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What the Industry Reads First

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Free Spectrum: Charter Interested As FCC Looks to Make Mid-Band Available

When it comes to spectrum ownership, **Charter** continues to find the mid-band spectrum attractive. That was the word from Charter CFO *Christopher Winfrey* at an investor conference Tuesday. Charter and others received positive news from the **FCC** as it announced it would consider fixes to the existing rules governing the CBRS, which will utilize spectrum between 3.55 to 3.70 GHz. The proposed change would modify the rules to accommodate wider bandwidths for 5G technologies, and would also make it possible for a Priority Access Licenses auction to be held next year. To ensure interested parties are treated fairly in the band, the draft item also proposes to auction licenses by counties rather than by census tracts, with an option to bid for all counties in the largest markets as a package. Winfrey noted that he believes this FCC has been doing a great job of freeing up spectrum, and this is just further evidence of that. Looking ahead to the balance sheet in 2019, Winfrey called it the year that Charter is really going to be able to demonstrate financially what it's been up to for the past two and a half years. But while that will show some positives, Charter will also have to account for **Spectrum Mobile**, a start-up subscription business, resulting in fixed costs for its operation as well as subscriber acquisition costs and the working capital tied to the handsets. "We're going to isolate that for as long as we can so people have clarity in what's happening to the core cash flow and what's happening to this separate investment that we're making," Winfrey said. Spectrum Mobile just officially launched in early September, but Winfrey said Charter has seen subscriber growth continuing to rise week-over-week. As far as the ongoing mobile strategy, it's going to start as an offensive. Winfrey talked about the company's MVNO with **Verizon**, calling it attractive for both parties. "Today about 80% of that traffic for a mobile company is traveling over our WiFi and we're not being separately paid for that today," Winfrey said. "What we're really leasing is the 20% that isn't carried over our WiFi already." For someone like Charter looking to enter the market, it didn't make sense to build a completely new network when Verizon's already existed. "Whether it's offense or defense, we're going into the marketplace opening all of our sales channels because we have millions of conversations or sales transactions each year on the cable side, which is really a selling opportunity into mobile," Winfrey said. Looking to the future and the bundling opportunities that could come with wireless, Winfrey said it of course leads to a greater integration with the company's WiFi product, but it's really just a consumer-friendly



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move that lowers their bill.

CTHRA Notebook: Just a couple months after **Charter** closed its acquisition of **Time Warner Cable**, it made headlines for a memo banning jeans and early departures on summer Fridays. The motivation behind that missive came up Tuesday during industry HR group **CTHRA's** annual Symposium, whose theme this year was "Leading Seismic Change." "There were some very distinct policies that Time Warner Cable had ... that were not the Charter way," evp, HR **Paul Marchand** told the audience gathered in Philly. While the company knew the news wouldn't be well received, it "was sort of a way of ripping that Band-Aid off and getting them onto the new system and new environment sooner and faster than maybe others have experienced change," said Marchand, who joined Charter in 2015 after nearly 12 years with **PepsiCo**. While the verdict may be out for some, he points to his experience as his past job. "It took 10 years to take the **Quaker Oats** people and make them PepsiCo people. I would say that's a change failure." Major M&A obviously brings seismic change, but so can day-to-day business. What would happen if a company made no changes for the next 18 months? **Cox Communications** is constantly looking for ways to make the experience for customers better. "If that stopped, how many customers would we lose?" responded Cox evp and CHRO **Karen Bennett**. Similarly, if Cox stopped trying to make the workplace better, it would lose employees. "I can't imagine what our brand would be," she said. When it comes to strategies for big change, **A+E Nets** co-head of HR **Kim Tingler** said the importance of context can't be underestimated. "I've heard our leaders say a couple times that context drives meaning," she said. Along those lines, A+E makes a point to model when it does something well and when it doesn't do such a good job. As for employees, she added, "We are business partners. Gone are the days of personnel."

Altice Shakes Up: After the public offering of **Altice USA** and subsequent separation from **Altice Europe NV**, Altice USA announced it will combine the **Suddenlink** and **Optimum** businesses under a single credit silo. The move is being referred to as "the Combination." The company believes that it will align Altice USA's debt capital structure with the way it is managed as a unified company with a common strategy. It will also result in a more diversified credit silo, which in turn will simplify Altice USA's financing strategy and financial reporting requirements. The closing of the Combination is subject to regulatory filings and approvals. In other Altice news, Altice and **Univision** came to an agreement in their ongoing carriage fight. Altice will continue to carry Univision on the Optimum and Suddenlink brands, and will also make **Fusion TV** available and expand distribution of **El Rey Network**. However, **Fox** and Altice have not yet reached an agreement, though the Fox channels currently remain available as the two continue to negotiate.

New Fox: "New Fox" announced a number of key exec appointments in the aftermath of the \$71.3bln **21st Century**

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Fox asset sale to **The Walt Disney Company**, all reporting to chairman and CEO *Lachlan Murdoch*. *Eric Shanks*, formerly pres, COO and executive producer of **Fox Sports** has been promoted to CEO of Fox Sports. *Mike Biard* is elevated to pres, operations and distribution for Fox from pres, distribution for **Fox Networks Group**. *Paul Cheesbrough* will become CTO and head of direct-to-consumer platforms for Fox, from chief tech officer of 21st Century Fox. *Marianne Gambelli*, formerly **Fox News Channel** and **Fox Business Network** ad sales pres will become president of ad sales for Fox. *Steve Tomsic*, evp, finance and deputy CFO at 21CF will become CFO at Fox. The appointments become effective once the sale closes.

Comcast/DirecTV Battle: **NAD** recommended that **Comcast** discontinue a broadcast ad implying that **DirecTV** is highly unreliable in bad weather. It also recommended the company modify its advertising to avoid implying that DirecTV offers no free shows or movies on the go. Comcast is appealing, and DirecTV is cross appealing. The ad states that Comcast's Xfinity "delivers reliable TV service, rain or shine, so you can watch without worrying." It then cuts to a DirecTV customer antenna with a rain cloud in the background, and then states "Whereas with DirecTV, but... you get the idea." DirecTV argued that while the advertisement does not explicitly state that service interruption in severe weather is typical or a certainty, the advertisement strongly implies it. Comcast countered in a statement saying "Comcast believes that the challenged commercial conveys the truthful message that DirecTV's television service is comparatively unreliable in bad weather (due to limitations in satellite technology)."

Meaty Media: TV and podcast personality *Steven Rinella* launched **MeatEater, Inc.**, an outdoor lifestyle media and commerce group with an investment from **The Chernin Group**. Rinella currently hosts the **Netflix** show "MeatEater" and "The MeatEater Podcast." The company will expand online editorial, video and podcast output and produce events and experiences. The team is made up of other outdoor influencers, including fly fishing guide *April Vokey*, creator of "Wired to Hunt" *Mark Kenyon* and professional wild foods chef *Eduardo Garcia*. *Kevin Sloan* signed on as CEO, leaving hunting apparel company **Sitka Gear**. Rinella will serve as chief creative officer. Season 7 of MeatEater premiered on Netflix Tuesday.

Emmy News: Winners of the News and Documentary Emmy Awards were announced Monday night. **PBS** took home the most awards, earning seven trophies. **CBS** and **HBO** were not far behind, each bringing home six awards. **CNN** nets earned a total of six as well, three for CNN and three for CNN International.

Lionsgate Roars: **Lionsgate** signed *Ron Schwartz* to a new long-term agreement as president of **Lionsgate Worldwide Home Entertainment**. He will oversee the nearly \$1bln-a-year worldwide home entertainment operations and a nearly 17,000-title film and television library. He previously served as pres and gm of Lionsgate Home Entertainment Sales & Distribution before being promoted to head the company's worldwide home entertainment group in 2014.

Merge Together: **Evolution Digital** debuted **eMerge**, a customizable, app-based video user interface for pay TV providers. The software is enabled by eVUE-TV, including live linear, VOD, pay-per-view and network DVR recordings along with OTT streaming content. The aggregation will allow consumers to stream content on a single user interface. It is available on Evolution Digital's 4K-capable, Android TV eStream set-top and streaming players such as **Roku** and **Apple TV**. It is also accessible on **iOS** and **Android** mobile devices.

WWE Multiplies: The **WWE Network** now has six times more content since its launch in 2014, according to **StreamingObserver**. The subscription-based streaming service originally featured around 1,500 hours of on-demand content, and now has more than 10K hours. The net has over 1.8mln subs in 186 countries.

Goal!: **ESPN** and **ESPN+** scored the exclusive rights in the US for Coppola Italia and Supercoppa Italiana. The multi-year agreement, along with the acquisition of 380 Serie A matches, makes ESPN the exclusive home of Italian professional football in the US.

On the Circuit: **SCTE-ISBE's** Cable-Tec Expo will include programming suited for international audiences. The ISBE International Experience will include a Spanish-language workshop with **TVC's** *Cristian Santana* (Oct 24), an international learning and development session with Latin American and Caribbean operators (Oct 25) and the ISBE/**ANGA** International Attendees Breakfast (Oct 25). Also on the agenda are the SCTE-ISBE International Cable-Tec Games, which will be conducted on Oct 24 from 8:30-11:30am in the Innovation Theater. -- **The Cable Center** announced that *Rick DiGeronimo*, evp of product and strategy, **Spectrum**, will speak to students at the University of Michigan on Oct 4 as part of the Mavericks Lecture Series. DiGeronimo, a graduate of Michigan BBA, will speak at the Ross School of Business. The Mavericks Lecture will also serve as a recruiting and networking event for students to learn about Spectrum.