

# Cablefax Daily™

Wednesday — April 17, 2019

What the Industry Reads First

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## Mail Order: Judge Sides with Windstream on Charter Ad Campaign

Windstream's Chapter 11 bankruptcy proceedings started on a positive note for the company when a New York judge ordered Charter Communications to end an advertising campaign that allegedly misled Windstream customers into believing they would lose service. The campaign, which featured mailings with Windstream's trademark, claimed Windstream would not be able to continue services due to its decision to voluntarily file for Chapter 11 bankruptcy in February and was going to liquidate. Windstream claimed in its complaint, filed as part of its proceedings in **US Bankruptcy Court in NY's Southern District**, that 350 customers discontinued service as a result of the advertisements. When they went to Charter, Windstream alleged that those customers were refused service. Windstream, whose own messaging insists it has no plans to liquidate, has secured \$1bn in debtor-in-possession financing aimed at supporting business operations through the bankruptcy. In its response filed April 14, Charter argued that the statements it used in the campaign were "much less dire than Windstream's own representations to its investors regarding possible outcomes in these proceedings." Charter primarily pointed to an SEC filing from March 15 in which Windstream said that uncertainty related to its Chapter 11 bankruptcy may have a "material adverse effect on [Windstream's] ability to meet customer expectations." Charter also argued that Windstream had not displayed evidence of any lost sales linked to one of the controversial statements in the ad campaign. Still, *Judge Robert Drain* ruled that Windstream had shown a "likelihood of irreparable harm" from the campaign. The temporary restraining order also forces Charter to immediately restore service to the 350 Windstream customers whose service was interrupted. "We appreciate the judge's decision to halt Charter's false and misleading advertising campaign," a Windstream spokesperson told **CFX**. "We will continue to vigorously pursue this action and a permanent injunction." Charter declined comment on the ruling. During the proceeding, a legal battle from Charter's past came back into light when the judge argued that Charter shouldn't have engaged in such a campaign after it experienced similar attacks from **DirectTV** when going through bankruptcy in 2009. In any event, Charter noted in its response to the complaint that "Windstream has not proposed a plan of reorganization for emerging from bankruptcy... Nor has Windstream yet succeeded in organizing and filing its schedules."

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Cablefax

# Leaders Retreat

April 29-30, 2019

Ocean Reef Club, Key Largo

# AGENDA

## April 28, 2019

5:00 – 7:00 p.m. | WELCOME RECEPTION

## April 29, 2019 – DAY ONE

8:30 – 10:30 a.m. | **Let's Get It Started: Leadership Amid Consolidation & Audience Fragmentation**

In this welcome session, we'll set the stage for two days of game-changing discussions vital to the future of the business.

Amid this era of consolidation, we'll share strategies to maintain one-on-one consumer connections we'll discuss how to wow consumers, innovate in an increasingly chaotic arena and inspire creativity at all levels.

To kick things off, we'll turn to **Comcast Corporation's David L. Cohen**, who will discuss cable's role in the community and how a commitment to localism can help operators big and small shine. Cohen will discuss how Comcast initiatives, such as Internet Essentials and Comcast Cares Day serve overall business goals as they expand local relationships and customer bonds.

Then we'll open it up to the room to share battle stories (and scars) as we debate solutions and strategies and discuss how to organize the corporate culture to compete and partner with content distribution "frenemies." And where can content owners and distributors work together to better serve consumers.

This discussion will segue to **CTAM's Vicki Lins**, who will share exclusive data on how CTAM's Connected Consumer initiatives shed new light on how the industry brands and portrays itself in the media and across its marketing matrix. As part of the ensuing discussion, participants will discuss the best ways for all sides of the industry to work together toward common goals.

10:30 – Noon | **Morning Break and Welcome Brunch**

Noon – 1:30 p.m. | **Industry Leaders Forum: Turning Over Every Revenue Rock**

Finding new revenue is how the top leaders in this industry ensure a healthy environment where employees and customers can thrive and contribute to the growth of the business.

But as the conversation between distributors and content owners evolves, it's clear that macro-economic trends can create challenges even as companies enhance the customer and viewer experience.

**MoffettNathanson's Craig Moffett** will start us off as we delve into the central question about cable's traditionally core product: What's the future of video? He'll dissect the market and give us a sense of where the business is headed—and what kind of strategies may best position different industry sectors for success.

And as more content gets peeled away from that traditional bundle and goes direct-to-consumer, we'll turn to **Wolfe Research's Marci Ryvicker** to give us a sense of how the vast and sweeping changes to the business model is affecting distributors, programmers and even the technology sector as relationships evolve and revenue models shift in line with consumer trends.

Learn from your peers, share your own success stories and pow-wow with the best and brightest to uncover new business opportunities, platforms and partnerships.

1:30 – 6:00 p.m. | **Afternoon Activities**

Join your peers for a round of golf, adventures with alligators, a boat tour or other bonding activities.

6:00 – 7:15 p.m. | **R&R: Relax and Refresh**

7:15 p.m. | **Cocktail Reception**

8:00 p.m. | **Dinner**

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## April 30, 2019 – DAY TWO

**6:15 a.m. | Sunrise Walk (optional)**

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**8:00 – 9:00 a.m. | Breakfast**

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### **9:00 – 11:00 a.m. | Industry Leaders Forum: How Blockchain, AI and More Change Everything in Media**

During our 2018 Retreat, senior leaders agreed that Blockchain could vastly change the business in unpredictable ways. But what exactly is Blockchain, how does it work—and what does it have to do with TV, broadband and consumer entertainment?

First, we'll ask **Adventure Corp.'s Michael Hoydich** to walk us through Blockchain-based "tokens" and other ways that the technology could generate several new revenue streams for distributors, programmers, content producers and other entertainment sectors. You won't want to miss this one as we open it up to the room and dive headfirst into this intriguing (and sometimes confusing) world best known for driving cryptocurrency—but fast becoming so much more.

But as everything from Blockchain to Virtual Reality waxes and wanes in the public consciousness, savvy leaders often must pivot on a dime to ensure they can fully exploit business opportunities. That's why we'll check in with **Alcacruz's Emily Ward**, whose has evolved into serving the hot sports and eSports markets. Then we'll share strategies on how to stay nimble in such a fast-evolving marketplace—no matter what sector of the business involved.

After that discussion, we'll turn to **SCTE's Mark Dzuban** to give us an update on the most important technology developments affecting cable and broadband, including how artificial intelligence, 10G and, yes, even holograms could help revolutionize the services that operators and programmers provide to customers. From telemedicine to new entertainment options, the future looks exceedingly bright despite challenges around competition and consolidation.

We'll discuss ways top executives are exploiting these fundamental shifts, firing up the rank and file to integrate these new innovations, and making high-level strategic moves.

We'll share success stories from those who have already implemented strategies, and brainstorm ways companies can apply to different corporate environments.

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**11:00 – 11:30 a.m. | Networking Break**

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### **11:30 – 12:30 p.m. | Industry Leaders Forum: Seizing the Future, Learning from the Past**

We'll examine how industry leaders are prioritizing strategies with a laser-focus on both short-term and long-term opportunities and threats.

Of course, it's impossible to properly assess those opportunities without understanding the current playing field—made even more tenuous as we head into primary season and what's sure to be a contentious Presidential election next year.

Because Congress, the FCC and other agencies affecting cable and broadband don't operate in a vacuum, we'll turn to **NCTA's Dane Snowden** and **ACA's Matt Polka** to give us a sense of how priorities in Washington are shifting as the political season heats up. What can we learn from the last two years of a new Administration and its priorities?

We'll discuss how to apply that knowledge to better navigate every nook and cranny of Washington policy and ultimately help our businesses thrive, tackling how different sectors of cable & broadband can work together to apply pressure on policymakers—or perhaps even just get out of each other's way.

In addition to policy talk, we'll handicap several industry changes in 2019 and beyond and share experiences to forge a strategic vision that could generate new businesses and partnerships.

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**12:30 – 2:00 p.m. | Lunch**

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### **2:00 – 3:00 p.m. | Industry Leaders Forum It's a Wrap... Now What Can We Take Back to the Office?**

In this final roundtable, we'll discuss overall takeaways from the last two days of discussions—and we'll brainstorm key actions that senior executives must take today to ensure a robust and growth-oriented strategy going forward.

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**3:00 p.m. | Final Toast and Good-byes**

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**Registration is limited! [www.cablefax.com/event/CLR19](http://www.cablefax.com/event/CLR19)**

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**The Big Game:** AT&T will no longer offer **NFL Network** to its **DirecTV Now** and **U-verse** customer. According to a notice on AT&T's website, it was not able to reach a new deal with the NFL to offer the net before their current agreement expired. "The NFL Network and **Red Zone Channel** remain available to all fans on DirecTV," the notice said. "However, as we continue to manage content costs, we could not reach an agreement with the NFL to continue to carry their channels on U-verse TV and DirecTV Now." The news comes soon after DirecTV Now announced it would be throwing out its current offerings and replacing them with DirecTV Now Plus (40+ channels for \$50/month) and DirecTV Now MAX (50+ channels for \$70/month). A handful of programmers have already seen their content face the chopping block with the revamp, including **A&E, AMC** and **Discovery**. Viacom was initially included in that bunch before AT&T agreed to a new carriage deal that would see **Nick, MTV, BET, Comedy Central** and **Nick Jr** added to the DirecTV Now Plus and MAX lineups by April 5.

**Keeping it in the Family:** The family legacy continues at **MCTV**, with *Katherine Gessner* being named president of the Ohio-based provider. She took over following father *Bob Gessner's* retirement, making her the third generation to lead MCTV. Katherine first joined the MCTV team in 2013 as sales and marketing manager before rising through the ranks, most recently serving as vp, strategic planning and policy. She's already been recognized as a rising industry leader, being named one of **Cablefax's** People to Watch in 2018 and to the Cablefax 100 in 2019. She's also a graduate of **WICT's** Rising Leaders Program. Bob spent more than 40 years at MCTV, rising to president in 2011 after founder *Dick Gessner*, his father, stepped down. Bob will continue to be active in the cable community, and maintain his position as **ACA Connects** chmn.

**Moving Out:** **Google Fiber** is trying to make things right after its departure from Louisville, Kentucky, paying \$3.84mln to the **Louisville Metro Government** to restore roads and other public rights-of-way affected. The payments, to be made over 20 months, will fulfill the company's obligations under its franchise agreement and local regulations. They'll cover the costs for the removal of fiber cables and sealant from the road, milling and paving activities where needed and the removal of any above-ground infrastructure. Google Fiber will also make a \$150K cash donation to the **Community Foundation of Louisville's** Digital Inclusion Fund to support its efforts, which include refurbishing used computers for low-income households and enrolling residents of public housing in low-cost internet programs. There are also plans for Google Fiber to donate 275 refurbished computers to the **Louisville Metro Housing Authority**. The provider stopped serving Louisville at 11:59pm Monday, two months after first announcing it would be saying goodbye. The Fiber team admitted that all had not gone to plan during the construc-

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tion of the system, during which it trialed placing fiber in trenches far more shallow than the norm. In order to offer service comparable to other cities it served, the Fiber team would need to rebuild the entire network. Google Fiber offered local customers two months of free service as they searched for alternative providers. **AT&T's** fiber network is currently available to nearly 175K Louisville area homes and businesses while **Charter** launched its Spectrum Internet Gig service in the area in October.

**Out of this World:** **Viacom** will add 15 channels to recently acquired **Pluto TV** ahead of its upfront, according to a *Digiday* report. The channels will be tied to Viacom's linear networks to address ad buyers' worries about reaching fewer consumers. Programming will include old episodes of **MTV's** "The Hills" and other nets including **Comedy Central**, **BET** and **Nickelodeon**, all with Viacom's library of previous shows. Viacom acquired the free streamer for \$340mln in January, and Pluto now boasts 15mln unique viewers per month, up from 12mln in January. Pluto TV also announced it's adding **CONtv**, an OTT service providing Comic Con content, to its lineup.

**Reality Check:** **MTV** is continuing to expand its live events business, this time with the launch of "Realitycon." The inaugural event will take place summer 2020, with a to-be-announced soft launch this fall. Creators, producers and stars of hit reality shows will convene alongside fans for panels, interviews and performances. While fans can certainly expect to see "Jersey Shore" stars in attendance, the event isn't limited to MTV programming. Expect appearances from shows including "The Bachelor," "The Real Housewives," "Duck Dynasty" and "Big Brother." This year, MTV brought back its "Spring Break" programming with a week of live concerts in Cancun last month, and the net will launch the three-day SnowGlobe Music Festival in December.

**Elevated Alexa:** **Espial** announced it certified several **Amazon Alexa** voice controls for its Elevate platform's next-gen IPTV, app-TV and cable services. The certification is for 18 service providers using its Elevate TVaaS platform, an industry-first bulk certification. Certifying OTT services and voice services reduces costs to operators and accelerates time to market.

**Another Deal Done:** **Zito Media** has acquired **USA Communications'** California and Colorado assets. Financial terms of the transactions were not disclosed. Zito Media offers TV, high-speed internet and digital phone services across 19 states. **B Riley FBR, Inc**, served as the exclusive financial advisor to USA Communications in the sale of its California and Colorado assets to Zito Media as well as in its previously announced sale of its Alabama assets to **Hargray Communications**.

**Ice and Fire:** Looks like password sharing isn't going away, with a survey finding that up to a quarter of **HBO's** "Game of Thrones" online viewers shared passwords to watch Sunday evening's premiere. Research from **Hub Entertainment Research** and **Dynata** found that 75% of GoT premiere viewers said they own the account associated with the password they used, 16% from a family member living somewhere else, and 9% from a friend. The survey also found that viewers age 16-24 were more likely than older consumers to watch the premiere online (48%) and 29% of the same age group said they used someone else's password to watch (18% from a friend, 11% from a family member). GoT also created subs for HBO, with 60% of subs from the last three months saying they signed up only to watch the series.

**New Additions:** **Cisco Systems**, **Swarm Technologies** and **UTStarcom** are the latest to join the **Dynamic Spectrum Alliance**, a global organization advocating for regulations aimed at more effective spectrum utilization. Other members include **Amazon**, **Comcast**, **Facebook** and **Microsoft**.

**On the Circuit:** **The Alliance for Women in Media Foundation** announced honorees for the 44th annual Gracie Awards, including *Sandra Oh*, *Tisha Thompson*, *Rachel Maddow*, *Hoda Kotb* and *Savannah Guthrie*. Honorees will be recognized in LA on May 21. -- **The Cable Center's** Cable Hall of Fame celebration will be emceed by **CNN's Don Lemon**. The event takes place May 2 at the Ziegfeld Ballroom in NYC.

**Programming:** "Flip or Flop" star *Christina Anstead* will launch **HGTV** docuseries "Christina on the Coast," premiering May 23 at 9pm. The series will highlight Christina as she designs luxe spaces along the Pacific Coast. -- **BYUtv** ordered second seasons of family cooking show "Dinner Takes All" and game show "Battle of the Ages," both to premiere this fall. -- **MSG Networks** will premiere its new weeknight show "MSG 150" on May 6. The show will dive into the New York sports scene with talent, former players, journalists and TV personalities. It will air for 10 weeks Mon-Thurs 8pm-10:30pm.

**People:** **Pac-12 Networks** tapped *Steve Tseng* as evp, sales, effective May 13. He comes over from **Endeavor**, where he served as svp and head of the San Francisco office.