

# Cablefax Daily™

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What the Industry Reads First

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## Time's Up: beIN Sports Goes Dark for Xfinity Subs

Xfinity subscribers excited for the upcoming LaLiga season on August 17 may be indefinitely out of luck as the carriage dispute between Comcast and beIN Sports continued Wednesday, with the latter's channels going dark. As previously reported by CFX, the carriage deal between the two was set to expire on July 31. beIN claims in its FCC carriage complaint that Comcast "remained utterly silent for a troubling eight months" and that any further talks between the two have "proved fruitless." Comcast, meanwhile, is using the channel left vacant by beIN as a platform for sharing its side as customers tuning in find a message from Comcast. "Have you heard about a disagreement between beIN Sports and Comcast? Every month Comcast has to pay networks to bring their programming to you. That's right, we pay the network. Not the other way around," the message reads. "Now beIN Sports is asking for a major increase in fees for the channel you already have, which could have a big impact on your bill. beIN Sports won't allow Comcast to carry its channels until this is resolved." In a statement to CFX, Comcast said it offered to continue carrying the channels on "reasonable renewal terms," but beIN rejected the proposal. "In order to protect our customers, we simply cannot agree to beIN's demands," the company said, adding it would restore the channels once an agreement was reached. For its part, beIN remains "deeply disappointed that Xfinity chose to drop beIN Sports' channels following our midnight deadline, severing our connection with our millions of loyal subscribers nationwide," beIN Sports deputy managing director for the US and Canada Antonio Briceño said. "We proposed a fair deal and we remained willing to negotiate that deal right up to this evening's deadline." He also decried "a disheartening trend of media consolidation" and expressed hope the net and Comcast can resolve their issues, adding that beIN is "happy to extend existing terms while we continue to negotiate." The dispute first became public in March when beIN accused Comcast at the FCC of discriminating against it in favor of its own channels, Golf and Universo. beIN is waiting for the FCC to decide whether to rule on the complaint or to assign it to the administrative law judge.

**Indy Show Notebook:** Tier 2 and 3 cable operators must recalibrate their assumptions and expectations in Washington, according to experts gathered in the last morning session of the ACA-NCTC Independent Show in Anaheim, CA, on Wed. "Everyone is trying to learn what this new world order means and how to fit their agenda into this new structure," said AI-

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**pine Group** vp *Jared Weaver*, adding that *President Donald Trump* has “destabilized the natural order of things in Washington.” But *Mike Nilsson*, a partner at **Harris, Wiltshire & Grannis**, said the “strangeness of the new Administration” is complemented by a highly seasoned **FCC** leadership that “genuinely believes in deregulation.” *Tom Cohen*, a partner at **Kelley Drye & Warren**, said “pent up demand” among Republicans on the Commission has led to rapid deregulatory actions. “As soon as they took power, they knew exactly where they wanted to go,” he said. When it comes to hot topics like net neutrality and privacy, panelists advised operators to watch state-level activities and looming fights over federal preemption. “States like California and New York are just saying ‘we’re going to do it on our own.’ ... They’re much more aggressive.” Cohen warned of a generally high bar to federally preempt the states. “We will see if that will come to pass because with all these states passing these laws someone is bound to take it to court and say ‘let’s preempt,’” he said. On merger reviews, Nilsson said the FCC and **DoJ** seem reluctant to play referee with behavioral remedies and would rather just judge each deal on its structural merits. “They are more inclined to say that if this is a merger that we don’t like, we’ll just deny it rather than live with rules that are more comfortable for Democrats,” he said. And while the FCC’s deregulatory bent may please Tier 2 and 3 ops on many issues, panelists confirmed that retransmission consent likely won’t be one of them. In fact, Nilsson said many ideas floating around the Commission could even make things even worse for small- and mid-size ops. But there’s hope: He said the upcoming reauthorization of the Satellite Home Viewer Improvement Act will “probably be the next opportunity to play real offense on retransmission consent issues.”

**Embracing the Future:** **Charter** introduced its next gen Spectrum Wi-Fi router with 802.11 ax technology built-in, a move it says makes it the first US-based broadband provider to introduce the wireless standard. The new standard aims to increase Wi-Fi speeds, allow for more devices to be connected at once, decrease battery drain from those devices and improve overall coverage throughout the home. Next year, Charter plans to release a converged wireless router solution that will be able to utilize licensed spectrum and IoT radio technologies, moves all aimed at futureproofing the router. Another focus is the simplification in setting up and configuring residential wireless environments. Early next year, Spectrum routers are receiving a Wi-Fi radio resource management capability that will allow them to automatically optimize the in-home environment using a built-in cloud-based data analytics engine.

**Partnering with Philo:** **Consolidated Communications** will be the first broadband provider to offer skinny bundler **Philo**, with the Mattoon, Illinois-based provider offering Philo’s 40-channel package across its entire footprint. It starts at \$16/month, with an additional nine channels becoming available for an extra \$4/month. Additional features include watching across up to three devices at the same time, unlimited 30-day DVR and an on-demand library.

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**Going Up a Notch:** CSG's relationship with Amazon Web Services has reached a new level, with CSG rising to Standard Tier Partner Status. The two have worked together over the past year on CSG's cloud-first strategy, allowing for the quick rollout of new services independent of other applications and infrastructures.

**Dynamic Canoe:** Canoe served more than 6.8bn ad impressions for VOD content in Q2, up 20% over the same period last year. Mid-roll impressions are watched 99% to completion on average, and consumers saw the same campaign ad one time within an episode 57% of the time.

**SCTE Women:** The SCTE Foundation is seeking applicants for the Catherine Oakes Memorial Leadership Scholarship for Women. The \$3,500 scholarship is open to all women who are SCTE-ISBE members and recognizes, rewards and provides educational opportunities for women who aspire to become leaders in cable engineering or operations. The scholarship will be used for registration in the Rising Leaders Program conducted by WICT in 2019. Applications will be reviewed by past recipients of the Women in Technology Award, which is presented annually by SCTE-ISBE, WICT, and Cablefax.

**Public Affairs:** Shentel's annual Summer Backpack Program donated a record four tons of food this year. The program was established in 2015 to help support regional food banks and pantries serving families in Virginia, West Virginia, Pennsylvania and Maryland. The collection specifically targeted food for children who are on the free or reduced-price lunch program during the school year, as the kids cannot rely on school for meals during the summer.

**Netflix Colors:** Sony announced Netflix Calibrated Mode, available exclusively on the new Sony MASTER series A9 OLED and Z9F LCD TVs. The new mode touts picture quality similar to a master monitor used for reference in production studios. Netflix members will have precise colors and accurate dynamic contrast with a single menu setting. The new televisions will be available in fall 2018.

**Ratings:** Comedy Central saw double-digit Adults 18-48 ratings growth in July in both total-day and primetime vs the year-ago period. The network earned a 16% YoY jump in total-day ratings, and a 22% YoY growth in primetime, marking its biggest single-month jump since August 2010. -- Hallmark's original movie premiere of "Love on Safari" launched the network to rank No. 1 on July 28. The kickoff of the annual programming stunt "Summer Nights" had 2.6mln total viewers and helped boost Hallmark to be the highest-rated cable network Saturday in both prime time and total day among households. -- Overwatch League grand finals averaged a per-minute overall audience of 861,205 over the two days, according to Activision Blizzard. That included Disney-owned TV nets (ESPN, ESPN2, ESPN3 and Disney XD) as well as digital viewing platforms. -- The series finale of Disney's "Stuck In the Middle" had its best performance in nearly four months. Approximately 1.2mln people watched the July 23 episode, its largest audience since April 6. It was the No. 1 show on Monday for Kids 6-11 and Tweens 9-14. -- Univision's Saturday night Liga MX doubleheader, hitting during the Sábado Futbolero programming block, averaged 769K total viewers and 413K A18-49.

**Programming:** The third season of "Caffeine and Octane" is coming to NBC Sports Network. The automotive-focused reality show returns on Tuesday, August 7 at 8pm. -- Showtime ordered a pilot for "Queen Fur," created, written and executive produced by Eileen Myers ("Masters of Sex"). The show will star Lily Mae Harrington. -- ESPN2 and ESPN Deportes will exclusively air the NBA Africa Game 2018 on Saturday in English and Spanish. -- HBO Europe's original series "Aranyélet" will be available to HBO US subscribers on Aug 1. "Valea Mută" ("The Silent Valley") is available to stream now. -- OWN renewed "Love Is\_" for a second season. -- More than 34 live cameras will capture America's wilderness in Nat Geo's four-night multi-platform event "Yellowstone Live," beginning Aug 5 at 9pm. -- truTV ordered a pilot for an unscripted project from Vulture. The show will be a weekly comedic awards show honoring the "most deserving" stories from the week in pop culture.

**People:** Telecom vet Sandy Howe will make her mark at Technetix, with the company appointing her evp and president, Americas. She'll bring nearly 25 years of experience to the executive team, most recently acting as svp and general manager for the consumer products group at Arris. -- Disney tapped Meredith Roberts for the newly created role of svp, Animation Strategy, Disney Channels. Roberts served as gm of Disneytoon Studios for the last 11 years. -- Cox Enterprises brought in Luis Avila-Marco as svp of strategy and corporate development. Before coming to Cox, Avila-Marco acted as an independent consultant and corporate advisor for technology companies. He also spent six years as evp of strategy and corporate development at Juniper Networks. -- Babette Boliek was appointed as chief economist for the FCC. Boliek served as a professor and associate dean of faculty research at Pepperdine University School of Law.

## Think about that for a minute...

### Signal to Noise

Politics has never been far from the surface at the FCC. When it was first created, the Commission was tasked with wrestling the telephone industry into a functioning nationwide network.

Another challenge that came along was dealing with this new “over the air” stuff, first radio, then television, and figuring out a way to make sure the technology didn’t kill itself by having multiple transmitters interfering with each other, rendering the entire effort useless. Issues of spectrum allocation, licensing, “signal to noise” ratios etc., took precedence.

But once it became clear that there was money, serious money, and power to be had in these new technologies, politics was sure to follow. Who should get the licenses? Undeniably, the rich and powerful insiders were the ones who won that battle. How much regulation should there be? What obligations should be imposed for granting “rights” to the public’s free spectrum? Again, the rich and politically powerful succeeded in limiting obligations and assuring that few if any fees were imposed. That’s still the case today, at least as to existing broadcasters. The new trend toward auctions for “new” spectrum is a welcome trend, but it’s come very late in the game.

The Commission was never immune from political chicanery. Presidents attempted to intimidate the broadcast news media with threats of loss of license, or investigations of failure to provide “equal time” or adhere to the “fairness doctrine.” Much of that has gone by the boards, but that hasn’t stopped different administrations from trying to influence the FCC.

The sorry tale of the “net neutrality” debate is besmirched by a blatant, televised announcement by then President Obama virtually telling the Commission what he wanted them to do. It apparently sounded very much like an order, since the Chairman at the time suddenly switched direction and adopted a regulatory approach which had



been rejected prior to the president’s intercession. A Commissioner at the time, now Chair, wrote eloquent legal challenges to the Commission’s decisions. Now that the politics have changed, he’s in charge, and the Commission went back to its original course. But he’s now the target of yet more presidential meddling.

I say “meddling” because in all these cases the Executive Branch is just not supposed to be exerting this type of extraordinary political pressure on what was created as an “independent” agency. But reality suggests otherwise.

So now we see the current president jumping from one subject to another that he really ought to stay clear of, trying to exert pressure that he shouldn’t. Two examples are obvious; the AT&T/Time Warner merger and the Sinclair/Tribune effort to combine. But unlike past presidents, who generally dealt with efforts at influencing overall policy, this time the president is down in the trenches apparently trying to affect the outcome of individual cases based on friends and foes. That’s not good.

In the case of AT&T, the president wants to block the merger apparently in part because he has a particular animus for CNN, one of the Time Warner pieces that would be affected by the proposed merger. His justice department surprised most folks by trying to block the merger. They’ve lost in court so far. In the other case, Sinclair, he favors the creation of a much larger “conservative” network, so he is criticizing the Commission for having serious concerns about the leverage (retrans negotiations) and power that would result from the merger. We’ve come a long way from “signal to noise.” Regrettably, it’s now mainly jarring noise.

*Steve*

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### Just Released!

The 2018 Top Ops Issue features profiles on MSO of the Year Cable ONE and Independent Operator of the Year ImOn. The issue also highlights other operators and individual executives that are making waves, including MSO Regional Exec of the Year Mary McLaughlin of Comcast Cable.

**Check out the issue** to read about all of Cablefax’s Top Ops honorees.

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