

Cablefax Daily™

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What the Industry Reads First

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In the Dark: DirecTV Wins FCC Complaint, Charter Gets Hit with Blackouts

The FCC Media Bureau on Monday denied HITV's retrans good faith complaint against DirecTV, agreeing that the satcaster didn't violate the rule prohibiting a single, unilateral proposal. The Honolulu MyNetworkTV-affiliated station has been dark on DirecTV's lineup since Oct 19. "Rather than provide a counter-offer to DirecTV's initial proposal, HITV requested DirecTV to provide another proposal that would be workable for HITV. We agree with DirecTV that it is not obligated to negotiate against itself," the Bureau's order read. At issue is KFVE's attempt to receive compensation, something it was getting from DirecTV when Raycom negotiated on its behalf. Congress has since determined that such joint negotiations are no longer allowed. HITV doesn't want to go backward on compensation, but DirecTV is treating the station as though it elected mandatory carriage, saying compensation is not justified due to lack of demand. The FCC Bureau order agreed that DirecTV didn't act in bad faith by consistently refusing to offer monetary compensation for KFVE's signal. It also rejected HITV's claim that DirecTV failed to negotiate in good faith based on "the totality of the circumstances," noting that there was no counteroffer for DirecTV to reject. "Although it would have been more consistent with the spirit of the retransmission consent rules for DirecTV initially to explain its decision not to provide any monetary compensation, even in the absence of a counter-offer from HITV, our rules require no such explanation, and ultimately DirecTV conveyed its reasoning to HITV," the order said. The Hawaiian station is the only blackout DirecTV is facing at the moment, with the company reaching a new deal with Rapid Broadcasting on Sunday. That means that Rapid's NBC affiliate KNBN in Rapid City, SD, which had been dark since Dec 31, was back up in time for Super Bowl kickoff. DISH wasn't able to reach an 11th hour deal with Lockwood Broadcasting, with stations, including NBC affil KTEN, remaining dark for the big game. Charter lost stations over the weekend from Northwest Broadcasting, including NBC affils in Eureka, CA, Idaho Falls and Yuma, AZ. The MSO offered basic subs in those markets a free preview for the month that includes channels such as USA, NBC Sports Network and CNBC—key channels for NBC Olympics coverage (a sign that this could last a while?). Charter also notified customers ahead of the Super Bowl of alternative ways to watch the game, including antenna and free online options, and the NBC Sports site. "Northwest's fee increase demand of over 75% is outrageous especially given that their programming is available free over the air and online," Charter said. This one's been pretty

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heated, with Northwest giving out Charter CEO *Tom Rutledge's* email address and encouraging viewers to contact him. "Trying to keep the cost down is what they are saying—really? They recently paid their CEO *Tom Rutledge* a \$98,500,000 bonus (yes \$98.5 million) to stay on the job until 2021, while last year their employees went on strike trying to get a raise," said a statement from Northwest pres/CEO *Brian Brady*.

Market's Wild Ride: Friday's sell-off continued on Monday, with the **Dow** losing more than 1500 points at one point. It ended the day down 1175 (-4.6), while the **S&P** dropped 113 points (\$.1%) and the **Nasdaq** fell 273 points (3.8%). MVPD stocks didn't buck the trend, with **Charter** down 3.95% despite Friday's earnings beat and Wells Fargo upgrading the stock to "outperform." **Comcast** closed down 4.7%, **Altice USA** was down 3%, **DISH** dropped 4.4%, **AT&T** was down 3.8% and **Verizon** closed down 4.7%. On this volatile trading day, **Broadcom** made a \$121bln "best and final offer" to acquire **Qualcomm** in what could be the largest technology acquisition ever. Broadcom's new offer is \$82/share, including \$60 in cash and \$22 in Broadcom stock. Qualcomm shares fell 6.6% Monday, while Broadcom was down 3%.

Conditionally Speaking: It may have made more sense to write this op/ed before the **Comcast-NBCU** conditions expired, but Democratic commish *Mignon Clyburn* and Sen *Richard Blumenthal* (D-CT) forged ahead nonetheless Monday with a piece calling on the **FCC** to extend the Comcast-NBCU conditions or impose new rules. "At a minimum, the agency must strengthen the program access rule, a regulation established by Congress to prevent unfair practices by cable operators that own programming—companies such as Comcast-NBCU or **AT&T-Time Warner**," the two concluded in a *Bloomberg* op/ed, citing a complaint filed in December by "**RCN**" against Comcast over its RSNs (it was actually **Wave**, which was later purchased by **TPG Capital** and combined with RCN, that filed the complaint). Comcast-NBCU said there was no credible basis to pursue an extension or modification of the nearly seven-year-old consent decree or conditions. They expired on Jan 20. By the way, Comcast still has some NBCU public interest commitments to fulfill, including a pledge to launch two substantially African American-owned, independent networks in January 2019. Proposals were due in March of last year, but there's been no word yet on who the beneficiaries are.

Streaming Bowl: While **Playstation Vue** and **Hulu** both reported some technical problems that interrupted the Super Bowl for some users, **fuboTV** boasted that it had a record-breaking number of daily trials on Sunday. Playstation and Hulu didn't respond to our request for comment, but *Cordcutter News* reports that many Vue users had to exit the app and restart it. Impacted Hulu users needed a similar workaround. As for fubo, it tallied 150K total viewers with average concurrent per-minute streams coming in at just below 60K. Preliminary Nielsen numbers show the Super Bowl had 103.4mln TV viewers, down 7% from 111.3mln last year.

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Going Global: **Viacom** struck a deal with **Telefónica** to bring a variety of its channels and content to the **Movistar Play** streaming service in Latin America. The first agreement of its kind by Telefónica, live feeds of **MTV**, **Nickelodeon**, **Nick Jr**, **Comedy Central** and **Paramount Channel** will come to the platform for the region in the first semester of 2018. The deal is also a global first for Viacom, striking a pact directly with a mobile carrier for all of its international flagship channels as well as a selection of its mobile streaming apps and VOD content. The deal extends an existing carriage deal for Viacom's linear channels and VOD content already available on Telefónica's pay TV services for the region.

Coming to Kansas: The recent launch of **Cable One Business's** Elite Business is delivering up to 500 Mbps of download speed and 50 Mbps of upload speed to businesses in Neodesha, Independence, Parsons and Chanute, KS. This expands the lineup of business internet offerings for small- and medium-sized businesses, and is available to more than 95% of Cable ONE Business markets.

No Hate: **NBCU's** "Erase The Hate" social impact campaign has chosen six nonprofit start-up change makers for its inaugural Erase The Hate Accelerator program. The program identifies and supports emerging activists through grants, coaching and mentorship, allowing them to make a greater impact. The six organizations chosen are **Athlete Ally** (New York, NY), **The Better Arguments Project** (DC and Boston), **Data for Black Lives** (Boston), **EmbraceRace** (Amherst), **Equality for HER** (Brooklyn) and **Pathos Labs** (Denver). The change makers will be hosted in NYC for an immersion week starting Feb 5, which will feature custom-built curriculums for each organization.

Comcast Hits SCTE-ISBE: **Comcast Cable** pres/CEO *Dave Watson* will be a featured speaker at the **SCTE-ISBE** Leadership Institute at Tuck Executive Education at Dartmouth. Watson will participate in a fireside chat and Q&A on May 7, sharing his take on the industry and leadership. He joins previously-announced speaker Comcast Cable pres, technology and product *Tony Werner*. SCTE-ISBE Tuck will take place May 6-11 on the Dartmouth College campus in Hanover, New Hampshire.

From the Slopes: **Armstrong** will offer select events from the Winter Olympics in 4K for its EXP customers. Footage from the opening ceremony, hockey, figure skating, short track speed skating, ski jumping and snowboard competitions is expected, with coverage available on delay on Armstrong Channel 200. Customers wanting to access the 4K coverage will need a 4K capable TV, EXP and an **Arris MG2** set-top box.

On the Horizon: Mark your calendars for a number of **House Energy and Commerce** committee hearings related to *President Trump's* federal budget request. February 16 will see all **FCC** commishes testifying before the **House Communications** subcmte, while **NTIA** administrator *David Redl* will appear before the subcmte on March 6.

Programming: *Jonathan and Drew Scott* have agreed to a new exclusive multi-year deal to continue creating content with **HGTV**. The twins star in "Property Brothers" and its spinoff series. They also act as executive producers at **Scott Brothers Entertainment**, which will develop exclusive home-related series and digital content in partnership with HGTV's programming and creative teams. -- **VH1** is following a unique group of hairstylists and makeup artists from Manhattan in its latest series. Based in the House of Dolls By Henry, "VH1 Beauty Bar" covers the big personalities and notable clientele of the full-service salon when it premieres Feb 28 at 10pm.

Top 250 in Diversity: *Forbes* has recognized 250 US employers for their diversity efforts and initiatives, and a number of industry players found their way onto the first-ever list. **Disney** (No 29) and **ESPN** (No 36) found high positions while **NBCUniversal** (No 42) and **Cox Enterprises** (No 46) came in not far behind. Other notable names making their mark include **Nielsen** (No 61), **Cisco** (No 82), **Verizon** (No 90), **Charter** (No 158) and **TDS** (No 190). Based on survey responses from a sample of more than 30K employees working for companies employing at least 1,000 people in the US, the *Forbes* 250 List was developed based on direct employee recommendations, public perception and diversity KPIs.

People: **ATX Networks** named *Charlie Vogt* pres/CEO of the video solutions provider. Vogt success *Ken Wildgoose*, the company's president and CEO for the last 18 years, who will stay with the ATX as an adviser and continue to serve on its board. A 30-year leader in IT, Vogt most recently spent four years as pres/CEO of **Imagine Communications**, where he was responsible for the company's transformation from **Harris Broadcast** into Imagine Communications and **GatesAir**. -- **Turner** elevated *Marie Hughes* to svp, strategic media planning, and *Michael Tatum* to svp, Turner brand experience. Both are based in Atlanta and will continue to report to *Molly Battin*, global chief communications and corporate marketing officer. Formerly senior brand group director at **Horizon Media**, Hughes oversees all paid linear and digital media planning duties for **Adult Swim**, **Boomerang**, **Cartoon Network**, **CNN**, **TBS**, **TNT** and **Turner Sports**. Tatum, who first joined Turner Home Entertainment in 1996, has led the creation of a consistent global brand presence for the company.

CFX TECH

NCTC's Winter Conference Has Less Tech Than Ever

NCTC's Winter Educational Conference is fast approaching, with this year's show featuring 80 exhibit booths from more than 370 exhibitors and industry professionals. The 268-member organization's WEC boasts 15 first-time exhibitors and another 12 who only came to the conference last year. The show, being held Feb 12-13 in San Antonio, is in the midst of a transformation. Although tech still has a place, its presence is slowly decreasing to make way for other industries.

"Last year, we made an intentional effort to shift the scope to include not only technology, but marketing and product as well," NCTC pres/CEO *Rich Fickle* said in an interview with *Cablefax*. "As the industry's become more competitive, especially in video, and the bar is raising in terms of what consumers expect, there's a greater need to look at where technology intersects with product and how you have to change your approach to marketing. It's definitely more than technology and we'll continue that trend to eventually have half-technology, half other disciplines."

This broadening of focus is encompassed in this year's theme, "Break The Rules." A quick look at the agenda shows innovators and disruptors far from the usual traditional spaces. An opening keynote will be delivered by *Jonathan Taplin*, whose book "Move Fast and Break Things" examines internet monopolization by **Google** and others. "He has been in various parts of the media ecosystem for many years and has a definite point of view on where things are going given the size of **Google** and **Facebook**, and everybody using video to capture user attention and data," Fickle explained. "That tells you what we're trying to do in terms of mindset."

Another topic on the agenda is app-based pay TV, bringing panelists like **MobiTV** that don't have a storied history within cable to offer their unique perspectives. "Up until a couple years ago, they weren't even in the pay-TV business," Fickle said, noting the company's history with mobile

phones. "If you look at where the video world is, consumers more and more are moving towards usage of devices like **Roku** or **Android TV**-based set-tops or **Apple TV**. **Mobi** brings with them the experience of how do you deal with rapid change with devices that have growing capabilities and be able to be nimble."

Including companies from Silicon Valley allows NCTC to become involved with less traditional players. "Our companies generally are less led to hold onto traditional approaches," Fickle said. "They win not because they're big, but because they can be all the more nimble and customer-focused." This inclusion isn't surprising, considering NCTC's continued efforts to explore new avenues. The organization made headlines in 2017 for OTT deals with companies like **Playstation Vue**, and its interest has far from faded. "One is that you'll see a model someday where a local cable operator may decide to no longer offer programming other than local channels that they license themselves," Fickle said. "Instead what they would do is offer a service to make it super easy for a consumer to choose from a broad array of over-the-top options. Consumers have always valued choice, but it's got to be offered in a way that's going to be convenient. There's going to be a model for some cable operators that they will offer the consumer a convenient way to source content from a variety of over-the-top services."

These sorts of possibilities have driven NCTC to investigate the space further, discussing what the user experience should look like and what implications these systems could have on home networks. While the heavy hitters have become commonplace in OTT talk, NCTC may be able to bridge the gap between consumers and more specialized services. "Everyone talks about **Netflix** and **Amazon**, but we're also finding some really interesting content like **CuriosityStream** in a more focused category, and they're doing a high quality job," Fickle noted. "The trick is how do consumers find out about it and that's where I think a cable operator could help." — *Sara Winegardner*

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