Todd Smith told The Post on Wednesday. Charter declined to comment.

Still, insiders say Charter may have reason to believe a change of heart is afoot. In April, Cox Enterprises, the corporate parent of Cox Communications, named Alex Taylor, the great-grandson of the founder James Cox, as the company's next CEO. He will take over on Jan. 1. Cox was once public but returned to private ownership in 2004.

Charter, who major shareholder and media mogul John Malone has described as his "horizontal acquisition machine," scooped up Time Warner Cable and BrightHouse, for a total of $67.1 billion. The deals were finalized in May 2016. Malone's Liberty Interactive also bought Alaska-based cable system GCI for $1.1 billion in April. Liberty will in all likelihood flip GCI, which has just 100,000 customers, to Charter at some point, cable watchers predict. What's more, Charter won't be the only suitor should Cox decide it wants a dance partner. Other possible acquirers include Altice, Comcast and Verizon, sources say. – ***New York Post***

---

to stop papering over its budget holes	While low-resolution streaming and playback issues are obviously a nuisance for over-the-top (OTT) service subscribers, how much do they impact the bottom line? To find out, content delivery network Akamai worked with research firm Sensum to test the reactions of 1,200 subjects using biometric methods such as facial coding and skin conductance. That testing quantified just how much streaming issues cause viewers to disengage from storylines and lose interest. Poor streaming made negative emotions rise by 16 percent, while engagement dropped by 20 percent. If streaming issues continued, 76 percent of those sampled said they would stop using the service. How people react to poor experiences depends on what type of service they're using. Buffering leads to a big loss of engagement for subscription video-on-demand (SVOD) customers. Comparatively, transactional video-on-demand (TVOD) services see the greatest loss to customer loyalty. When viewers experience buffering, their happiness drops by 14 percent, negative emotions rise by 8 percent, and focus drops by 8 percent. "One of the reasons we did this study is because what viewers say and what they do are often very different," explains Shane Keats, a media research analyst for Akamai. "This study sought to find our unconscious reactions to higher and lower video quality. And one of the most fascinating things we found is that higher resolution video—even when that resolution is imperceptible to the viewer—generates 10.4 percent more emotional engagement for that viewer." To improve their customer satifaction, programmers should look to their bitrate ladders and step everything up by one rung, Keats advises. – ***streamingmedia.com*** ——————————————————————— The IPO of cable company Altice USA raised more money than any other U.S.-listed telecom since the year 2000, an encouraging sign for the beleaguered sector. Altice shares were priced at $30 apiece, raising $1.9 billion in the deal. In a sign of solid demand for the IPO, Altice and its selling stakeholders sold more shares than anticipated. At that price, it is the biggest U.S.-listed telecom IPO in roughly 17 years, according to data provider Dealogic, when the tech boom ushered in a wave of cable and wireless operators. It's the second-largest U.S. offering overall this year in terms of deal size, after Snap chat parent Snap Inc. raised $3.9 billion in its **March debut**. The U.S. subsidiary of European telecommunications company Altice NV, **formed through the merger** of New York-based Cablevision Systems Corp. and Suddenlink Communications, is expected to start trading on the New York Stock Exchange on Thursday. The deal values Altice USA at more than $20 billion. Investors who bought shares in the offering will be making a bet that the U.S.'s fourth-largest cable operator by revenue will be able to leverage the money raised and expand in an environment **in which competition is stiff**. U.S. telecom stocks have slumped this year. Shares of Altice competitors AT&T Inc. and Verizon Communications Inc. are down 10% and 15%, respectively, in 2017. European-listed shares of Altice NV are up roughly 20% over the same period. Investors also will be betting on Patrick Drahi, the **French billionaire who founded Altice**. He will retain almost **entire control over the company** after the IPO, according to a regulatory filing. Altice is offering Class A shares, which have almost no voting rights. Altice, private-equity firm BC Partners LLP and stakeholder Canada Pension Plan Investment Board sold 63.9 million shares. Altice updated its regulatory filing earlier Wednesday to reflect that it and selling stakeholders would be selling more shares than the 46.6 million it targeted earlier. It planned to sell shares between $27 and $31 apiece. Altice executives traversed the country during the telecom's pitch to investors, with executives making stops in New York, Boston and California, according to a person familiar with the roadshow. Altice's growth strategy in the U.S. has followed a playbook it rolled out in Europe and Israel, where Mr. Drahi tapped into investor demand for higher-yield corporate bonds to finance a shopping spree. Mr. Drahi, who has **cited U.S. cable magnate** John Malone as an influence, then cut costs to improve profit. Altice executives say the strategy helped boost the performance of its U.S. arm last year. Altice USA posted a net loss of $721.3 million last year compared with a $1.1 billion loss a year earlier. Its adjusted earnings rose to $3.35 billion from $2.77 billion in the same period, according to a regulatory filing. But Altice's approach has drawbacks: According to the filing, Altice USA's net debt stands at more than $20 billion. At the group level, Altice NV's debt stood at more than €50 billion ($55.74 billion) on March 31, and the company paid about €3 billion on interest payments last year, according to filings. Altice executives

were pressed about some of these things during the company's pitch to investors, according to the person familiar with the roadshow. Investors questioned executives about the company's plan to convert its systems into an ultrafast **fiber-to-the-home network** and the cost savings that it still expects to wring from merging Cablevision with Suddenlink, according to the person. Altice USA shares are set to trade under the symbol ATUS. The deal is being led by J.P. Morgan Chase & Co., Morgan Stanley, Citigroup Inc. and Goldman Sachs Group Inc. – ***Wall Street Journal***

The American Gaming Association wants the feds to repeal the law that nixes legal sports betting. So naturally some Pennsylvania lawmakers are wagering that lifting the prohibition would be a boon for state coffers in licensing fees and taxes. And who loses if sports betting goes legit in the commonwealth? Why, the vast majority of suckers placing sports bets, of course. – ***Pittsburgh Tribune-Review***