

# Cablefax Daily™

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What the Industry Reads First

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## Harm Done: ACA Calls for DOJ Investigation of Comcast-NBCU

ACA stirred the pot Monday morning, calling on the DOJ to open an antitrust investigation into the business practices of Comcast-NBCU. The group wants to see the investigation primarily hone in on harms stemming from its control of cable systems, TV stations and RSNs in large, local markets. In a letter sent to assistant attorney general for the antitrust division *Makan Delrahim*, ACA argued that Comcast-NBCU has shown a willingness to harm its rivals, even while being subject to the 2011 DOJ and FCC conditions. Those conditions expired in January, despite anti-competitive concerns. While ACA agrees with the DOJ that *Judge Leon* reached the wrong decision in the approval of **AT&T-Time Warner**, the group cited two main reasons why Comcast-NBCU poses a greater threat to the marketplace. "First, Comcast-NBCU's ability to raise programming prices in local markets is unmatched by any similar problem created by the AT&T-TW combination," the letter reads, adding that Comcast-NBCU owns significant local programming, including 11 **NBC** local TV stations and seven NBC RSNs. "Second, Comcast-NBCU offers bundles of video/broadband/telephone throughout its entire footprint, while AT&T-TW is only able to offer a bundle of services where AT&T has a wireline presence." The claims drew attention from the **White House**, with *President Donald Trump* tweeting that ACA has "big problems with Comcast. They say that Comcast routinely violates Antitrust Laws." Comcast-NBCU said in a statement that the letter is without merit and constitutes an inappropriate attempt to gain leverage in the commercial marketplace, and it's just playing the video game like everyone else. "We are competing in this dynamic environment the way we always have - by continuing to innovate and conducting our business in compliance with antitrust laws and other legal requirements," Comcast said. ACA is not alone in its concerns, with **Public Knowledge** and *Sen Richard Blumenthal* (D-CT) also raising concerns and calling on the DOJ to take action. The **Cowen Washington Research Group** would not be surprised if the DOJ announced a formal investigation, but it's not convinced that the previously approved merger would be broken up. "Makan Delrahim's unusual actions toward Comcast—the most recent being his August letter directing Comcast to apprise DOJ of post-consent decree business changes—suggest Comcast remains under very close DOJ scrutiny," the group said in a research note. "And announcing a formal investigation

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would not commit DOJ to actually taking final action, but does keep pressure on Comcast to deal reasonably with rivals." A breakup of Comcast-NBCU would be almost unprecedented and particularly difficult given Judge Leon's approval of AT&T-Time Warner. However, if the DOJ were to win its appeal against AT&T-Time Warner, it may believe it has greater power in the case against Comcast-NBCU. Oral arguments for AT&T-Time Warner are set for December 6, with Cowen expecting an official ruling around February.

**YES to the Yankees:** The rumors may be true: it looks like **YES Network** will be owned by the **Yankees** as **Disney** and **21st Century Fox** close their \$71.3bln deal. **Fox Sports** and **NBC Sports**, once considered the most likely bidders for the 22 RSNs Disney must sell, did not submit bids last week at the due date. Now, there's a very real possibility the Yankees are going to buy back the 80% of YES from Fox they don't currently own. The *NY Post* first reported the news. The Yankees obtained their refusal right in 2014, allowing a buyback should it ever sell. Upon purchasing the 80% from Fox, the Yankees would then sell ownership stakes to a number of partners, moving back to its old formula prior to ownership by Fox. It is safe to assume that NBC Sports will not attempt to buy any of the Fox RSNs. NBC Broadcasting and Sports chmn *Mark Lazarus* said at a recent Fairfield County Sports Commission event that the government would not allow the net to buy any more where they are heavy in cable, including the Disney assets. Fox Sports may not be entirely out of the picture, as they still have an option to put forth a bid. However, Fox has been more focused on emphasizing national deals for "New Fox," in addition to **FS1** and **FS2**. "We really ran the regional business and the national business pretty separately," *Eric Shanks*, Fox Sports president, COO and ep, said at a recent investor conference. "On the buy side, we didn't buy rights together." If the Yankees end up with full ownership of YES, Disney would sell off not 22 RSNs but 21. This drives the question of whether those 21 RSNs would be sold in a bundle, and how much the value of that bundle would drop with the loss of YES. Fox first took a 49% stake in YES in 2012, valuing the net at approx. \$3.8bln. It bought an addition 31% in 2014 for approximately the same valuation. **Guggenheim Securities** estimates the value of all 22 Fox RSNs at \$22.4bln, making YES by far the most valuable. Disney has previously said it wants all deals closed by early 2019.

**Consumer Privacy:** **NCTA** joined the chorus of voices responding to the NTIA's request for input on "Developing the Administration's Approach to Consumer Privacy." The agency is looking for ways to advance consumer privacy while simultaneously protecting prosperity and innovation. NCTA filed comments with NTIA on Friday, commending the administration on its "thoughtful framing of a complex issue" and citing a belief that a uniform national policy for privacy would ensure that consumers receive robust protection and the benefits of data-driven services and innovation.



## Awards Luncheon

Thursday, Nov. 15 | 11am - 2pm | 583 PARK Avenue

The industry has so many incredible women with the drive, the passion, and the smarts to find success for their companies and partners amid the fast-changing TV ecosystem.

Join the female executives making a difference at the **Most Powerful Women celebration luncheon** in NYC on Nov. 15. **Register now!**

"In order to promote competition, consumer welfare, and effective privacy protection, NCTA supports a balanced, globally interoperable privacy framework that treats all businesses consistently, that provides meaningful control to consumers, preempts state and local privacy laws and regulations applied to online and offline businesses, is enforceable by the FTC, and precludes private rights of action," the statement reads. "A comprehensive, competitively-neutral privacy framework predicated upon the principles of parity, transparency, consumer control, security, access, risk management, enforcement and accountability, and harmonization can both protect consumers and promote innovation, growth, and new services." **Public Knowledge** also filed comments, stating that a privacy regime should account for risks beyond traditional harms, such as financial losses, and urges the NTIA to consider "the full panoply of risks." "It is imperative that any Administration proposal address consumers' interests and concerns," said policy counsel at Public Knowledge *Allie Bohm*. "Although the NTIA articulates a number of important outcomes and high-level goals for federal action, notably absent are outcomes and goals around fairness, consumer protection, and equal opportunity. The NTIA's proposal also leans too heavily on a risk-based approach and on "reasonableness," a term that individuals and businesses likely interpret very differently. We're ready to assist the NTIA to ensure that consumers' interests are reflected as the agency continues developing the Administration's approach to privacy."

**Causing a Ruckus:** **American Tower Corporation** and **Ruckus Networks** revealed the first commercial Citizens Broadband Radio Service Private LTE network deployment at **International Speedway Corporation's ISM Raceway** in Phoenix, AZ. The solution brings expanded connectivity to motorsports fans in the camping grounds and grandstands. Ruckus, an **Arris** company, was the first to secure **FCC** CBRS certification for its indoor and outdoor LTE access points, allowing them to leverage 3.5 GHz spectrum to establish its own LTE networks.

**MTV Fests:** **MTV** returns to its roots with the acquisition of SnowGlobe Music Festival, an outdoor NYE festival. The event takes place Dec 29-31 in South Lake Tahoe, California and more than 20K fans attend each day. The acquisition marks MTV's continued expansion of its global live events business. The net plans to expand SnowGlobe to additional dates and locations worldwide, and will serve as a platform for MTV to reinvent its NYE coverage.

**Comscore Ratings:** **Comscore** announced two new beta partnerships for **Comscore Campaign Ratings (CCR)**, its new cross-platform video ad measurement solution. **A+E Networks** and **AMC Networks** have both joined the beta program, which launched in September.

**Public Affairs:** **Nat Geo** partnered with over 1,700 schools across the US to host screenings of the doc "Science Fair" for National Education Week. Screenings are currently planned in over all 50 states and 900 cities. The doc follows nine students on their journey to compete at the International Science and Engineering Fair.

**Programming:** **Netflix** entered into a multi-year deal with Emmy-nominated writer, producer and director *Marti Noxon* ("Sharp Objects," "Dietland," "Buffy the Vampire Slayer" and "UnREAL"). Under the deal, Noxon will produce new series and programming exclusively for the streamer, and Netflix will have first-look option on all of her feature projects. -- **OWN** and **Hearst Magazines** partnered to bring *Oprah Winfrey* and *Michelle Obama's* in-depth conversation about Obama's new memoir "Becoming" to the net. The primetime special "Oprah Winfrey Presents: Becoming Michelle Obama" will air Thursday at 8pm. An extended unedited version will be available on "Oprah's SuperSoul Conversations" podcast the same day. The interview will be featured in *O, The Oprah Magazine* and globally across multiple Hearst titles. -- **MSG Networks** launched its first-ever "Food Week" on Monday. The week is full of food-themed programming highlighting intersections between sports and food. It kicks off across the company's linear and digital channels with a mix of new and existing content on the **Knicks, Rangers, Islanders** and **Devils**. -- **TBS'** "Full Frontal with Samantha Bee" will air a holiday special "Christmas on I.C.E." The special airs at 10:30pm on Dec 19 with special guest **Olympic** medalist *Adam Rippon*. -- **Fox Business** is debuting a new weekly show hosted by *The Wall Street Journal's* editor-at-large *Gerry Baker*. "WSJ At Large with Gerry Baker" will premiere Nov 30 at 9:30pm. The show will feature interviews with industry leaders impacting Wall Street, Washington and business in America. -- "Pure," **WGN America's** new religious crime drama, will premiere Jan 23 at 10pm. The show follows a Mennonite pastor trying to protect his family and preserve his faith. The net already greenlit a second season of the scripted series, set to premiere later in 2019.

**People:** **Comcast Spotlight** named *Megan Latham* vp, customer experience, a newly created role. She will join the company this week. Latham previously served as **Bloomberg's** global head of client service and revenue operations for its Media Group. -- **Turner** upped *Kimberly Page* to svp, Turner brand communications. -- **Netflix** tapped *Anne Mensah* as vp, content, leading the scripted content team focused on British productions. She previously was director of drama and **Sky Studios**. -- **Univision** appointed *Diane Kniowski* to pres/regional gm of local media, effective immediately. She comes over from **Nexstar**, where she served as svp and regional manager.

## CFX TECH

### The Outsiders

As the year begins to wind down, so then does **Upramp's Fiterator** program. The third program kicked off this year at the **CableLabs** Summer Conference with three later-stage startups making up the 2018 cohort. **Averon** offers an instant security authentication that assists mobile users with checkouts or in accessing private documents securely, **Blitzz** allows for customers experiencing issues to easily video chat with field technicians through an AI-powered video and chat platform, and **Mutable** is a public edge cloud infrastructure that assists businesses with low-latency computing.

"We're really changing the way that consumers, business owners and even field technicians... are going to experience support when they have a problem. The future is about visual support and we empower that visual capability through phones, desktops, tablets and even hands-free smart glasses," Blitzz CEO/co-founder *Rama Sreenivasan* said. Over that foundation, Blitzz is layering augmented reality and even AI deriving predictive capabilities that could prevent problems without physical intervention.

It was November 2017 when Sreenivasan first learned of the Fiterator. Through a speed dating session at an industry conference, Sreenivasan met **Nielsen** svp of engineering and strategic relations *Scott Brown*, who said the magic words that made Blitzz apply.

"He said the cable industry is a tough industry to get into, but they will really appreciate the solution that you have," Sreenivasan recalled. The words came right as Blitzz was looking for a way to break into cable, but it didn't know how. Brown told them that the product was designed to lower the sales cycle from 18-24 months to 3-6 months. Following the speed dating session, Brown introduced Sreenivasan to local CableLabs folks who head the Upramp program. When the time came to apply for the program, he also reached out to past cohorts about their experiences. So far, the program has absolutely lived up to expectations. "We've literally doubled our team because of the program," Sreenivasan

said. "They've introduced us to the cable industry, coached us on what it's all about, how do you build relationships with the right folks, how do you find folks... and trusted us with their precious relationships."

So far, Sreenivasan and Blitzz have spoken to about 20 different cable companies. Every other week, the team would be at CableLabs meeting with key decision makers through video conference calls or in-person. Once interest started to build, the weeks in between began to fill up with meetings at those companies' headquarters to take next steps. They're now completely focused on using those relationships to break through into the cable space.

It may not be long before you start seeing their names around the industry. "There are already deals happening," Sreenivasan said, telling **Cablefax** that Blitzz has struck deals with two major providers. "The sizes of the deals are only going to get bigger as they become more firm."

Mutable has seen similar success story coming from the program. "When we first came in, we didn't think that dealing with the cable industry was something we couldn't do for years. With the size of our company and the amount of people you need to know to get to that area, it seemed like something that was far away in our roadmap," Mutable founder/CEO *Antonio Pellegrino* said.

Mutable was first introduced to an MSO a year ago, and that company expressed an interest in working with Mutable. It quickly turned into a pilot program. While thrilled, Pellegrino and the team didn't know how they could replicate that across the other cable companies. Lo and behold, a friend of Mutable was doing outreach for the Upramp program. Once entering the program, the team was shocked at how quickly it could dive into the industry.

"We talked with 24 different cable companies, probably another handful of telco companies on top of that. Must have had over 150 meetings over the course of 2.5 months," Pellegrino said. "That really gave us the insights we needed to get to this point." -- *Sara Winegardner*

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