

# Cablefax Daily™

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What the Industry Reads First

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## TV Week: Spotlight on Retransmission Consent with Congress Showing Interest

Get ready for a lot of retransmission consent chatter as **House** and **Senate Commerce** committees hold hearings this week on the expiring Satellite Television Extension and Localism Act Reauthorization (STELAR) legislation. In addition to allowing satellite to export distant broadcast signals, STELAR contains a provision requiring good-faith negotiations during retrans talks. Adding a punctuation point to arguments that the retrans process is broken is **AT&T's loss of 17 broadcast stations** last Thursday. Another potential blackout was avoided Friday with **Midco** and **Nexstar** renewing before their contract expired, but proponents of overhauling the rules warn that another blackout will come. "I hate the idea of Congress having to get involved in my business. But at this point, something needs to be done," **ACA Connects** vice chair and **Boycorn** pres/vice chair *Patricia Jo Boyers* said in prepared testimony for Tuesday's House Commerce STELAR hearing. She calls on members to get behind approaches like Rep *Anna Eshoo's* (D-CA) Video CHOICE Act and House Republican Whip *Steve Scalise's* (R-LA) Next Generation Television Marketplace Act, which were introduced during the last satellite legislation reauthorization. On cue, Eshoo and Scalise announced Monday that they have agreed to a legislative framework for a bill that would "protect consumers and eliminate regulations that cause broadcast TV blackouts." What makes this round of STELAR reauthorization exciting for retrans reform advocates is that they believe the wind is blowing in their favor. "Things are kind of changing now because independent programmers among others are seeing that the system is completely out of whack, completely broken. It's harming consumers more and more, and Congress is starting to pay attention," said **American TV Alliance** (ATVA) spokesperson *Trent Duffy*. "It's not only that Congress is talking about reauthorizing STELAR, but that we have Congresswoman Eshoo and Congressman Scalise working on legislation... The reason is the blackout crisis from retrans is getting much, much worse." The usual suspects, such as ACA Connects and **DISH**—both ATVA members, are making the push for retrans reform this week, but they're being joined by a group of indie programmers that includes **RIDE TV**, **Cinemoi**, **Revolt** and **MAVTV**. "We have a deal with **NCTC** and are available to all their members. Unfortunately, our take rate has been very low so far and we really do feel like a lot of that, and what's been conveyed back to us from a lot of the MVPDs, is that the pressure put on them in the marketplace and the

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fees that are charged, especially retrans, plays a huge part in their decision of what they can afford and not afford to carry,” RIDE TV pres *Craig Morris* told **Cablefax**. “Unfortunately, the independent programmer a lot of the time is the one that gets overlooked, even though we are an important part of their constituency.” Of course, Congress will also hear from **NAB** this week, with pres/CEO *Gordon Smith* to join Boyers at the witness table Tuesday. Expect him to answer retrans questions by noting that most deals get done without any disruption to consumers, arguing that there’s no need for government intervention in marketplace negotiations. NAB will be pushing the argument that STELAR is unnecessary today and should be allowed to expire. ATVA is in favor of a straight renewal of STELAR. In the broadcasters’ corner is the **US Copyright Office**, which sent a letter Monday once again recommending letting the law sunset on Dec 31 without renewal. The Copyright Office has argued STELAR isn’t necessary for more than 10 years. The use of compulsory licenses has dropped dramatically with royalties paid over the compulsory license plummeting over the past five years, the Copyright Office said, showing that **DirectTV’s** royalties for the license dropped nearly 87% from 2014 to 2018, while DISH’s fell 85% and DISH Puerto Rico fell 99.5%. The satellite operators use STELAR to provide distant local broadcast signals to approximately 870K subs, Copyright said. NAB puts the estimate at around 500K subs. As for STELAR’s good faith provision for retrans, Smith said in his testimony that in the nearly 20 years since Congress passed it, the **FCC** has decided only seven good faith complaints and found only one violation—and that was committed by a pay TV company (the MVPD carried a third party’s broadcast signal that duplicated the signal of another station without consent during a retrans dispute).

**Auction Winners:** The **FCC** announced the winners of its 28GHz and 24GHz auctions, which raised more than \$2.7mln total. The big spenders in the 24GHz band were **AT&T**, paying \$982.5mln for 831 licenses, and **T-Mobile**, which shelled out more than \$803.2mln for 1,346 licenses in the 24GHz band, which featured 700Mhz of clean spectrum. **US Cellular** won 282 licenses for approximately \$126.6mln. Other winners in the space include **Horry Telephone Cooperative (HTC)**, picking up 7 licenses a little \$917K net and **Windstream**, with 116 licenses at \$20.4mln. As expected, **Verizon** snatched up the most spectrum in the 28GHz band, paying more than \$505.7mln for 1066 licenses. US Cellular and T-Mobile were the other big bidders, winning 408 licenses at \$129.4mln and 865 licenses at \$39.3mln, respectively. **DISH**, under **Crestone Wireless**, spent \$11.8mln on 24GHz licenses and \$2.9mln on 28GHz, proving that it’s not done amassing spectrum.

**Upgrading tvOS:** Apple’s tvOS is getting a major upgrade ahead of the upcoming launch of Apple TV Plus. The software runs on its Apple TV streaming box, and this fall tvOS 13 will have a redesigned home screen and full-

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screen content previews. But the biggest tvOS news from WWDC 2019 is the launch of multi-user support. “Apple TV is designed to be used for the whole family, but we wanted to make it even more personal. We’re introducing multi-user support for tvOS. Now everyone in the home gets their own up-next list, plus personalized recommendations,” said CEO *Tim Cook*. The multi-user features also extend to Apple Music, which on tvOS will also add lyrics in sync with the song currently playing for the first time. tvOS 13 is also adding support for **Xbox One** and **PlayStation 4** controllers, in addition to the already-supported Bluetooth controllers.

**Otter in the Water:** **Otter Media** CEO *Tony Goncalves* is now heading the development of the upcoming **WarnerMedia** DTC service in addition to Otter’s existing brands, reporting in to WarnerMedia Entertainment group boss *Bob Greenblatt*. The news comes as Otter Media realigns under the WarnerMedia Entertainment banner. Otter Media COO and former **Hulu** CEO *Andy Forssell* will shift to evp/gm of the new streamer, reporting in to Goncalves. He’ll take over for *Brad Bentley*, who is stepping down as head of the streamer after six months.

**IBM Ad-Tech:** **IBM** is launching Watson Ads Builder, a self-service advertising solution using AI, which is intended to empower creative agencies and developers to build one-on-one conversations between brands and consumers. The tech is designed to enable agencies and developers to ingest and understand a brand’s information and create dialogue unique to each consumer.

**Here We Go Again:** President *Trump* still doesn’t like **CNN**. But he can’t watch **Fox News** or **One America News Now** while in the UK for his state visit. The **AT&T**-owned network earned his ire on **Twitter** Monday morning. “I believe that if people stopped using or subscribing to @ATT, they would be forced to make big changes at @CNN, which is dying in the ratings anyway. It is so unfair with such bad, Fake News! Why wouldn’t they act. When the World watches @CNN, it gets a false picture of USA. Sad!” Trump tweeted. Neither AT&T or CNN offered any comment. One person who did chime in was Democratic presidential candidate and MN Senator *Amy Klobuchar*, who tweeted, “The President is on foreign soil advocating boycotting an American company because the press isn’t covering him favorably. Un-be-lievable.”

**Like and Subscribe:** **Nielsen** expanded its ad measurement on **YouTube’s** mobile app through Nielsen Digital Ad Ratings to 26 new markets, including Belgium, Brazil, Poland and Turkey. Now available in 24 global markets, the service builds on Nielsen’s measurement coverage of YouTube ads on desktop and mobile web browsers to offer comprehensive cross-device measurement of advertising audiences. Media buyers and sellers will gain access to age and gender demographics as well as reach, frequency and gross rating points for those audiences.

**Programming:** **Tennis Channel** and announcer *Ted Robinson* signed a three-year contract extension, through 2021. Robinson has been with the net since 2007. -- **Nickelodeon** greenlit “The Crystal Maze,” an adaptation of the hit UK game show. -- All 52 matches of the 2019 **FIFA Women’s World Cup** will be broadcast in 4K for the first time ever on **DirecTV**. The matches will air on **Fox**, **FS1** and **FS2** from June 7-July 7.

**On the Circuit:** The **SCTE Foundation** named technical operations supervisor for **Comcast** in Georgia *Tia Lopez* as the recipient of the Catherine Oakes Memorial Leadership Scholarship for Women. She’s been awarded a grant of \$2,250 to attend the **WICT** 2019 Executive Development Series later this year.

**People:** **Crown Media Family Networks** upped *Danielle Mullin* to svp, marketing. Formerly vp, consumer marketing, Mullin will now lead marketing campaigns and strategic brand development for all of Crown Media’s businesses. -- **TV One** named *Brigitte McCray* svp, original programming and production. McCray will oversee development and production for the net and **CLEO TV**. She comes over from the **Travel Channel**, where she served as svp, programming, planning and strategy. -- **Windstream** tapped *Michael Foor* to serve as vp, president of state government affairs in Georgia. Foor most recently served as vp, market and member services for **North Georgia Network** and president of **Georgia Communications Corporation**.

**Board Appointments:** **Promax** announced 10 new board members that will serve through the end of June 2023. They include: *Stephen Bruno*, CMO, **MGM Studios**; *Carrie Brzezinski-Hsu*, vp, ESPN CreativeWorks, **ESPN**; *Rebecca Daugherty*, evp, marketing, ABC Entertainment & ABC Studios, **Walt Disney Television**; *Michael Engleman*, CMO, **TNT & TBS**, **WarnerMedia**; *Tracy Grandstaff*, svp, creative director, Original Productions, NBC Entertainment Marketing, **NBC Entertainment**; *Linnea Hemenez*, head of content marketing, **Spotify**; *Richard Kim*, global head of media, consumer insights and marketing performance, **Amazon Prime Video**; *John Rood*, svp, marketing, **Disney Channel**; *Landy Slattery*, chair of **Promax UK**, creative director of All 4, 4Creative - **Channel 4**; *Garen van de Beek*, evp & creative director, CBS Marketing Group, **CBS Corp**.

## CFX TECH

### Life on the 6GHz Band

When talk today begins around advances in broadband, they're more often than not discussing 5G or closing the digital divide, or both. WiFi is often left out of the conversation, despite its widespread use. Still, some believe it may be a huge part of deploying next-gen broadband technologies and offering them up to every demographic.

**Broadcom** mobile connectivity division vp *Vijay Nagarajan* told attendees of a **New America** event Monday that ubiquitous WiFi in every building provides a cost-effective cover for cellular 5G deployments. "It not only helps you service the urban environments, but it helps you establish these 5G services in rural America," Nagarajan said. Rather than thinking of 5G as some sort of replacement for WiFi, it's better to imagine them as complements. 5G will take care of your wireless needs outside of the home while WiFi 6 will handle indoor traffic.

"In the last many years, there's been this vision that WiFi competes with licensed spectrum," **FCC** commish *Michael O'Rielly* said in a later fireside chat with fellow commish *Jessica Rosenworcel*. "In a 5G universe, that doesn't happen. You're going to see more complementary roles, they're going to intertwine very smoothly."

Rosenworcel said the demand for WiFi is growing more than ever before with data estimating that within the next four years, WiFi will contribute \$3.5 trillion of economic activity globally and create 1mln new jobs. And there's no telling how many extra devices will be added to the current **Wi-Fi Alliance** estimate of 9bln. **Technicolor**, product management, connected home *Geert Matthys* projects that there will be an average of 15 devices per home by 2021, with many of those being either mobile or IoT devices.

"We should seize that and make sure that this growth continues," Rosenworcel said. "WiFi has been this place for innovation. It's in its DNA and that's because there are low barriers to entry with unlicensed spectrum and it's the perfect sandbox for experimentation."

While WiFi in its current generation is capable of support-

ing 5G services including low latency and speeds in the 10Gbps range, Nagarajan and others are thinking about the 6GHz band as the way forward for the technology. The 6GHz band offers up twice the bandwidth and throughput for WiFi as what's currently available as well as up to 1200 MHz of additional spectrum for use. Why look for additional spectrum when WiFi has long called unlicensed spectrum home? Rosenworcel and O'Rielly said that it'll require more in order to fulfill the vision of a 5G future.

"In the next few years, we're going to have billions and billions more [devices], so how do we prepare for that future?" Rosenworcel said. "First, we're going to need more spectrum and second, we're going to need to make sure that we have wider channels within that spectrum so that we can have WiFi super-highways." It's not difficult to convince policymakers and the public about the need for more spectrum. The trouble comes in figuring out the how and where they're going to go through the process of freeing up the 6GHz band. — *Sara Winegardner*

***This Week at ANGA:*** Broadband operators and content producers will swarm to Cologne, Germany, Tuesday for the start of ANGA COM. This year's conference will see 500 exhibitors from 37 countries, and will expand to include a Broadband Day focused on smart cities. **CommScope** is bringing 10G to the conference with three of its latest technologies that are steps forward in the 10G roadmap: a low-latency DOCSIS system capable of powering gaming and VR experiences and collision-avoidance systems for self-driving cars, a frequency-division duplex system with the potential to deliver 10G speeds over traditional coaxial wiring and its virtualized CCAP core. If you're looking for a deeper look at the 10G platform, **CableLabs** COO *Chris Lammers* will be opening the conference's technology track Tuesday at 11am with a panel designed to answer every question on what 10G is and how the industry is working to get there. Others to watch at the show include **Synamedia**, which is unveiling its software-based converged headend solution less than a year after opening its doors.

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