

Cablefax Daily™

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What the Industry Reads First

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Dear Wheeler: Industry Gives FCC Its Retrans Wish List

It's not often that the **FCC** signals that it may make changes to the retransmission consent rules, so comments came from every which way in the agency's docket examining what constitutes good faith negotiations. It wasn't just broadcasters and MVPDs who weighed in on the totality of circumstances test for determining whether negotiations are conducted in good faith. Independent programmer **TheBlaze** said current rules and the processes enforcing them create "an artificial market advantage for broadcasters." It urged the Commission to look at the **American TV Alliance's** proposals, which include no online blocking, no forced bundling and no charges for subs who don't receive the signal (**CFX**, 12/2). **Cablevision** complained that its efforts to provide customers with skinny bundles have been stymied by broadcasters forcing bundling. "At the very least, the Commission should prohibit the tying practices that are most harmful to consumers, including tier-placement requirements and penetration minimums," the MSO said. **Mediacom's** 50-page filing included the recommendation that the FCC borrow from labor law practices and allow blackouts only when negotiations have reached a final impasse and after a 60-day cooling off period and mediation. "The principal purpose of this 60-day cooling off period would be to allow the MVPD to attempt to arrange for the carriage of a substitute station in order to mitigate the disruption to its subscribers. Carriage of the substitute station could only begin when the cooling off period ends and would have to terminate if the parties subsequently restarted negotiations and reached a carriage agreement," Mediacom said. The comments covered just about everything. **Verizon** said "one-sided scared advertisements" should be deemed not in good faith. **Time Warner Cable** described increasing attempts from broadcasters to use negotiations as a way to limit fast-forwarding or features that would let consumers make lawful copies of content for personal viewing. Longtime retrans reform pusher **ACA** urged the FCC to view any conduct that harms the public interest as bad faith. Its list of specific good faith violations would include bundling broadcast signals with RSNs or other must-have programming and refusing to substantiate its bargaining position (ie, backing up price demands). **Cox Enterprises**, which owns both cable systems and TV stations, believes selective blocking of otherwise freely available Internet content is a violation of good faith, as is forced bundling of broadcast and non-broadcast programming that lacks significant local content. **Block Comm**, which also owns cable systems and broadcast stations, joined the call for reform. "Retransmission consent isn't about serving local TV viewers anymore; it's about which

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huge company can get the biggest and best deals,” the Toledo, OH-based company said. Naturally, broadcasters see things differently. **CBS** defended online blocking: “Local broadcast stations have a duty to transmit programming for free, over-the-air. They have no obligation to make any of that programming or any other content available online.” It suggested prohibiting blocking would be a strong disincentive for broadcasters to make that content available online. **Disney** agreed, saying it raises serious First Amendment concerns. In making broadcasters’ case for why the rule should be left alone, **NAB** complained MVPDs are looking to regulate their competition. “The pay TV industry’s goal here is not to level the retransmission consent playing field, but rather to tilt it more in MVPDs’ favor and, ultimately, to enhance their bottom lines,” the trade group said. “While pay TV companies offer innumerable claims to persuade the Commission to intervene in the marketplace in their favor, they cannot produce the necessary facts and data to support their laundry list of requests.”

Broadband Bills Markup: The **House Communications** subcommittee marked up a draft bill on broadband infrastructure deployment and the Federal Spectrum Incentive Act Wed. The draft seeks to accelerate broadband deployment through streamlining pole attachment application and other measures. It also includes a provision to create a federal inventory of where “fiber can be hung, antennas can be attached, or wires can be trenched,” according to *Greg Walden* (R-OR), head of the subcommittee. **NCTA** praised the proposal, calling broadband “a critical communications technology that all Americans deserve access to, and we welcome these constructive, commonsense proposals.” The spectrum proposal would encourage federal agencies to auction their spectrum for mobile broadband.

Ergen Visits FCC: **DISH** continued its assault on the proposed **Charter-Time Warner Cable** merger, with CEO *Charlie Ergen* making an appearance at the Commission on Tues to talk to **Media Bureau** chief *William Lake* and other **FCC** staffers. Ergen, who was joined by other **DISH** execs, re-emphasized the satellite company’s concern that the deal could be crippling to its OTT **Sling TV** service with the combined company serving almost 30% of homes that have speeds of at least 25 Mbps. “The gatekeeper role that New Charter would perform thanks to its broadband access service would be complex. OVD sabotage can be achieved in many opaque and subtle ways,” **DISH** said in a filing describing the meeting. **DISH**, which also opposed the **Comcast-TWC** merger, said Charter and TWC abut each other to a much greater extent than Comcast-TWC. It fretted that the proximity creates a greater loss of potential competition and benchmarking opportunities compared to the failed Comcast deal.

DirecTV’s Name: A story headlined “**AT&T** Plans on Killing the **DirecTV** Name Starting in January” on **DSL Reports** sparked speculation that AT&T will ditch DirecTV’s name. The article featured an image that it described as a notice posted on AT&T’s internal employee website. An AT&T rep told us the DirecTV brand is not going away in January and “will continue for the foreseeable future.” She did not offer any details on the notice **DSL Reports** posted, which said that the AT&T globe would be added to the DirecTV name beginning in Jan. The notice said: “As we explained in August, the iconic AT&T brand—one of the world’s most valuable and admired—is our brand. It has replaced the DirecTV brand. However, we will continue to use DirecTV as the product name of our lead TV offer until the launch of our next-generation TV platform.”

NCTC Plays Poker: **Poker Central** scored its 1st carriage deal with **NCTC**, making the net available to the group’s nearly 900 member companies. The deal includes both linear and digital rights such as TVE and VOD. The net launched on Oct 1.

Founders’ Parade: Don’t call kids born after 2001 “Gen Z.” They’d like to be known as “The Founder Generation,” as in they are founding a whole new world. So says an **MTV** survey of 1000 13- and 14-year-olds that asked what they would name their generation. Ranking below Founder was “Bridge Generation” (bridging the gap between the old and new world) and “Builder Generation” (building a new world). 90% of respondents said their generation will start a new society where diversity is accepted and encouraged, and 91% said tech has helped them understand people who are different in terms of race, religion and sexuality. And if millennials are “digital natives” then today’s tweens and kids are “part cyborg,” with everything hooked into the Internet of Things. The study was conducted in partnership with **Red Peak Youth**.

Univision Launches New Video Platform: Say Hi to **Udisea, Univision Digital**’s new digital video platform. Targeting multicultural, Spanish-speaking millennials, the platform can be accessed through Univision.com and as a **YouTube** channel, featuring premium, short-form video such as original web series and various scripted formats in Spanish.

Addressable Advertising: **Cablevision** signed a long-term addressable TV partnership with **MODI Media, GroupM**’s advanced TV business. **MODI Media** will have access to Cablevision’s Total Audience Application, a proprietary plat-

BUSINESS & FINANCE

form that automates planning and optimization of advanced TV advertising campaigns. The MSO has 7mln set-tops across nearly 2.6mln HHs in the largest DMA in the country.

People: Univision Comm upped *Tonia O'Connor* to chief commercial officer and pres of content distribution, a newly created position. She will continue to report to pres/CEO *Randy Falco*. Under O'Connor, Univision has brought together its corporate development and enterprise groups under one Enterprise Development unit. This unit will focus on beefing up Univision's market position to help launch new products and businesses. O'Connor will also continue to oversee content distribution, including online and mobile, as well as create new business models with emerging outlets. O'Connor joined UCI in 2008 as evp of distribution sales and marketing. -- **NBCU's Content Innovation Agency** tapped *John Harrobin* as chief marketing officer, overseeing strategy, development and all marketing and creative content initiatives for the company's ad sales division. He will report to *Linda Yaccarino*, chmn, ad sales and client partnerships, NBCU. Harrobin joined NBCU from **Verizon** where he has been since 2003. He was most recently CMO of Verizon's consumer and mass business unit, which includes FIOS video and Internet. -- **NBCU** promoted *Hilary Smith* to svp, corp comm. She was most recently svp, comm for USA.

Cablefax Daily Stockwatch

| Company | 12/02 Close | 1-Day Ch | Company | 12/02 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| DISH: | 62.25 | (1.41) | CONVERGYS: | 25.51 | (0.64) |
| ENTRAVISION: | 8.41 | (0.02) | CSG SYSTEMS: | 35.61 | (0.14) |
| GRAY TELEVISION: | 16.48 | (0.46) | ECHOSTAR: | 38.45 | 0.49 |
| MEDIA GENERAL: | 15.60 | 0.03 | GOOGLE: | 762.38 | (4.66) |
| NEXSTAR: | 57.13 | (1.6) | HARMONIC: | 5.46 | (0.16) |
| SINCLAIR: | 35.18 | (0.32) | INTEL: | 34.83 | (0.26) |
| TEGNA: | 27.84 | (0.7) | INTERACTIVE CORP: | 62.66 | 0.20 |
| MSOS | | | | | |
| CABLE ONE: | 456.88 | 5.78 | LEVEL 3: | 51.95 | (0.9) |
| CABLEVISION: | 30.26 | (0.32) | MICROSOFT: | 55.21 | (0.01) |
| CHARTER: | 186.77 | (2.11) | NETFLIX: | 128.93 | 3.56 |
| COMCAST: | 60.48 | (1.27) | NIELSEN: | 46.64 | (0.82) |
| COMCAST SPCL: | 60.57 | (1.24) | RENTRAK: | 51.14 | 0.77 |
| GCI: | 20.86 | (0.56) | SEACHANGE: | 6.70 | (0.07) |
| LIBERTY BROADBAND: | 53.42 | (0.06) | SONY: | 25.40 | (0.8) |
| LIBERTY GLOBAL: | 42.88 | (0.26) | SPRINT NEXTEL: | 3.55 | (0.08) |
| SHAW COMM: | 20.87 | (0.17) | TIVO: | 9.01 | 0.01 |
| SHENTEL: | 47.89 | (0.49) | UNIVERSAL ELEC: | 52.43 | (0.46) |
| TIME WARNER CABLE: | 184.62 | (1.88) | VONAGE: | 6.42 | (0.05) |
| PROGRAMMING | | | | | |
| 21ST CENTURY FOX: | 29.31 | (0.42) | YAHOO: | 35.65 | 1.94 |
| AMC NETWORKS: | 83.20 | 0.84 | TELCOS | | |
| CBS: | 50.05 | (1.05) | AT&T: | 33.56 | (0.21) |
| CROWN: | 5.76 | 0.05 | CENTURYLINK: | 26.47 | (0.56) |
| DISCOVERY: | 30.18 | (0.9) | FRONTIER: | 4.99 | (0.09) |
| DISNEY: | 114.00 | (1.39) | TDS: | 28.17 | (0.4) |
| GRUPO TELEVISA: | 29.10 | (0.02) | VERIZON: | 44.92 | (0.66) |
| HSN: | 50.46 | 0.63 | MARKET INDICES | | |
| LIONSGATE: | 34.06 | (0.18) | DOW: | 17729.68 | (158.67) |
| MSG NETWORKS: | 19.86 | (0.07) | NASDAQ: | 5123.22 | (33.08) |
| SCRIPPS INT: | 57.25 | 0.36 | S&P 500: | 2079.51 | (23.12) |
| STARZ: | 35.46 | (0.3) | | | |
| TIME WARNER: | 70.02 | (1.02) | | | |
| VIACOM: | 49.61 | (2.05) | | | |
| WWE: | 17.43 | 0.38 | | | |
| TECHNOLOGY | | | | | |
| ADDVANTAGE: | 2.25 | UNCH | | | |
| AMDOCS: | 56.64 | 0.04 | | | |
| AMPHENOL: | 54.59 | (0.9) | | | |
| APPLE: | 116.28 | (1.06) | | | |
| ARRIS GROUP: | 32.27 | 1.16 | | | |
| AVID TECH: | 7.18 | (0.06) | | | |
| BLNDER TONGUE: | 0.39 | 0.00 | | | |
| BROADCOM: | 54.80 | (0.28) | | | |
| CISCO: | 27.44 | (0.13) | | | |
| COMMSCOPE: | 27.73 | (0.81) | | | |
| CONCURRENT: | 5.02 | 0.19 | | | |

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 CONTENT FIRST

Think about that for a minute...

Pet Peeves

Commentary by Steve Effros

As most of you know from reading this column or its predecessors over the past 37 years (yup, that's not a typo! ... I've been writing about all this "cable" stuff on a monthly, then weekly basis for 37 years now!) I have some "pet peeves." No surprise, near the top of the list are legislators and regulators who operate based on either misinformation or intentionally misinform to support their points of view. The same is true of reporters who pose as "experts" but often are anything but.



Another top-of-the-list candidate is "public interest" groups rallying the "troops" regarding very complex technology, policy and business choices by using "bumper sticker" campaigns and totally misleading claims. But I'm also known for calling out the industry on its poor record of customer service (although I acknowledge how hard it really is, unlike those who try to make it sound simple, to schedule repair techs when you don't know how long each repair will take... and can't ever know). The billing screw-ups and unhelpful or surly CSRs are a different story. You can do something about that. And definitely up there at the top are the boys from Wall Street who turned this industry into one that focused on quarterly "results" rather than long-term success with satisfied customers. Our bad for getting sucked into that.

I'm writing about all this because while I usually try to stay "current" with whatever is going on in the headlines, on the Hill, or at the FCC, I'm in Spain right now, and while I could have brought a laptop and used the Internet to keep up and write my column while traveling, that would've been downright idiotic! Soon enough we'll get back to the topical stuff. Right now it's time to look farther down the list of peeves.

One that I simply don't understand—and it relates to my recent column about "Tablotes"—is the insistence of guide designers and film PR folks to think the smartest display they can create is one with very small lettering and a big picture. Have they not figured out yet that most of the graphical interfaces today (Netflix, Xfinity, FiOS... all of them) show little depictions of the movie poster, what looks to me like the front of the old VCR box, when offering up all the movies you can pick from? So designing something with a big airplane or an explosion or a seductress with the title of the movie "artfully" included somewhere in the picture is really useless to those of us who have trouble reading all that small type? Yes, I know, everything is aimed at the "millennials," but the rest of us pay good money too! When will they figure this out, and put the title of the movie in a reasonably big font so we can see what we're trying to read? A lot of the guides now do that if you highlight the particular picture, but that means we have to go one by one to see what's available. Why not just let us read it in the first place?

Another pet peeve is when "journalists" find something they don't like happening because of broad, overdone news coverage. It's only then that they decry "cable news," as though the front page pictures in their newspapers and breathless prose had nothing to do with it. We've all done some stuff wrong, and lots right as well. "Fair and balanced" reporting is a great idea if someone would actually try doing it.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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