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Wednesday — July 24, 2019

What the Industry Reads First

Volume 30 / No. 140

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Fake News: Fact Checker NewsGuard Seeks Deals with Internet Providers

Court TV founder *Steven Brill* is looking to strike deals with distributors again, but this time around it's not for a network. Last year, Brill and former *WSJ* publisher *Gordon Crovitz* launched **NewsGuard**, an attempt to combat fake news. The company, which counts the **Knight Foundation** and **Publicis Groupe** as investors, is now in discussions with internet and mobile phone providers in the US and abroad about providing the service as an added value for their customers. NewsGuard commissioned a study by **YouGov** that found 70% of Americans would find it valuable to have ratings and labels from experienced journalists about the reliability of news websites, and 60% said they'd trust their internet or mobile provider more just for providing these ratings. Brill said the survey was actually suggested by a major cable company exec who wanted to see the perceived value of such a service. "We have term sheets into 2-3 very major providers in the US already, and by the end of the week, 3-4 major providers in Europe," Brill told **Cablefax**. "There isn't any doubt. There will be deals. This will be their major new product initiative." NewsGuard launched in the US last year and expanded to Germany, Italy, France and the UK in May. It works as a browser extension or via mobile through **Microsoft Edge**, creating "nutrition labels" for news and information websites. When using the extension, red and green labels appear on various websites, with detailed info on the good and bad a few clicks away. The labels also appear next to links on social media feeds. Right now, NewsGuard is free, but the company plans to start charging consumers \$4/month come fall. But that's not really the business model. The strategy is to get broadband and mobile providers to sign bulk licensing deals, something Microsoft already has done. NewsGuard could be incorporated into providers' existing parental controls, with providers offering it for free or as an upcharge. The YouGov research, which included a sample of 1017 adults online from June 27-July 2, found that 36% of those surveyed would be willing to pay their ISP or mobile provider more for such a service. Brill acknowledged that the number could be artificially high, but said the interest is still significant. "If 3% would pay an extra \$2.50/month instead of the 36% who said they would, that's a significant amount of revenue," he said. Former Court TV and **CBS Sports** distribution exec *Bob Rose* has been consulting with the company since April, with a focus on structuring and negotiating licensing partnerships. "It's an important product, but I believe it's a great



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Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

business benefit as well. Something I believe they can make money from and we show them how,” Rose said. The idea of a broadband ISP differentiating itself from competitors by providing faster speeds isn’t much of a factor these days, with everyone ramping up speeds, he said. “Providers are saying what else can we do to grow our business. That’s one of the reasons I think we connected on a business level so quickly,” he said. A team of journalists rates websites for NewsGuard on the basis of nine criteria, with Brill emphasizing the human interaction involved is something AI can’t recreate. Before any site gets a negative rating on something, “we call for comment. Algorithms don’t.” While the Russian misinformation attacks during the 2016 presidential election served as an impetus for NewsGuard’s creation, the fake news extends beyond the political arena. “Right now, probably the largest category of red sites [NewsGuard’s flagged sites] in the US and Italy... are healthcare-related hoax sites,” Brill said. “Either they are selling you phony nutrition supplements or telling you ‘here’s this great mineral oil and if you buy it from us, you can cancel your appointment with your cancer doctor because it’s going to cure your cancer.’”

NCTC Strikes Viacom & Disney Deals: It’s not all fireworks with carriage negotiations. As **DISH** and **Disney** are in a current standoff, **NCTC** has inked a deal for the upcoming **ACC Network** as well as **FX**, **Nat Geo** and other former **Fox** channels now under the House of Mouse. NCTC’s 800+ member operators can opt into the pact. In other carriage news, NCTC and **Viacom** went under the radar and inked a carriage renewal several weeks ago. That’s a change from their 2014 negotiations, which went public as co-op members balked at the rate hike Viacom sought. While a deal did get done and a blackout was avoided, an estimated 50 NCTC members opted out of the last Viacom carriage pact. The programmer’s now under new management and things seemed more cordial, with CEO **Bob Bakish** currently scheduled to keynote next week’s NCTC and **ACA Connects** Independent Show in Chicago. “The goal was to right size the terms of Viacom relative to our industry and our members, and it had to work for Viacom as well. The end result I think was good,” NCTC pres/CEO **Rich Fickle** said. “We still may see some small operators drop out of Viacom, but I think the negotiations were fruitful. Bakish and his team I think have really tried to set a different course.”

Merger Decision on T-Mobile/Sprint Coming Soon: Word may finally be coming from the **DOJ** on its decision whether or not to approve the **T-Mobile/Sprint** merger, and it may be coming as soon as Wednesday. That’s according to a report from **CNBC**, which has also said that the DOJ will sue to block the deal if regulators aren’t able to reach an agreement with T-Mobile and Sprint to create a fourth wireless competitor by the end of the week. That competitor would be **DISH**, which would acquire spectrum from both T-Mobile and Sprint. **Deutsche Telecom**, which would control the combined Sprint/T-Mobile, is reportedly not too keen on the plan. Meanwhile, **Fox Business** has said that Sprint executive chmn **Marcelo Claure** and T-Mobile CEO **John Legere** are concerned that DISH chief **Charlie Ergen** will demand more concessions than what the three have already drawn out, forcing the DOJ to sue. Even if the DOJ approves the merger, Sprint and T-Mobile will need to stand against the lawsuit from 13 state attorneys general and DC who aim to block the deal for anticompetitive reasons.

Feedback on C-Spire’s Territorial Retrans Fight: The **FCC** got an earful on **C Spire**’s retrans complaint against **Gray Television**. As part of the complaint, C-Spire is asking the FCC to issue a ruling that would include a station’s digital streams as in-DMA for retrans negotiation purposes when it grants a broadcast station market modification to add com-

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munities. The Affiliates Associations of **ABC**, **CBS**, **Fox** and **NBC** strongly objected to the request. “The network-affiliate relationship, with DMA-based exclusivity for local stations, contributes to the economic health of local television stations and their ability to produce the local news, weather, and sports programming and emergency information programming that viewers want and need,” the groups said in a joint filing. “Under this system, networks must be given the freedom to determine the areas where affiliates can distribute network programming, and Congress has repeatedly recognized and protected those rights. Such territorial restrictions serve localism, and nothing in C Spire’s Petition persuasively argues in favor of altering Congress’s and the Commission’s historical conclusions to that effect.” The groups argued that such a ruling would lead to “endless litigation.” C Spire’s complaint was sparked after the FCC granted a market modification to include Diamond, MS, as a local market of **WLOX**, but the distributor was unable to obtain consent to retransmit **WLOX**’s multicast programming stream affiliated with **CBS** outside of the original Biloxi DMA. **The Electric Plant Board of the City of Russellville, KY**, said it’s faced a nearly identical situation since 2017 with **WBKO** regarding multicast streams affiliated with Fox and CW networks. **ACA Connects** said it believes the arrangement between Gray and CBS violates good-faith negotiating rules, but if the FCC thinks there is ambiguity it should quickly clarify that a broadcaster must negotiate retransmission consent with an in-market MVPD regardless of any restrictions in its network-affiliation agreement.

NBCU Projects More than \$1.2bln in Olympic Ad Sales: **NBC Sports** evp of ad sales **Dan Lovinger** is betting big on the 2020 Summer Olympics in Tokyo. The exec said on a conference call Tuesday that the group expects to exceed the \$1.2bln in ad sales revenue it pulled in with the 2016 Summer Games in Rio, but did not disclose the total ad dollar target. “We’re closer to our goal at this point in both absolute dollars as well as percentage to goal,” he said. “And we expect to surpass that goal, and as you can imagine, our goal for Tokyo is higher than it was for Rio.” The Opening Ceremony kicks off on July 24, 2020. The net plans to broadcast more than 7K hours of coverage across broadcast, cable, digital and social from Tokyo. For the first time this year, NBC Sports will sell all of its Olympic advertising on the Total Audience Delivery metric. NBCU paid \$4.38bln in 2011 for Olympic rights through 2020, and then extended in 2014 through 2032 for \$7.7bln.

Retrans Tensions Strike at Media Institute: **NAB** chief **Gordon Smith** called out **AT&T** and **DISH** Tuesday during a speech at the Media Institute, saying that they seem to be purposefully withholding broadcast signals from viewers in an attempt to create change in the current system for retrans consent. “Is their goal to manufacture the appearance of a ‘broken system’ to encourage Congress to intervene just as it deliberates the upcoming STELAR expiration?” Smith said. “If so, that is a dangerous game and one that hurts viewers—their customers—the most.”

Xandr Adds Three Premium Brands to Community Offering: **AT&T**’s ad tech unit **Xandr** added **A+E Networks**, **AMC Networks** and **Cheddar** as partners in Community, its marketplace of publishers that aims to enable advertisers to reach their audiences at scale. The three companies join a plethora of WarnerMedia brands alongside **VICE**, **Hearst Magazines**, **Newsy**, **Philo**, **Tubi** and **Xumo** as part of Community. Xandr launched Community in May, shortly after WarnerMedia withdrew from **OpenAP**, a similar offering comprised of companies including **Fox**, **Viacom** and **NBCUniversal**. “At its core, Community is all about helping our content partners succeed in getting the best value for their premium content,” said CEO **Brian Lesser**. “By bringing together all of this great content that is backed by sophisticated consumer analytics and incredible technology, Community is able to provide a better solution for advertisers and a better experience for consumers.”

SCTE’s Henderson Named WIT Award Winner: **WICT**, **SCTE-ISBE** and **Cablefax** announced that **Zenita Henderson**, SCTE-ISBE’s vp, marketing and business development, is the 2019 Women in Technology Award winner. “Few executives have done more to promote and advance technology initiatives and innovation than Zenita Henderson,” said **Cablefax** publisher **Michael Grebb**. “Her important work over the years, including her current role at SCTE, has already left a lasting legacy that will only grow as she continues to support and expand the industry’s mission.” The WIT Award was first launched in 1995. Past recipients include **Noopur Davis**, **Stephanie Mitchko-Beale** and **Nomi Bergman**. Henderson will be presented with the award during Cable-Tec Expo on Oct 2, with former WIT Award winner and **JC2 Ventures** partner/CTO **Yvette Kanouff** presenting the award. She’ll also be featured in a special issue of Cablefax.

People: **Heidi Newman** has joined **Atlantic Broadband** as head of content acquisition. She knows what it’s like to sit on the programming side of the negotiating table, with more than 20 years at **NBCU** as well as time at **Starz**, **Scripps Networks Interactive** and **Discovery**. -- **Andrew Griffith** is leaving **Sky** after being hired to serve as chief business advisor to incoming British prime minister **Boris Johnson**. Griffith stayed on as chief finance director/COO at **Sky** following its acquisition last year by **Comcast**. -- **Kerensa Samanidis** has joined **Acorn TV** in the newly-created role of gm, Acorn TV International. Samanidis, who most recently served as gm, **FilmStruck** International, has already been serving as a consultant for Acorn TV and will be based in the company’s London office.