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Soccer Spat: DISH Sues Over Univision's Liga MX Facebook Streaming

Now we know why **DISH** has taken **Univision** to court. It all relates to the Spanish-language programmer's announcement in February to stream all 46 matches of the **Liga MX** season via **Facebook** Live, including the playoffs. DISH filed its lawsuit against Univision earlier this month under seal, but a heavily redacted version of the complaint obtained by ***Cablefax*** shows that DISH believes its affiliate agreement with Univision expressly prohibits the programmer from "allowing linear services to be distributed for free via the Internet or a wireless cellular provider." A key difference between the Facebook Live broadcasts and what's on linear network **Univision Deportes** is that the social media streams are in English. DISH contends that they are essentially the same broadcasts, with Univision only using a different audio path and a switcher that replicates Spanish-language graphics so they appear in English. DISH even quoted from an interview with Univision Deportes svp *Olek Loewenstein* in which he talks about the productions being created in the same control room and how there are similar components. This is a case worth watching as programmers are increasingly striking more deals with Facebook, **Twitter** and the like. This dispute delves into what constitutes different programming across platforms. "It has undermined the value of DISH's licensing and distribution deal with the Univision Entities, by making covered content available for free through a third-party distributor. And it has and will undoubtedly cost DISH profits and the goodwill of its subscribers and potential subscribers, who are less likely to purchase DISH services or the necessary subscriptions to access its Liga MX content, since games can be viewed for free on the Internet or through a wireless cellular provider," DISH said in its complaint. Univision did not immediately offer comment, and DISH declined to comment beyond its lawsuit. There are other components of the complaint. DISH claims the programmer has failed to deliver promised content, but the specifics are unknown as this section is redacted. The MVPD is seeking monetary damages and a permanent injunction preventing Univision from allowing its linear service and any component to be distributed live via Facebook Live or other free Internet and wireless services.

Viacom Nets to Hit Suddenlink Next Month: It's been two months since **Altice USA** struck a deal with **Viacom** that will bring back an undisclosed number of its networks to **Suddenlink** markets. Customers should start to see channels returning in late August, Altice USA CEO *Dexter Goei* said in an interview with reporters Thursday. "We're going to have to do some engineering work around channel capacity as we're launching up to 16 channels from Viacom across our footprint," he said. "Over time, between August launch and year-end, we'll get to over 90% of our Suddenlink footprint." No details on which channels will be added yet or whether SpongeBob will show up at local high school football games (when Suddenlink dropped **Nickelodeon**, **MTV** and their siblings in 2014, Viacom sent characters out to local games in cities like Charleston, WV, to drum up support). "It is big news both for [Viacom] and our customers so we'll be doing some interesting marketing around those events," Goei promised.

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Comcast's 'Instant' Karma: **Comcast** detailed plans to roll out its Xfinity Instant TV skinny service in a targeted fashion toward the end of the quarter. Comcast Cable pres/CEO *Dave Watson* during the company's earnings report Thursday said it does not plan to market the service widely, noting promotion will be mainly digital in order to reach millennials. While it is unclear exactly what the Internet TV service will look like or how much it will cost, Watson confirmed it will not utilize a set-top box. Previous reports peg the price at $15-40 with the possibility for add-ons. The rollout of Xfinity Instant TV across Comcast's footprint follows limited testing of Xfinity Stream, a streaming video cable service, in several markets. The company's launch of an OTT offering runs counter to execs' comments—past and present—on the prospects for such services going forward. "It's a very tough business," said **NBCUniversal** CEO *Steve Burke*. "And as we've said before, we're skeptical that it's going to be a very large business or profitable business for the people that are in it. And they're off to a relatively slow start." Burke added while virtual MVPDs are "not all that material" to his nets' business, the deals NBCU has with such services are favorable. In fact, he said it is "actually slightly better" for NBCU specifically (unlike its parent) if someone switches from cable to a virtual MVPD. In the past quarter, Comcast lost 45K residential video subs, more than double the number it lost in 2Q16 (21K), bringing its residential sub base to 21.5mln. Its net addition of 140K broadband subs was also down slightly from 176K in the same period last year. In total, the company gained 77K residential customer relationships, up YOY from 73K. Quarterly cable communications revenue grew 5.5% YOY to $13.1bln. NBCU revenue grew 17.3% YOY to $8.3bln. Cable nets continue to account for the largest chunk of that, with 5.1% YOY revenue growth to $2.7bln. The nets benefited from growth in distribution and content licensing revenue, which was only partially mitigated by a decline in ad revenue. Comcast's total quarterly revenue of $21.2bln was up 9.8% YOY. Meanwhile, CEO *Brian Roberts* shot down possible M&A activity in the near future, saying, "We have a really special company and I wouldn't want to do anything to change that."

Charter 2Q: Those legacy **Time Warner Cable** customers who've been disconnecting as they roll off promotions are still impacting **Charter** results, but there are signs of improvement with 30% of TWC and **Bright House** customers in Spectrum pricing and packaging by the end of 2Q. Time Warner Cable legacy customer relationships grew by 3.5% YOY, compared to 5% growth at legacy Charter and 6% growth at legacy Bright House. "Video losses in the TWC markets were half what we and consensus expected," said **Newstreet Research**. "This quarter should have been the low water mark, and results were good. We expect a steady improvement in coming quarters, which should make the stock easier to own for many investors." Residential PSUs for 2Q totaled 155K down from 167K last year, with lower Internet adds across all three entities and lower voice net adds at TWC primarily to blame. In what's a seasonally weak quarter, Charter's residential video losses totaled 90K, better than the prior year's 100K. Internet adds slowed to 231K compared to 236K year ago, but were still in line with analyst estimates. Charter's experimental 5G trials are progressing with CEO *Tom Rutledge* revealing during the company's earnings call that some field trials began just last week. "We intend to use our trials to provide us with better insight into the capabilities of our robust broadband network architecture," he said. No new details on what Charter and **Comcast** are cooking up with regards to wireless. Rutledge described the partnership as providing opportunities on a national level, natch. As for the mandatory skinny packages question, Rutledge believes the big package will continue to drive the model of programming distribution. "It's not in programmers' interest to have themselves get disaggregated from the big bundle and become much lower-penetrated niche services." Will consolidation among programmers help Charter? It depends on how significant the deal is. "I think there are some smaller companies there that have questionable pricing power, and you can see them looking to align themselves to get it," he said. Rumblings continue over **Discovery Comm** looking to buy **Scripps Networks Interactive**, with the latest *WSJ* report having **Viacom** out of the running.

More from Altice USA: Fresh off its $1.9bln IPO, **Altice USA** reported 3.2% YOY 2Q revenue growth of $2.3bln and adjusted EDBITDA growth of 21.9% YOY to $994mln. The company still feels pretty good about its video product. "We continue to be very cautiously optimistic that our business is not seeing a degradation on the video side," CEO *Dexter Goei* told reporters Thursday, adding that the MSO is not seeing any incremental effect from the launch of vMVPD services. Optimum lost 12K video units in 2Q vs about 10K a year ago, with Goei attributing the gap to the company benefiting from **Verizon's** strike in the market last year. **Suddenlink** lost 25K video units in 2Q. That's on par with 2Q16 losses of 25K, but Goei said 2Q17 is actually better because the previous period benefited from a change in billing polices that led to 6-7K incremental subscribers. In addition to the upcoming **Viacom** channel launches, Altice USA is gearing up to launch its new home entertainment hub, which it believes will positively impact sub trends. Optimum added 10K broadband RGUs in the quarter, while Suddenlink lost 8K due to seasonality.

Verizon Earnings: **Verizon** lost 15K FiOs video subs during 2Q17, bringing its total to 4.67mln. The losses were slightly worse than the prior quarter (13K), but not as severe as 2Q16 (41K). The company also dropped 23K total broadband connections, with DSL customer losses (72K) outnumbering new FiOs subs (49K). Verizon evp/CFO *Matthew Ellis* pointed out that wireline revenue is continuing to trend toward fiber. "Organically, fiber-based products grew more than 3%, which supports our plans to further invest in fiber," he said. FiOs revenue of $2.9bln was up 4.1% YOY from 2Q16. The company's wireline business on the whole produced $7.8bln in quarterly operating revenue, up 1.2% YOY. **MoffettNathanson** notes while wireline accounts for just 4.7% of Verizon's EBITDA, it makes up 25% of consolidated revenue. The company's revenue in the quarter increased a modest 0.1% YOY to $30.5bln. Verizon execs touted the company's "pre-positioning" for 5G deployment, noting it began its first precommercial testing of the service in eight out of its 11 trial markets during 2Q. The company also closed on its acquisition of **Straight Path** during the quarter, which provides additional spectrum needed for 5G.

A Smaller Cable Party: There will be fewer cable networks within the next 2 years, *Kevin Reilly*, pres of **TBS** & **TNT**, and chief creative officer of **Turner Ent**, predicted Thursday at **TCA**. You'll be covering the same number of shows but "less entities," Reilly told TCA critics. There will be "additional consolidation…different corporate alignments" in the 2-year period, Reilly added, noting "pods supporting 8 networks" are no longer viable. The "very good business model" where when you had "leverage" you added another network no longer exists, he said. Asked about the blurring of television, Reilly mentioned Turner is exploring various scenarios that will put Conan O'Brien into "radically different" entertainment arenas with "actual businesses around them," although he refused to provide details. Asked about TNT Shakespeare-inspired drama "Will," most of whose eps are provided online, Reilly said "we wanted [to give it] more access, so we put it online…it's not monetized linearly…we're being vigilant [to find ways to monetize it].

Turner Leaves the House: **CNN** and **Turner Sports** have begun subscribing to **Nielsen's** National Out-of-Home Reporting Service as part of a long-term agreement. The service provides ratings for live plus seven days of time-shifted viewing. CNN is the first news net to subscribe to the out-of-home measurement.

Ultra HD: A total of 30 US pay-TV providers are now testing Luxembourg-based **SES's** 4K content delivery platform with the addition of nine new participants. The latest wave consists of **Alliance Comm**, **Cincinnati Bell**, **Douglas County Community Network**, **Hotwire**, **Midco**, **Midwest Video Solutions**, **Oneida Telephone Exchange**, **Skitter TV** and **South Dakota Networks**. Three of the 30 operators have already initiated Ultra HD services in subscriber homes.

Century Mark: More than 100 local broadcast nets are now available on **DirecTV Now**. The virtual MVPD is offering local **ABC**, **NBC** and **Fox** stations in the top seven largest DMAs. **CBS** broadcast stations remain unavailable on the service, along with CBS-owned premium **Showtime**.

People: **Univision Comm** is promoting *Steve Mandala* to pres of ad sales and marketing, effective immediately. -- After 10 years in his position, *Jeff Paro* is resigning as pres/CEO of **Outdoor Sportsman Group – Integrated Media**, effective Friday. Paro was responsible for the operation of 15 outdoor lifestyle magazine brands as well as 19 outdoor lifestyle websites. As noted Wednesday, new OSG pres/CEO *Jim Liberatore* will take over these assets.

PROGRAMMER'S PAGE

TCA's New Question - TV vs Film?

In earlier days during the **Television Critics Association** (TCA) tour, a question that would get cable trade reporters excited was when someone would ask a seasoned actor, showrunner or director, "Can you compare the experience of working with cable networks vs broadcast television? The answer usually was that cable networks were far easier to work because cable offered more artistic freedom. At the start of the 2017 Summer TCA, though, the question has morphed. We're in the "golden age of television," after all. The new question is one that pits TV against films. On TCA's first day, *Nick Nolte*, the lead in **Epix**'s "Graves," says TV writing is "top notch…because we've lost most of our theaters and movie theaters, and we're not making as many movies, unless they can be blockbusters…as actors, [television] is what we want to get into because we can put substance into shows." The storied film exec—co-founder of **Orion Pictures** and former chairman of **TriStar Pictures**—*Mike Medavoy* agrees. Asked during **Nat Geo's** panel for scripted mini "The Long Road Home," exec prod Medavoy says "television is a great medium, especially today, in light of what's happening to the movies." There's also a question of the length and depth television offers. Medavoy adds, "I think television is a great medium to tell an eight-hour story." It's also the only medium, adds another film guy, *Peter Farrelly*, who's directing "Loudermilk" for **AT&T's Audience Network**. "This is a new world… because nobody's going to go to a movie more than three hours, but they will sit…in their living room for five, six, ten hours watching [TV] back to back to back, and it's a better experience. You can do something richer. And my prediction is they're going to remake all the great novels, "Moby Dick," "War and Peace" [on TV]…you could never do that in a two-and-a-half-hour movie…and it's going to be beautiful. It's a great new genre." – *Seth Arenstein*

Reviews: "The Lost Tapes: Son of Sam," 9pm, Sunday, **Smithsonian**. By now this series, which eschews narration and re-creations, has established itself as a terrific source of storytelling, relying on news footage of the time. In this case, the period is 1976-1977, when a quiet, young postal worker terrorized NYC for nearly one year. During that span, *David Berkowitz* used a handgun to kill six people and wound seven others. Filmmaker *Tom Jennings* expertly weaves footage, not only re-telling a chilling story but evoking the feel of a time when NYC was gripped in fear. -- "Manhunt: Unabomber," premiere, 9pm, Tuesday, **Discovery**. The initial two eps of this eight-part, scripted drama about the FBI's hunt for *Ted Kaczynski* through forensic linguistics are overdramatic at times, but mostly gripping. *Sam Worthington* as an FBI agent gives a solid performance. – *Seth Arenstein*

Notable: "The Chris Gethard Show," premiere, 11pm, Thursday, **TruTV**. This live, unscripted show hopefully will be wildly unpredictable. A loose, talk-show format, "Gethard" has been around for years: in comedy clubs, on public access and **Fusion**. The point is to "knock celebs off the pedestal…let their guard down," *Chris Gethard* says at TCA. Has he sold out? Yes, he says, "but Tru has told us to take big swings." – *Seth Arenstein*

Basic Cable Rankings
(7/17/17-7/23/17)
Mon-Sun Prime

1	FOXN	0.9	1930
2	MSNB	0.8	1842
3	HGTV	0.7	1513
4	DSNY	0.6	1495
4	USA	0.6	1375
4	DISC	0.6	1368
7	TBSC	0.5	1240
7	HIST	0.5	1166
7	HALL	0.5	1035
10	ID	0.4	963
10	CNN	0.4	952
10	A&E	0.4	906
10	FX	0.4	858
14	FOOD	0.3	791
14	ESPN	0.3	777
14	TVLD	0.3	734
14	NAN	0.3	732
14	TNT	0.3	712
14	TLC	0.3	687
14	ADSM	0.3	679
14	BRAV	0.3	652
14	VH1	0.3	637
14	INSP	0.3	618
14	NKJR	0.3	580
14	OWN	0.3	554
14	DSJR	0.3	470
14	HMM	0.3	456
14	UDN	0.3	403
14	DSE	0.3	58
30	AMC	0.2	579
30	LIFE	0.2	558
30	FRFM	0.2	549
30	SYFY	0.2	491
30	SPK	0.2	489
30	APL	0.2	464
30	WETV	0.2	459
30	MTV	0.2	445
30	FS1	0.2	441
30	TRAV	0.2	421
30	BET	0.2	405
30	EN	0.2	400
30	LMN	0.2	391
30	TRU	0.2	386
30	GSN	0.2	385

***Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks**