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What the Industry Reads First

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Leader of the Pac: New Pac-12 Nets Pres Has Shot at 'Redemption'

Everybody loves a redemption story, which is why the hire of *Mark Shuken* as **Pac-12 Networks'** new president Monday is so captivating. In fairness to Shuken, he's already had enough success in his career that he doesn't need redeem himself. Still, his recent history sets up the opportunity for a storybook ending in an alternate universe where people write stories about network carriage. Shuken in 2012 led the launch of **Time Warner Cable SportsNet LA**, a southern California RSN based primarily around a massive 25-year deal for the Dodgers' media rights. Baseball fans know the rest of the story: TWC failed to get other cable systems in the LA area, most notably **DirecTV**, to carry the channel. To this day, only **Spectrum** carries the net, leaving much of the region without Dodgers games. Now at the Pac-12, Shuken finds himself in an astonishingly similar position. Since the launch of Pac-12 Networks, also in 2012, the conference-owned entity has been embroiled in a similar standoff with DirecTV. In a June interview with **Cablefax**, Shuken's predecessor, *Lydia Murphy-Stephans*, [didn't give any indication the two sides had moved any closer](#). Adding to the intrigue around Shuken is that prior to his stint at TWC, he served as pres/CEO of **DirecTV Sports Networks**. Speaking with Cablefax on Monday, he seemed hopeful that his established relationships and understanding of the satellite provider's business could serve as the foundation for renewed talks. "To me, there's a benefit there in that I understand what DirecTV's overall objectives are, economically and serving their customers," he said. "So, I hope that will help in the dialogue." He added, "DirecTV has openly and clearly positioned themselves as the place for sports fans. Given that, one would assume that with the right conversation and the right business relationship, both parties will be served well—all parties: the fans, the alums, the member universities and DirecTV subscribers—by us getting something done." The obvious question, of course, is why we should expect him to get a deal done now when he couldn't at SportsNet LA. Asked just that, Shuken pointed to his track record of successful carriage deals prior to the Dodgers channel. "We've had tremendous success with multiple networks that I've run for **Fox**, for **Cablevision**, for **Liberty** and indeed for Time Warner Cable when we had the Lakers network launched," Shuken said. "I think the Dodgers network was certainly a struggle, but there were some really specific timing and financial elements that I think played into that difficulty." There's more to Shuken's new job than working out a deal with DirecTV. Shuken said growing the nets economically is "one of the key objectives of my mandate." During her tenure, Murphy-Stephans was the recipient of criticism from some Pac-12 administrators about payouts to member schools. Unfavorable comparisons with the Big Ten and SEC networks, co-owned by Fox and **ESPN**, respectively, also dogged Murphy-Stephans. Shuken said he wouldn't use the other networks as a measuring stick, noting internal expectations are lofty enough. "It's natural that they want to see their investment grow, and I think that probably entails financial and product and brand development." Shuken is also tasked with positioning the conference for upcoming rights negotiations. The conference's deal for top-tier games with ESPN and Fox expires in 2024, leaving Shuken a multiyear window to execute his strategy. He said it's too soon to consider whether the conference would sell and retain the same rights or look

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to package them differently, but he praised Commish *Larry Scott* for retaining as much control over the rights as he has. “The fact that Larry has kept his powder dry gives him and us the most flexibility for distribution opportunities in the long run,” he said. “It’s really a one-of-a-kind situation.”

The Great Wide Open: **WideOpenWest** lost almost 16K video subs during 2Q, a slight reprieve after dropping 27K during the previous quarter. The company has lost 66K video subs since the end of June 2016, a 13% decrease that brings total video subs to 458K. That figure includes the impact of the company’s **NuLink** acquisition, divestiture of its Lawrence (KS) system and edge-outs, all over the past year. The company also lost 1,400 broadband and 7,600 voice subs in 2Q. While the company is servicing almost 50K more homes than at the end of 2Q16, it has lost 106K RGUs over the same period. Revenue for 2Q came in at \$297.5mln, slightly short of analysts’ estimates.

Bone to Pick: Three Democratic lawmakers on Monday expressed concern about Republican **FCC** chmn *Ajit Pai*’s reported handling of the pending **Sinclair-Tribune** merger. House Committee on Energy and Commerce ranking member *Frank Pallone Jr.* (D-NJ), along with subcommittee ranking members *Mike Doyle* (D-PA) and *Diana DeGette* (D-CO), wrote a letter to Pai, citing “reports that suggest favorable treatment of Sinclair.” The Dems asked whether the actions of the FCC under Pai lend credence to this notion, as well as whether there is evidence of inappropriate coordination between Pai’s office, the Trump administration and Sinclair. They asserted Pai has taken a “series of swift actions that have benefitted Sinclair,” including the easing of restrictions on ownership of broadcast stations. Attached to the letter is a list of 17 questions about Pai’s contact with the Trump administration and Sinclair, ATSC 3.0, the regulatory process surrounding the merger and guidance on license transfer applications.

FCC Appointments: **FCC** chmn *Ajit Pai* announced Monday that *Jennifer Tatel* will serve as the agency’s acting general counsel, quickly filling the position vacated by Republican *Brendan Carr*, who became a commissioner last week. Most recently, Tatel served as chief of staff and deputy general counsel to Carr. Prior to 2011, she served as legal advisor to FCC commish *Meredith Attwell Baker*. Also on Monday, Carr announced the appointment of four staff members. *Nirali Patel* will serve as acting legal advisor for media, consumer protection and enforcement. *Kevin Holmes* will assume the position of acting legal advisor for wireless and public safety. *Nathan Eagan* will serve as acting wireline legal advisor. Finally, Carr named *Natalie Martinez* acting confidential assistant.

Find Your Cloud: **Hulu** contracted **Amazon Web Services** as its cloud provider in the launch of its virtual MVPD Service, which hit the market during Newfronts in May. Other media companies utilizing AWS for OTT delivery include **CSPAN**, **Discovery**, **Lionsgate** and **Netflix**.

Million Mark: **Altice USA** says its fiber-to-the-home network is on track to reach 1mln homes by the end of 2018. Altice is the only major US cable provider to announce plans for a large-scale FTTH deployment. It also says it has rolled out 1 Gigabit broadband to more than 60% of its **Suddenlink** footprint and tripled Internet speeds in its **Optimum** footprint.

People: Adding to rivalry narrative between **Netflix** and **Disney**, the streaming service poached *Shonda Rhimes* and her award-winning **Shondaland** production company from **ABC** with a multiyear deal to produce content with longtime partner *Betsy Beers*. Rhimes had a year left on her deal with ABC, but negotiated an early exit. Rhimes’ current shows—“Scandal,” “Grey’s Anatomy” and “How to Get Away with Murder”—will continue to air on ABC and stream on Netflix.

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