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What the Industry Reads First

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Speed Wars: Cable Ups the Conversation to 10G

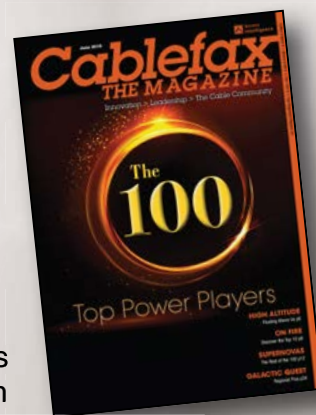
Move over, 5G, there's something meatier... That's the message cable is sending with the rollout of its **10G campaign** at **CES** this week by **NCTA**, **CableLabs** and **Cable Europe**. The G stands for gigabit, not generation, but in a world where wireless' 5G is getting so much attention, the branding seems purposeful. With the industry already offering 1 gig internet speeds in up to 80% of US homes, it wants to get everyone focused on what this network can do over the next few years. This week's unveiling of 10G, which NCTA has trademarked, is the start of a multidimensional campaign that will include paid media, events and other activities. "This is much more than a marketing campaign—it's about the entire industry embracing the vision and building it into ongoing activities, certifications, events, etc," said NCTA strategic communications svp **Brian Dietz**. NCTA, CableLabs, Cable Europe, **SCTE-ISBE**, **CTAM** and others will be pushing the 10G agenda. **Intel** is working with operators to start trialing 10 Gigabit technologies in customer homes as soon as spring 2020 using Full Duplex Docsis, which allows 10Gbps speeds over existing coax. Lab trials are already underway, with the industry working to make 10G the reality by 2025. Intel is partnering with **MaxLinear** on a new family of 10 Gig ready gateway platforms, with work underway for a 10G certification program. And at a time where there has been discussion over what to call the industry (recall NCTA's rebrand dropping the word cable and adding internet), it's worth noting that no one is shying away from the word cable. The 10G website makes it clear that the technology is coming thanks to "the global cable industry," calling out operators such as **Comcast**, **Charter**, **Cox**, **Mediacom**, **Midco**, **Rogers**, **Shaw**, **Liberty Global** and more by name (this is an international effort that includes Cable Europe). "The quantum jumps in speed—up to 10 times faster than today's 1 gigabit service—will make cable the go-to platform for a new wave of transformative service offerings," SCTE-ISBE pres/CEO **Mark Dzuban** wrote on the org's website. At CES Wednesday, we'll get a deeper dive into 10G with a panel that's expected to include CableLabs' **Phil McKinney**, Cox pres **Pat Esser**, NCTA's **Michael Powell** and Comcast's **Tony Werner**. Of course, given the spectrum bands needed for 5G, the next wireless iteration will continue to make headlines. But cable's hoping this campaign makes it clear that it has a well-established seat at the table when it comes to the future of telecom.

Retrans Rundown: No deals were resolved over the weekend. Instead, new blackouts popped up. At 6pm ET Friday,



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DirecTV lost **Thomas Broadcasting's WOAY-ABC** station, impacting homes in Bluefield, Beckley and Oak Hill, West VA. Caribbean operator **Viya Cable** lost **Lilly Broadcasting** stations in St Croix, St Thomas, St John and the US Virgin Islands on Friday. The blackout includes **CBS, CW, ABC** and **One Caribbean TV** programming. Lilly stations were dark for two months on **DISH** in 2017 due to a retrans impasse. For blackouts already underway, there has been some letter writing. **Tribune** CEO *Peter Kern* penned an open letter to viewers, which he said was to set the record straight on negotiations with **Charter** Spectrum. "Spectrum's acts since the disruption began have given you a false picture of our negotiation. We are not asking for triple or double the rates for our programming," he wrote. "We have tried to take the high road—we have not called them names or accused them of anything. But, at our heart, we are an information company and we don't want our viewers misinformed any longer." Charter said that while negotiations continue, customers can find **NFL** games on the NFL and Yahoo Sports mobile apps and on NFL Deportes. "Other programming is available online, over the air and on **Locast** where applicable," a spokesperson said. **TDS** delivered a letter to **FCC** chmn *Ajit Pai* and the other commissioners about its ongoing retrans blackout with **Nexstar**, which is trying to buy Tribune stations. The operator complains that Nexstar isn't just trying to extract high rates, but wants provisions that will replace Tribune stations' lower retrans rates with its higher ones. TDS also claims the broadcaster is seeking the right to preserve retrans revenue streams should the stations lose their national affiliation.

Smell the Magnolias: No details yet on **Discovery Inc's** plans to create a lifestyle media network with "Fixer Upper" stars *Chip* and *Joanna Gaines*, but the company has trademarked a couple names—"Magnolia Living" and "Magnolia Life." Discovery also has registered the domain MagnoliaLife.com. We'll keep an eye out for blooms.

Shutdown Notes: With federal workers dealing with the lack of income during the government shutdown, **Verizon** is stepping up to offer some flexibility. It has a "Promise to Pay" program that allows federal government employees to set a future date for payment. "We know this is a difficult time for you and all those directly affected by this closure, and we want make sure you can stay connected to family, friends and loved ones with America's largest and most reliable 4G LTE network," read a message from svp, customer service *Nancy Clark*. -- The **FCC** reminded folks that Monday was still the deadline for petitions for reconsideration of the 3.5 GHz band (CBRS band) report and order. That's because the FCC has said it will continue to perform ongoing work related to spectrum auction activities during the partial lapse in government funding. The FCC's changes, which included increasing the size of priority access licenses to counties from census tracts and extended license terms to 10 years. **Public Knowledge** and some rural advocacy groups are among those that opposed the move, which they said would take spectrum away from

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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)

other providers and allocate it to national carriers and large cable operators.

Golden Globes Roundup: The **Hollywood Foreign Press Association** really spread the wealth Sunday night during the Golden Globes, with no show winning more than two awards. Broadcasters were largely shut out, with streamers as well as premium and basic cable nets rewarded. **FX** and **Netflix** earned the most awards, with the streamer taking home five trophies across TV and film categories, and the net three in TV categories. FX's "The Assassination of Gianna Versace" won two awards: best limited TV series or movie and a best actor trophy to *Darren Criss*. FX also picked up a best drama series award for "The Americans." **Netflix's** "The Kominsky Method" took home best comedy series and a best actor win for *Michael Douglas's* "Bodyguard" another best actor win, and *Alfonso Cuarón's* "Roma" won two film awards. **Amazon** earned a best actress award for "The Marvelous Mrs. Maisel," and *Patricia Clarkson* ensured **HBO** got a trophy with her win in the supporting actress category for "Sharp Objects." *Sandra Oh* became the first Asian woman to win the best actress in a TV drama at the Globes in almost 40 years for her starring role in **BBC America's** "Killing Eve." She was also the first Asian woman to host the awards.

Done Deal: **TEGNA** and **ABC** entered into a multi-year deal for ABC-affiliated stations in nine markets serving approximately 8mln households. The agreement includes renewals for **WFAA** in Dallas, **KXTV** in Sacramento, **KVUE** in Austin, **WVEC** in Norfolk, **WZZM** in Grand Rapids, **WJXX** in Jacksonville, **WHAS** in Louisville, **KIII** in Corpus Christi and **KBMT** in Beaumont. WVEC had previously been part of a brief **Verizon Fios** blackout on Dec 31, before Tegna and Verizon reached a deal on Jan 3.

Advertising Anxiety: 2018 ended with a massive collapse in the market, prompting worry of an economic slowdown or recession. A slow advertising market can usually be an indicator of an economic cooldown as companies cut ad spend to protect profits. Analysts at **MoffettNathanson** found that while many senior execs were nervous about slowing ad demand in 2019, there is not yet any evidence that it has taken effect. However, they do expect the worry to remain throughout the year after the benefits of the Winter Olympics, World Cup and election spending as many of the stocks in the media and internet group oversold. The institute is still cautious on the media sector as a whole, and rates **21st Century Fox** and **Disney** as "Buy," and remains "Neutral" on **CBS**, **Viacom**, **AMC Networks** and **Discovery**. MoffettNathanson also noted that the ratio of ad spending to GDP has barely budged since the start of this current economic cycle, which is not consistent with other prior cycles. Ad spending was as expected in 4Q 2018, and appears to be on the right track for 1Q 2019. However, if there is a recession within the next 12 to 18 months, this time it will be different "because the setup heading into any economic slowdown is so meaningfully dissimilar due to the anemic growth of traditional ad spending and the unprecedented market share of digital advertising," the report reads. "We estimate that over 40% of all measured media spending is now going to digital platforms. For 2018, we estimate that overall U.S. spending increased by +7% due to +20% growth in digital ad spend and a +0.4% increase in traditional advertising."

Alternate Experience: **NBC Sports Washington** is launching an interactive live-game experience for the **Washington Wizards**. The enhanced coverage will have a free-to-play predictive gaming contest with a \$500 prize alongside real-time sports-betting data and statistics. The first telecast will air on NBC Sports Washington Plus when the Wizards play the **Milwaukee Bucks** at 7pm on Friday. The elements of the contest and real-time data will be overlaid on a graphic surrounding the regular live-game presentation. The alternate telecasts are scheduled eight times over the course of the season.

Roku Wins: **Roku** released its preliminary Q418 data, showing that active accounts reached 27mln, up approximately 40% YOY. Its Q4 streaming hours were an estimated 7.3bln, up around 68% YOY. This brings full year 2018 streaming hours to about 24bln, up 61% from 2017. The news sent the company's stock up 25% by Monday's close. In other Roku news, **Hopster** said it will be included in Roku's new premium subscription service in late January. After an initial 7-day free trial, Hopster will be priced at \$4.99 a month and will be added directly to a consumer's monthly Roku bill.

Startup Shakedown: **Comcast NBCU LIFT Labs Accelerator** opened applications for its second class, encouraging startups from around the world to apply by April 7. Up to 12 startups will be selected to participate in the 13-week program at the Comcast Technology Center in Philly, beginning on July 15.

Programming: **FloSports** and **Major League Soccer** team **DC United** signed a multi-year deal for live and on-demand coverage beginning in the 2019 season. This is the first time FloSports formed an agreement with one of North America's "Big Five" pro sports leagues. Plans for the streaming service start at \$12.50/month. -- **Smithsonian Channel** will premiere three new films in February for its signature Wild Wednesdays. "Incredible Animal Moments" (Feb 6), "Amazing Pigs" (Feb 13) and "Naked Mole Rats" on (Feb 20). -- In other animal news, **BBC America's** natural history series "Dynasties" premieres Jan 19 at 9pm as an **AMC Networks** simulcast, airing across **BBCA**, **AMC**, **IFC** and **Sundance TV**.