

Cablefax Daily™

Wednesday — May 10, 2017

What the Industry Reads First

Volume 28 / No. 089

ATSC 3.0: Not Everyone Seeing Eye-to-Eye on Next Generation Standard

While broadcasters believe Next Generation, or ATSC 3.0, is the future of their business, some are asking the **FCC** to proceed with caution. **The American TV Alliance**, which supports retrans reform and counts **DISH** and **Charter** as members, urged the Commission to ensure the transition is voluntary for all and that the standard doesn't harm others in the TV ecosystem by imposing new cost burdens. Specifically, it wants to ensure that broadcasters have to negotiate separately for carriage of ATSC 1.0 signals and ATSC 3.0 signals, arguing that viewers may have little interest in the Next Generation signals compared to the existing signals that they care very much about viewing. ATVA is worried that ATSC 1.0 signals could be withheld unless MVPDs agree to carry 3.0 signals, pointing to **Sinclair's** tying of **Tennis Channel** to retrans as an example of such tactics. Independent operator group **ACA** voiced similar concerns, telling the FCC that costs with providing ATSC 1.0 simulcasts will be especially problematic for its members, asking that broadcasters be required to reimburse small ops for costs incurred to receive and transmit ATSC 1.0 simulcasts, even if the FCC chooses not to do so for larger MVPDs. Other worries include broadcasters providing worse picture quality than provided today for ATSC 1.0 in order to "encourage" MVPDs to carry 3.0. Comments on the standard were due Tuesday and still trickling in at press time. **Midco**, a cable operator in South Dakota, North Dakota and Minnesota, joined the chorus of concern, providing stats to back up the sentiments. "We estimate over 100 pieces of headend equipment, together with thousands of customer set-top boxes, would need to be replaced to accommodate ATSC 3.0," Midco said in its filing. "And this assumes customers make the investment in new television sets to adapt the new technology." Adding to the expense, Midco's rural footprint necessitates that it receive direct off-air signals in six locations instead of fiber studio links, all of which would need costly upgrades. Broadcasters naturally see things differently, touting ATSC 3.0 extensively at the **NAB Show** last month in Vegas. TV set manufacturers have linked up with broadcasters, with the **Consumer Technology Association** joining **NAB**, **America's Public TV Stations** and others to file comments calling for prompt FCC authorization of the Next Gen standard. FCC chmn *Ajit Pai* has said he wants to act by the end of the year. The broadcast and CE industry say the standard will allow for improved video and immersive audio as well as mobile reception of over-the-air signals and the ability to offer enhanced public safety info (think of a



HERE I AM. ENTERTAIN ME.

Your customers are ready. Are you?

Ascendon lets you launch new digital services in 60-90 days. Deliver multi-screen, interactive experiences that go beyond consumer expectations without replacing existing front and back end systems. Visit ascendon.csgi.com.

ASCENDON

CSG
INTERNATIONAL

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Katie Nale, 301.354.1828, knale@accessintel.com ● Community Editor: Alex Silverman, 212.621.4951, asilverman@accessintel.com ● Dir. of Bus. Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Marketing Manager: Alex Virden, 301.354.1619, avirden@accessintel.com ● Production Manager: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

TV turning on to warn you of a tornado). Unlike their cable brethren, the joint filing from NAB, CTA and friends urges the FCC to let market forces handle local simulcasting arrangements, brushing aside concerns that ATSC 1.0 quality could falter. "If a broadcaster fails to transmit content that viewers want to watch, ratings will decline and the station's bottom line will suffer. The Commission would be best served by relying on broadcasters' business incentives to serve their viewers rather than increased and unnecessary regulation," the groups said, arguing that FCC rules requiring broadcasters to transmit specific streams of programming would set it on "a slippery slope towards content regulation."

AT&T Throttling Case: The 9th Circuit agreed to set aside an earlier panel decision and rehear the **FTC's** case against **AT&T**. Last year, a three-judge panel said the FTC lacked jurisdiction to go after AT&T after it found the company misled consumers by selling them unlimited data, but throttling their connection after they used between 3-5 GB a month. The August 29 decision said the agency has no authority over a common carrier's non-common carrier data services. The decision caused uncertainty with the DC Circuit upholding the **FCC's** decision to classify broadband as a common carrier service, which new chair *Ajit Pai* is now working to unwind. The FCC has supported the full court rehearing of the AT&T case, believing the decision misinterpreted the law. "Now that the court's prior decision is no longer effective, it will be easier for the FTC to protect consumers' online privacy," Pai said in a statement Tuesday. "The court's action also strengthens the case for the FCC to reverse its 2015 Title II Order and restore the FTC's jurisdiction over broadband providers' privacy and data security practices. Indeed, it moves us one step closer to having the consistent and comprehensive framework for digital privacy that the American people deserve."

Not So Skinny: Discovery Comm CEO *David Zaslav* during the company's 1Q earnings call addressed the proliferation of virtual MVPDs in the US, several of which have not included Discovery-owned nets. "The idea that you have a \$40 offering filled with regional sports, sports and all these—an incomplete package, really—and then you have to buy broadband on top of it, so the skinny bundle is \$60 or \$70," he said. "So it's really not a skinny bundle. It's a bundle. It's a bundle that may be attractive to a small group of people. But, in the end, I think the market will be rationalized." Pointing to lower-cost bundles in non-US markets that don't include sports, Zaslav said, "Ultimately, there should be a bundle like everywhere else in the world that's \$8, \$10, \$12. And I believe that will happen." Discovery saw revenue growth from both its domestic and international nets during 1Q 2017. Quarterly revenue of \$1.61bln marked a 3% YOY increase, but came in about \$20mln short of analysts' expectations. The biggest gains stemmed from distribution, with revenue increasing 6.7% YOY. In the US., that growth was driven by increased rates despite some sub losses. Overall ad revenue remained flat from 1Q 2016. **Evercore ISI** analysts wrote the trend of operating metrics "appears to be improving for Discovery," adding that they like that it is taking a balanced approach toward both capital returns and platform expansion in order to gain long-term scale advantages." On the other hand, **Pivotal Research Group's Brian Wieser** called the bottom-line results "disappointing," adding the call "encouraged doubts among investors given what looks to be a challenging second quarter amid ongoing concerns about the longer-term health of the cable network sector." Shares closed down 2% at Tuesday's close.

NBA Scores in Ratings: Fox News kept its No 1 perch in total day viewership last week, but not in prime, with **TNT** handily winning the race among cable nets. TNT averaged 3.16mln viewers, thanks to the **NBA** playoffs. The most-watched game was Sunday's San Antonio-Houston matchup, which netted 4.93mln viewers and was the most-watched cable program of the week. The top 12 programs on cable for the week were all playoff games, mostly on TNT, but a few were on **ESPN**, including Friday's Spurs-Rockets game (4.9mln). NBA on TNT is delivering its most viewed NBA Playoff coverage since 2014, averaging 3.7mln viewers; up 7% to-date vs. 2016 with gains across all key demos. TNT's playoff coverage has won the night on cable 14 times to date. The number one non-basketball program last week? **Bravo's** "Real Housewives of Atlanta" reunion with 3.5mln viewers, which edged out the approximately 3mln who tuned in to **USA's** 2-hour "WWE Raw" block. Fox News is still a leader minus *Bill O'Reilly*. *Tucker Carlson* had 3 eps above the 2.6mln mark, with Thursday's delivering 2.4mln. The weekly ratings rundown also shows there is still reason for networks to pay big bucks for theatricals, with **FX's** Sunday night showing of "Guardians of the Galaxy" averaging nearly 2.6mln viewers.

Cable One Bats Down Must Carry Complaint: **Cable One** told the **FCC** it shouldn't be made to carry **Ellington Broadcasting** low-power station **WPRQ** in its Cleveland, Mississippi, system because the signal isn't strong enough.

Ellington filed a must carry complaint against the operator last month (**CFX**, 4/21), claiming it met all the requirements for a low-power station to be granted must-carry. In its opposition, Cable One said technicians have twice measured signal strength at the headend, receiving readings between -80.4 and -93.9 dBm, all well below the -61 dBm threshold.

Disney After the Bell: **Disney** on Tuesday reported 2Q revenue of 13.34bln, falling short of analysts' estimate of \$13.45bln despite an increase of 3% from 2Q16. The cable networks segment saw revenue increase 3% YOY to \$4.1bln, but operating income dipped 3% to \$1.8bln. Disney attributed that to decreases at **ESPN** that were only partially mitigated by increases at **Disney Channels** and **Freeform**. Increased programming costs for live sports have hit ESPN hard in recent years, and rights deals have fees that escalate over the length of the contract. ESPN's 2Q declines reflect contractual increases for **NBA** programming, as well as the fact that all three CFP games fell during 2Q17 after only one occurred during 2Q16. Disney also acknowledged sub losses at its cable nets. CEO **Bob Iger** on **CNBC** said, "We're going to have a rise in over-the-top, lighter packages, including ESPN, that will compensate for some [linear sub losses]. We will eventually be in a direct-to-consumer business for ESPN products." He added that ESPN hopes to launch its new OTT platform powered by **BAM Tech** by the end of the year.

Eye to Eye: **CBS** and its affiliate board have reached an agreement to expand their partnership into the digital marketplace. The deal ensures affiliates' continued participation in CBS All Access and establishes a framework for distribution of local signals on virtual MVPDs like **YouTube TV** and **Hulu**, as well as potential future entrants. The deal addresses revenue distribution for these arrangements, though specific terms were not disclosed. CBS and its affiliates in 2015 partnered for distribution on **PlayStation Vue**, and local signals are now available in 100 markets.

Tale of Two Titles: Thirteen U.S. Senators, led by **Ed Markey** (D-MA), sent a letter to **FCC** chmn **Ajit Pai** conveying "strong opposition" to his proposed rollback of net neutrality regulations and reclassification of broadband as an information service under Title I. The FCC will consider Pai's Notice of Proposed Rulemaking at its next meeting on May 18.

Tubi or Not to Be: Ad-supported OTT service **Tubi TV** on Tuesday announced a \$20mln round of funding led by **Jump Capital**. Tubi TV, which counts **Lionsgate**, **MGM**, **Paramount** and **Starz** as content partners, has more than 50K titles in its libraries. The firm expects the new round of funding will accelerate growth and expansion, particularly in the ad space.

Programming: **NASCAR's** most popular driver, **Dale Earnhardt Jr.**, and his wife **Amy** will star in a new home renovation program to debut on **DIY** in early 2018. The couple will turn a decrepit old home in Key West, FL, into a modern retreat over the course of four half-hour episodes. -- **A+E Networks** has authorized production of an original movie about kidnapping victim **Elizabeth Smart** that will air on **Lifetime** later this year as part of a cross-network event with **A&E**. Smart is participating in the production of the film, which will be told from her perspective. A&E will air a new two-part "Biography" special about Smart in conjunction with the film. -- **FX** announced that the fourth and final season of horror drama "The Strain" will premiere July 16. -- **Anthem Sports & Entertainment** has launched **FNTSY Sports Network** and **Fight Network** on **Verizon's go90** video platform. FNTSY's go90 channel includes daily clips from shows on the linear net like "HotRoster Today" and the "Pat Mayo Hour," while Fight Network on go90 will feature event coverage, original programming and live fights.

People: Generation Z-focused content producer **Awesomeness** has named **NFL** chief content officer **Jordan Levin** CEO, effective May 30. He will replace **Brian Robbins**, who stepped down in February. Awesomeness is a joint venture of **Comcast-owned DreamWorks Animation**, **Hearst** and **Verizon**. -- The **Alliance for Women in Media** will honor actress, director and producer **Debbie Allen** with a Lifetime Achievement Award at the 42nd Annual Gracie Awards Gala on June 27 in NY. Her daughter, **Vivian Nixon**, and **Grey's Anatomy** co-star, **Jesse Williams**, will make the presentation.

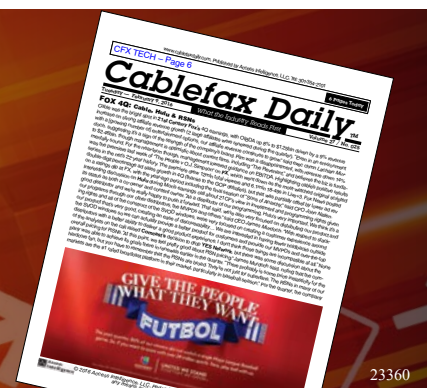
Corporate Licenses

Cablefax Daily

WHAT THE INDUSTRY
READS FIRST.

Get reduced subscription rates for multiple readers in your organization.

Find out more! Contact Client Services at
clientservices@accessintel.com
www.cablefax.com





Cablefax
THE FAXIES



The FAXIES Awards Finalists

Marketer of the Year, VP Level and Above

- **Joni Fernandez**, Univision
- **Jennifer Giddens**, Sprout/NBCUniversal
- **Jennifer Sarlin**, TLC
- **Alexandra Shapiro**, USA/Syfy

PR Executive of the Year, VP Level and Above

- **Liza Burnett-Fefferman**, VH1 + LOGO/VIACOM
- **Tom Caraccioli**, Outdoor Sportsman Group
- **Chris Delhomme**, VH1 + LOGO/VIACOM
- **Alex Slater**, Clyde Group
- **Pam Slay**, Crown Media Family Networks

Acquisition and Upgrade Marketing

- **Boingo Wireless** – Boingo Broadband International Launch
- **DigitasLBI** – XFINITY X1 Voice Remote Engagement DM
- **GALLEGOS United** – Beautifully Bilingual
- **GALLEGOS United** – Interruptions

Advertising Campaign for a Network

- **TLC** – “I AM” Campaign
- **truTV** – “Funny because it’s tru” Campaign
- **USA** – “We The Bold” Campaign

Advertising Campaign for a Single Program

- **BET Networks** – The New Edition Story, An Epic 3-night Miniseries Event
- **Pop** – Baywatch Teases
- **TLC** – Too Close to Home S1B
- **Viewpoint Creative** – A+E 60 Days In Season 2 Promo Campaign

Affiliate and Partnership Marketing

- **A+E Network** – Roots and 23andMe Partnership
- **Big Ten Network** – BTN Tailgate
- **Discovery Communications** – Discovery Channel 2016 Shark Week
- **Comcast VIP Screening of Savannah Sunrise at Rossmore**
- **Turner Entertainment Networks** – AT&T and CONAN Comic Con 2016

Brand Image and Positioning Campaign

- **Boingo Wireless** – Boingo All In: I Love LA
- **Burrell Communications** – XFINITY: Unplug and Connect
- **GCI** – Alaska Born and Raised campaign
- **Mediacom** – “Spirit of Mediacom” TV
- **The Weather Channel**

Community Relations

- **Altice USA** – Altice Connects
- **Cox Business** – Get Started Tucson
- **Telemundo** – El Poder En Ti
- **Nickelodeon** – Nick Jr. Beyond the Backpack

Corporate Social Responsibility / Green Campaign

- **Nickelodeon** – Nick Jr. Beyond the Backpack
- **Sprout** – Kindness Counts
- **TLC** – Give a Little
- **WE tv** – 2016 Black History Month PSA Campaign

Integrated Marketing Campaign

- **A+E Networks** – USAA and HISTORY Pearl Harbor Anniversary
- **Burrell Communications** – XFINITY X1 Voice Remote: Speak Your Mind
- **Investigation Discovery** – The Vanishing Women
- **National Geographic** – MARS
- **NBCUniversal** – 2016 Rio Olympic Games Resource Site
- **NBCUniversal** – TV Everywhere “TV Always. All Ways.”
- **Telemundo** – El Poder En Ti’s #YoDecido PSA Campaign
- **Turner Entertainment Networks** – iHeartRadio Music Awards presented by Capital One

Marketing Campaign

- **BET Networks** – BET Awards 2016
- **Crown Media** – Countdown to Christmas 2016
- **Sprout** – Sprout Talks Tech
- **SundanceTV** – “Project Five by Five” Presented by Visit Seattle
- **TLC** – Too Close to Home S1B
- **truTV** – Impractical Jokers Ultimate Block Party at Comic Con

Marketing of a Continuing Series

- **Big Ten Network** – BTN Tailgate
- **Discovery Communications** – Investigation Discovery’s A Crime to Remember: Activations You Won’t Forget
- **HBO** – Game of Thrones Campaign
- **Syfy** – The Expanse: Enter The Future
- **Syfy** – The Expanse: Expanse Recat
- **The Weather Channel**
- **USA Network, Universal Cable Productions & Here Be Dragons** – Mr. Robot Virtual Reality Experience

Marketing of a New Series or Show

- **BET Networks** – The New Edition Story, An Epic 3-night Miniseries Event
- **EPIX** – Berlin Station
- **HBO Multicultural Marketing** – Insecure
- **History and A+E Studios** – Roots
- **National Geographic** – MARS
- **Ovation TV** – Versailles Series Launch
- **Pop** – Nightcap Campaign
- **Sprout** – Flogals
- **USA Network & Ludomade** – COLONYTV.COM

Marketing of a Special or Documentary/ Documentary Series

- **CNN** – Finding Jesus
- **EPIX** – America Divided
- **Investigation Discovery** – The Vanishing Women

Marketing Team of the Year

- **Boingo Wireless**
- **Crown Media Family Networks**
- **EPIX**
- **Pop**
- **TLC**

Media Event

- **Bravo** – Below Deck Mediterranean Launch Party
- **Crown Media** – South Street Seaport Tree Lighting Event
- **ESPN** – 2016 ESPN Upfront Event
- **Pop TV** – Nightcap Premiere Event: Crosby Hotel
- **Turner** – FilmStruck Launch

Congratulations to all the finalists! We are looking forward to a fun filled June 9 breakfast, including team photos, and networking with friends and colleagues. Tables will be positioned on a first come basis.

Reserve your table today at www.cablefax.com/events

June 9, 2017 • 8:30 – 10:30 am

Edison Ballroom, NYC

Media Relations Campaign

- **Cox Business** – Get Started Tucson
- **ESPN** – Jessica Mendoza Joins Sunday Night Baseball
- **Hallmark Channel** – Countdown to Christmas
- **Hallmark Channel** – Kitten Bowl
- **National Geographic** – Before the Flood
- **National Geographic** – MARS
- **Oxygen Media** – Strut Press Kit

Multicultural Marketing

- **BET Networks** – The Quad HBCU Campaign
- **Burrell** – The Next G.O.A.T. – Greatest of All Time
- **ESPN** – Cultural Positioning Presentation Kit
- **Gravity Media** – XFINITY ILD Campaign
- **HBO** – Mapplethorpe: Look At The Pictures
- **International Media Distribution** – 2016 Mediaset Italia/Verizon Special Offer Marketing

Nonprofit Partnerships

- **Discovery Communications** – Animal Planet's Puppy Bowl Cares Social Meme Generator
- **GCI** – Monthly Nonprofit Program
- **National Geographic** – Gender Revolution
- **Oxygen Media** – The Prancing Elites Project Season 2 | Prancing Your Profile To Promote Equality
- **Ovation TV & The Ovation Foundation** – Creative Economy innOVATION Grant Awards
- **Telemundo** – El Poder En Ti's Historias de Heroes
- **TLC** – Give a Little Campaign
- **The Weather Channel**

PR Stunt

- **Bravo** – Vanderpump Rules Pub Crawl
- **National Geographic** – MARS
- **UP TV** – McGhee Family Viral Photo Re-creation

PR Team of the Year

- **Hallmark Channel** – Countdown to Christmas: Network Program Publicity Team
- **National Geographic**
- **USA and Syfy**
- **Showtime Network**
- **VH1 + LOGO**

Press Kit

- **Bravo Media** – “Imposters” Season 1 Press Kit
- **Golf Channel** – “Summer of Golf”
- **National Geographic** – Killing Reagan
- **National Geographic** – MARS
- **Syfy** – The Magicians, Season 2

Programming Stunt

- **Investigation Discovery** – Premiere New Year
- **MPRM** – Friendsgiving
- **Sprout** – Black History Month
- **The Weather Channel**
- **UP TV** – GilMORE The Merrier Binge-a-thon

Public Affairs Campaign

- **A+E Networks** – Critics' Choice Awards #See Her Award
- **Altice USA** – Meet the Leaders

Shoestring Marketing

- **BET Networks** – TRAP Karaoke Powered by BET Awards 2016
- **Big Ten Network** – Minifigures
- **Boingo Wireless** – International Launch
- **Pop** – Nightcap Campaign
- **UP TV** – GilMORE The Merrier Binge-a-thon

Social Media During a Program

- **BET Networks** – The New Edition Story
- **National Geographic** – Gender Revolution
- **Pop** – Orwell Games
- **UP TV** – GilMORE The Merrier Binge-a-thon

Social Media Marketing

- **BET Networks** – The New Edition Story
- **Bravo** – Odd Mom Out – Robo Acclaim Trailer Customizer
- **Hallmark Channel** – Countdown to Christmas 2016
- **Hallmark Channel** – Kitten Bowl IV
- **Layer3 TV Acquires Majority of Customers Through Social Media Marketing!**
- **Nickelodeon** – Legends of the Hidden Temple Instadventure
- **truTV** – #truTVisAThing Brand Awareness campaign

Sweepstakes and Games Marketing

- **INSP** – State Plate VIP Sweepstakes
- **RCN** – 2016 Customer Appreciation Sweepstakes
- **USA Network & Ludomade** – COLONYTV.COM
- **USA Network** – Mr. Robot Digital Easter Eggs

Tchotchke

- **BET Networks** – The Quad Lounge Premiums
- **Bravo Media** – Imposters Season 1 Mailer
- **DigitasLBi** – Comcast Business Quick Service Restaurant Dimensional Mailer
- **HBO** – Vice Principals Paddle
- **Showtime Networks** – Twin Peaks Log Pillow

Trade Show Marketing/PR

- **HBO** – Hall of Faces
- **INSP** – INSP Brings Taylor Hicks to The Independent Show

Virtual Reality/Augmented Reality Marketing

- **American Heroes Channel** – Blood & Fury: America's Civil War
- **Crown Media** – Six Flag's Santa Wild Sleigh Ride
- **Syfy** – Incorporated: Incorporated VR
- **The Weather Channel** – “Window to Weather” Campaign
- **Turner Entertainment Networks** – AT&T and CONAN Comic Con 2016
- **USA Network, Universal Cable Productions & Here Be Dragons** – Mr. Robot Virtual Reality Experience

For Congratulatory Ads or Sponsorship Information:

Rich Hauptner at rhauptner@accessintel.com • Olivia Murray at omurray@accessintel.com

Questions: Alex Virden at avirden@accessintel.com.