

# Cablefax Daily™

Wednesday — December 12, 2018

What the Industry Reads First

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## For the Block: CableLabs Claims Buckeye Breached Contract

A membership dispute has found its way to federal court, with **CableLabs** suing **Block Communications**-owned **Buckeye Broadband** over delinquent dues. According to the lawsuit, Buckeye notified the nonprofit research and development lab back in January that it wanted to terminate its membership. However, CableLabs said its subscription agreement requires at least three years notice before termination, which would mean Buckeye would remain a member through January 14, 2021. The suit, filed Friday in Colorado District Court, seeks payment of delinquent dues from 1Q, 2Q, and 3Q of this year, plus additional dues going forward. Buckeye did not return requests for comment by deadline, and CableLabs said it couldn't comment on pending litigation. Buckeye has been a member of the nonprofit since 1992. While the suit doesn't say why the cable operator wants to leave CableLabs, the consortium revised US membership dues for 2018. The new quarterly formula has members paying 0.05157% of the cable revenue for the member and its affiliates for the previous quarter (with cable revenue defined as all revenues derived from the provision of services to residential and commercial customers). Buckeye's not the only operator to break ties with an industry group this year. On October 1, **Altice USA** ended its membership with **NCTA**. Altice said it has great respect for NCTA, but that as its business interests continue to evolve, it "will focus on direct advocacy relating to issues that impact our businesses and our customers, working with industry peers and other associations when our interests are aligned." Altice USA also has given notice to preserve its option to pull out of CableLabs, but is currently an active member and paying dues. Worth noting that Altice USA does have **Altice Labs**, the R&D arm of Altice.

**Verizon's New Fios:** Verizon has started to roll out the next level of Fios TV service, with Fios TV One featuring an advanced voice remote, **Netflix** integration, 4K UHD video quality, and the ability to add additional TVs wirelessly instead of through coax. The new offering is available now in Pittsburgh, Harrisburg, NYC, upstate NY, Massachusetts and Richmond, VA, with it to hit remaining Fios markets throughout December and January. New customers can sign up for Fios TV One with Fios Gigabit Connection for \$79.99/month and get a year of **Amazon Prime** plus an Amazon Echo. Existing customers can upgrade for no additional cost, though additional equipment fees may apply.

## CFX WHERE WE'LL BE IN 2019

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### WHERE WE'LL BE

1/8/19 CES in Vegas (Jan. 8 - 11)  
1/22/19 NAPTE in Miami (Jan. 22 - 24)  
1/28/19 ReelScreen Summit in New Orleans (Jan. 28 - 31)  
1/29/19 TCA in Los Angeles (Jan. 29 - Feb. 13)  
2/25/19 NCTC Winter Conference in Atlanta (Feb. 25 - 26)  
3/8/19 SXSW Interactive in Austin (March 8-12)  
3/19/19 CFX Roundtable at ACA  
3/19/19 ACA Summit in DC (March 19-21)

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**It's Good to be Football:** November was a tough ratings month, unless you're talking football. **Moffett Nathanson** reports that cable fell by 12% in both prime and total day for the month in P18-49 C3 viewership. Broadcast was down 13% in prime and 10% in total day. On the flipside, **NFL** ratings have grown 5% so far this season, with **ESPN's** "Monday Night Football" up 8% in P2 L+SD, which Moffett Nathanson says is the highest it has been since 2015. This all makes for an interesting backdrop for the NFL's next renewal cycle, with **Barclays** analysts believing the League may try to negotiate the next round of broadcast rights as early as 2019 (even though it's not up until at least 2021). "We believe the NFL is not likely to just take up renewals of individual contracts, either; rather, it is likely to bring forward its negotiations for the entire portfolio of broadcasting rights to coincide with the first [expiration], which is likely to be the Sunday Ticket portfolio next year," Barclays said in a note to clients. The firm sees **Comcast** and **Disney** as well positioned, suggesting **CBS** and/or **AT&T** could end up without professional football. In this new media environment, Barclays suggests the League will need to build a demand curve to tier rights based on more on experiential differences rather than just allocating games based on week days or windows to different networks and distribution platforms. That could open the door for **Amazon** and **Google** to tier content.

**Weekly Winners:** **ESPN** was cable's primetime champ last week, averaging 2.57mln viewers. **Fox News** nabbed the 2nd place ribbon with 2.18mln, followed by **MSNBC** (2.06mln), **Hallmark** (2.03) and **USA** (1.22mln). Fox News took the top spot in total day (1.42mln), followed by MSNBC (1.12mln). FNC also claimed 17 of the top 30 cable telecasts overall in total viewers. Hallmark is not having a blue Christmas, with the net boasting that it has ranked as the highest-rated and most-watched net on cable among W18-49 and W25-54 for six consecutive weeks. Sunday's "Homegrown Christmas" scored 3.8mln total viewers, delivering more total viewers than **ABC**, **CBS**, **NBC** and **Fox** in the 8-10pm time slot. -- In other ratings news, **NBCSN** is poised to finish 2018 as the #2 sports cable net for the first time in total day and prime. Assuming nothing changes in the next three weeks, it'll be the first time anyone besides **ESPN2** took the runner-up title. The No 1 spot, naturally, goes to **ESPN**. The record ratings for NBCSN includes PyeongChang Olympic Games as well as exclusive coverage of the **NHL**, **NASCAR**, horse racing and other sports. It's averaging 414K primetime viewers, up 33% from the full 2017 figure. Sister net **Golf Channel** also has had a good year, delivering its most-watched year since 2013 (averaging 111K total day viewers, up 10% from last year's full figure).

**ACA vs Sinclair:** Not surprisingly, **Sinclair** opposes **ACA's** petition that asked the **FCC** to require early renewal applications for four of its TV stations. In a filing posted online Tuesday, Sinclair claimed ACA lacked the standing to seek such "an extraordinary measure" and failed to allege any material question of fact that would constitute a

**CFX** Cablefax  
DIGITAL & TECH AWARDS

**CALL FOR ENTRIES**

**Deadline:** Friday, December 7, 2018

**Late Deadline:** Friday, December 14, 2018

Entries are now open for the annual Cablefax Digital & Tech Awards, honoring those people, shows, and networks who excel in digital content, marketing, advertising, social media, and online content.

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compelling reason for early renewals. The applications are currently due June 1, 2020. An ACA spokesperson said the petition, if granted, would ensure questions about Sinclair's truthfulness in the failed Tribune acquisition are answered in an open, transparent process sooner rather than later.

**A Race Against Time:** Auctioning off the **Fox** RSNs has proven to far more difficult than **Disney** anticipated, so much so that the company has decided to look at breaking down the networks into smaller packages, according to reports from the *New York Post*. It's a race against the clock to get the RSNs into the hands of others, as the RSNs must be sold within 90 days of Disney closing on the Fox deal in order to address the antitrust concerns that come with the pending \$71.3bln merger. Only **Sinclair** has stepped up as a party interested in purchasing all the RSNs, but *New York Post* sources say it was a lowball bid.

**Charter-NY PSC, Continued:** Last month, **Charter** was granted some extra time to file its appeal of the **NY PSC's** decision to revoke its approval of the **Time Warner Cable** acquisition as well as more time to submit its 6-month exit plan for the state. However, the MSO had asked the PSC to stay the exit plan requirement pending its application for a rehearing. The current deadline to apply for a rehearing is Friday. Charter expects it's going to ask for a "limited" extension of those deadlines, according to its latest filing with the PSC. Alternatively, it asks that the Commission rule on its motion to stay the exit plan until its rehearing application is filed.

**Open for Business:** The **FCC** officially opened the Office of Economics and Analytics Tuesday. The office will be dedicated to making sure that economic and data analysis is incorporated into policy development at the agency. OEA will house most of the Commission's economists, including the entire staff of the former Office of Strategic Planning and Policy Analysis. The office includes four divisions: Economic Analysis, Industry Analysis, Auctions and Data. FCC chmn *Ajit Pai* first proposed the new office in April 2017.

**District-wide: Comcast Business** announced a multi-million dollar investment in expanding its fiber-based network in DC Tuesday. The buildout will allow the network to reach more than 300 additional buildings and includes the deployment of additional miles of new fiber in DC's Dupont Circle, Logan Circle and Franklin Square neighborhoods. The fiber optic ethernet network is capable of delivering up to 100Gbps of network capacity, supports advanced services and gives Comcast Business the ability to quickly give new customers access to the network.

**Nexstar Upgrade: Evercore** upgraded its recommendation for **Nexstar's** stock to Outperform due to the proposed **Tribune** deal. It also increased the price target to \$105 from \$89. On the other hand, **Tribune** is downgraded to In-line since the offer will lead to a less than 3% upside due to its expected closure late in 3Q2019 rather than earlier in the year.

**International Acorn: Acorn TV** is expanding into 30 new countries, including Australia, India, South Africa and 10 European countries. The SVOD service said programs will be in English with English and Spanish subtitles available.

**For the Future:** Oklahoma's **Hilliary Communications** has deployed **Harmonic's** CableOS virtualized cable access solution in order to begin upgrading to DOCSIS 3.1 and create a 1 Gigabit service tier. The architecture will allow Hilliary to reduce operating costs while enhancing its service and creating the flexibility necessary to scale bandwidth.

**Programming: USA** is kicking off its annual **WWE** Holiday Week on Monday, starting off with nothing other than "Monday Night RAW." Tuesday will bring "Smackdown Live" while Dec 19 will see the premiere of the "New Day's WWE 2018 Pancake Powered Year End Super Spectacular" special. The week will culminate on Dec 20 with the 16th annual "WWE Tribute to the Troops," a two-hour special that will include an appearance by former "The Daily Show" host *Jon Stewart*. -- **ESPN** signed a multi-year extension deal with **MLB** analyst *Jessica Mendoza*, the first woman to call nationally televised MLB games. The softball Olympic gold medalist will continue to contribute to "Sunday Night Baseball" and make regular appearances on other shows. -- **EPIX** renewed its original series "Get Shorty" for a third season. The dark comedy is set to return in 2019. -- **Netflix** greenlit a scripted series following the life of Tejano singer *Selena Quintanilla*. The Quintanilla family are fully involved in the project and will serve as executive producers. -- **WE tv** is spinning off "Marriage Boot Camp" again with "Marriage Boot Camp: Hip Hop Edition." The show premieres Jan 10 at 10pm and marks the first time the franchise will air as part of WE tv's Thursday night lineup.

**People: Fox Sports** named media veteran *Francois McGillicuddy* the pres of **Big Ten Network**. McGillicuddy will step into the role in early 2019, taking over the day-to-day operations currently overseen by Fox Sports pres, national networks, *Mark Silverman*. McGillicuddy currently serves as svp & gm of **Fox Sports Ohio** and **SportsTime Ohio**. Before joining the Fox Sports team, McGillicuddy held executive roles at **Cablevision**. -- **Starz** has welcomed *Deva Kehoe* as its svp, talent relations and events. She joins the company from **Hulu**, where she served as director of special events and talent relations, and previously spent 13 years with **Fox Searchlight**.