

Cablefax Daily™

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What the Industry Reads First

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Chapter 11: Windstream Claims Charter is Scaring Its Customers

Windstream has filed a complaint against Charter, claiming the cable operator has “commenced a scare-tactic campaign to mislead, deceive and confuse consumers regarding the reason, status, and consequences” of its decision in February to voluntarily file for Chapter 11 bankruptcy. Charter declined to comment at this time. The campaign included mailings targeting Windstream customers that used envelopes featuring Windstream’s trademark and its ad campaign color pattern, according to the complaint filed Friday as part of Windstream’s proceedings in **US Bankruptcy Court in NY’s Southern District**. “The advertisements falsely implied that due to its bankruptcy, Windstream would not be able to continue services and was going to liquidate. The advertisements urged customers to switch to Charter because Windstream was in imminent danger of going out of business,” the complaint said. There’s a bit of irony at play here... Charter itself emerged from Chapter 11 bankruptcy protection in 2009. Windstream pointed that out, noting that at the time Charter successfully obtained a temporary restraining order against **DirecTV**, which it said had deceptively implied the bankruptcy filing would adversely affect Charter’s customers. Windstream said its Chapter 11 filing hasn’t disrupted operations and it has no plans to liquidate. The company has blamed the bankruptcy on a legal loss, with a federal judge ruling its 2015 spinoff of certain telecom network assets into a real estate investment trust violated its agreement with bondholders. Windstream has secured \$1bln in debtor-in-possession financing to support business operations, which include Thursday’s launch of its **Kinetic TV** service in Nebraska. February represented the 12th consecutive month of consumer broadband growth at the company, which added 14K subs in 2018. Windstream wants the court to stop Charter from engaging in further tactics and to have it pay damages and attorneys’ fees. Charter operates in every state that Windstream is available in, and has a strong presence in Windstream’s top states, including Kentucky, Georgia and North Carolina.

Charter-NY Agreement: Sounds like we’re really close this time... The NY PSC granted a brief extension to upcoming deadlines related to its decision to revoke approval of the Charter and **Time Warner Cable** 2016 merger agreement. Charter and PSC staff must present a final settlement agreement to the Commission by April 17, according to the PSC order released Friday. The arrangement should include an agreement on eligible passings

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that will count toward the 145K buildout condition that's part of the 2016 merger order; a penalty and/or an arrangement pursuant to which Charter funds the expansion of broadband access to further customers in addition to those passed pursuant to the buildout condition; and an enforceable schedule to complete the remaining build-out work. The dispute stems around the PSC's claims that Charter hasn't met some merger conditions, including buildout requirements.

Dark on the Island: With the Thursday deadline passing with no new deal in place, **Telemundo** and other **NBCU** nets have gone dark on **Liberty Cablevision** in Puerto Rico. Channels included in the blackout are Telemundo, **NBC, Universo, USA, MSNBC, Bravo, E!, SYFY, CNBC, Oxygen, Golf Channel** and **Universal Kids**. "NBCUniversal agreed to a deal that made significant concessions and reflected the realities in Puerto Rico to accommodate the concerns Liberty has raised," NBCU said in an updated statement. "Liberty Cablevision also agreed to this deal before the Liberty Latin America Board rejected it. NBCUniversal remains ready to sign the deal that we thought had been accepted by Liberty last week or discuss an alternative proposal that reflects the value of our networks." Liberty Cablevision offered no additional comment by our deadline, but said on **Twitter** that negotiations continue. The operator has said it will grant a credit to customers for the time the channels were off the air.

DirecTV's Retrans Scorecard: An eight-month blackout between **DirecTV** and **Bonneville International** came to an end late Thursday. **KSL-NBC** returned to DirecTV and **DirecTV Now** customers' homes in and around Salt Lake City. The channel had been off the DBS player's lineup since Aug 14. That leaves one broadcaster that DirecTV is currently at an impasse with. Seven **Northwest** stations in 10 cities, including **KAYU** in Spokane and **KSWT** in Yuma, AZ, have been dark since Feb 22.

Extra Protection: Sen Ed Markey (D-MA) is looking for more safety regulations directed at kids surfing the web. Markey unveiled the Kids Internet Design and Safety Act at the Truth about Tech Conference Thursday, proposing limitations on advertising as well as changes to "manipulative and damaging design features" that keep kids addicted to the screen. The legislation has already received strong support from groups including **Common Sense** and the **Parents Television Council**.

Let's Play Ball: The **University of Washington Huskies** have a new fan in Comcast. **Comcast Washington** is building out a customized, hybrid high-speed video integration on the UW campus. The customized IPTV integration will span across the athletic campus, including Husky Stadium, Alaska Airlines Arena and the Husky Ballpark. Comcast is now an

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Content Deals: Cheddar and The Weather Channel's streaming service, **Local Now**, announced a wide-ranging content exchange. Local Now will supply daily meteorologist forecasts to Cheddar News, and Cheddar will continue to provide daily business updates to Local Now. Cheddar Business will now air morning weather updates in its new "Wake Up With Cheddar" 7am program and select segments from The Weather Group's Pattern brand.

Programming: ESPN+ and US Soccer reached a multi-year media rights agreement for the **Lamar Hunt US Open Cup**. Through 2022, all US Open Cup matches from the first round through the final will air exclusively on ESPN+. The 2019 tournament kicks off May 7. -- **AccuWeather** is continuing to expand its media content, now launching an eight-part network series on the recovery of Puerto Rico after last year's hurricane. Programming kicks off April 8 with "Puerto Rico: Hamilton 'Returns.'" -- **Science Channel** is premiering "Skyscrapers: Engineering the Future" on April 24 at 10pm. The series looks at the world's most ambitious cities are doing to transform their skylines.

People: AMC Networks tapped *Miguel Penella* in the new role of pres, global direct-to-consumer. Penella will continue to run **RLJ Entertainment** as well.

Cablefax Dashboard

Tweet Tweet

Toni Ane @Goddess_of_Arts
 @HBO please come back to my dish network so I can watch @GameOfThrones SERIOUSLY! I live in the boonies and the WiFi SUCKS. PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE PLEASE!

Pensacola Blue Wahoos @BlueWahoosBall
 The new high scorer in the Cox Clubhouse VR Home Run Derby? @bubbawatson
 Think you can beat Bubba? Try it out at any Blue Wahoos home game this season! Each month, @CoxComm will give away a free year of Contour TV to the fan with the highest score!
 #CoxClubhouse

Up Ahead

- April 6-11:** NAB Show; Las Vegas
- April 8-11:** MIPTV 2019; Cannes, France
- April 9-12:** CableLabs Innovation Boot Camp; Sunnyvale, CA
- April 29-30:** Cablefax Leaders Retreat; Key Largo, Florida
- May 1-2:** BCAP Cable Academy; Pocono Manor, PA
- May 2:** Cable Center Hall of Fame and WICT Signature Lunch

Research

- > 85% of respondents are either very or somewhat satisfied with their jobs.
 - > 27% said they were not well paid, and 30% have seriously considered quitting their job in the last 3 months.
 - > Barely a third of all workers see themselves as "ahead of the curve" on the technology front.
 - > 27% of workers say technology is threatening their job.
- (Source: CNBC @Work Survey)**

Quotable

"There are good reasons to believe that cable's recession sensitivity might now be greater than it has been in the past. There are more low cost alternatives for video than in any prior cycle. And broadband is closer than ever to full penetration, and the penetration gains since the last recession a decade ago have naturally come from lower income demographics. Oh, and of course there is the issue of new household formation... With broadband penetration still reasonably low in 2009/10, new household formation rates didn't matter very much to overall growth. This time they would."

- **MoffettNathanson Research Report** discussing cable's prospects if there is a recession.

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