

# Cablefax Daily™

Monday — August 1, 2016

What the Industry Reads First

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## Retrans Retribution? Sinclair Pays \$9.5 Million to Settle FCC Investigations

Here's a little something for those still smarting over *Tom Wheeler's* decision not to pursue retrans reform. **Sinclair** agreed to pay \$9.5mln to settle numerous **FCC** Media Bureau investigations, including allegations that it violated its obligation to negotiate in good faith for retrans consent. It is the first of its kind action to enforce the agency's long-standing retransmission consent rules. The Media Bureau found that over the course of 7 months (Apr 2, 2015-Nov 30, 2015), Sinclair negotiated retrans consent on behalf of dozens of stations that it did not control at the same time it was negotiating for its own stations in the same markets. In 2014, Congress directed the FCC to adopt rules preventing broadcasters from such coordination in a local market. The Bureau concluded Sinclair negotiated retrans for 36 non-Sinclair stations with which it had JSAs, LMA or SSAs concurrently with negotiations for its own stations in the same markets. Six different MVPDs were involved. On Fri, the Media Bureau granted a Nov 2015 request by **DISH** to dismiss with prejudice its complaint filed against Sinclair in their retrans negotiations. The two reached a deal in Aug after the FCC Media Bureau convened an emergency meeting following a 24-hour blackout in 79 markets. Sinclair did not admit any liability and noted that the FCC did not find the broadcaster to be at fault in connection with the matters addressed in the consent decree. "2017 will begin a new era for broadcasting, with the post-auction repack and the initial rollout of Next Generation TV (or ATSC 3.0), and clearing this backlog sets the stage for that," said *Rebecca Hanson*, svp of strategy and policy for Sinclair. "We look forward to starting this next chapter with a clean slate in the Media Bureau and to help lead the way through the challenges and opportunities to come." The FCC has dismissed all pending claims against Sinclair in the Media Bureau and will now issue license renewals for 90 television stations. Sinclair has agreed to implement a compliance plan to ensure no similar violations occur. In opting not to take action in an open retrans proceeding, Wheeler promised to take enforcement actions when companies violate good faith obligations. "Today's action demonstrates our strong commitment to vigilantly enforce our retransmission consent rules when necessary," Media Bureau chief *Bill Lake* said in a statement. The settlement also covers some other issues, including content on Sinclair stations.

**Title II Part 2:** Having lost out at the DC Circuit, several groups fighting the **FCC's** Open Internet order filed petitions Fri for a rehearing en banc at the appeals court. In a joint petition, **NCTA** and **ACA** argue that rehearing is warranted be-

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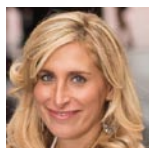
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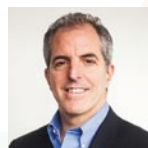
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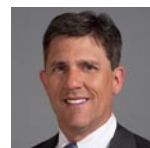
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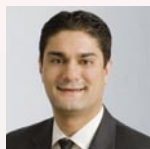
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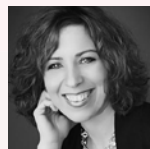
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cause the 3-judge panel's decision departs markedly from Supreme Court and Circuit court precedent and violates the Administrative Procedure Act. "The panel improperly excused the FCC's failure to offer a reasoned explanation for reclassifying broadband. Supreme Court case law required the FCC to 'provide a more detailed justification' for that ruling, because it 'rests upon factual findings that contradict those which underlay its prior policy,' and to 'tak[e] into account' the 'serious reliance interests' the FCC's own 'prior policy ha[d] engendered,'" said the joint petition. Also filing petitions for review were **AT&T**, **CTIA**, **CenturyLink**, **Alamo** and **USTelecom**. "Regrettably, two judges on the appeals court failed to recognize the significant legal failings of the FCC's decision to regulate the internet as a public utility. USTelecom has asked for an en banc review to help ensure that the FCC does not give itself authority—which Congress has not granted—to impose heavy-handed regulation on internet access," USTelecom said. As expected, the moves drew criticism from Public Policy and Free Press, which noted such rehearing requests are rarely granted. But did anyone really think this would stop before the Supreme Court weighs in? "It comes as no surprise that the big dogs have challenged the three-judge panel's decision. We are confident that the full court will agree with the panel's affirmation of the FCC's clear authority to enact its strong Open Internet rules, the reasoned decision-making upon which they are based, and the adequacy of the record from which they were developed," FCC chmn *Tom Wheeler* said Fri.

**Unwrapping Layer3:** Denver-based **Layer3 TV** is finally coming out of stealth mode, with the company confirming it will launch its new generation of cable service in the Chicago area by Labor Day. It follows a beta trial in parts of TX that launched last year. The company promises 4K content as well as live TV, social media, online video and streaming music on 1 platform. Founded by *Dave Fellows* and *Jeff Binder* in 2013, the industry has been hearing for years that Layer3 would be a different kind of cable company. Case in point: the *Chicago Tribune* reports that the "cable guy will arrive exactly on time — in a BMW i3, no less." Layer3 previously announced that it is adding the electric-powered vehicle to its service fleet. The company is hiring several sales reps in the DC area, and has some openings in Boston and Houston. *Variety* reported that **Altice** (via newly acquired **Suddenlink**) and *John Paulson's Paulson Co* are investors. Layer3 said it would not comment on the report.

**AT&T Data Bump:** **AT&T** is upping its data caps again. Starting Aug 21, **U-verse** subs on plans with speed tiers up to and including 300Mbps will get a monthly allowance of 1 terabyte of data. GigaPower users will receive unlimited home Internet data. In recent months, Comcast raised its threshold to 1TB in areas that were limiting Internet usage and launched an unlimited data plan for an additional \$50/month. In May, AT&T added an unlimited data option and increased data allowances.

**El Rey Carriage:** **Verizon** launched **El Rey** on its Ultimate, Preferred, Mundo and Mundo Total TV plans. It brings distribution to just over 40mln homes for the English-language channel from filmmaker Robert Rodriguez.

**Ratings:** Old news by night 4, but **CNN** once again won the DNC ratings race. During prime, CNN ranked #1 in cable news with 5.7mln total viewers, +34% more than 2nd place **MSNBC's** 4.2mln and +82% more than **Fox News'** 3.1mln. -- "Hell on Wheels" wrapped its 5-season run on **AMC** last Sat with a finale episode that drew 2.5mln total viewers in L+3.

**Programming:** Ahead of its **TCA** session, **Nat Geo** announced that it has greenlit a miniseries based on the *NY Times* best-seller "The Long Road Home" by *Martha Raddatz*. It's slated to air next year in 171 countries.

**People:** *Julie Haddon* was named svp, marketing for **NFL Media**, where she'll oversee brand and marketing strategies for all NFL Media properties, including **NFL Net**, **NFL Mobile** and **NFL RedZone**. -- *David Widerøe* was appointed svp, marketing and on air promotions for **Ovation**. He has been a consultant to the company for the past 4 months and will now report to *Liz Janneman*, evp of network strategy. -- Also at Ovation, *Ash Steffy* was promoted to vp, creative services and on air promotions where he will continue to report to *Scott Woodward*, evp, programming and production. -- *Sam Attisha* was appointed svp and region manager of California for **Cox Comm** where he will oversee the day-to-day operations in Orange County, Palos Verdes, San Diego and Santa Barbara. -- **Frontier Comm** named *Michelle Wolloff* svp and gm of southern California westside territory where she will report to west region pres *Melinda White*. She will oversee the consumer and commercial operations across the Orange, Los Angeles, Ventura, Santa Barbara and San Luis Obispo counties. -- **Telemundo** promoted *Eduardo Suñol* to vp, Telemundo news digital where he will help expand Telemundo News digital operation and further integrate the Telemundo news division with its digital team. He will report to *Luis Fernandez*, evp, news, Telemundo.

**Cablefax Week in Review**

Company	Ticker	7/29 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DISH:	DISH	53.42	(0.11%)	(6.58%)
ENTRAVISION:	EVC	7.26	(3.07%)	(5.84%)
GRAY TELEVISION:	GTN	9.90	(10.81%)	(39.26%)
MEDIA GENERAL:	MEG	17.59	(0.96%)	8.92%
NEXSTAR:	NXST	50.55	(7.25%)	(13.88%)
SINCLAIR:	SBGI	27.82	(7.85%)	(14.51%)
TEGNA:	TGNA	21.90	(11.87%)	(14.18%)

Company	Ticker	7/29 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLE ONE:	CABO	523.88	(1.92%)	20.80%
CHARTER:	CHTR	234.87	(3.53%)	28.34%
COMCAST:	CMCSA	67.25	(0.31%)	19.17%
GCI:	GNCMA	15.39	(4.82%)	(5.52%)
LIBERTY BROADBAND:	LBRDA	62.81	(0.57%)	21.61%
LIBERTY GLOBAL:	LBTYA	31.71	1.12%	(25.14%)
SHAW COMM:	SJR	20.28	2.11%	17.98%
SHENTEL:	SHEN	41.08	(1.25%)	(4.58%)

Company	Ticker	7/29 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	26.64	(1.73%)	(1.91%)
AMC NETWORKS:	AMCX	55.36	(1.62%)	(25.87%)
CBS:	CBS	52.22	(5.31%)	10.80%
DISCOVERY:	DISCA	25.09	(1.65%)	(5.96%)
DISNEY:	DIS	95.95	(1.8%)	(8.69%)
GRUPO TELEVISIA:	TV	26.57	(1.99%)	(2.35%)
HSN:	HSNI	51.16	(2.01%)	0.97%
LIONSGATE:	LGF	19.99	(5.26%)	(38.28%)
MSG NETWORKS:	MSGN	16.05	(0.62%)	(22.84%)
SCRIPPS INT:	SNI	66.06	(1.21%)	19.65%
STARZ:	STRZA	30.23	(1.66%)	(9.76%)
TIME WARNER:	TWX	76.65	(2.18%)	18.52%
VIACOM:	VIA	49.64	(0.12%)	12.84%
WWE:	WWE	19.75	(0.55%)	10.71%

Company	Ticker	7/29 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADDVANTAGE:	AEY	1.96	5.95%	8.29%
AMDOCS:	DOX	58.36	(0.1%)	6.95%
AMPHENOL:	APH	59.52	0.92%	13.96%
APPLE:	AAPL	104.21	5.63%	(1%)
ARRIS GROUP:	ARRS	27.24	9.49%	(10.89%)
AVID TECH:	AVID	6.51	4.16%	(10.7%)
BLNDER TONGUE:	BDR	0.62	5.08%	55.00%
CISCO:	CSCO	30.53	(0.59%)	12.41%
COMMSCOPE:	COMM	29.95	(5.31%)	15.68%
CONCURRENT:	CCUR	5.12	(3.76%)	3.43%
CONVERGYS:	CVG	26.65	(0.07%)	7.07%
CSG SYSTEMS:	CSGS	40.26	(2.4%)	11.90%
ECHOSTAR:	SATS	38.95	(0.64%)	(0.41%)
GOOGLE:	GOOG	768.79	3.51%	1.31%
HARMONIC:	HLIT	3.29	4.11%	(19.16%)
INTEL:	INTC	34.86	0.58%	1.19%
INTERACTIVE CORP:	IAC	57.96	(3.62%)	(3.48%)
LEVEL 3:	LVL3	50.60	(11.07%)	(6.92%)
MICROSOFT:	MSFT	56.68	0.19%	2.16%
NETFLIX:	NFLX	91.25	6.24%	(20.22%)
NIELSEN:	NLSN	53.86	(3.49%)	15.58%
SEACHANGE:	SEAC	3.20	(3.32%)	(52.52%)

Company	Ticker	7/29 Close	1-Week % Chg	YTD %Chg
SONY:	SNE	33.41	10.59%	35.76%
SPRINT NEXTEL:	S	6.14	32.90%	69.61%
SYNACOR:	SYNC	3.05	(0.65%)	74.29%
TIVO:	TIVO	10.54	0.38%	22.13%
UNIVERSAL ELEC:	UEIC	77.34	1.44%	50.61%
VONAGE:	VG	5.93	1.02%	3.31%
YAHOO:	YHOO	38.19	(3.02%)	14.82%

Company	Ticker	7/29 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	43.29	0.42%	25.81%
CENTURYLINK:	CTL	31.44	1.75%	24.96%
FRONTIER:	FTR	5.20	0.58%	11.35%
TDS:	TDS	31.49	(0.82%)	21.63%
VERIZON:	VZ	55.41	(1.23%)	19.88%

Index	Value	% Chg	% Chg	
<b>MARKET INDICES</b>				
DOW:	DJI	18432.24	(0.75%)	5.78%
NASDAQ:	IXIC	5162.13	1.22%	3.09%
S&P 500:	GSPC	2173.60	(0.07%)	6.34%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. SPRINT NEXTEL:	6.14	32.90%
2. SONY:	33.41	10.59%
3. ARRIS GROUP:	27.24	9.49%
4. NETFLIX:	91.25	6.24%
5. ADDVANTAGE:	1.96	5.95%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. TEGNA:	21.90	(11.87%)
2. LEVEL 3:	50.60	(11.07%)
3. GRAY TELEVISION:	9.90	(10.81%)
4. SINCLAIR:	27.82	(7.85%)
5. NEXSTAR:	50.55	(7.25%)

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