

Cablefax Daily™

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What the Industry Reads First

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5 Guys: Verizon Commercial 5G Plans Met by Analyst Skepticism

Verizon on Wednesday revealed its plans to undertake the industry's first commercial application of 5G broadband services in three to five US markets next year. Its first launch is planned for Sacramento in the second half of 2018, with additional details and launch markets to be revealed at a later date. A broader rollout is planned for 2019. The 5G launch strategy follows Verizon's successful pre-commercial trials in 11 markets with mmWave delivering gigabit home broadband. The wireless carrier estimated the market opportunity for initial 5G residential broadband services to be about 30Mn US households. Research firm **MoffettNathanson** noted the company in its investor day presentation Wednesday pegged that at about 25-30% of homes. Verizon also said its starting goal for market share is 20-30%, which Moffett noted amounts to somewhere between 5-9% of the overall broadband market. "With three to five markets slated for 2018, full national coverage would presumably take at least ten years, and perhaps quite a bit longer (America is a big place)," Moffett wrote. "Achieving full penetration, and hence their 5-9% national market share, would take longer still." Both Moffett and **New Street Research's Jonathan Chaplin** expressed skepticism about Verizon's 5G strategy. The latter wrote, "The discussion on technology was thin. They seem to be making bold assumptions around outside-to-inside, reach and line-of-sight that seem very optimistic to us." Chaplin also took issue with Verizon's failure to disclose the capital and operational expenses associated with a serious 5G broadband deployment. Moffett, meanwhile, raised a key question about who else will be targeting the same 25-30% of US homes as Verizon. "Let's assume that **AT&T** is just as aggressive about this opportunity as Verizon," he wrote. "Will they enter the same markets as Verizon, or different ones?" A situation in which multiple players enter each market with fixed wireless "feels rather squishy," he added. On the other hand, Moffett wrote that the alternate scenario—in which each operator targets different markets—would "create a truly bizarre market dynamic that is almost unimaginable today, where each operator 'owned' different cities" for both fixed wireless and 4G LTE. Interestingly, Verizon's first target city, Sacramento, isn't an area it currently operates as a broadband provider. Instead, its taking on turf held by **Comcast, Consolidated** and **Frontier**. AT&T has been testing fixed wireless 5G in a number of markets and plans to have trials up and running in Waco, TX, Kalamazoo, MI, and South Bend, IN, by the end of the year.



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During Mobile World Congress in September, **Charter** announced that it was working with Samsung on its own 5G and 4G LTE trials, which began over the summer and will run through the end of 2017.

Threat Level: If you didn't think net neutrality was a matter of life and death, think again. Federal prosecutors filed charges against a Syracuse man Wednesday for allegedly threatening to kill US Rep *John Katko* (R-NY) if he didn't "support net neutrality." The charges against 28-year-old *Patrick Angelo* carry a maximum penalty of 10 years in prison, a \$250K fine, or both. In a voicemail to Katko, Angelo allegedly said, "If you don't support net neutrality, I will find you and your family and I will kill...you...all." He added, "Net neutrality is more important than the defense of the United States. Net neutrality is more important than free speech. Net neutrality is more important than health care. Net neutrality is literally the basis of the new society." News of the charges resulting from the October call came just days after FCC chmn *Ajit Pai* complained about protestors outside his home threatening his family. Pai addressed the Katko situation in a statement, saying, "I condemn in the strongest possible terms any attempts to intimidate government officials with violent threats, and in particular, efforts to target their families. I would also like to express my sympathy to Congressman Katko and his family and thank law enforcement officials for taking this matter seriously." Less than an hour after the FCC released Pai's statement, commish *Mignon Clyburn* distributed her own statement, titled "Debunking Chairman Pai's Claims About Net Neutrality," in which she sought to discredit claims and predictions Pai made in his dissent from the 2015 Open Internet Order. Pai also spoke Wednesday at an event put on by nonprofit **Project GOAL**, touting the potential positive impact that paid prioritization could have on healthcare. "By ending the outright ban on paid prioritization, we hope to make it easier for consumers to benefit from services that need prioritization—such as latency-sensitive telemedicine," he said. Pai's effort to repeal the 2015 regulations is slated for a vote at the FCC's open meeting on Dec 14.

Oh, Canada: **Rogers Media** is pulling financial support of the **Viceland** TV channel in Canada, placing the net's continued existence in the country into question, according to a *Globe & Mail* report. **Vice Media Canada** counted Rogers as a partner on the venture, which launched early last year with an aim at reaching a younger audience. Sources close to Rogers say the company is planning on cutting financial ties early next year, but both Vice and Rogers refused to comment.

Virtual MVPD Forecast: Virtual MVPD penetration will grow to 14% of US households by 2030, according to research firm **The Diffusion Group**. That would represent a 350% increase from its current level (roughly 4% of US households). In the same time period, TDG estimated legacy pay-TV penetration will drop from its current level of 81% to 60%. That would represent a 26% decrease in subscribers.

Distribution Deals: **Newsmax TV** reached a carriage agreement with **DISH**, bringing its pay-TV footprint to 50mln US households. The channel will be available as part of DISH's America's Top 120 programming package and higher tiers. -- **Layer3 TV** is adding **Crown Media's** new net **Hallmark Drama**. It already carries **Hallmark Channel** and **Hallmark Movies & Mysteries**. Hallmark Drama will be part of Layer3's Platinum allHD base package, currently offered at \$75/month. -- **Altice USA** and **Charter** will carry each other's regional news nets under a new multi-year agreement between the operators. Altice-owned **Optimum** will provide viewers throughout the NY Tri-State area with access to **Spectrum News NY1**, which predominantly covers New York City affairs. Meanwhile, Spectrum



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customers throughout Charter's footprint will now be able to watch Altice's **i24News**. In addition, Charter will expand its distribution of Altice-owned **News 12 Networks** to Western Connecticut. News 12 was already available to Spectrum customers in the New York area.

Patently Speaking: Comcast made good on its promise to remove an X1 feature that the **International Trade Commission** determined infringed on two **TiVo** patents. In disagreeing with the ITC decision, Comcast said it would remove the feature while pursuing an appeal. As a result, customers can no longer set DVR recordings with the Xfinity mobile app. *GeekWire* was the first to spot the change.

South of the Border: Sling TV is introducing regional package **Centroamérica** to show networks from Central American countries, expanding its Spanish-language portfolio. Current offerings will come from countries like El Salvador and Guatemala, with more to come in the future. The **Centroamérica** package is available standalone for \$10 per month, or for \$5 a month when bundled with Sling Orange, Sling Blue and/or any of Sling's Spanish-language services.

AT&T's IoT Button: AT&T is working with **Amazon** to develop an LTE-M Button that businesses can use to order tools and supplies where there is no WiFi coverage. Or they can do it where there is WiFi, but have chosen not to connect to networks, deal with passwords, etc. Sounding a lot like Amazon's Dash buttons, AT&T LTE-M Button allows customers to press it and have products delivered. They could also be attached to connected trash cans or oil storage containers to trigger automatic alerts for pick up.

Fond Farewell: Patrick D. Maines presided over his last luncheon as president of **The Media Institute** on Wednesday, serving as a bookend to his 33 years of service. Since 1984, he has directed all program activities while formulating the Institute's policy positions. Maines took to the mic to thank his friends and mentors throughout the industry, including vp and longtime co-writer of the "Media & Communications Policy" blog *Richard Kaplar* and "backbone of The Media Institute" *Susanna Coto*, director of public events. A packed house turned out for his send-off.


Cloudy Day: Turner tapped **Amazon Web Services** as its preferred cloud provider. Turner is moving decades of content to the cloud as part of an effort to establish a more secure, cost-effective and elastic way to distribute digital content. Other AWS clients include **BBC**, **C-SPAN**, **Hulu**, **Lionsgate** and **Netflix**.

New and Improved: **HDMI Forum**, a 92-company trade association, introduced version 2.1 of the HDMI spec on Tuesday. The upgrade supports a range of higher video resolutions and refresh rates, including 8K60 and 4K120. Resolutions up to 10K are also supported for commercial AV, industrial and specialty usages. Version 2.1 is backwards compatible and available to all HDMI 2.0 adopters. Other features include low EMI emission, which reduces interference with nearby wireless devices, and Auto Low Latency Mode, which facilitates smooth, lag-free viewing and interactivity.

Programming: -- HBO comedy "Divorce" will premiere its second season Jan 14 at 10pm. -- Crime drama and critical success "Mindhunter" is returning to **Netflix** for a second season. -- **Great American Country** has ordered 28 more episodes of competition series "Flea Market Flip."

Young Patriots: Shentel is among those partnering with **C-SPAN** on its annual Student Cam Documentary Competition, which invites middle and high schoolers to create a video illustrating why a provision of the US Constitution is important to them. The C-SPAN Education Foundation awards 150 students and 53 teachers, with the grand prize winner receiving \$5K. The deadline to submit entries is Jan 18. The winning videos will air on C-SPAN in April.

People: The **Virginia Cable Telecommunications Association** named **Cox Communications** svp *J.D. Myers, II* as chair of the board. He's served as a member of the board since 2014. He was inducted as chair at the organization's annual trade show in November.



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PROGRAMMER'S PAGE

Knights in White Satin

Looking to build on the success of “Vikings,” **History** is adding to its slate of scripted originals with a drama about another group of epic warriors from a bygone era. “It started with *Jeremy Renner* coming in and telling us about these mystic warriors, who fought in legendary wars, defended innocents and who were all wiped out,” said History svp, scripted programming *Arturo Interian*. “I was pretty convinced he was talking about the Jedi Knights, but it turned out he was talking about the Knights Templar.” “Knightfall,” on which Renner is an exec producer, seeks to personalize a group that is shrouded in mystery to this day. For a nearly 200-year period of the Middle Ages, the Templars were the most powerful, skilled and wealthy military order in the world. Their signature red cross on white established the Templars as one of history’s most iconic regiments, something History learned through its nonfiction programming. “Over the years we always had tremendous success with any sort of doc on the Knights Templar and even conspiratorial ones,” Interian said. “All of those had tremendous ratings success and we kept doing more and more of them, which I do think gave us some confidence to say we can do a premium scripted drama about this subject matter.” Set in Europe during the Crusades, the series tackles timeless topics like faith-based war, clashes of church and state, economic turmoil and a perilous political climate. As for what it would take for History to deem “Knightfall” a success, Interian said, “We live in a +3, +7 world, and I think you look for stability and you look at the context of the playing field. ‘Vikings’ didn’t build up those ratings overnight. So, you look at it in that context of how the competition is doing, how we’re doing. Is this show building a fan base, building a following? Is it getting ratings traction? And if the answers are ‘yes,’ you’re going to be looking at a Season 2 very quickly.” - *Alex Silverman*

Reviews: “Dian Fossey: Secrets in the Mist,” 9pm, Wednesday, **National Geographic**. Nature series based in the jungles of Central Africa are unlikely venues for murder mysteries. This one is, however. Its three parts examine the life and death of the famous primatologist *Dian Fossey*, whom many know as the character *Sigourney Weaver* portrayed in the 1988 film “Gorillas in the Mist.” Weaver narrates this gorgeously filmed production—the footage of Fossey befriending apes is terrific—which is part tribute to Fossey and, as we noted, part murder investigation. Fossey was killed brutally in her simple mountain cabin in the wilds of Rwanda in 1985. Convicted in absentia was *Wayne McGuire*. The series makes McGuire seem clean. -- “Trust Me,” now on **Hulu**. In a way, this British series is like a medical version of “Breaking Bad.” An experienced nurse and single mother is suspended at work under questionable circumstances. So, she decides to inhabit the life of a friend of hers who’s leaving the country to get married and live in Australia. Well, heck, she’s left her most of her clothes, so that’s not an issue. The trouble is, the friend is a doctor. If you can accept that premise, you will enjoy a good performance by *Jodie Whittaker* as the nurse, er, doctor. - *Seth Arenstein*

Editor’s Note: Due to the holiday, the ratings chart data reflects the week of Nov 13.

Basic Cable P2+ Prime Rankings* (11/13/17-11/19/17) Mon-Sun			
	P2+	P18-49	P25-54
ESPN	2682	1185	1215
FOXNC	2267	277	430
HALL	2226	544	645
MSNBC	1693	254	370
USA	1374	547	584
TBSC	1290	557	661
HIST	1163	331	423
DISC	1158	353	460
HGTV	1119	291	348
AMC	1078	515	583
TNT	1017	451	452
ID	959	304	380
AEN	919	372	451
FOOD	874	345	391
ADSM	855	506	412
FX	849	434	438
CNN	831	232	295
LIF	813	267	319
DSNY	800	183	152
BRVO	778	369	413
TLC	775	239	273
FAM	714	346	332
NAN	699	270	239
TVL	641	135	214
NKJR	542	134	128
SYFY	466	185	215
APL	460	131	154
CMDY	416	273	244
SPIKE	371	181	205
ENT	365	202	191
MTV	338	223	184
TRU	333	194	167
LMN	322	103	130
BET	321	145	139
HLN	259	72	86

Source: Nielsen
*Live+SD prime cable rankings ordered by P2+ AA (000). Based on Nielsen TV Universe. Data includes same day (3am-3am) DVR playback.

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