

# Cablefax Daily™

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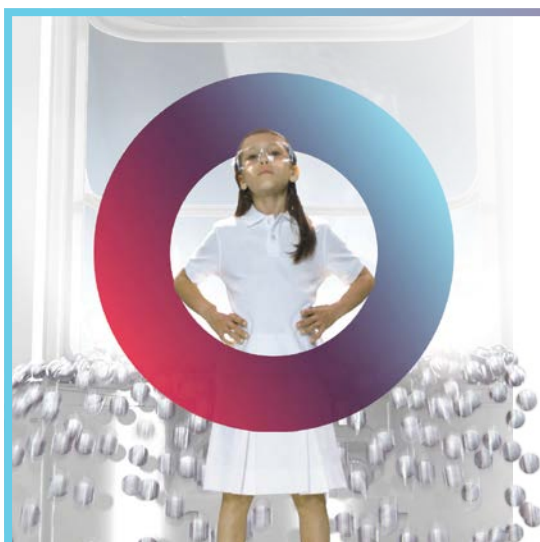
What the Industry Reads First

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## Time Warp: FCC Reverses Course After Mail Snafu Grants OVS Certification

Remember open video systems? Probably not, as not much seemed to come of these alternative ways to launch a cable system, but there was an interesting OVS order released by the **FCC's** Media Bureau Friday that centers on delayed mail. First, a primer. Congress set up rules for open video providers as part of the 1996 Telecom Act. They were seen as a way to help phone companies get into the cable market without some of the local franchise obligations and other traditional cable requirements. Telcos ended up going a different route, as they didn't like some of the OVS requirements, which could require them to lease up to the 2/3 of their programming channels to programmers at regulated rates. Enter **Digital Broadcasting OVS**, which filed an application with the FCC to operate an OVS on March 15 of this year. One of the benefits of OVS status is that it allows for streamlined regulatory review—the FCC must act within 10 days. Here's where Digital Broadcasting got lucky... at least for a little bit. A delay in the Commission's mail meant that the agency didn't receive Digital Broadcasting's application until April 6. Thus, Digital Broadcasting's application was deemed granted on March 25 with the Media Bureau not having an opportunity to place the application on public notice or to review the application. But Digital Broadcasting's good fortune ran out with the Bureau adopting an order Friday that revokes its OVS certification because it found the company failed to notify countless local communities it intends to serve and because it intended to transport service over the public Internet. FCC rules state that an OVS operator must either own a significant interest in the OVS or control and manage the operation of the system and facility from which the cable service will be provided. **Cablefax** couldn't reach anyone at Digital Broadcasting, which has had a few unsuccessful attempts to receive OVS certification at the FCC over the years. According to FCC filings, Digital Broadcasting had an application denied in 2011 and withdrew an application in 2012. While OVS isn't an acronym you hear every day, there are a few companies out there who have been approved to operate as an OVS, such as **Paul Bunyan Telephone** in Minnesota. The Flashback Friday FCC order is a reminder that OVS is not O-V-E-R.

**Broadcast M&A:** Some broadcast M&A ahead of next week's **NAB** Show. **Sinclair** will purchase **Bonten Media Group's** 14 stations (8 markets) for \$240mln. Bonten also has JSAs with four **Esteem Broadcasting** stations. Sinclair expects the deal to close in 3Q, following **FCC** approval and antitrust clearance. **Free Press** immediately com-



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plained that the deal came one day after the FCC's vote to reinstate the UHF discount, which means that the FCC counts a UHF station's viewership reach only half as much as the actual population covered by the station's signal. That's important because it will help broadcasters avoid a 39% national audience reach ownership cap—especially significant if Sinclair decides to pony up for **Tribune**. Bonten made headlines earlier this year when **DISH** and the broadcaster were mired in a 25-day blackout over retrans terms. A new agreement was signed in February.

**NAB Rides Into Vegas:** There's no **INTX** this week, which leaves some folks with time to hit up the **NAB Show** in Vegas. It's not the new Cable Show by any means, but there are some familiar industry names on the roster. **Altice USA** chmn/CEO *Dexter Goei* will deliver Tuesday's keynote. Another sign that this isn't your over-the-airhead gathering from days of yore is Monday's "Content at the Center of Media Transformation," which is the first time **CTAM** has partnered with the NAB Show. **Fox Networks'** *Jamia Bigalow*, **Lionsgate's** *Thomas Hughes* and **Revolt's** *JB Brown* are on a panel moderated by CTAM pres/CEO *Vicki Lins*. There's a breakout on **IFC's** "Brockmire," delving into how a viral video short from **Funny or Die** made the jump to the net. Other cable execs participating in sessions include **Turner Sports** chief content officer *Craig Barry* and **Comcast Technology Solutions'** *Josh Arensberg*. "NAB Show has always been an annual destination for thousands of cable executives. We anticipate even greater participation this year given the extra emphasis our conference planners made in tailoring additional sessions for our friends in cable," NAB spokesman *Dennis Wharton* said. **GABBCON** is hosting the Ad Innovation Lab at the show, which includes execs from **Turner**, **Fox** and **Viacom** discussing their **OpenAP** audience addressability announcement (requires a separate ticket). That's another sign that the NAB Show has moved beyond its broadcast beginnings. "About 1/3 of the [Innovation Lab's] audience is brands and agencies, which isn't very typical for an NAB Show. That's one of the things we set out to do is to try and get a different audience there this year," said **GABBCON** CEO *Gabe Greenberg*.

**Cable One Initiated:** **Suntrust Robinson Humphrey** initiated **Cable One** with a "buy" rating and \$715 price target. While some analysts have questioned the long-term economics of its HSD, business-services centric strategy (ahem, *Craig Moffett*), Suntrust believes it's in a good position to continue taking market share. "With its recent acquisition of **NewWave**, we believe Cable One has the opportunity to benefit from substantial cost synergies/tax benefits and a relatively underpenetrated, non-urban footprint. In addition, its strong balance sheet provides support," said a Suntrust research note.

**Nat Geo's Premium Script:** **Nat Geo's** upfront presentation last week (or what it called its "Further Front") was timely. Just days before Tuesday's (4/25) premiere of "Genius," the net's first scripted series, it announced a slate that included even more scripted fare on everything from the origins of Ebola to the history of the birth control pill. "The best fact based stories don't need to be embellished or heavily fictionalized in order to be really entertaining," *Carolyn Bernstein*, evp, head of scripted, told **Cfax**. "I think Genius is a perfect example—*Albert Einstein's* story is wildly entertaining with huge emotional highs and lows, lots of fascinating characters, big themes in the backdrop. And it's heavily fact based." Non-scripted is still a huge part of Nat Geo's schedule, but as the network enters "Nat Geo 2.0," scripted will be one way the net plants its flag as a destination for premium content. The hope is that Genius will be a watershed moment for the network. "I would say we got a taste of it years ago with the launch of the 'Killing' franchise," Bernstein said, referring to the scripted specials based on the books by *Bill O'Reilly* ("Killing Patton" is currently in development. There's been no word of any changes to that following his recent ouster from **Fox News**). But she sees Genius setting the bar higher with its long-form approach and Oscar winner *Geoffrey Rush* starring and *Ron Howard* directing. "The Killing movies gave everyone the appetite to do more [scripted]... but this is the one where we're making the bold statement."

**TV One Upfront:** **TV One** will expand "News One Now" to two hours and later in the year rename it "Black America Today" and add a daily lifestyle talker. Other highlights from the net's slate include "Downsized," an original film written by a 2016 TV One/ American Black Film Festival Screenwriting Competition finalist, and doc series "Evidence of Innocence," presenting stories of individuals convicted of crimes they didn't commit.

**People:** **Viacom** upped *Julia Phelps* to svp, communications & culture. She'll lead corporate communications, corporate marketing and culture. She previously led communications for Viacom Intl Media Nets.