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What the Industry Reads First

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Sinclair-Tribune: Broadcasters Defend Deal as Objectors Keep Objecting

There have been plenty of arguments against Sinclair \$3.9bn Tribune acquisition, but the broadcasters claim the deal's detractors fail to see the ways the combination will serve the public interest. The FCC posted on Wednesday the companies' response to petitions to dismiss or deny the deal. **DISH, ACA, Competitive Carrier Assn, Free Press, Newsmax** and indie programmers, including **Cinemoi** and **TheBlaze**, are among those asking the FCC to reject a combined Sinclair-Tribune, which would own 230 stations and reach 72% of American households. "The petitions misunderstand the economics and market realities of the television broadcast industry, mischaracterize the applications, misconstrue the purpose of this proceeding, fail to comprehend that Sinclair is one of the greatest champions for the continuation and growth of free over-the-air broadcast television, and, in the end, are based on little more than unsubstantiated speculation, innuendo, and blatant falsehoods that are irrelevant to the Commission's reasoned review of the pending applications," Sinclair and Tribune wrote in their rebuttal. Their main argument is that such consolidation is necessary in today's changing media ecosystem. One by one, the 173-page document tackles issues raised by objectors. Take retrans, with DISH and others arguing that Sinclair would have leverage to extract excessive fees from MVPDs. Sinclair and Tribune contend that petitioners have shown no evidence that the deal would cause retrans fees to go up, noting that the FCC recently reviewed good-faith negotiations and retrans in the context of **Nexstar-Media General** deal and rejected arguments of broadcasters' "supposed market power." They also note the large amount of consolidation that has happened on the MVPD side. "Having nationwide reach itself, DISH believes that the government should protect it from having to negotiate with broadcasters that also have substantial reach nationwide," the broadcasters wrote. Sinclair and Tribune didn't use the words "fake news" in their filing, but they did take Free Press and others to task for using news articles to support their claims the deal isn't in the public interest, calling that the very definition of hearsay. The broadcasters call out an article in the *Nation* that said Sinclair exec chmn *David Smith* appeared as a guest of honor in the Trump inaugural parade, noting he didn't even attend the parade. They also said a *Slate* article was wrong in reporting that *Boris Epshteyn* commentaries run on Sinclair stations' local news for 13.5 minutes each day (they run for approx 13.5 minutes each week). As an aside, a *Financial Times* article this week suggested Sinclair is considering a collaboration with former White House chief strate-

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gist *Steve Bannon*. Both declined to comment. None of the arguments in the broadcasters' filing swayed the **Coalition to Save Local Media**, whose membership roster includes **ACA, DISH, Common Cause, Public Knowledge** and others. "Sinclair-Tribune's response today leaves too many questions unanswered about the public interest harms caused by the proposed merger. There is no basis for the FCC to allow this merger to proceed. The FCC and Department of Justice should reject this merger," the group said Wednesday.

Streaming vs Traditional: Yes, there's a lot of streaming content out there that's quite good (note **Netflix's** Emmy nomination haul). But despite the buzz, it's worth remembering that traditional TV generally still eclipses it on social media in terms of sheer numbers. **Shareablee's** Video Power Index combines viewing, consumer interactions and audience scale across all active platforms to assign a VPI score. Netflix's 1,204 for "Sense8" for the week of Aug 7 significantly trails the 2,976 score for **HBO's** "Game of Thrones." Shareablee data has series like **Freeform's** "Shadowhunters" and **MTV's** "Teen Wolf" racking up 3.8mln and 2.4mln total actions across social networks (**Facebook, Twitter, Instagram** and **YouTube**) for that week, while the top performing streaming shows failed to crack a million (Netflix's "Stranger Things" came closest at 850K, followed by Sense8's 245K). Shareablee's VPI narrows the gap by factoring in audience scale, which is why Netflix's "The Crown" with a score of 739 tops **BBC America's** "Orphan Black" at 303, despite 1mln total actions for the cable series next to 150K for the digital series. **Parrot Analytics'** list of most in-demand shows for the week of Aug 13 also has traditional TV ahead of digital. GOT netted over 117mln demand expressions for the week, compared to 19mln for Netflix's "Ozark," the most in-demand digital original series. Take the HBO powerhouse out of the equation (after all, it has thrice the demand of the second most-popular show), and four other series still tracked higher than Ozark last week (**AMC's** "The Walking Dead," **Adult Swim's** "Rick and Morty," **NBC's** "The Tonight Show" and **Starz's** "Power").

Football on Facebook: It ain't the **NFL**, but live football will be on **Facebook** this fall. New **Sinclair-led** sports offering **Stadium** (formerly **American Sports Network**) will deliver 15 games on the platform, nine Conference USA match-ups and six games from the Mountain West Conference. The Facebook action kicks off with a doubleheader on Sept 2 featuring Miami (OH)-Marshall and UC Davis-San Diego. The Facebook-exclusive lineup comes in addition to Stadium's 25 game schedule announced last week, which will be featured exclusively within Stadium's digital and broadcast linear experiences. That distinction could be important. **DISH** has sued **Univision** over its decision to stream Liga MX soccer matches for free on Facebook, claiming that they are essentially the same broadcasts seen on linear net Univision Deportes except in English.

NBC Sports RSN Rebrand: **NBC Sports** Regional Nets will finish its rebrand of RSNs on Oct 2, with the five remaining **CSN**-branded networks taking on the **NBC Sports** name. **CSN Chicago, CSN Northwest** and **CSN Philadelphia** will combine "NBC Sports" with their current regional designations: **NBC Sports Chicago, NBC Sports Northwest** and **NBC Sports Philadelphia**. The same is true for **CSN Mid-Atlantic** and **CSN New England**. **NBC Sports'** two **TCN** channels also will adopt the **NBC Sports** moniker. NY network **SNY** will keep its name. The rebrand completes a process that began in April with **NBC Sports Bay Area** and **NBC Sports California**.

Ad Spend: Sports and news lifted cable's ad spend in July. **Standard Media Index** reports that cable saw a nearly 30% increase in spending around sports programming last month, with some of that due to events falling in July that had previously taken place in June. News continues to be hot, scoring upticks against last July, which included the DNC and RNC. "The fact that cable news is still increasing as we're now comparing YoY to prominent election months, is quite telling that this trend might be here to stay," SMI said. More at **Cablefax.com**.

Roku Rising: New research from **Parks Associates** shows that 37% of streaming media devices owned by US broadband households are **Roku** devices, up from 30% in 1Q16. **Amazon Fire** is runner-up with 24%, increasing its share from 16% in 1Q16. **Google Chromecast** slipped to 18% and **Apple TV** fell to 15%. Smart TVs are found in 45% of US broadband homes, according to Parks.

Programming: **EPIX** renewed "Get Shorty" for a second season to bow next year. The series based on the *Elmore Leonard* novel debuted Aug 13 and airs Sunday nights at 10pm. -- **Z Living** and *Charlie Ebersol's The Company* are coming together on a new docu-soap with a focus on LA's yoga-centric scene. "Yoga Girls" will start examining the fierce competition between opposing studios starting Sept 24 at 8pm.

Think about that for a minute...

Thank You

Commentary by Steve Effros

I spent some time this past week with a friend of mine in Minnesota. He's a retired high school teacher of history and philosophy. He's a fascinating guy to talk to since he grew up and taught school in Mississippi. He has a perspective of the "Old" South (yes, we are both "old") as well as a keen sense of the true historical reality that has gotten us to where we are today. But while that is a worthwhile conversation for another time, the thing that struck me most in our discussions was his focus on making sure folks say "thank you."

He's very good at it, and does it all the time. He makes sure that folks who do good jobs, or are considerate, or deserve praise, get it. Now some of that, I am sure, comes from his teaching background. High school kids are not an easy audience. "Teaching" them is going to be a challenge, and there is always a question of what you are supposed to teach. But praise for work well done is clearly one of the best lubricants for both eliminating friction and moving things to where you want them to go.

Why focus on all this? Well, we were talking about the flight Lucia and I took to get out there. It was on Spirit Airlines, which certainly doesn't have a great reputation (we had people say they'd "pray for us" when they found out we were using Spirit!) But we didn't have any problem, and the landing in Minneapolis was so smooth Lucia made sure to tell the pilot it was one of the best landings we had ever experienced...and we've flown a lot! The crew was very appreciative.

The conversation and experience resonated with me because, as you all know, our industry is not



at the top of most "best" lists. I have spent most of my career explaining to people why what we do is extremely difficult and always prone to be the object of criticism more than praise. After all, if we deliver the video flawlessly for 99 percent of the time but the picture dies during the last quarter of the football game, you know darn well what the headlines are going to be. When things go right, as my friend noted, there is rarely comment. When things go wrong, you can be sure you will hear about it. He pointed out, for instance, that teachers rarely hear from parents unless they are either unhappy about something or want something. They rarely hear that they are doing a good job.

The same is true of our work force. If an installer is late or steps on a rose bush or tracks dirt in the house we will hear about it, but if he or she does their job, either in the field or answering the unending CSR challenges, there is very little by way of "thank yous" spread around. We have to change that reality. My friend makes a very valid point when he notes that we all are likely to work and be motivated to do even better when our efforts are recognized and acknowledged. We have a lot of folks who do excellent jobs, and yes, a pay raise or an extra day of holiday time is certainly appreciated. But just like the teachers and the waiters and the others who toil most of the time successfully to do their jobs, it would be nice every once in a while to simply say "thank you."

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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