

# Cablefax Daily™

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What the Industry Reads First

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## FCC Meeting: ATSC 3.0 NPRM, Small Biz Exemption Approved

How does *Ajit Pai* like being the head of FCC, one month in? "So far so good," he said during a press Q&A following the agency's Open Meeting on Thursday. During the meeting, the FCC approved the ATSC 3.0 NPRM that would allow broadcasters to use the next-gen transmission standard on a voluntary, market-driven basis. Pai hopes to finalize the order before the end of the year. The standard could potentially greatly improve broadcast signal reception on mobile devices and TV receivers without outdoor antennas and allow broadcasters to offer new services like Ultra HD. The proposal would require MVPDs to continue carrying broadcasters' DTV signals, using ATSC 1.0. However, it wouldn't require them to carry ATSC 3.0 signals during the period when broadcasters are voluntarily implementing ATSC 3.0 service. The NPRM asked about issues related to the voluntary carriage of ATSC 3.0 signals through retrans and seeks comments on whether broadcasters should be required to provide on-air notifications to educate consumers about the deployment and ATSC 1.0 simulcasting. Pai said he seeks to minimize disruption to consumers and stakeholders. That's why he's seeking input on the impact of the implementation on pay-TV providers and consumers. The Commission's lone Democrat com-mish *Mignon Clyburn* said she still has many concerns, especially when it comes to potential impacts on consumers. "We need to prepare to make an investment, both internally at the Commission and through the efforts of broadcasters to ensure consumers understand their options," she said, adding that maintaining a consumer-first focus is key throughout the deployment process. The approval, which comes as the agency wraps up its broadcast incentive auction, pleased **NAB**. The standard offers free and local TV viewers the "promise of higher-quality pictures and sound, mobile viewership, datacasting and lifesaving interactive emergency information," evp of communications *Dennis Wharton* said in a statement. NAB head *Gordon Smith* said last week during **C-SPAN's** "The Communicators" that repositioning TV channels, a process to occur during post-spectrum auction transition, is a "big job" and a major challenge. **America's Public Television Stations**, the nonprofit representing local public broadcasters, previously asked the FCC to move quickly so that deployment of ATSC 3.0 can coincide with repacking, on a voluntary, market-by-market basis. In a recent op-ed, the group's pres *Patrick Butler* said these channels are to be repacked in a narrowed band of broadcast spectrum over the next few years, and the process will require local broadcasters to invest in new transmitters and other equipment. The approval of

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ATSC 3.0 means broadcasters would be able to “invest in this new technology of the future, buying ATSC 3.0-compatible equipment for which they will be compensated during the FCC’s channel repacking process,” he said. **ACA’s** list of ATSC 3.0 transition concerns include new equipment required for small cable ops; the responsibility for the costs associated with the transition; and the retransmission consent process by which broadcasters propose to work out the details of such carriage. However, the group appreciates that the NPRM asked a broad range of questions. As expected, the agency voted along party lines to extend the small business exemption, which excludes small ISPs (250K or fewer subs) from the enhanced reporting requirements from the 2015 Title II Order. The order applies retroactively and prospectively to cover the period beginning on the date the enhanced reporting requirements became effective, January 17, 2017, and ending 5 years after the date the order is adopted.

**More from FCC Meeting:** While a full-scale regulatory review of the **AT&T-Time Warner** transaction is unlikely, **FCC** chmn *Ajit Pai* was asked during the press Q&A session if he would use Time Warner’s recent station sale application as leverage for a potential review of the merger. The programmer filed an application Thursday to sell its **WPCH Atlanta** station to **Meredith**, which has been running the station for Time Warner. Pai simply said he’s unaware of the application. Meanwhile, the agency voted to set rules for a “reverse auction” to provide nearly \$2bln in USF funding for competitive carriers to deploy broadband in rural areas. Cable ISPs are among the participants. Next steps for the auction include seeking comment on auction mechanics. After reviewing the comments, the FCC will vote on final auction details and set specific deadlines and dates.

**Reax to Small Biz Exemption:** *Ajit Pai’s* move to extend the small business exemption, praised by small ISP groups, didn’t sit well with Democrats like Sen *Ed Markey* (MA). The action means the “**FCC** has made pricing and performance information less accessible to small businesses and consumers... Instead of allowing ISPs to hide pricing information, the FCC should promote transparency so subscribers have all the background they need to make educated decisions about their broadband service,” said Markey, a vocal net neutrality proponent. Public interest groups weren’t happy either. “Today’s action means that more ISPs could withhold essential information about their broadband pricing and service, making it harder for many more subscribers to make informed decisions and hold their providers accountable,” *Ryan Clough*, general counsel at **Public Knowledge** said. Dem commish *Mignon Clyburn* opposed increasing the threshold to 250K subs from 100K. She said she made several attempts to compromise. “But I could not compromise on having consumers clearly know the price they pay for service, what below-the-line fees are charged, and what data allowances apply to their broadband service,” she said.

**AMC on Getting Skinny:** The key phrase of this earnings reporting season is “core networks” thanks to **Viacom’s** decision to focus on six flagship brands. Virtually every programming CEO has been asked about it, and **AMC Networks’** *Josh Sapan* was no exception Thursday. His take: it’s not an AMCN problem. “Some of our peers have 20-plus channels. Some have 15-plus channels. Some have 10-plus channels. We have 5 channels,” he said during the company’s 4Q earnings call. “We have been of the mind for some time that quality matters, brands matter, content matters, engagement matters, investment matters. And you have to matter or you don’t get free lunch for showing up with 22 channels.” AMCN believes it has already slimmed down its offering by ensuring that each channel is vibrant and well-defined, he said, adding that collectively, the nets are underpriced. For 4Q, AMC Nets posted total revenue of \$730mln (+7.5%) and adjusted operating income of \$213mln (+7.9%).

**Spring Training:** Baseball lovers can get their fix with more than 180 spring training games on **MLB Network** starting with today’s **Phillies-Yankees** game at 1pm ET. The game marks the first spring training game for the **Yankees**, with **YES Network** also carrying it. **Comcast** dropped YES in the fall of 2015, but agreed to reinstate it as part of a comprehensive carriage deal with Fox Sports signed at the beginning of the year. But it doesn’t appear the net will be back up in time for Friday’s spring showdown. The MSO hasn’t given an exact date for when YES will return, with a spokesperson saying it would launch early in the 2017 regular season.

**Mediacom Earnings:** **Mediacom’s** combined 4Q results show revenue up 5.2% from the prior year period to \$460.5mln, with OIBDA rising 5.9% to 183.2mln. No sub breakout was provided, but ending PSUs were up 3.8% compared to Dec 31, 2015 to 2.46mln and customer relationships ticked up 2.7% to 1.35mln. The MSO continues

# BUSINESS & FINANCE

to pay down debt, paying down \$225mln over the year to end with total debut of less than \$2.8bln.

**Suddenlink's Operation GigaSpeed:**

Kinston, NC, is the latest market to get **Suddenlink's** 1 gigabit Internet service. The MSO, owned by **Altice USA**, added 1 gigabit service over the past couple months in Bastrop, LA; Fort Ord, CA; Bullhead City, AZ; Nacogdoches, TX; Collin and Denton Counties, TX; Branson, MO, and Truckee, CA.

**Ratings:** Some 2.7mln viewers tuned in to "Planet Earth II" on **BBC America, AMC** and **Sundance**, according to L+3 ratings. It ranks as BBCA's most-watched unscripted telecast ever for BBCA and the highest-rated nature show for 25-54s in five years.

**Comcast Board Moves:** *Asuka Nakahara*, a partner in real estate advisory firm **Triton Atlantic Partners**, was appointed to **Comcast's** board Thursday. *Eduardo Mestre* has opted not to stand for re-election to pursue other professional commitments. He'll serve until his term ends at Comcast's 2017 shareholder meeting.

**Technical Papers:** **INTX** may be no more, but there's still a place for a collaborative relationship between **NCTA** and **SCTE/ISBE**. The two are working to combine the best elements of the **Cable-Tec Expo** papers and **NCTA Technical Papers** within a Fall Technical Forum to be held during **Cable-Tec Expo** (Oct 17-20). March 1 is the deadline to submit proposals.

## Cablefax Daily Stockwatch

| Company                      | 02/23 Close | 1-Day Ch | Company                                  | 02/23 Close | 1-Day Ch |
|------------------------------|-------------|----------|--|-------------|----------|
| <b>BROADCASTERS/DBS/MMDS</b> |             |          | <b>MICROSOFT:</b> ..... 64.62 ..... 0.26 |             |          |
| DISH:.....                   | 61.91       | (0.49)   | NETFLIX:.....                            | 142.78      | (1.08)   |
| ENTRAVISION:.....            | 5.55        | 0.05     | NIELSEN:.....                            | 45.21       | 0.33     |
| GRAY TELEVISION:.....        | 13.30       | 0.10     | SEACHANGE:.....                          | 2.45        | (0.02)   |
| NEXSTAR:.....                | 69.50       | 1.00     | SONY:.....                               | 31.23       | (0.08)   |
| SINCLAIR:.....               | 39.80       | 1.25     | SPRINT NEXTEL:.....                      | 8.96        | (0.34)   |
| TEGNA:.....                  | 24.75       | 0.05     | SYNACOR:.....                            | 3.10        | UNCH     |
| <b>MSOS</b>                  |             |          | UNIVERSAL ELEC:.....                     | 72.05       | (1.1)    |
| CABLE ONE:.....              | 640.00      | (2.33)   | VONAGE:.....                             | 6.01        | (0.04)   |
| CHARTER:.....                | 324.43      | (0.71)   | YAHOO:.....                              | 45.41       | (0.57)   |
| COMCAST:.....                | 37.65       | (0.29)   | <b>TELCOS</b>                            |             |          |
| GCI:.....                    | 21.20       | 0.08     | AT&T:.....                               | 41.94       | 0.35     |
| LIBERTY BROADBAND:.....      | 84.42       | (0.42)   | CENTURYLINK:.....                        | 24.71       | (0.13)   |
| LIBERTY GLOBAL:.....         | 36.43       | (0.2)    | FRONTIER:.....                           | 3.39        | 0.04     |
| SHAW COMM:.....              | 21.50       | (0.16)   | TDS:.....                                | 32.71       | (0.04)   |
| SHENTEL:.....                | 29.65       | (0.2)    | VERIZON:.....                            | 50.32       | 0.65     |
| <b>PROGRAMMING</b>           |             |          | <b>MARKET INDICES</b>                    |             |          |
| 21ST CENTURY FOX:.....       | 30.34       | (0.13)   | DOW:.....                                | 20810.32    | 34.72    |
| AMC NETWORKS:.....           | 59.84       | 2.34     | NASDAQ:.....                             | 5835.51     | (25.12)  |
| CBS:.....                    | 66.24       | (0.88)   | S&P 500:.....                            | 2363.81     | 0.99     |
| DISCOVERY:.....              | 29.50       | (0.01)   |  |             |          |
| DISNEY:.....                 | 109.70      | (0.42)   |  |             |          |
| GRUPO TELEVISIA:.....        | 25.78       | 2.46     |  |             |          |
| HSN:.....                    | 38.80       | (2.05)   |  |             |          |
| MSG NETWORKS:.....           | 22.55       | 0.25     |  |             |          |
| SCRIPPS INT:.....            | 81.70       | (0.76)   |  |             |          |
| TIME WARNER:.....            | 97.06       | 0.74     |  |             |          |
| VIACOM:.....                 | 46.65       | (0.7)    |  |             |          |
| WWE:.....                    | 21.37       | (0.27)   |  |             |          |
| <b>TECHNOLOGY</b>            |             |          |  |             |          |
| ADVANTAGE:.....              | 1.79        | 0.02     |  |             |          |
| AMDOCS:.....                 | 60.41       | 0.14     |  |             |          |
| AMPHENOL:.....               | 69.94       | 0.12     |  |             |          |
| APPLE:.....                  | 136.53      | (0.58)   |  |             |          |
| ARRIS GROUP:.....            | 26.26       | (4.44)   |  |             |          |
| AVID TECH:.....              | 5.88        | 0.02     |  |             |          |
| BLNDER TONGUE:.....          | 0.75        | 0.00     |  |             |          |
| CISCO:.....                  | 34.04       | (0.05)   |  |             |          |
| COMMSCOPE:.....              | 37.72       | (2.59)   |  |             |          |
| CONCURRENT:.....             | 5.00        | (0.03)   |  |             |          |
| CONVERGYS:.....              | 22.63       | (2.42)   |  |             |          |
| CSG SYSTEMS:.....            | 39.87       | 0.19     |  |             |          |
| ECHOSTAR:.....               | 55.24       | (0.29)   |  |             |          |
| GOOGLE:.....                 | 831.33      | 0.57     |  |             |          |
| HARMONIC:.....               | 5.45        | (0.2)    |  |             |          |
| INTEL:.....                  | 36.18       | 0.11     |  |             |          |
| INTERACTIVE CORP:.....       | 74.36       | (0.99)   |  |             |          |
| LEVEL 3:.....                | 57.78       | (0.22)   |  |             |          |



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## PROGRAMMER'S PAGE

### Mark His Words

For those who want to relive the *Obama* presidency, **Smithsonian Channel** has you covered. "The Obama Years: The Power of Words" takes a look at some of the defining moments of President Obama's two terms in office (premieres Monday at 8pm). One of the difficult things in creating the doc was narrowing the speeches featured down to just six, according to Smithsonian Channel producer *Jody Schiliro*. "Five or six speeches kept bubbling up to the surface. There were a couple I would have liked to have included, but I had time constraints," she said during a screening of the film in D.C. What was done in the 50 minutes available is especially impressive when you consider Obama's speech writing director *Cody Keenan's* remark that there were probably 15 speeches that were each longer than the film. One of the speeches that didn't make the cut was Obama's Nobel Peace Prize acceptance speech, where he talked about the necessity of war. Another Schiliro wanted to include was his eulogy after the 2011 Tucson shooting that killed six and wounded Rep *Gabrielle Giffords* (D-AZ), but she conceded it would have been too many eulogies. The film includes Obama's heartfelt words after the 2012 Sandy Hook Elementary shootings and the "Amazing Grace" eulogy after the Emanuel African Methodist Episcopal Church in Charleston. Other speeches examined include Obama's 2008 Democratic National Convention acceptance speech (delivered on the eve of *Martin Luther King, Jr's* "I have a dream" speech) to his remarks at the 50th anniversary commemoration of the Selma to Montgomery civil rights marches. Power of Words examines how each of these six speeches came to be, with both the film and Keenan making it clear that the president was the chief speech writer. Few speeches have gained immortality over the years. Whether any of Obama's will be remembered four score and seven years from now remains to be seen, but Smithsonian's special offers a thorough look at how the words of one president were formed. – *Amy Maclean*

**Reviews:** "Tickled," 10pm, Monday, **HBO**. An engrossing doc about how someone with an insane amount of money attempts to thwart journalistic freedom. New Zealand reporter *David Farrier* digs incessantly to find the truth about competitive tickling. Honest. Stick around, though, for "Tickle King," a 20-min mini that continues the story with outstanding footage of the alleged ringleader. -- "60 Days In" Season 3 premiere, Thursday, 9pm, **A&E**. You have to be on a crusade to volunteer to spend 60 days in jail for a TV series. This opener profiles the people who did. -- **Notable:** "Conan Without Borders: Made in Mexico," 10pm, Wednesday, **TBS**. *Conan O'Brien's* most recent "Without Borders" special was an hysterical yet poignant trip to Berlin, where he deftly mixed comedy, culture and politics. Conan visited a polka band duo, a dominatrix and a refugee camp. His sixth international special, which was unavailable to us for review, will include celebs, such as actor *Diego Luna* and former president *Vicente Fox*. Considering the precarious state of U.S.-Mexico affairs, the special should be worth a look. -- "Mythbusters: The Search," 9pm ET, Saturday, **Science**. Props to Science for this live special from Jersey City's Liberty Science Center. A quartet of mythbusters will attempt to prove that you can break out of jail using a rocket made from a rigged water heater. – *Seth Arenstein*

**Editor's Note:** The weekly ratings chart is not running this week due to technical issues. It will return next week. We're sorry for the inconvenience.



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