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What the Industry Reads First

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Final Drive: ACC Network Prepared to Sign Last-Minute Deals Ahead of Launch

Those hoping that the **ACC** would kick off its annual media days with news of additional carriage for **ESPN's** upcoming **ACC Network** were disappointed. But league commissioner *John Swofford* said the conference is just where it expects to be ahead of the net's Aug 22 launch. It's a three-year progression plan for ACC Net, with milestones tied to when distributors have deals ending with **Disney** and **ESPN**, he said. "At launch, we fully expect to be exactly where we projected internally, if not a bit ahead," Swofford told the crowd. "Any additional deals that are negotiated earlier than what we might expect in years 2 and 3 will be icing on the cake." The net's also prepared to strike deals in the midnight hour, especially with one of the first games airing on ACCN featuring five-time conference champ Clemson taking on Georgia Tech (Aug 29, 8pm). As of now, ACCN has deals with **DirecTV**, **Verizon Fios**, **Google Fiber**, **Hulu** with Live TV, **Optimum**, **Suddenlink**, **TVision** and **PlayStation Vue**. "We are pleased with the distribution agreements we have in place and continue to have productive conversations with distributors across the ACC footprint and beyond," **ESPN**, ACC's partner in ACCN, said in a statement. Those missing from the list are no small fries though, and include **Comcast**, **Cox**, **Charter** and **DISH**. Comcast told **Cablefax** it has "received a proposal from ESPN regarding carriage of ACCN and are reviewing it." DISH said it does not comment on ongoing carriage negotiations. By no means should the ACC be in any sort of panic mode at this point. Major distributors like Comcast were reaching deals to carry the similarly-modeled SEC Network less than a month ahead of its Aug 14 launch in 2014. Talks with Verizon continued for nearly two weeks post-launch before a deal was struck on Aug 26. And if carriage does prove to be a problem moving forward for the ACC, it has made it clear it will not hesitate to rally the fan bases around its conference schools. "Our fan bases will respond very negatively if they're not able to get this and I think they will show that and I would encourage them to show that, short of burning down any houses," Swofford said. "We count on them to demand of their carrier to take the ACC Network. Wednesday's gathering offered up some new details on the production lineup, included the reveal of Friday night preview show "The Huddle," to be hosted by "NFL Live" host *Jac Collinsworth*. "Beyond distribution, there's so many opportunities in having a



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24/7 dedicated network,” Swofford said. “It will provide a platform for our current players, programs and schools, as well as highlighting the rich history surrounding the individuals that have made the league what it is today.” Originals coming this fall tackle the league’s rich history with documentary “The Bowden Dynasty,” series “ACC Traditions” and a deep dive into the “Greatest Ever: The 2018 Clemson Tigers.”

Netflix Misses on 2Q Subs: Netflix paid subscribers grew by 2.7mln in 2Q, missing the company’s 5mln forecast and down from 2Q18’s 5.5mln growth. “Our missed forecast was across all regions, but slightly more so in regions with price increases,” the company said. Netflix price increases went into effect in the US during the quarter, with the company reporting that US paid membership fell by 126K. The streamer dismissed the notion that competition was to blame, saying there was no major changes to the competitive landscape in 2Q. “We think Q2’s content slate drove less growth in paid net adds than we anticipated. Additionally, Q1 was so large for us (9.6m net adds), there may have been more pull-forward effect than we realized,” Netflix said in its letter to shareholders. With “Stranger Things” Season 2 and “Orange is the New Black’s” final season debuting during 3Q, Netflix expects 7mln paid memberships for the quarter, up from 6.1mln in 3Q18. With new competition coming from **Disney**, **Apple**, **WarnerMedia** and **NBCU**, Netflix stressed that consumers shifting more from linear TV to streaming and that it has plenty of runway for growth, with it earning about 10% of consumers’ TV time in the US and less of their mobile time. It reiterated its ad-free model. Netflix posted 2Q rev of \$4.92bln, and earnings per share of \$0.60.

DISH Loses Meredith Stations: DISH customers in 12 markets lost **Meredith** stations Monday evening with the two unable to agree to a new retrans consent deal. DISH is offering free digital over-the-air antennas to customers in affected markets, with the satellite operator noting that using an antenna for local stations can save customers \$12/month. Impacted stations include Kansas City **CBS** affil **KCTV** and Portland Fox station **KPTV**. DISH claims the broadcast group rejected its offer for an extension that would have kept the channels up as negotiations continued. Meredith said it’s been trying to get DISH to “negotiate seriously” for months. Meanwhile, **Nexstar** stations are still dark on **AT&T/DirectTV**, with Reps **Anna Eshoo** (D-CA) and **Steve Scalise** (R-LA) penning a joint letter to the heads of both companies. The bipartisan duo called on them to work in good faith to resolve the impasse quickly, declaring that blackouts “should not be a negotiating tactic companies employ.” The two plan to introduce legislation soon aimed at fixing the “broken” retrans system. This week, **CBS** began warning that AT&T/DirectTV viewers could lose its owned & operated stations on July 20 if a new deal isn’t reached.

Stop the Cap Won’t Stop on Charter: Stop the Cap doesn’t want the **NY PSC** to close the book on **Charter** just

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		Awards	Events
AUGUST	Woodstock 50th Anniversary We'll celebrate peace, love and music with a special report that looks at how programmers are recognizing this historic music festival, as well as how the event helped shape the entertainment industry.		
SEPTEMBER	Cablefax: The Magazine – September Issue Most Influential Minorities Our annual magazine will salute the men and women who are shaping the industry for years to come. SCTE Cable-Tec Expo Daily coverage from the Expo show floor along with a pre-show special report. We'll look at the technology and standards development that you need to know about right now, including the progress with the Energy 2020 initiative. Our pre-show issue also highlights SCTE, WICT and Cablefax's Woman in Technology award winner.		Cablefax & NAMIC Diversity Breakfast September 17 NYC
OCTOBER	CTHRA In addition to shining a spotlight on Excellence in HR honorees, Cablefax will present the latest developments in HR and how they are impacting business results.		The FAXIES Awards Luncheon NYC

yet, even though the agency approved a settlement last week that resolves a dispute over whether the company met buildout conditions imposed as part of its acquisition of **Time Warner Cable** in 2016. The consumer group wants some clarification about Charter's internet speed obligations. The 2016 PSC order approving the merger states: Charter must "offer broadband Internet service with speeds up to 300 Mbps to all customers served by its New York networks by the end of 2019." Stop the Cap had suggested that as part of the settlement that Charter be made to boost the download speed of its basic internet package to 200Mbps from 100Mbps. This "request for internet speed upgrades are ... beyond the scope of the 2019 Settlement agreement, but the Commission notes that Charter is already required to increase its network speed to 300 Mbps by the end of 2019," the NY PSC settlement agreement declares. That statement is what garnered Stop the Cap's interest. Charter already offers speeds in excess of 300Mbps today, but it's an optional add-on for customers. Stop the Cap wants to know if the NY PSC believes Charter has to provide speed levels up to 300Mbps, or if it's expected to raise its 100Mbps base internet speed to all NY customers to at least 300 Mbps by the end of 2019.

Robocall Legislation Moves On to the Big Stage: House Commerce favorably reported the Stopping Bad Robocalls Act to the full House by a vote of 49-0 Wednesday. If passed, the bill would require the **FCC** to require all carriers, over time, to implement technologies ensuring that caller-ID information is authenticated at no charge to consumers. Three amendments were added to the bill by voice vote, including one that would allow the FCC to assess an additional \$10K penalty for a robocall violation if the offender acted with intent to violate.

SCTE-ISBE, CABA Working Together on IoT: Smart home initiatives are top of mind for **SCTE-ISBE** and **CABA**, who are partnering to pave the way for new initiatives in the space. The agreement will see the two work on standards creation, adoption and educational opportunities on smart cities, smart home and IoT services. The partnership will be highlighted during a presentation on Oct 3 during the Smart Cities Day at SCTE-ISBE Cable-Tec expo 2019.

AT&T, Microsoft Partner on Public Cloud Initiative: AT&T and Microsoft are teaming up to move forward faster on projects involving cloud, AI and 5G technologies. The multi-year alliance will see Microsoft acting as AT&T's preferred cloud provider for non-network applications as part of AT&T attempts to migrate most non-network workloads to the public cloud by 2024. Microsoft will also support AT&T as it consolidates its data center infrastructure and operations. AT&T will provide its employees with cloud-based productivity and collaboration tools in Microsoft 365 and plans to migrate its non-network infrastructure applications to the Microsoft Azure cloud platform.

FCC Reminds on Emergency Alerts: The FCC's Public Safety and Homeland Security Bureau reminded MVPDs and broadcasters of their requirement to provide accessible EAS alerts ahead of a planned nationwide test of the Emergency Alert System on Aug 7. "EAS Participants should take necessary steps, in compliance with the Section 11.51 of the Commission's rules, to ensure that individuals who are deaf or hard of hearing and individuals who are blind or visually impaired have full access to EAS messages," Wednesday's notice said.

ESPN's Wimbledon Love: ESPN averaged 877K total viewers for 2019 Wimbledon coverage, a 30% increase over last year. ESPN provided nearly 150 hours of coverage from London, with 11 of the 13 days seeing increased viewership.

Programming: HBO renewed drama "Euphoria" for a second season. The series, which is debuting new episodes Sundays at 10pm, has seen its premiere deliver 5.5mln viewers across HBO platforms. -- The National Baseball Hall of Fame Induction Ceremony is this Sunday at 1:30pm ET and is to be exclusively aired on **MLB Network**, with coverage starting at 11am. -- **Showtime** has committed to a musical drama, executive produced by multiple Grammy winner *Alicia Keys* and the Oscar, Tony and Grammy winning team of *Benj Pasek* and *Justin Paul*. The series crosses generations to tell an intricate family story between modern-day and 1959 Detroit, to solve a mystery uncovered by a young musician who moves back to her childhood home. -- **USA Network** ordered 10 episodes of "Can-nonball," a competition series that takes place in the water (premieres 2020). -- **Quibi** and **NBC News** are pairing up to create a new daily newscast for millennials called "Daily Essentials." The morning and evenings news shows will be under six minutes, produced seven days a week and created only for mobile platforms.

People: Fuse Media has upped *Mark McIntire* to the newly-created position of head of marketing, effective immediately. McIntire joined the company last year as svp, partnership marketing, previously serving as principal of advisory firm **SNAP NYC**. -- **Xandr** CFO *Ray Carpenter* has joined the board of **Simulmedia**, a company focused on advanced tech for TV advertising. -- Newly elected members to the **Media Financial Management Association's** board include WarnerMedia vp/treas *Cal Mostella* and Deloitte & Touche partner *Christine Oliver*. Their terms runs three years, through June 30, 2022. The board is chaired by **Manship Media** CFO *Ralph Bender*.

Think about that for a minute...

Bias and the First Amendment

Commentary by Steve Effros

With the volume increasing, and likely to continue for the next 16 political months, we're going to be inundated with charges and countercharges about "bias." The president just hosted a meeting of folks at the White House complaining that Google, Facebook et. al. were "biased" against them, and some members of Congress are already suggesting legislation to either ban or "police" that alleged bias.

Language is being thrown around very loosely, and some are suggesting violations of the First Amendment and the need to sue these big platforms because of their alleged bias. It's time to get some clarity before this whole thing really goes off the rails!

To begin with, there is nothing illegal about bias! We all tend to be biased about certain things. Bias simply means an accepted preconceived preference for one thing over another. George H.W. Bush was biased against broccoli. An individual or a company or a newspaper or any other media outlet is totally free to be, and express, its bias. If that weren't the case, Fox News would have been out of business long ago as would MSNBC, The Manchester Union Leader newspaper, and I'm sure you can all cite your own examples.

Is bias "unfair?" Well, if someone is claiming to be neutral in reporting, let's say, but consistently "tilts" that reporting in one direction or another that might be considered unfair. Enunciating a bias is a better way to go. But is it illegal? No.

This gets us to the First Amendment. Let's be clear about the language. It says; "...Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceably to



assemble, and to petition the Government for a redress of grievances." You need not be a brilliant reader or lawyer to see the prohibition here: "CONGRESS shall make no LAW ...abridging the freedom of speech or of the press..." (Just as an aside in these strange times, that language would also apply to presidential actions as well!) The point is, it doesn't say Google, or Facebook, or any other company may not apply its own restrictions to what is printed or published or streamed on a service provided by that company! So all this noise about wanting to do something to legally "force" these companies to not be "biased" is just nonsense.

To be sure, they have vulnerabilities. That's particularly the case with libel, slander and copyright laws which the platforms have been spared from because of Section 230 of the Communications Decency Act (CDA). So the threat is from some legislators that they would eliminate that protection. But if they did, it would mean the platforms would be even more prone to edit, delete and select only that which they felt was appropriate. The opposite of what, apparently, is wanted!

None of this is easy, especially when you get into areas of questionable legality like incitement to riot or child pornography or human trafficking. Those things are illegal in their own right, regardless of the platform or the alleged bias. But let's stop suggesting that the First Amendment rights we are granted, protecting us from governmental interference, somehow apply to private enterprises. Yes, we could try, maybe, to appropriate Google's search engine, make it a "common carrier," and require the carriage of everything, but until we do, let's remember what bias and the First Amendment really are.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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