

Cablefax Daily™

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What the Industry Reads First

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Broadcast Beat: Northwest CEO Hits DC, NAB Wants to Flip Script

Northwest Broadcasting CEO *Brian Brady* says he's been in DC these past few days meeting with lawmakers on the Hill and with **FCC** staffers on the retrans impasse with **Charter**. "I have not asked for anybody to get involved between Northwest and **Spectrum**. What we have told everyone is that we came to shed light on the truth," he told **Cablefax**. The truth, according to Brady, is that Northwest offered Charter an extension that it declined. The truth, according to Charter, is that Northwest is seeking a fee increase demand of more than 75 percent and has had stations dark on "nearly all distributors" in recent years. **Cable One** lost Northwest stations for about a month last year. **DirecTV** and Northwest were caught up in a nine-week blackout in 2012 that resulted in some satellite subs missing the beginning games of the 2012 World Series. Of the eight markets impacted, three involve **NBC** stations, notable because of the Winter Olympics. Charter has notified subs of alternative ways to watch and offered basic subs in impacted markets free previews of **USA**, **NBC Sports Network** and **CNBC**. While Brady said Thursday that he hasn't asked for government intervention with Charter, the broadcaster has sought assistance in the past. In 2015, Northwest and six commonly controlled stations filed an emergency petition at the FCC claiming DirecTV has violated the FCC's requirement to negotiate in good faith. The broadcaster lost, with the Media Bureau disagreeing with the argument that it should disclose prices of similar deals. This particular retrans dispute has involved lengthy missives from Brady posted on station websites and a Charter website (NorthwestFairDeal.com) that Brady correctly notes was created on Jan 18, some two weeks before 11 Northwest stations went dark on the MSO. It's not uncommon for programmers and operators to prepare for the potential of a blackout by prepping websites and social media strategies. In other retrans news, Thursday was the deadline for comments in the FCC's NPRM that looks at ways to modernize rules over how broadcasters send carriage election notices to cable and satellite operators. **NAB** filed comments recommending that the agency modernize rules so that in the event a broadcaster fails to make a carriage election, it defaults to retrans consent instead of must carry. "Today, the clear majority of commercial stations elect retransmission consent, and the number is likely to increase in the future," the broadcast group said. It also suggests broadcasters be able to satisfy notification requirements by placing election in online public files instead of the required certified mail. NAB said many station groups are

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spending an estimated \$1K per station to complete carriage elections.

Did FCC Sin Over Sinclair?: A *NY Times* story Thursday quoted Rep Frank Pallone (D-NJ) as saying the FCC's Inspector General has opened an investigation into whether chmn Ajit Pai and his aides improperly pushed through regulation changes that benefited Sinclair. Sinclair's \$3.9bln deal for Tribune came weeks after the FCC reinstated the UHF discount, which allows broadcasters to increase the number of stations they own by counting UHF signals at only 50% of potential audience reach. It's important to note that the Inspector General office doesn't confirm or deny what they are working on. Dems have been complaining about possible preferential treatment toward Sinclair for months. "Given that the FCC under Chairman Pai's leadership recently proposed a \$13 million fine against Sinclair, the largest fine in history for a violation of the Commission's sponsorship identification rules, the accusation that he has shown favoritism toward the company is absurd," an FCC spokesperson said. "Moreover, Chairman Pai has for many years called on the FCC to update its media ownership regulations to match the realities of the modern marketplace. The Chairman's actions on these issues have been consistent with his long-held views. Considering the strong case for modernizing these rules, it's not surprising that those who disagree with him would prefer to do whatever they can to distract from the merits of the reforms that the FCC has adopted." The FCC's 180-day voluntary merger review clock remains paused. The agency stopped the clock Jan 11 because it wants to see Sinclair's divestiture plans and evaluate them. While the merger clock may be paused, the FCC continues to take meetings on the issue. Earlier this month, representatives from the **Coalition to Save Local Media**, including **Sports Fans Coalition's** Brian Hess and independent programmer representative Ellen Schned, met with commissioner Jessica Rosenworcel and other staffers. **DISH** officials were at the agency last month with a presentation that argues the merger will increase consumer prices through higher retrans fees.

Erring on the side of Caution: NCTA, ACA, AT&T, USTelecom and CTIA have all filed motions with federal courts to intervene in support of the FCC's Restoring Internet Freedom Order, which revokes Title II classification for ISPs. **New America Foundation's** Open Technology Institute and others have asked the courts to review the order. The FCC has asked that those petitions be dismissed because they were filed before the new net neutrality rules were published in the Federal Register. The interveners agree that the petitions are premature, but said they are filing motions out of an abundance of caution to preserve their right to participate in judicial review if the petitions aren't dismissed.

Comcast Wireless Watch: Comcast is looking to test mobile and fixed wireless services using the 3.5 GHz CBRS

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band, outlining in an **FCC** application plans to conduct outdoor and indoor testing in a targeted portion of Philly. **FierceWireless** first reported the application, noting that the company hinted at CBRS-capable phones.

Arris Earnings: **Arris** is looking to refocus its energy on improving CPE economics, CEO *Bruce McClelland* said on the company's Q4 earnings call late Wednesday. "As we enter 2018, the team continues to sharpen the focus on enhancing the economics within the CPE business and we are taking a number of steps to improve efficiency," McClelland said. It closed out Q4 with \$1.74bln in revenue, a number driven largely by strong E6000 capacity license sales. The shifting strategy comes in response to pressures including increased memory costs (~10%) compared to Q4 2017 as well as a 13% decline YOY in video set top sales. Revenue was down 1% compared to 4Q16. Arris recently sold its Taiwan factory to **Pegatron**, a move expected to result in an annual benefit of \$20mln or more in lower product costs. "Overall, I think CPE sales will be flat to down 4% year-over-year. We have a real focus on improving profitability with a combination of price adjustments and operational efficiencies such as the sale of our Taiwan factory," McClelland noted. Evp and CFO *David Potts* estimated sales for Q1 of \$1.575bln to \$1.625bln with a GAAP loss of \$0.43 to \$0.38. This was the first earnings call since Arris completed its acquisition of **Ruckus**. The company intends to see enterprise growth increase 20% YOY by the end of 2018.

TV For All: People with viewing disabilities watch four or more hours of TV per day, according to a survey from **Comcast** and the **American Foundation for the Blind**. The figure is nearly as high as that for the general public's viewing habits, with 96% of visually impaired adults watching TV on a regular basis. Many reported that video description, text-to-speech and voice control do help, but that these options and tools suffer from a lack of awareness. There's still plenty of work to be done to make viewing more accessible, primarily in the areas of content discovery. 65% of those surveyed have encountered problems with finding what is on TV.

Market It Right: Contextual targeting in digital video ads can double purchase intent among Hispanic viewers, according to a joint study from **MAGNA** and **Univision**. Hispanic spending is expected to grow 85% over the next 10 years, reaching \$1.7trn by 2019. Conducted on personal computers and mobile devices, the study focused on how topic, language and culture impacted the connections consumers made with brands. Language targeting towards Spanish-speaking Hispanics led to increased levels of perceived brand relevance and agreement that the brand advertised was one those surveyed would pay more for. Facial coding on culturally-targeted ads showed 60% more emotion was expressed by those watching compared to non-culturally targeted ads. Culturally-relevant ads were twice as effective at driving fan favorability.

Finding Funding: **Adaptive Studios** has raised \$16.5mln in its Series B funding, thanks to a minority investment from **AMC Networks**. The financial backing will fuel the studio's development of content across traditional and digital platforms. It has already produced "Project Greenlight" for **HBO** and "Coin Heist" for **Netflix**. Adaptive Studios completed its Series A funding in December 2013.

Grand Opening: **Altice USA** opened its first Long Island Optimum Experience Center Thursday. Located at the Westfield South Shore Mall in Bay Shore, NY, the retail store allows customers to interact with **Optimum** offerings as well as purchase third-party merchandise. Altice recently opened an Optimum Experience Center in Paramus, NJ.

Programming: **TBS** and **TNT** were set to air their first live stream on **Reddit** Thursday at 8pm ET in anticipation of the premiere of animated sci-fi comedy "Final Space." The stream will include an **AMA** with creator *Olan Rogers*. Reddit will exclusively stream the first episode of the series on the website's front page. -- **Bounce** has acquired the day-and-date repurpose rights to "The Wendy Williams Show" from **Lionsgate's Debmar-Mercury**. Beginning March 5, Bounce will air the talk show weeknights at 11pm ET on the same day the episode premieres in syndication. -- **TNT** greenlit "Deadlier Than the Male" (working title), a thriller featuring *Lily Rabe* ("American Horror Story"), *Amy Brenneman* ("The Leftovers") and *Hamish Linklater* ("Fantastic Four"). T-- **JLTV** purchased "Israeli Krav Maga" from **The J Media Global**. Starting Feb 19, the show will air weekdays at 4:30pm.

On the Circuit: Executives from **Cox**, **Comcast** and **Arris** will act as guest lecturers during the **2018 SCTE-ISBE Leadership Institute** at Georgia Tech, March 12-15. It's geared toward high-potential, mid-level cable engineering and operations professionals. Those set to appear include Cox's svp and CISO *Kim Keever* and executive director, WiFi technology, *Drew Davis*. Also on the guest speaker lineup are Arris CTO *Charles Cheevers* and a trio of Comcast Cable execs—*Larry Wolcott*, *Dan Murphy* and *Jon Cave*. SCTE-ISBE svp and CTO *Chris Bastian* will kick off the lineup with a discussion of tech trends, which will lead into course topics such as network security, data analytics and Wi-Fi access.

PROGRAMMER'S PAGE

Change of Address for the Peetes

Hallmark Channel is best known more for its movies and scripted fare, but don't box it in. "We believe the brand and channel can do any kind of genre of programming as long as we commit to those brand elements" of family, traditions, relationships and love, says *Michelle Vicary*, **Crown Media's** programming & network evp. It's putting that idea to the test with the premiere of the net's first family reality series "Meet the Peete's," featuring former **NFL** quarterback *Rodney Peete* and his actress wife *Holly Robinson Peete* (Sunday, 10pm). The show, a reboot of "For Peete's Sake" that aired on **OWN** for two seasons, is about a family going through the things that families go through—children leaving the home, an aging parent, and yes, celebrating Christmas (this is Hallmark Channel after all!). "We weren't necessarily looking to get into reality or a specific type of program. When the show was canceled from OWN and we saw the terrific ratings it was doing and when we met with Holly and Rodney and talked about some of the storylines that were important to them... we felt this was a great show for us," Vicary says. "This isn't a reality show to exploit a family dynamic or pull the curtain back and see all the crazy things that happen as much as it is to celebrate how great these folks are." It's sweet to pull back the curtain and see Dad talking to his sons about things such as table manners on a date. It's wonderful to see their son with autism achieving his dreams of working for the **LA Dodgers**. And the Peetes have a very active philanthropic side. Hallmark has slotted the show for Sunday nights, pairing it with fan fave "When Calls the Heart." Vicary cautions that this isn't about looking for more reality programming for the net. "It's really more about the promise of this show and the Hallmark brand and Channel." — *Amy Maclean*

Reviews: "X Company," series premiere, 10pm ET, Monday, **Ovation**. We'll admit to a penchant for WWII-based stories, still we think "X Company" has enough dramatic tension to be liked regardless. The series centers on young recruits who've been trained at Canada's Camp X to infiltrate Nazi operations. The cast of young spies is strong, led by *Evelyn Brochu* ("Orphan Black"), who plays a gritty undercover artist, and *Jack Laskey* as Alfred, a shy, gentle young man who suffers from synesthesia, and whose incredible memory could be invaluable to the Allied effort. The premiere episode raises the stakes immediately with a French child forced at gunpoint to raise her arm in the Nazi salute. We'd have liked to receive more review episodes, yet on the basis of the little we saw, "X Company" is compelling watching. -- "Here and Now," 9pm, Sunday, **HBO**. It's difficult to go wrong with *Tim Robbins* and *Holly Hunter* as a progressive couple who adopted children of different ethnicities to show off their progressiveness. Add creator/exec prod *Alan Ball* ("6 Ft Under") and you've got a lethal combination for family drama that's not meant for family viewing. Still, Ball's interesting brand of dark humor, unusual families and sex will hook viewers who like offbeat series. We can't wait to see where this one's going. -- *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (2/5/18-2/11/18)		
Mon-Sun	MC US AA%	MC US AA (000)
FNC	0.833	2537
MSNBC	0.557	1696
HGTV	0.449	1366
USA	0.447	1361
HIST	0.428	1303
ESPN	0.414	1261
NBCSN	0.389	1185
TNT	0.374	1139
ID	0.373	1136
NICK	0.371	1130
TBSC	0.343	1044
DISC	0.325	990
HALL	0.296	903
ADSM	0.290	884
CNN	0.286	872
DSNY	0.272	828
FOOD	0.272	827
TLC	0.270	822
A&E	0.265	807
NAN	0.232	708
TVLAND	0.229	696
FX	0.219	667
INSP	0.211	643
BRAVO	0.206	627
DSJR	0.200	608
HBO	0.198	604
VH1	0.186	567
AMC	0.185	564
LIFE	0.174	529
APL	0.173	528
PARA	0.165	502
OWN	0.163	495
NATGEO	0.162	494
CRN	0.162	493
HMM	0.157	480
TRAVEL	0.155	473
NKJR	0.154	469
FRFM	0.150	456
BET	0.150	456
WETV	0.144	438
MTV	0.142	434

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.



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