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What the Industry Reads First

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MWC 2018: Spectrum Auctions, vRAN Over DOCSIS & Power of IoT

FCC chmn *Ajit Pai* used the stage of **Mobile World Congress** Monday to announce his intention to hold an auction beginning in November for spectrum in the 28 GHz band, followed immediately thereafter by an auction in the 24 GHz band. The catch? Congress needs to pass legislation by May 13 addressing the handling of upfront payments, he said. Current statute requires upfront auction payments to be placed in an interest-bearing account, but no private bank is willing to hold that amount of money in such an account partly because of regulatory requirements, FCC officials said. **House Commerce** passed a bipartisan fix earlier in the month that would allow the **US Treasury** to deposit upfront payments directly from bidders without the interest-bearing requirements. Committee leaders urged a switch of the bill. Pai's auction proposal answers a call from mobile operators to get spectrum auctions rolling to speed 5G. **AT&T** has pressed for auctions of the 28 GHz band by December, saying that it represents a time when standards will have evolved to a point that permits commercial 5G network deployments in 2019. The FCC will seek public comment on the auctions this spring. Meanwhile, Pai expressed confidence that the agency will be ready to move forward on unlicensed use in the 6 GHz band by year's end. "We also want to make unlicensed spectrum more usable for all kinds of technologies," he said. "For instance, last year, we authorized the first-ever LTE-U devices in the 5 GHz band. These devices allow carriers to deliver mobile data traffic using unlicensed spectrum, while sharing the road with WiFi. The chairman also teased an announcement in the near future on modernization of wireless infrastructure rules, but didn't elaborate. -- Cable's emphasis on wireless can be seen in Monday's release of a whitepaper by **CableLabs** and **Telecom Infra Project** that includes early results demonstrating the viability of virtualized RAN (vRAN)—a path to building 5G networks over existing cable plant. The CableLabs' use case focuses on fronthaul compression and latency tolerance to allow vRAN deployment over existing HFC and DOCSIS network footprint. Deployment targets include femto cells in residential scenarios as well as dense small cell in urban areas. One such testbed is in place at CableLabs' Louisville, CO, headquarters, where the consortium found that the vRAN fronthaul system was able to adapt for both static operations and heavy congestion. -- Monday's MWC closing session included a keynote from **World Bank** president *Jim Yong Kim*, who called on mobile

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operators to use technology to end poverty by creating new drivers of economic growth. Smartphones are “powerful accelerators of aspirations,” he said, warning that at the same time technology is replacing cheap labor in some developing countries. “We’re going to have to answer some very difficult questions,” Kim said. “At the same time you are accelerating access to broadband, you can help us ensure that these technologies will create new markets and new jobs and new drivers of economic growth, even in the poorest countries.” The World Bank is partnering with **GSMA**, which represents nearly 800 mobile network operators, to develop insights from anonymized data collected by mobile network operators through IoT devices and aggregate data from smartphone use. “Just as the smartphone brought an unprecedented level of new opportunities for the poor to access markets and finance, we believe IoT can bring us closer to our goal of ending extreme poverty,” Kim said. As an example, he said 3bln people today heat their homes with stoves that burn wood, animal dung or coal, creating indoor pollution that kill 4.3mln people every year. In India, the World Bank provided IoT devices to monitor harmful levels of emissions from stoves, providing cash incentives to save lives. “We believe this is the first of many problems that IoT can help us solve,” he said, suggesting IoT could have a role in vaccinations and responding to epidemics.

In the Courts: The 9th Circuit has ruled that the **FTC** can regulate the non-common carrier activities of common carriers. The issue arose when **AT&T Mobility** challenged the FTC bringing a claim against it for data-throttling, with a three-judge panel agreeing that the Commission lacked jurisdiction. The court vacated the panel decision last year, indicating that it was likely to overturn the case. Fans of the **FCC’s** order revoking Title II regulation for ISPs claim the 9th Circuit ruling removes any doubt over whether the FTC can police net neutrality. Those who support a Title II regime say the decision doesn’t alleviate their concerns. “This case illustrates the problem of having the Federal Trade Commission try to do alone what it should do in partnership with the FCC,” **Public Knowledge** *svp Harold Feld* said.

AMC Wants to Take RLJ Private: **AMC Networks** wants to purchase the rest of **RLJ Entertainment** that it doesn’t already own. The company, created by **BET** co-founder *Robert Johnson*, includes OTT channels **Acorn TV** and **Urban Movie Channel**. **AMCN’s** proposal would have it pay \$4.25 in cash/share—a 10% premium to Friday’s close and placing a market value of \$60mln on the deal. Johnson would remain a minority shareholder with 47% of shares if the deal is approved by RLJ. **AMCN’s** stake would grow to more than 50%, with the company paying an estimated \$16mln for the outstanding 27% of shares. “We believe our proposal makes great sense for RLJE and its future. The competitive demands of the industry, including the increasing competition for content and investment needed to scale, have convinced us that private ownership of this business is desirable and will assist RLJE in attaining its business objectives,” **AMCN** said in a letter to the RLJ board. **AMCN** has its own OTT offerings, which include Shudder and Sundance Now.

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OTT Ahead: CBS launched **CBS Sports HQ** on Monday, a free ad-supported 24-hour streaming sports news network. A collaboration between **CBS Sports** and **CBS Interactive**, the net will act as a complement to CBS Sports and CBSN programming. Plans for the service were discussed in the company's 4Q earnings call earlier this month as chief *Les Moonves* expressed his support for the OTT model. CBS Sports prime offerings include live anchored coverage such as game breakdowns and the day's top stories. DVR-like functionality will allow viewers to seamlessly jump between previous segments and live programming. CBS Sports HQ is available on CBSsports.com, the CBS Sports app, CBSN and the CBS All Access subscription service. -- **FilmStruck** is partnering with **Warner Bros Digital Networks** to add classic films to its slate. Subscribers to the **Turner** OTT service will have exclusive streaming access to films from the Warner Bros classic film library at no additional cost. With the new deal, **Warner Archive** is shuttering its digital streaming service while current subscribers will be transitioned to FilmStruck. Subscriptions to FilmStruck are available in three pricing tiers starting at \$6.99/month, and the service is available for streaming on **Roku**, **Google Chromecast**, **Apple TV** 4th generation devices, **Amazon Fire TV**, web, **iOS** and **Android** devices.

It's A Wrap: The Winter Olympics have come to a close, and **NBCU** is regarding its coverage of the global event as a gold medal win. The company finished PyeongChang with more than \$920mln in national ad sales, according to NBC broadcasting and sports chmn *Mark Lazarus*. The number is a record for a Winter Olympics, despite ratings slippage. NBCU's experimentations with other content platforms seemed to have paid off as well, with efforts like its **Snapchat** partnership proving successful. "By creating custom content for their large and media savvy user base, including the first-ever presentation of live Olympic content on a non-NBCU platform, we reached more than 40mln users, 90% of whom were under the age of 35," **NBC Olympics** pres *Gary Zenkel* said. -- Winter Olympics coverage from **Discovery** and **Eurosport** reached a record number of viewers. 386mln users viewed the program cumulatively totaling in 1.7bln hours of video viewed. Over 76mln enjoyed the Games online, on social and via the Eurosport app.

Education Costs: **Francisco Partners** has agreed to acquire majority ownership of **Discovery Education** from **Discovery Communications**. Francisco Partners will own a controlling equity stake in Discovery Education for cash consideration of \$120mln. Discovery Comm will hold a minority equity interest and license the Discovery Education brand to Francisco Partners. Upon the deal's closing, pres/CEO of Discovery Education *Bill Goodwyn* will operate the company as a standalone business alongside the rest of its current management team. The transaction is subject to customary closing conditions and is expected to be resolved in the first half of 2018.

AirTV Adds DVR: **DISH** subsidiary **AirTV** has rolled out its Local Channels DVR feature in beta on the AirTV Player. No additional costs will come to customers, but the service does require an external storage device to record OTA channels received via an OTA antenna and AirTV Adapter. When connected to an external hard drive, AirTV Player can store up to 1TB of content. Customers can record one show at once and set single episode or series recordings in the menu. AirTV Player, a 4K Android TV-based streaming device, launched in January 2017.

Cultural Appreciation: **Univision** has introduced "Se Habla USA," a campaign to promote the role of Hispanic culture and Spanish language in America. The central focus will be on empowering Latinos to advocate for themselves and their communities while having pride in their language and culture. The campaign will run through this fall with integrations and segments within shows across all Univision networks as well as various events.

Ratings: Last Friday's Tigers-Yankees game was the highest-rated, most-watched and most-viewed weekday afternoon spring training telecast for **YES Network**. The telecast show held a 1.36 average TV household rating in the NY DMA, with an average of 96K households and 120K total viewers tuning in. More than 235K unduplicated viewers in the DMA watched all or part of the Friday's showing.

Programming: **Freeform** is adding mermaid drama "Siren" to its lineup, premiering the series on March 29 at 8pm. Also coming is the Season 3 return of "Shadowhunters" (March 20, 8pm) and the series finale of "The Fosters" (March 13, 9pm). -- **EWTN** is premiering a weekly Catholic Bible study hosted by *Father Mitch Pacwa SJ*. "Scripture and Tradition" premieres at 2pm on March 6 with encores at 10pm on Tuesdays and 9am Wednesday. -- **Comedy Central's** "Corporate" has been renewed for a second season, with Season 1 wrapping on March 14. -- "Back" will make its US linear TV debut on March 7 at 11pm on **SundanceTV**. The six-part comedy is currently available on **Sundance Now**.

People: **Fusion Media Group** has called upon 15-year HR veteran *Brian Ford* to serve as chief people officer, effective March 5. Ford comes to Fusion from **Ogilvy & Mather**, where he acted as the senior director of HR. He'll take on projects previously overseen by *Lisette Simon*, who will focus on leading HR activities for **Univision** chief content officer *Isaac Lee's* businesses outside of Fusion.