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What the Industry Reads First

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Analyst Talk: Get Ready for More Carriage Fights

NBCU and Charter may have made nice, and most recently News-Press Gazette stations returned to DirecTV customers, but one analyst warns that bigger carriage disputes are likely. “We expect disputes between major programmers and distributors to become increasingly common,” Telsey Advisory Group’s Tom Eagan wrote in a research note. At which point, you could almost hear retrans reform group American TV Alliance and its members sigh, “you’re telling me...” DirecTV’s 9-day blackout with News-Press stations ended Saturday evening, with stations returning to the lineup in time for Sunday’s NFL playoff games. “We’re glad to have reached an end to this unnecessary blackout and that NPG has returned its stations back into our customers DirecTV lineup. But we also believe that this 9-day disruption should never have occurred in the first place and that broadcasters who are granted public licenses to serve their communities must end these intentional blackouts and return their focus to putting viewers first,” an AT&T spokesman said. Interestingly, Eagan suggests in his note that CBS could be the benefactor of some of these disputes with its CBS All Access direct-to-consumer service. Telsey Advisory Group believes the Charter-NBCU deal leaned slightly in NBCU’s favor—something that could bode well for CBS in its Charter deal coming up in 3Q. Altice USA’s CT Optimum subs have been without Meredith-owned WFSB, a CBS affil, since Jan 13. Optimum has offered up a free trial week of CBS All Access. “Essentially, the Meredith black-out could translate to healthy CBS All Access sub gains which with \$5.99 in affiliate fees and \$3.50 in advertising revenue (per sub per month) would offset any loss in reverse retrans payment to CBS Corp,” the firm said. Keep in mind, however, that the vast majority of Optimum’s subs continue to have access to CBS programming through WCBS. Meanwhile, Cable One’s retrans showdown with Northwest Broadcasting has entered its 4th week, with Fox affil KAYU among the impacted stations (the Super Bowl is set for Feb 5). Earlier this month, Cable One informed the FCC Media Bureau that Northwest has gained control of all four major-network affiliates (ABC, CBS, Fox and NBC) in the Greenwood-Greenville DMA. File away in something-to-keep-an-eye-on.

New FCC Head: It’s official. GOP commish Ajit Pai, who first joined the agency in 2012, was designated as new chair of the FCC Monday. The news was widely expected. In a statement, Pai said “I am deeply grateful to the President of the United States for designating me the 34th Chairman of the Federal Communications Commission. I look forward to



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working with the new Administration, my colleagues at the Commission, members of Congress, and the American public to bring the benefits of the digital age to all Americans.” House Commerce Dems wasted no time, asking Pai on Mon to commit to briefing relevant Committee leadership (no matter their party) on all major decisions before the FCC acts. In their letter, Commerce Ranking Member *Frank Pallone* (D-NJ) and Communications subcommittee Ranking Member *Mike Doyle* (D-PA) also urged him not to retaliate against civil servants based on their work under the previous FCC leadership and to pledge to work with colleagues in a bipartisan fashion. Fellow FCC GOPer *Michael O’Rielly*, who took office in 2013, quickly sent out a statement congratulating the designation, as did lone FCC Democrat *Mignon Clyburn*. “Ajit is bright, driven and committed to bringing connectivity to all Americans. I am hopeful that we can come together to serve the public interest by supporting competition, public safety, and consumer protection,” Clyburn said. **Comcast** senior evp *David Cohen* piled on, commending Pai’s efforts to spur investment and innovation in broadband. **NCTA** head *Michael Powell* said in a statement that Pai has “consistently demonstrated a common-sense philosophy that consumers are best served by a robust marketplace that encourages investment, innovation and competition.”

Trump & the Media: Nearly 300K people signed a **MoveOn** petition ahead of Monday’s first official White House press briefing urging the White House press corp to “stand up” to *President Trump* and if one outlet is banned or blacklisted, to amplify that request or refuse to engage until they are removed from the blacklist. On Saturday, White House press secretary *Sean Spicer* challenged reports about inauguration crowds and didn’t take questions. Spicer’s first official session Mon included the announcement of 4 “Skype seats” for briefings open to journalists outside DC or who don’t have a hard pass.

Twitter Eyes Live Streaming: **Twitter** inked a deal with **Dick Clark Productions** (DCP) to exclusively live stream from upcoming award shows, kicking off with the 2-hour red carpet pre-show for the 52nd Academy of Country Music Awards on April 2, produced by the **Academy of Country Music** and DCP. Twitter will also live stream the 7th Annual Streamy Awards in partnership with DCP and **Tubefilter**, airing in the fall. **The Hollywood Foreign Press Association**, DCP and Twitter previously partnered for a live pre-show to the Golden Globe Awards, which bagged 2.7mln unique viewers.

Ratings: You can debate the crowd size, but the TV numbers are pretty high for *Donald Trump’s* inauguration on Friday. **Fox News’** 11am-5pm ET coverage averaged 8.76mln viewers, according to preliminary **Nielsen** numbers, peaking at nearly 11mln from 12-1pm. It was the highest-rated inauguration event in the channel’s history. **CNN** was up compared to the 2013 inauguration, averaging 3.4mln for the 12-12:30pm coverage (Fox was at 11.8mln during this period that included the oath and swearing in; **MSNBC** had about 1.5mln viewers). In the primetime hours of 8-11pm, CNN narrowed the gap some. Fox News led with nearly 7mln viewers, compared to 4.5mln at CNN. MSNBC had 1.6mln. -- “Teachers” Season 2 debut on **TV Land** was the series’ most-watched ever, with a 0.47 among 25-54s in L+3 (up 57% over the Season 1 premiere).

Simplestream-Sony Deal: OTT service provider **Simplestream** scored a deal with **Sony Pictures Television** to support Sony’s catch-up service on **YouView**. Launched Jan 10, the service hosts shows from Sony’s kids channels **Tiny Pop**, **POP** and **KIX**. The deal marked Simplestream’s first deployment of its cloud-based Media Manager platform. The tech also incorporates automated catch-up creation to generate VOD assets from linear channels within minutes of broadcast.

Vyve Goes for a Gig: **Vyve Broadband** said it recently completed successful testing of 1 Gig service in Shawnee, OK, and it’s now available to local residents and businesses. Shawnee is the Vyve’s largest market across its 9-state territory.

15 #Alternativefacts: We had to giggle at **BTIG’s** *Rich Greenfield* for compiling a list of 15 “alternative facts” that every media legacy exec wishes were true. Some “facts” in his blog post: Millennials would subscribe to linear, multichannel television bundles if they were cheaper; media CEOs are underpaid based on how well companies have navigated the digital/mobile shift; and consumers love waiting a week or more between TV series eps. Ouch. What would you add to his list?

People: *Jenny Ramirez* was tapped by **TBS & TNT** as vp of unscripted programming. She reports to *Michael Bloom*, svp of unscripted programming and specials for the 2 brands. She was most recently svp of development at **Irwin Entertainment** and co-executive producer for the company’s **NBC** specials. -- *Bill Keith* was promoted to svp, creative services at **UP**. He joined the company in 2013 as vp, creative services. He joined UP from **Crawford Media Services** after serving as head of creative services at the **Weather Channel**. -- **Crown Media Family Networks** appointed *Samantha DiPippo* as vp of development, reporting to *Randy Pope*, svp of programming. She joined the company from **Lifetime Networks**, where she was director of co-productions and acquisitions. She previously held positions at **truTV** and **History**.

CFX TECH by Joyce Wang

Cable & Wireless in 2017

Cable and wireless have been flirting over the past few years, whether it's Verizon's spectrum deal with the major cable MSOs, or cable companies' experiment with wireless services. It looks like the 2 might get even closer in 2017. Earlier this month, **Liberty Media** chmn *John Malone* addressed the possibility of a major cable-wireless merger. "Maybe the three major cable companies get together and buy **T-Mobile**," Malone said during **LionsGate Entertainment's** investor conference. Interestingly, T-Mobile USA CEO *John Legere*, predicted in a recent blog post that this year, "big cable will unleash their assault on wireless through their MVNO deals" and that T-Mobile will say "No" to MVNO deals with cable companies. Why not? Because "an MVNO strategy is just not good enough..." he said. Legere's other prediction: the majority of TV viewing will be on mobile by the end of the year. "Millennials are leading the way here, and the rest of the universe will catch up to them eventually," he said. T-Mobile has been considered by numerous analysts as a takeover target for cable players including **Airtice**, which acquired **Cablevision**, **Comcast** and **Charter**. While T-Mobile's not that into cable, at least for now, **Verizon** might look to start a relationship. The telco's CEO *Lowell McAdam* reportedly told friends at CES in January that he is interested in acquiring a cable company. **UBS** analyst *John Hodulik* first predicted the possibility of such a deal in a research note in November. "We have long believed that secular changes in technology and usage would lead to the convergence of the cable and wireless industries... Den-sification of wireless networks required to meet the needs of video-centric subscribers increases synergies of cable-wireless combinations and provides the springboard for 5G-based services," he wrote. The major cable companies remained upbeat about the future of their MVNO businesses. During the **UBS** investor conference in Dec, **Comcast** CFO *Mike Cavanagh* said "we're optimistic that it can work for us against the goals that we have for that" despite some concerns about whether MVNO arrangements would work for cable companies. Charter chmn/CEO *Tom Rutledge*

acknowledged potential limitations of MVNO deals. While Charter has exercised its MVNO option, there's no immediate need for an MVNO product, Rutledge said during the same conference. But Charter, like Comcast, is exploring 5G, the next-gen wireless technology capable of gigabit speeds. With some of its biggest cable customers experimenting wireless offerings, **Arris** has eyed mobile as well. Speaking at a **Needam** investor meeting this month, CFO *David Potts* said as the company seeks growth "it's possible that we could get into adjacent markets" such as wireless.

OTT Forecast: ABI Research predicted that live linear OTT video services will grow to around \$7bln of global revenue by 2021, from just over \$1bln in 2016. While the revenue opportunity for OTT offerings is promising, delivering these services comes with significant technical challenges, the research firm said. And developing robust content management systems, video transcoding and storage pipelines and application ecosystems, as well as piecing together adequate video distribution networks are just the beginning, ABI said. It cited QoS assurance, network congestion management, content protection including analytics-based protection, such as modules that limit password sharing and business analytics, as some of the technical challenges to offer mobile OTT services. As mobile video consumption increases, mobile operators are exploring policy-based approaches to meet customer expectations and manage the effects of video services on mobile data caps, ABI noted. Many operators are making significant investments in technology platforms to enable a seamless experience. For example, **AT&T** purchased **Quickplay Technologies** to gain better control of its **DirecTV** Now launch. Despite the technical challenges, live OTT services, particularly sports packages, continue to gain the most traction, as they let customers watch the same live programs that they receive through pay-TV services at a fraction of the cost," said ABI analyst *Khin Lynn* in a release.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at jwang@accessintel.com



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