

Cablefax Daily™

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What the Industry Reads First

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Channel Changes: NFL Net to Move Off Comcast Digital Starter

It looks like one of the outcomes of **Fox** outbidding **NBC** for the **NFL's** Thursday Night Football package is that **NFL Network** will move out of the Comcast's Digital Starter package, the MSO's most widely distributed digital package. The network, which simulcasts the TNF games, was moved to the basic digital package from the second-most popular digital tier of service (Digital Preferred) in 2016 when **NBC** won the bid to share TNF games with **CBS**. Customers have started receiving notices that NFL Net will only be available in Digital Preferred and the Sports Entertainment package starting on July 1. NBC and CBS reportedly paid a combined \$450m annually for the games, with Fox swooping in to pay a reported \$550m-\$660m/year for the 11-game package for the next five years, starting with the upcoming season's Week 4 game (Minnesota Vikings-L.A. Rams). *USA Today* reported Friday that Fox is so jazzed about the TNF games that it was willing to offer some of its better matchups from Sunday afternoon to boost Thursday. Fox execs have said the games should create an opportunity for better leverage in retrans negotiations. **Fox Sports Deportes** will join NFL Net in simulcasting the games. Given Comcast and NFL Network's long history, it's important to note that this latest channel change doesn't appear to be related to the resolution of their long-running carriage dispute in 2009. After years of seeking wider distribution on Comcast and even filing a lawsuit and complaint at the FCC, NFL Network succeeded in gaining carriage on the MSO's second-most popular digital package nine years ago. The two worked out a deal privately that included the launch of NFL game live look-in channel **NFL Redzone**, with both sides dropping litigation. Reports at the time said the deal lasts 10 years.

Going Mobile: **Comcast** and **Charter** signed on to a 50/50 operating platform partnership Friday which has the two focusing on the development and design of backend systems supporting **Xfinity Mobile** and **Spectrum Mobile**, but will keep the businesses operations completely separate. The software platform and related backend systems developed through the deal will support each company's customer sales and support platforms, device logistics and warehousing and billing for their mobile segments. The operating platform to come will act as the system's interface for any current or future MVNO partners. The two will continue to develop their respective brands, products and services as well as main-

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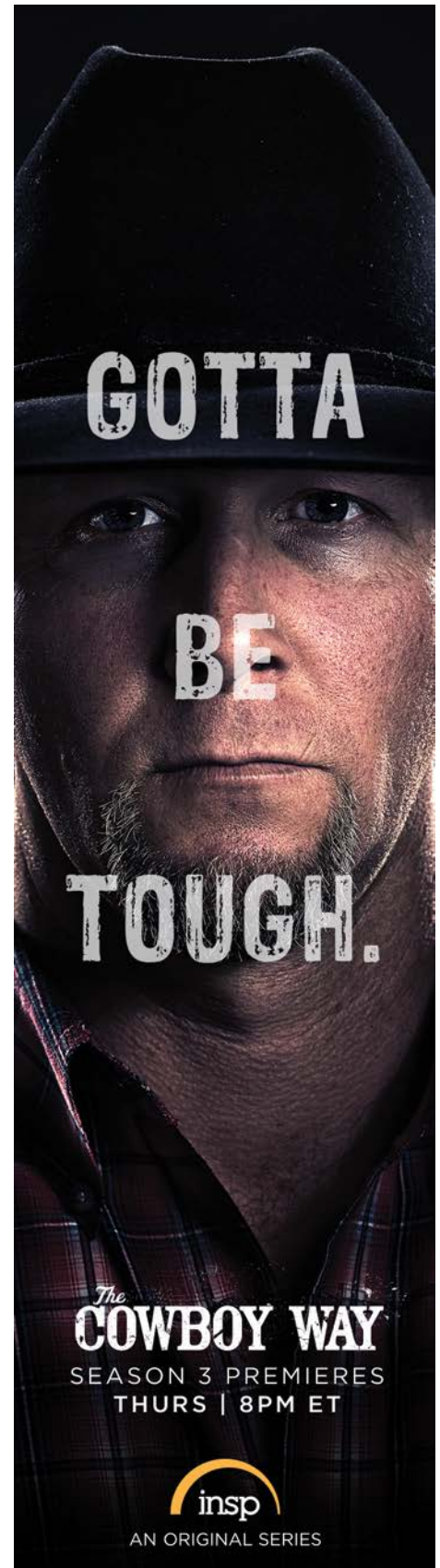
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tain separate relationships with device manufacturers. A four-person board of directors composed of two representatives from each company will oversee the partnership from its base in Philadelphia. There's no word yet as to who may be placed on the board. Charter is expected to launch Spectrum Mobile in 2Q18, and its taking plenty of notes from Comcast on how to integrate the mobile business with its broadband services. Charter CEO *Tom Rutledge* said last year that the venture will be used to drive more sales of the company's core products through bundling. "When offered as part of our bundle, we expect Spectrum branded wireless services to drive more sales of our core products and to create longer customer lives," he said in the company's 3Q17 earnings call. **Newstreet Research** is bullish on cable's entrance into wireless, noting that cable is attacking a profit pool twice the size of that which they're defending in broadband. Comcast introduced Xfinity Mobile last May, gaining 250K subs in its first quarter of operations. The deal leverages features of the operating platform Comcast had initially developed for Xfinity Mobile. Charter has adjusted the existing elements for Spectrum Mobile's impending arrival. While the two will equally fund the operations coming as a result of the partnership, Charter will initially fund the venture, seeing as Comcast has already incurred development costs in the mobile platform and technology space. Comcast employees will be tapped to support the development of the platform for both companies.

Cox Brings YouTube to Contour: Cox has integrated **YouTube** into its Contour boxes nationwide, allowing customers to search for content from the online video powerhouse in the guide, via voice remote, etc. Cox already has similar integration in place with **Netflix**. The move follows **Comcast** rolling out the integrated YouTube app on X1 last fall. Cox licenses the X1 platform for its Contour box.

UHF Discount: As the **FCC** sorts through comments last week on the broadcast ownership cap and UHF Discount, the DC Circuit heard oral arguments Friday in **Free Press**, etc's challenge of the **FCC's** April 2017 reinstatement of the UHF discount. The FCC's stance is that the discount should never have been removed without revisiting the national ownership cap, which it's currently doing through an NPRM. The reinstatement of the UHF discount helps Sinclair with its \$3.9bln **Tribune** merger. "Broadcasters are lined up as soon as this court qualifies what the situation is for the future, and we expect millions of dollars in transactions to take place," *Andrew Schwartzman* told the court in Friday's arguments. Schwartzman represented the coalition of nonprofit petitioners, which include **Free Press, Common Cause, Media Alliance, National Hispanic Media Coalition** and others. **Wells Fargo Securities** analyst *Marci Ryvicker* told clients that she doesn't believe the outcome of the case will have much impact on the Sinclair-Tribune, citing legal sources. She believes the FCC has a good shot of winning, but even if it loses, she said the court "cannot 'force' the agency to redo its approval of this deal. Nor can SBGI be 'forced' to unwind the transaction." **The Coalition to Save Local Media**, a group made up of several indie cable nets and consumer groups that oppose the Sinclair-Tribune deal, said the FCC should not take action on the deal until the FCC and courts resolve the media ownership rules/UHF discount.

Make Way for Watch: Another skinny bundle is on its way. **AT&T** chief ex-



ecutive *Randall Stephenson* made hints of an online streaming app being released in the coming weeks when he took the witness stand Thursday in defense of the **AT&T-Time Warner** merger, according to reports following the trial. Known as AT&T Watch, the \$15/month service will specifically exclude any sports programming. The service will be free for all AT&T wireless subscribers who have an unlimited data plan.

Ready for Appointment: On Wednesday, **Senate Commerce** is slated to review the nomination of *Rebecca Kelly Slaughter* to be a member of the **FTC**. Slaughter has acted as chief counsel to Senate minority leader *Chuck Schumer*, who recommended Slaughter's nomination, since 2009. Slaughter would fill a slot for a Democrat for the remainder of a seven-year term ending Sept 25, 2022.

Ratings: Those adorable "Muppet Babies" over at **Disney Junior** continue to see viewership gains, with total viewers up for the third consecutive week for the April 13 ep (+8% to 1.25mln in L+3—its most-watched telecast yet).

The 100: **Cablefax** is pleased to announce the 2018 **Cablefax 100** honorees. For the first time, **the list has been released** before the magazine's publication, but not the rankings! We will host a Cablefax 100 celebration dinner on June 5 at the Yale Club in NYC. **Cablefax: The Magazine's** 100 edition will be released at the dinner.

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The departure of @MClyburnFCC is a loss for the @FCC and the public interest. She gave a voice to the voiceless and worked to make communications policy work for EVERYONE. Thank you Mignon. You're a hero to me. commoncause.org/press/press-re...

11:23 AM - 17 Apr 2018

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"Tech... is about happiness" – @SusanWBrooks. "This technology shouldn't leave anybody behind."
Feeling the YES 🙌 on tech inclusion with Sen. Brooks at #CTATechWeek @CTATech



Research

- > As of the end of 2017, 26.1% of US households did not have a traditional TV subscription with a cable, satellite or telco provider, up from 22.6% at 2016's end.
 - > US OTT access revenue grew 41% to \$11.9bln in 2017 and is forecasted to grow to \$16.6bln in 2018.
 - > Broadcast and cable network online TV advertising was estimated to represent 5.2% of 2017 US TV ad revenue.
- (Source: *Convergence's 2018 Couch Potato Reports*)**

Quotable

"The independent directors of Comet do not want to entertain the prospect of a combination and invest the time and resources toward the necessary diligence and negotiation in connection with a possible transaction, unless they are satisfied that the Comet CEO and management team (subject, of course, to their oversight as directors) would have complete operating and strategic authority going forward."

- **CBS CEO Les Moonves** in a letter discussing a CBS (Comet) and Viacom (referred to as Venus) combo in 2016 according to the upcoming book "*Frenemies: The Epic Disruption of the Ad Business (and Everything Else)*" by **Ken Auletta**. *Axios* was the to first obtain an excerpt of the book.

Up Ahead

April 24: [WICT New York Leadership Breakfast](#)

April 24-25: [SCTE Energy 2020 meeting](#)

April 26: [Take our Daughters and Sons to Work Day](#)

April 30-May 1: [Cablefax Leaders Retreat](#)

May 2-3: [CTAM's Communication Strategies @ NYU Stern](#)



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