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What the Industry Reads First

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Franchise Fracas: Comcast Challenges Vermont PUC Conditions

Comcast opted to sue the Vermont PUC this week, claiming that the agency is attaching unfair conditions to its franchise renewal. The MSO's franchise to operate in Vermont expired in December, with negotiations under way for a new deal for more than a year. PEG channels are at the heart of the dispute, with the PUC wanting Comcast to provide channel info on its interactive programming guide as opposed to including that info on a scrolling guide channel. Comcast contends such a move would require \$4mIn in immediate engineering changes. "The VPUC acknowledged these significant costs, but imposed the new condition despite overwhelming evidence from Comcast cable subscribers in Vermont that they did not want to pay any additional fees for this PEG-related IPG feature," Comcast said in its complaint. "In fact, not one surveyed subscriber affirmatively supported paying for it. No other franchising authority in the country has ordered Comcast to make such costly system redesigns or to incur such ongoing additional operating costs." The VPUC declined to comment on the legal spat. A Comcast spokesperson said the company was disappointed with the conditions and denial of a motion for "reasonable amendments." "After reviewing the order and denial, and evaluating its likely impact, we have determined our best course of action is to appeal this decision," the rep said. Another point of conflict is line extensions. While Comcast proposed building out service based on need, the state commission wants 550 miles of new cable in the state. For context on the cost associated with this, consider that Comcast spent \$31K per mile to construct line extensions following its acquisition of **Adelphia** systems in Vermont in 2006. The MSO claims the construction requests come without any regard to consumer demand or population projections. What's more, it says the same sort of line extensions aren't being required of other operators like **Charter** or **Burlington Telecom**. "The VPUC claimed that it could impose the blanket 550 mile line extension mandate on Comcast because it is the 'largest' cable operator in Vermont and can afford it. These discriminatory conditions contravene federal and state law, amount to undue speaker-based burdens on Comcast's protected speech under the First Amendment," Comcast said. Franchise renewals are often highly contested, but are usually settled before the courts get involved. Such cases provide good fodder for what franchise asks may be in other states. The third area of concern in Vermont relates to return lines. Under the previous agreement, Comcast was required to provide fiber-optic or coaxial cable drops, capable

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of two-way service and remote origination service, upon request, to every school, library and PEG-access studio, and to at least one municipal building in every municipality—unless those buildings weren't passed or located within 500 feet of cable plant. Cable plant wasn't defined, with Comcast proposing in the new deal that a remote origination site be within 500 feet of its fiber network. The VPUC instead adopted a broader condition defining cable plant as both coax and fiber-optic lines. Comcast puts cost estimates for new origination return lines ranging from approximately \$4K to more than \$120K depending on the location and distance from its fiber network.

Harvey Updates: The FCC's Tuesday morning status report showed the number of cable subs without service in the area impacted by Hurricane Harvey jumped to more than 283K from 189K Monday morning. There were 21 non-mobile switching centers out of service (up from 19 Monday) and 33 switching centers on back-up power (up from 22). -- **Altice USA** announced a \$50K donation to **Red Cross of Texas**. The owner of **Suddenlink** and **Optimum** also is giving the Red Cross free ad time across its system nationwide to assist in the relief efforts. For Suddenlink customers impacted by the storm, the company has put policies in place to make sure they aren't charged for services and equipment. An employee disaster relief fund also was put in place, with Altice USA employee volunteers from around the country traveling to assist. -- **Disney** and O&O **KRTK** in Houston jointly announced a \$1mln cash commitment to the Red Cross in support of recovery efforts. Additionally, Disney/**ABC Television Group** will host a "Day of Giving" benefit for those impacted by the storm on Thursday. Disney properties, including **Freeform**, **Radio Disney** and local ABC affiliates, will feature a call-to-action for Red Cross donations. **Hearst** also has stepped up with a \$1mln donation. **Comcast NBCU** pledged more than \$1mln in support, including \$500K cash and in-kind contributions. Local **NBC** and **Telemundo** stations are implementing phone banks and telethons

Hopkins Leads In Demand: **In Demand** named veteran industry exec *Dale Hopkins* pres/CEO, a job that will see her move to NYC from L.A. Hopkins most recently served as evp, distribution and CMO at **GSN**, but has also served as COO of **Comcast-owned G4 Media**, interim CEO of esports league **CGS**, CMO for **E! Networks** and co-founder of E! Online. She fills the role vacated in June by *Bob Benya*, who served as CEO of the VOD/PPV company since 2010. "Dale is resourceful, genuine, has a business development mindset, and will bring high energy and a wide array of skills and experience that will be appreciated by In Demand's employees and the company's business partners," In Demand board chmn/**Charter** programming acquisition evp *Tom Montemagno* said in a statement.

AWS-3 Auction: The DC Circuit upheld the FCC's decision to not allow two **DISH**-designated entities (**Northstar** and **SNR**) to retain their 25% bidding credits for \$13.3bln in spectrum they collectively won in the 2014 AWS-3 auction. The FCC said the program was meant to help small businesses. But it's not a total loss for DISH, with the court sending the case back to the FCC as it ruled the entities didn't have sufficient opportunity to renegotiate their terms with DISH. "At this point, there will likely be discussions and negotiation between DISH and the FCC—which could involve some spectrum going back to DISH, or even involve a negotiation related to the current build out requirements," speculated **Wells Fargo** analysts. While the case may be back at the FCC, the agency is under no obligation to permit a cure for the issue. *Tina Pelkey*, press sec to chmn *Ajit Pai*, viewed the ruling as a victory, saying it explains why the FCC determined DISH abused the program. "In the AWS-3 auction, the two entities claiming over \$3 billion in taxpayer-funded discounts were not independent small businesses, but rather under the control of DISH," she said. "Going forward, we need to make sure that this program is available only to legitimate small businesses that actually control their own destinies." DISH shares rose nearly 2% with investors excited that DISH has the chance to gain some relief from penalties and a little bit of hope on the spectrum front.

Bienvenidos a Miami: **Atlantic Broadband** rolled out Gigabit internet service in Miami Beach and surrounding areas, effective Tuesday. Its residential GigaEdge and commercial Pro GigaEdge services are available in Aventura, Bal Harbour, Bay Harbor Islands, Golden Beach, North Bay Village, Pinecrest, South Miami, Sunny Isles Beach, Surfside, Brickell, Wynwood, the Biscayne corridor and downtown Miami. Atlantic's rollout marks the first widespread deployment of Gigabit internet in the area. GigaEdge carries a promotional price tag of \$89.99/month for new residential customers and \$199.99/month for new business customers with a three-year contract.

Tech Emmys: **Comcast** will receive a Technology & Engineering Emmy Award at next year's **NAB Show** for its X1

Voice Remote. The MSO is among a group of four companies being honored for “Contextual Voice Navigation for Discovering and Interacting with TV Content.” **Universal Electronics**, **Apple TV** and **Nuance Dragon TV** are also being honored in the category. **CBS** engineering svp *Robert Ross* and **Fox** engineering evp *Richard Friedel* will receive Technology & Engineering Lifetime Achievement Awards.

Higher Learning: **Florida Atlantic University** recently contracted **Comcast Business** to install two 10 Gbps Ethernet Private Lines, which are now in use, to connect its three largest facilities. FAU chose Comcast after receiving a federal grant for the project. The lines allow students and faculty working at the three locations to access data and collaborate on research activities.

Sky's the Limit: **21st Century Fox** pulled its **Fox News** feed from the **Sky** satellite platform in the UK on Tuesday, according to *Variety*. The company cited low viewership and profitability for Sky as justification for the move. The decision comes amid regulatory review in the U.K. of Fox's \$15bln takeover of Sky.

Monthly Ratings Notes: The top three cable news nets saw month-over-month increases in primetime viewership during a news-filled August. **Fox News** maintained the top spot among all cable nets with an average of 2.2mln P2+ in primetime, a 6% bump from July. **MSNBC** kept the No. 2 spot in primetime viewership, registering an average of 1.9mln P2+ and a 10% jump. **CNN** continued to trail its rivals despite moving up to No. 6 from No. 10 in July. Its primetime average of 1.2mln P2+ marked a whopping 34% increase over the prior month. August's top non-news nets in primetime were **USA** (1.7mln), **HGTV** (1.5mln), **TBS** (1.3mln), **History** (1.2mln) and **Investigation Discovery** (1.1mln).

Programming: **TLC** will premiere the third season of “7 Little Johnstons” on Sept 19 at 10pm ET. The unscripted show will continue to follow the seven-member family that lives with dwarfism. -- Pop culture game show “Trivial Takedown” is coming to **Fuse**, with production of 20 half-hour eps beginning earlier this month. It will premiere this fall, featuring two celebrity contestants competing to identify music and pop culture icons. The series is based on UK show “Blink.” -- **DirectTV** is offering fans expanded coverage of tennis' US Open in conjunction with rightsholder **ESPN**. Beginning Monday, customers can watch up to six live matches in HD on one screen. The service also includes an interactive app with player bios and a match guide. ESPN will offer more than 130 televised hours of live US Open action, plus 1300 hours of streaming on its digital platforms. -- **ESPN** will not host a party during Super Bowl week in 2018, according to a *SportsBusiness Daily* report. It instead plans to use the money on hospitality for the College Football Playoff, which it owns the TV rights to. The upcoming Super Bowl, which is slated for Minneapolis, would have marked the 14th consecutive year in which ESPN has hosted a party for the game.

WICT Honors: **WICT** on Tuesday announced the members of Classes 36 and 37 of the 2017-18 Betsy Magness Leadership Institute. More than 900 women have graduated from the BMLI program since its inception in 1994. See the full list of new members at Cablefax.com. -- The **WICT** Southeast Chapter will honor five of its members at its 14th annual Red Letter Awards Gala on Oct 19 in Atlanta. The organization is recognizing members for their contributions in developing women leaders exemplifying the chapter's 2017 Touchstone theme, “Be Fearless.” The honorees are **Turner** pres of **Cartoon Network**, **Adult Swim** and **Boomerang** *Christina Miller*; **Cox Communications** vp, sales and retention *Stephanie Monroe*; Cox vp, service assurance *Patricia Martin*; Cox director of customer experience *Janice Jernigan*; and **Scripps Networks** director of emerging media content *Renita Griskel*.

People: *Erin Calhoun* is coming to **Showtime Networks**, taking over the position of svp, corporate communications. The former **NBCU** exec will be working with the strategic planning and execution of PR initiatives on behalf of the network, overseeing all internal and external communications.



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