

Cablefax Daily™

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What the Industry Reads First

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Extinguishing the Flame: Optimum to Drop TheBlaze

When **Cablevision** was mired in its now settled legal battle with **Viacom** over wholesale bundling, it talked about the independent networks it would be more likely to consider launching if it wasn't required to carry a host of nets in order to get the core channels it wanted. On that list was *Glenn Beck's TheBlaze*, and shortly thereafter, in May 2013, the MSO added it to its Optimum Preferred Silver and Gold Packages. These days, interest in TheBlaze seems to be over, with the operator notifying customers that the channel will no longer be available after Aug 31. "We are always evaluating which channels best meet the needs and preferences of our customers, and as a result, we are no longer carrying The Blaze," Cablevision said in a statement. TheBlaze played up its other deals, which include **Verizon FiOS** launching it on expanded basic in Dec, an **NCTC** deal in Jan and **Frontier** rolling it out on expanded basic in March. "As we consolidate our cable distribution and digital businesses, we are working with our 125 current partners such as **DISH**, **FIOS**, **NCTC**, and **Altice/Suddenlink** to strengthen and build a strong presence in our growing market," said pres *Stewart Padveen*. While new owner Altice has made it clear that it wants to reduce programming costs as channel contracts come up for renewal, given the timing, this decision seems to have been made under the previous **Cablevision** regime. Suddenlink, also operated by **Altice USA**, will continue to carry TheBlaze on expanded basic. At least for now. It launched the news and opinion network in Oct 2014. An Altice rep didn't indicate what would happen once that contract is up for renewal. Suddenlink has a rather different footprint than the NY area covered by Cablevision. While the trigger may have been pulled before Altice management took control of Cablevision, all programmers have been put on notice by the new owner. In a recent interview with the *WSJ*, Altice USA CEO *Dexter Goei* noted that about half the company's programming lineup is up for renewal soon and that there are "a lot" of channels that they'd like to jettison. TheBlaze launched first as a subscription online network. It debuted as a linear network in Sept 2012, with **DISH** as the first MVPD affiliate. **DISH** reached a multi-year renewal for TheBlaze this past Oct.

Trail Blazers Stick with CSN: The **Portland Trail Blazers** won't hook up with another TV partner after all. **NBC Sports Group's CSN Northwest** will continue to televise the **NBA** team's games through a new expanded partnership agreement. Beginning with the new 2017-18 extension, CSNNW will become the exclusive media partner for all

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regional Trail Blazers games. The original 10-year deal was signed in 2007. “After thorough negotiations with several other potential partners, it became apparent that by building on our existing relationship with CSN Northwest, we have the best opportunity to increase distribution for Trail Blazers games and other programming in our marketplace,” said Trail Blazers pres/CEO *Chris McGowan* in a statement. “With the addition of *David Preschlack* at **NBC Sports Group** and his background in distribution, we’re very motivated to collaborate on ways to bring even greater access to our fans.” The RSN has inked new carriage deals in recent years with **Charter**, **CenturyLink Prism** and most recently **Sony Vue**, and it has seen expanded distribution on **Comcast**, **Frontier** and **Wave**. But **DirecTV** and **DISH** do not offer CSN Northwest...

Eyes on Ailes: We’ll call it the lawsuit heard round newsrooms everywhere. At about 11am ET Wed, reporters’ inboxes were hit with the news longtime **Fox News** anchor *Gretchen Carlson* had filed a sexual harassment lawsuit against **Fox News** CEO *Roger Ailes*. A PR firm distributed the news to reporters across various industries—from media reporters to public relations trades. In the complaint, filed in the Superior Court of NJ, Carlson alleges she was fired June 23 after she refused Ailes’ sexual advances and complained about sexual harassment. The suit claims that she met with Ailes to discuss the treatment 9 months ago and he allegedly said: “I think you and I should have had a sexual relationship a long time ago and then you’d be good and better and I’d be good and better.” Ailes released a statement late Wed denying her account: “Gretchen Carlson’s allegations are false,” it stated. “This is a retaliatory suit for the network’s decision not to renew her contract, which was due to the fact that her disappointingly low ratings were dragging down the afternoon lineup. When Fox News did not commence any negotiations to renew her contract, Ms. Carlson became aware that her career with the network was likely over and conveniently began to pursue a lawsuit. Ironically, FOX News provided her with more on-air opportunities over her 11 year tenure than any other employer in the industry, for which she thanked me in her recent book. This defamatory lawsuit is not only offensive, it is wholly without merit and will be defended vigorously.” In the complaint, Carlson contends she was treated in a sexist and condescending way by “Fox & Friends” cohost *Steve Doocy*, and that Ailes had responded by calling her a “man hater,” reducing her appearances and assigning her fewer hard-hitting interviews. In further retaliation, Carlson claims she was fired from “Fox & Friends” in 2013 and assigned to the 2pm-3pm timeslot. Carlson joined Fox News in 2005 after 5 years at **CBS News**’ “The Saturday Early Show.”

Call for Transparency: Weeks after a Hill hearing in which MVPDs were questioned about a lack of transparency in billing, **FCC** commish *Mignon Clyburn* and Rep *Mike Doyle* (D-PA) penned a joint op-ed for *The Hill* asking telecom companies to disclose the true cost of service. “We are calling for the nation’s communications providers to lead the way and voluntarily improve transparency and disclosure of these ‘below the line’ fees so that when consumers sign up for service, either online or in-store, they won’t have to wait for their first bill to learn what their total monthly costs will be,” they wrote.

GCI’s Settlement: The **FCC** Enforcement Bureau reached a \$2.4mln settlement with **GCI**, resolving an investigation into five 911 service outages that occurred on the company’s wireless network in parts of AK between Aug 2008 and Apr 2016. This is the 5th major enforcement action in regards to wireless outages in the past 14 months. In July 2015, the FCC entered into a \$17.5mln settlement with **T-Mobile**.

On Demand’s Most In Demand: No surprise that **HBO’s** “Game of Thrones” has the highest demand of its entire season with over 80mln average “demand expressions,” total audience demand across all platforms within a market, according to **Parrot Analytics**. **Netflix’s** “Orange is the New Black” has the highest demand among digital series, with nearly 26mln expressions. Runner-up is Netflix’s “Marco Polo” (6.1mln), which released its 2nd season this week. The top 5 shows in demand overall are: **GOT**, **Orange is the New Black**, **Freeform’s** “Pretty Little Liars,” **AMC’s** “The Walking Dead” and **CW’s** “The Flash.”

Home Cam: **Comcast** is adding a new video camera and voice controls to its Xfinity Home Platform. Dubbed the xCam and available this summer, the camera is WiFi enabled, high def, has a weather resistant seal, 109-degree field of view and infrared night vision. Its WiFi signal is routed through the power source rather than the camera, allowing for an improved connection and greater range of movement, and it can communicate with other IoT devices

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on the platform such as sensors and lights. For voice control, Comcast Xfinity Home customers can speak into the voice remote to see their video camera feeds on their TVs and activate their security systems. Read more at Cablefax.com.

People: DISH named *Jay Roth* svp, CMO, where he'll be responsible for marketing, advertising and consumer insights. He previously held senior marketing and acquisition roles at **JP Morgan Chase**. Roth will report to *Warren Schlichting*, evp, marketing, programming and media sales. -- **Vubiquity** added *Donna Thomas* as svp, studio sales and *Kristopher Brown* to the role of svp, digital sales. Thomas most recently was vp, sales for the creative services division at **Technicolor**. Brown previously served as vp, sales for global digital accounts at **Warner Bros Home Entertainment**.

Smart Energy: Energy trade pub *Environmental Leader* bestowed its "Project of the Year" honor on **NCTA** and **CTA's** voluntary agreement to increase energy efficiency of set-tops. The 2012 set-top box agreement is a collaboration among the pay-TV industry, consumer tech manufacturers and energy efficiency advocates. A 2015 independent audit determined the agreement saved consumers more than \$500mln in energy costs and avoided nearly 3mln metric tons of carbon dioxide emissions during its first 2 years.

Cablefax Daily Stockwatch

Company	07/06 Close	1-Day Ch	Company	07/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			INTEL: 32.97 0.29		
DISH:	51.33	0.52	INTERACTIVE CORP:	56.29	0.29
ENTRAVISION:	6.83	0.07	LEVEL 3:	51.11	0.53
GRAY TELEVISION:	10.65	0.13	MICROSOFT:	51.38	0.21
MEDIA GENERAL:	16.89	0.01	NETFLIX:	94.60	(3.31)
NEXSTAR:	46.85	0.22	NIELSEN:	52.18	0.52
SINCLAIR:	29.42	(0.31)	SEACHANGE:	3.30	0.02
TEGNA:	22.96	0.41	SONY:	30.09	0.90
MSOS			SPRINT NEXTEL:	4.45	(0.04)
CABLE ONE:	520.07	8.41	SYNACOR:	3.01	0.02
CHARTER:	232.78	1.01	TIVO:	10.08	0.10
COMCAST:	65.10	0.09	UNIVERSAL ELEC:	72.25	1.00
GCI:	15.97	0.16	VONAGE:	5.79	(0.01)
LIBERTY BROADBAND:	59.72	0.18	YAHOO:	37.51	0.01
LIBERTY GLOBAL:	27.66	0.17	TELCOS		
SHAW COMM:	19.00	0.02	AT&T:	43.10	0.23
SHENTEL:	39.32	(0.04)	CENTURYLINK:	29.50	0.57
PROGRAMMING			FRONTIER:	4.88	(0.1)
21ST CENTURY FOX:	26.74	0.09	TDS:	29.23	(0.07)
AMC NETWORKS:	58.09	(0.23)	VERIZON:	56.26	0.29
CBS:	55.09	0.42	MARKET INDICES		
DISCOVERY:	25.10	0.33	DOW:	17918.62	78.00
DISNEY:	98.45	0.79	NASDAQ:	4859.16	36.26
GRUPO TELEVISA:	25.06	(0.86)	S&P 500:	2099.73	11.18
HSN:	49.35	0.58			
LIONSGATE:	18.69	(0.41)			
MSG NETWORKS:	15.04	(0.01)			
SCRIPPS INT:	62.26	0.52			
STARZ:	29.22	(0.15)			
TIME WARNER:	74.54	0.69			
VIACOM:	45.82	0.28			
WWE:	18.91	0.95			
TECHNOLOGY					
ADVANTAGE:	1.79	(0.02)			
AMDOCS:	57.99	0.53			
AMPHENOL:	56.04	0.07			
APPLE:	95.53	0.54			
ARRIS GROUP:	22.80	0.27			
AVID TECH:	5.86	0.14			
BLNDER TONGUE:	0.50	(0.03)			
CISCO:	28.72	0.39			
COMMSCOPE:	30.71	0.57			
CONCURRENT:	5.36	0.05			
CONVERGYS:	25.04	0.03			
CSG SYSTEMS:	39.78	(0.12)			
ECHOSTAR:	38.69	1.17			
GOOGLE:	697.77	3.28			
HARMONIC:	2.76	(0.04)			



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\$86 Billion

Commentary by Steve Effros

That's with a "B." A rather healthy amount of money. That's the opening bid of the broadcasters who were in essence asked by the FCC how much it would take to buy back "the public spectrum" that they've been using so it could be put to new and better use.



The broadcasters clearly have a very high opinion of themselves and the worth of "their" spectrum. The first part of the "reverse auction" that the Commission is engaged in trying to repurpose some, not all, of the "ocean-front" broadcast spectrum has resulted in a number, \$86 billion dollars, that no one really believes will be met when all is said and done. Now the Commission is going to ask the potential buyers what they're willing to spend on that spectrum, and it's pretty well assumed that the bidding will not reach even close to \$80+ Billion. The guessing is that it will come in somewhere around half of that.

So the game begins. How much can the broadcasters demand, how much will the potential buyers be willing to spend, with the Commission in the middle trying to make a very awkward and cumbersome process work.

We can't blame the Commission for that. This was a purely political decision. After all, the spectrum we are talking about is, in fact, owned by the public. The broadcasters never "owned" it, and it has never been totally clear to me why they should be the ones deciding how much it is worth, or whether they should choose to "allow" the public to get it back from their stewardship and use it for something else.

There is certainly no significant argument that we should continue to have all the best spectrum tied up in over the air broadcast technology when only a very small percentage of the public even uses that technology any more. Most video is now watched through MVPDs and

on broadband. The spectrum is being wasted.

Yes, the broadcasters, who over the years have relied on "ownership" of the channels they use and have traded, bought and sold those channels time and time again, have an argument that they should get some remuneration for no longer being able to traffic it. But for them to set the price and stand in the way of a rational return and repurposing of that spectrum makes very little policy or technological sense. But we all understand those weren't the considerations that got us to this currently absurd number. Political clout did.

So now what? Well, the Commission is going to have to go through the "forward" bidding process, and, as noted, the numbers of the "sellers" and the "buyers" are not likely to come anywhere close to matching. Then the Commission will have to pare back the amount of spectrum it tries to repurpose and start another round of bidding to see if, eventually, some meeting of the minds will appear.

Bottom line; this is going to be an even longer and more drawn out process than had been hoped, and it's already taken far longer than it should have. Technological progress does not wait for political and legacy business niceties. It just moves on in other directions, and that's what's happening right now.

Few will deny that some of the best public spectrum could be put to far better use than it is at present. The new technologies for broadband—both wireline and wireless—are surging forward. The only thing between us and even more progress is \$86 Billion dollars.

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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