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What the Industry Reads First

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NY State: Charter Settles with AG, PSC Spat Continues

Charter's NY state of affairs became a bit clearer Tuesday, with the State Attorney General announcing a \$174.2mln settlement with the company. It's important to note that this relates only to the AG's 2017 lawsuit alleging that **Time Warner Cable** and later **Charter** failed to provide the fast and reliable internet speeds as advertised. The NY PSC's dispute with Charter over whether it met buildout requirements after acquiring TWC still continues. "The PSC has repeatedly expressed concerns about Charter's conduct as reflected in our public filings and today's settlement only reinforces that fact," a PSC spokesperson told **Cablefax**. "These claims are independent from Charter's failure to meet its obligations to expand broadband services across the state, which is why the Public Service Commission will continue holding the company accountable for that failure." The NY PSC has granted Charter multiple extensions for filing for a rehearing and for submitting a plan to exit NY state. The latest came just last week, moving Charter's exit plan deadline to Feb 11. As for the settlement with the AG announced Tuesday, Charter will pay out \$62.5mln in direct refunds to customers, plus over \$100mln in premium channels and streaming services. The direct customer refunds alone are believed to constitute the largest consumer relief payout ever paid by an ISP in US history. For its part, Charter said it is "pleased to have reached a settlement with the Attorney General on the issue of certain Time Warner Cable advertising practices in New York prior to our merger, and to have put this litigation behind us." The company has emphasized its broadband improvements in the state. Since its 2016 acquisition of TWC, Charter has launched Spectrum Internet Gig service across its NY footprint. It began offering speeds of 100Mbps throughout the state in March 2017 and 300Mbps statewide beginning this past August. Charter has said it will contact consumers directly about the refunds, which could total between \$75-\$150. It has 120 days to do so. The \$75 refund is available to each of more than 750K customers who were leasing an inadequate modem, WiFi router or subscribing to a TWC legacy speed plan or 100Mbps or higher. An additional \$75 refund is available to each of approximately 150K subs who had an inadequate modem for 24 months or more. Note, Charter already has doled out \$6mln in refunds for inadequate modems to date. Those customers won't be eligible for further payments. The AG's claims Charter failed to deliver third-party internet content it had advertised, which is why the streaming benefits are part of the settlement. Charter will offer free streaming services to

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some 2.2mln internet customers. Those who take internet and cable will get a choice of three free months of **HBO** or six free months of **Showtime**. Internet-only subs get a free month of Charter's Spectrum TV Choice streaming service and a free month of Showtime. Charter is also required to implement a series of marketing and business reforms, including the requirement to describe internet speeds as "wired" and to substantiate them through regular speed testing.

Lessons from Michael: With restoration efforts still underway in the Florida Panhandle after Hurricane Michael made landfall in October, the **FCC** is asking for info from communications providers on the response and storm prep. There are interesting tidbits in filings that were due this week, including how amid wireless outages **Comcast** made available an existing tower at one of its headends to help a large wireless carrier set up a 10GB microwave link to restore its backhaul faster than wireline facilities could be repaired. Comcast is in the final phases of building a new network in Panama City, on track to build out more than 650 miles of new plant once the project is complete (it installed more than 195 miles within the first two weeks after Michael made landfall). **Charter** has had to fully rebuild its entire plant in Chattahoochee, FL, with some customers still without service. It expects to complete the restoration of service by mid-January. It's a longer recovery road for Blountstown, where clearing for access took longer. Charter has completed 20% of its plant rebuild so far. **Mediacom** has reconstructed more than 330 miles of fiber and doesn't expect to have services fully restored for all customers until January or the beginning of February. "It's probably the worst storm our construction crews have ever dealt with," svp, govt and public relations **Tom Larsen** told Panama City TV station **WMBB**. Larsen as well as several companies filing comments with the FCC said recovery efforts have been partially hampered by cleanup crews tearing down trees and cutting lines that had already been rebuilt. "We are close to having a node-by-node construction schedule ready that will give the remaining customers without service a repair timeline," Larsen told **Cablefax**. **ACA** had nearly two dozen member companies in areas impacted by Michael. One of those members reports that the costs of repairing the damage its network sustained in Hurricane Michael is comparable to the amount it budgets per year for new network builds. **NAB** detailed what some of its broadcast members did to stay on the air, including how **Nexstar**-owned **WMBB TV** in Panama City resumed live broadcasting from the studio's parking lot after a sister station's satellite truck arrived. FCC chmn **Ajit Pai** criticized wireless companies after Michael for being slow to restore service. For the most part, wireless players highlighted how their preparedness enhanced restoration efforts. **CTIA** did say Michael identified the need for further cooperation between the communications and electricity utility industries, noting electric utility companies inadvertently cut the critical fiber lines upon which wireless services rely for backhaul services. **AT&T** suggested the FCC could work with its counterparts in the **Federal Energy**

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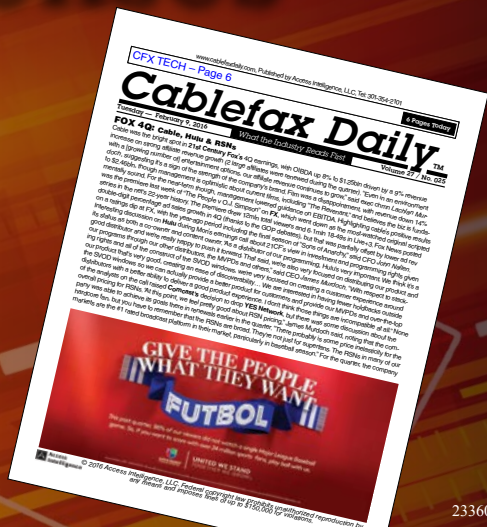
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Regulatory Commission to improve resiliency of commercial power provided to carriers, saying it would “significantly reduce the loss of communications services during hurricanes.” **Free Press** used the proceeding to again call in to question Pai’s response to Hurricane Maria in Puerto Rico. “Despite his newly discovered willingness to challenge carriers’ slow restoration efforts following Hurricane Michael, Chairman Pai has yet to hold any telecom carriers accountable despite the vastly longer amount of time it has taken to restore service in Puerto Rico,” the group said.

The Battle Continues: **ACA** responded Monday to **Sinclair’s** defense of the former’s petition that the **FCC** require Sinclair to file to renew four of its television licenses early. ACA originally argued that questions over whether Sinclair misled the FCC about divestitures when it was pursuing a merger with **Tribune** was enough to raise concerns surrounding Sinclair holding any FCC licenses. Sinclair argued in response that any misrepresentation in relation to Sinclair-Tribune should only affect the renewal of the licenses it aimed to buy from Tribune. “Sinclair cannot seriously maintain that, if the Commission ultimately concludes that Sinclair lied in the Tribune proceeding, such lies would be irrelevant here merely because they relate to other licenses. Again, misrepresentation and lack of candor rank among the most serious violations a licensee can commit,” ACA wrote in its reply. “The Commission can find and has found that a party that engages in such conduct lacks the basic character qualifications to hold any FCC licenses.” Sinclair also has said that ACA lacks standing to seek the early renewals of the four stations. ACA fought back, saying it had demonstrated specific economic injury to its members that would be caused by renewal.

Move Over, Amazon: **Amazon** isn’t the only tech giant expanding in NYC. **Google** is investing over \$1bln in capital improvements to establish a new campus, Google Hudson Square, a more than 1.7mln sq-ft campus, in addition to signing a letter of intent at 550 Washington Street. This is in addition to the earlier \$2.4bln purchase of the Manhattan Chelsea Market and additional lease space at Pier 57. The company plans to move into the two Hudson Square buildings by 2020, and Washington Street in 2022. Between Chelsea and Hudson Square, Google plans to more than double the amount of current employees in the city to 14K over the next 10 years.

Merger Watch: **T-Mobile** and **Sprint** got the OK to merge from the Committee on Foreign Investment in the US. **DOJ**, **DHS** and the **Department of Defense** have also submitted a filing with the **FCC** confirming no objections to the combo. The companies expect the deal to close in the first half of 2019. They still need approval from the FCC and **DOJ**.

Hop On: UK-based preschool app **Hopster** partnered with **DISH** in the US to launch a new children’s learning service. Hopster’s SVOD content provides a mix of learning shows, music and video books and is now available to DISH subscribers with an internet-connected Hopper DVR, Hopper Duo, Joey or Wally set-top box for \$4.99 a month.

She Shoots, She Scores: The **WNBA** is getting a boost on **ESPN** for its 2019 season. ESPN nets will increase coverage by nearly 25% with three **ABC** broadcasts, two ESPN telecasts and 11 games on **ESPN2**. The season tips off May 24.

Ratings: The **New Orleans Saints’** 12-9 victory over the **Carolina Panthers** on **ESPN’s** “Monday Night Football” this week brought in a 9.1 overnight rating, according to **Nielsen**. That’s a 40% increase YOY. Off the field, the postgame edition of “SportsCenter” scored a 3.1 overnight rating, the best for a postgame ep all season. -- **Hallmark’s** Countdown to Christmas has now reached 60mln unduplicated viewers, thanks to the latest original premieres. The Dec 15 premiere of “Entertaining Christmas” averaged a 2.6 household rating, garnering 2.7mln total viewers and 458K W25-54. “A Gingerbread Romance,” which premiered on Dec 16, averaged a 2.5 household rating, 2.7mln total viewers and 558K W25-54.

People: **Comcast** announced *Sarah Foss* will take over as svp, strategic initiatives for **FreeWheel**. Foss comes from **Imagine Communications** where she served as gm, ad tech and is the immediate past chair of the **Alliance for Women in Media**. -- **NCC Media** tapped *Deborah Josephs* as its chief people officer. Josephs comes to the role from **IAC Applications**. -- The **NCTC** announced new board leadership. *Bob Ormberg*, vp of content for **GCI**, is now chmn. Previously vice chmn, he’s replacing **Eagle Communications** pres/CEO *Gary Shorman*, who will remain on the board. *Brad Mefferd*, CAO for **Buckeye Broadband**, was named vice chmn and *Ken Johnson*, svp of technology services for **Cable ONE**, was added to the board.

Music for the Holidays: **WICT SoCal’s** holiday party got a special present Mon night when uber-talented 12-year-old *Emerson Grace Riley* sang for a diverse mix of industry execs gathered in L.A., playing ukulele and guitar as she put her own spin on classics, including a beautiful rendition of the *Eagles’* “Desperado.” You could say she’s part of a musical family, considering that she’s the daughter of **bitMAX** Chief Revenue Officer *Jim Riley*, who has been known to rock with his bro *Sean Riley* of **Liberty Latin America** from time to time. Emerson Grace at Radio City someday? Has a nice ring to it...