

Cablefax Daily™

Thursday — August 31, 2017

What the Industry Reads First

Volume 28 / No. 167

Over the Air: Sinclair Gains Fox Renewals as Merger Review Continues

Sinclair renewed station affiliation agreements on Wednesday for five **Fox** stations that were at the end of their terms: **WACH** (Columbia, SC), **KFOX** (El Paso, TX), **KRXI** (Reno, NV), **WFXL** (Albany, GA) and **WSBT** (South Bend, IN). The renewals come via a multiyear deal with Fox, which allows for distribution on virtual MVPDs. Additional Fox-Sinclair affiliations are set to expire at the end of this year and during 2018. **Wells Fargo Securities'** *Marci Ryvicker* noted none of the five renewals were in **Ion**-related markets, an acknowledgement of a Bloomberg report earlier this month that Fox could ditch Sinclair as an affiliate partner in favor of Ion. Still, she wrote neither party would have signed the deal if Fox were "changing its business model or really contemplating taking its affiliations away." Meanwhile, critics of Sinclair's pending **Tribune** merger remained vocal with the filing of replies with the **FCC** to the broadcasters' Opposition to Petitions to Deny the transaction. Holding a press call Wednesday, members of the **Coalition to Save Local Media** claimed Sinclair and Tribune failed in their filing to meet the public interest standard and identified a range of issues with the resulting broadcast behemoth, including higher retransmission fees and less opportunity for independent programming. **Public Knowledge** policy fellow *Yosef Getachew* said the deal runs counter to FCC chmn *Ajit Pai's* goal of closing the digital divide and could delay mobile broadband deployment. **T-Mobile** in its complaint focused on the possibility that Sinclair could delay the clearing of the 600 MHz spectrum band, claiming the broadcaster has "already demonstrated its willingness to hold the repack hostage to its ATSC 3.0 ambitions." The wireless carrier wrote, "Delaying repacking prevents T-Mobile and other auction winners from deploying their low-band spectrum until Sinclair is ready to enter the mobile broadband marketplace as a competitor, which it intends to do." **DISH** asserted Sinclair is motivated by the ability to charge higher retransmission fees. The satellite provider noted in its filing that Sinclair and Tribune neglected to respond to a study stating that greater broadcaster size leads to higher prices for consumers. Similarly, **ACA** claimed Sinclair and Tribune failed to demonstrate the deal serves the public interest. "The massive new entity would also use its leverage to force carriage of programming that consumers do not want," the group's reply stated. "The result would be higher prices and fewer choices for consumers." Wednesday marked Day 55 on the FCC's self-imposed 180-day shot clock for reviewing the deal.

**LEVEL UP
FOCUS FORWARD**

THE 2017 WICT
**LEADERSHIP
CONFERENCE**

SEPTEMBER 25-26
NEW YORK MARRIOTT MARQUIS

THE 2017 WICT
**TOUCHSTONES
LUNCHEON**

SEPTEMBER 25
NEW YORK MARRIOTT MARQUIS

Women in Cable
Telecommunications™

REGISTER FOR THE WICT LEADERSHIP CONFERENCE TODAY AT WICTCONFERENCE.ORG

WE GRATEFULLY ACKNOWLEDGE THE TOP SPONSORS OF THE 2017 WICT LEADERSHIP CONFERENCE

PLATINUM
**COMCAST
NBCUNIVERSAL**

CHAMPION
Disney and **ESPN**
Media Networks

HBO

ONE
REPRESENT.

WE GRATEFULLY ACKNOWLEDGE THE
PREMIER SPONSOR OF THE 2017 WICT
TOUCHSTONES LUNCHEON

**AMC
NETWORKS**

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 ● 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: Charlotte Clay, 301.354.1710, cclay@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

Harvey Aftermath: The **FCC** continues to monitor damage caused by Hurricane Harvey, with chmn *Ajit Pai* to visit Texas on Tuesday. “I look forward to meeting those on the ground in Texas and seeing firsthand what needs to be done to make sure that those affected can get back on their feet as quickly as possible,” Pai said. Meanwhile, there are troubling forecasts on the horizon. “While Harvey is making his exit up the Mississippi Valley, we are looking at another storm potentially developing in the Gulf by early next week,” **Weather Channel** programming svp *Nora Zimmert* told **CFX**. It’s too early to say where it’s going to go into, but we could have another tropical storm or even a hurricane forming in the Gulf.” Harvey made landfall again Wednesday, sending more devastating rain into Texas and Louisiana. A growing number of companies have stepped up with donations. **Verizon** committed \$10mln to support relief efforts, saying it will share specific details regarding the nonprofits in the coming days. **AT&T** is contributing \$350K. **Sinclair** broadcast stations will hold a coordinated “Standing Strong for Texas” relief effort, encouraging viewers to contribute to the **Salvation Army**. The broadcaster will match total viewer donations up to \$100K. The latest FCC data has at least 267K cable subs without service, down from at least 283K Tuesday morning. **Comcast** began dispatching techs throughout greater Houston on Wednesday, including Brazoria, Chambers, Galveston, Fort Bend, Harris, Liberty and Montgomery counties. **Charter** said stores in Beaumont, Port Arthur, Orange and Spring remained closed Wednesday. It’s coordinating with emergency management, attributing the vast majority of service outages to commercial power failures.

More Net Neutrality: Wednesday was the reply comment deadline for the **FCC’s** Restoring Internet Freedom proceeding—in other words, one more attempt to try and sway folks to your side in the net neutrality/Title II debate. We didn’t see any big surprises perusing the docket, which was still growing at press time. And my, what a big docket it is... More than 21mln filings had come in as of late Wednesday afternoon. For the most part, Wednesday’s deadline let companies and associations reiterate their stances in this well-worn debate. **Comcast** posted a blog after filing its comments with the Commission, complete with a “Groundhog Day” *Bill Murray GIF*. In that vein, the ISP once again reiterated its commitment to an open internet and urged Congress to enact bipartisan legislation to establish open internet protections. **The Internet Association**, which counts **Amazon**, **Google** and **Facebook** as members, argued the record provides no basis for the FCC to reverse course from its 2015 Title II classification. **NCTA** accused Title I opponents of “fearmongering,” declaring that the internet was always open and free, even without common carrier regulation. **ACA** fought back against Title II proponents’ assertions that burdens associated with Title II were overblown, writing that costs associated with additional regulatory compliance eats into network investment and capital reserves.

Now and Later: **DirecTV Now** added more than 25 local **ABC**, **NBC** and **Fox** affils over the past month, bringing its current total to 130 across 70+ markets. The virtual MVPD plans to have at least 170 local broadcast nets across 80 markets within the next few weeks. **Hulu** currently leads all vMVPDs with 201 local nets, followed by **PlayStation Vue** with 186.

5G Trials: **AT&T** is expanding its fixed wireless 5G trials to business and residential customers in Waco, TX, Kalamazoo, MI, and South Bend, IN, by the end of the year. The telco company launched its second fixed wireless 5G trial in June with small businesses and an apartment unit in Austin.

Gulf Clap: **Mediacom** has rolled out DOCSIS 3.1-powered 1 Gig internet service in southern Alabama and the Florida Panhandle. The launch footprint includes 55 Gulf Coast communities, and the company will expand the faster service to 36 additional Florida and Alabama communities in the next month.

Back to School: **FuboTV** added **Pac-12 Networks** to its lineup just in time for college football. The conference’s national net will be available in the virtual MVPD’s base package (\$34.99/month), while its six regional nets are part of the additional Sports Plus bundle (\$5.99/month). The Pac-12 on Wednesday also detailed plans to experiment with shorter breaks and adjusted commercial formats during non-conference games. Look for reduced break times between the first and second quarters, as well as between the third and fourth. In at least six games, halftime will be shortened from the standard 20 minutes to 15. The goal is to shorten games by up to 10 minutes and reduce broadcast windows by up to 15.

People: **Altice USA** promoted *Terry Cordova* to vice chmn, business development—network and technology services. *Philippe Le May* will take over Cordova’s previous role as CTO. Cordova will boost Altice’s technology growth efforts while pursuing new partnerships. Le May’s focus will be on efforts such as Altice’s expansion of its fiber network infrastructure and developments on its new home communications technology.

Think about that for a minute...

ComAzon

Commentary by Steve Effros

OK, maybe it should be AmaCast instead. While everyone else is talking about a combination of Comcast and Charter, or Charter and Sprint, or Sprint and T-Mobile or Verizon and whomever, it seems to me the most awesome and scary duo that could be put together would be Amazon and Comcast. Such a combination would be a real stretch to justify on the books or with all the lawyers and politicians who would oppose such a behemoth. But let's just think about it for a minute. After all, it's the last week in August...who but you and me will be reading this?



Amazon has had a very big week. On Monday they closed on the Whole Foods mega-billion purchase. They immediately announced price cuts on over 100 items in Whole Foods. Not coincidentally, the products that were the subject of this largess also happen to be, consistent with the way Amazon uses "big data" on its web site, the ones that generate the most initial traffic in food stores. Amazon is no dummy. There's lots of speculation about what they're going to do next, and much of it revolves around automating the registers and so on. But I suspect something else is in the works; ordering from home and being able to pick up a fully pre-packed bag at your local Whole Foods. Of course you'll also be able to pick up your Amazon packages there as well. Oh, and also on Monday it was noted that there were suddenly big displays of the Amazon Echo (Alexa) and Dot in all the Whole Food stores. Any wonder why?

Then on Tuesday Amazon finally rolled out something I, as a big user and fan of Alexa, have long asked for; you can now link all your Amazon Echo speakers in your home and have them all playing the same thing, music or news for instance, at the same time. That wasn't possible before on these devices. You can also designate

which speakers will be in the group playing and all of this can be done with voice commands. I've already tried it. It works flawlessly. As important, Amazon announced that it's working with major speaker manufacturers like Sonos, Bose and Samsung to allow their speakers to be included in the mix.

Meanwhile, Comcast, as we all know, has scored big with its X1 boxes and user interface. It, too, has voice commands, but Amazon is way ahead of the pack (including rival Google Home) on the home interaction stuff. They haven't been as successful, however, with the Amazon Fire TV device. So why not meld the expertise and success of both Amazon and Comcast? OK, maybe that doesn't mean a merger or purchase, but it seems to me somewhat of a slam dunk that the two of them could put together a totally compelling package of services. Think of it; Alexa voice commands to order your food supplies (and anything else) and universal navigation of video and entertainment via Comcast xFi in the home all through Amazon enabled "smart" devices.

Sure, there's lots more that could be done with the combination of Comcast's navigation and broadband delivery (think home security and IoT) and Amazon's marketing, product delivery and "big data" smarts as well. Crazy? Maybe. But these companies are in a fierce battle with Google, which also is a master of "big data" but makes its money primarily from advertising, not selling goods and services. One way or another this fight is going to make Game of Thrones look tame!

Steve

T:202-630-2099
steve@effros.com

(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.)

 **MOST POWERFUL WOMEN
IN CABLE** PRESENTED BY **Cablefax**

**Partner with Cablefax to feature
your brand at the Most Powerful
Women in Cable Awards**



Ad Space Close: Oct. 23

Publication Date: Nov. 2017

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

**Register for the
MOST POWERFUL WOMEN BREAKFAST**
November 16 | Edison Ballroom, NYC
www.cablefax.com/awards