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What the Industry Reads First

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Carriage Complaint: beIN Gets a Little Help From its Friends

Having filed three unsuccessful carriage complaints against **Comcast** at the **FCC**, sports programmer **beIN** has been fighting this battle mostly alone. Until now. **Sports Fan Coalition**, which operates **Locast**, and consumer interest group **Public Knowledge** have chimed in at the FCC on beIN's behalf. They're backing the programmer's [emergency application](#), which asks the FCC to review the Media Bureau's July 2 order denying its complaint that Comcast has discriminated against it in favor of its own programming. BeIN claims the Bureau made an "unprecedented departure" from FCC precedent by deciding itself the merits of the case, rather than forwarding the proceeding to the administrative law judge. Sports Fan Coalition, which takes credit for a 2014 FCC vote to end the so-called "sports blackout rule," said it was taking "the unusual step" of filing a reply in the proceeding. "To borrow a phrase from baseball, the Bureau's action has put beIN in an impossible pickle play. How can beIN challenge Comcast's claim that this was business as usual without discovery and a hearing?" the Coalition asked in a filing full of sports analogies. "Comcast, having sidelined beIN, is now free to pillage its superstars—the valuable programming rights it holds—for itself." Public Knowledge declined to weigh in on the merits of the case (though it said beIN has put forward a "strong case"). Instead, it argued that beIN met the burden of making a prima facie case that Comcast discriminated against it and should get the chance to substantiate its case through discovery. The Bureau found beIN to be similarly situated to **NBC Sports Network** and treated differently than it, but concluded Comcast didn't discriminate on the basis of affiliation or non-affiliation. Carriage complaints at the FCC are often unsuccessful, and there have been calls for an overhaul of the ALJ process. FCC commish *Mike O'Rielly* called out the ALJ method in 2017 after it took nearly six years to resolve **Game Show Network's** carriage complaint against **Cablevision** (now **Altice USA**). Public Knowledge has long believed the FCC has an extremely strict standard of evidence for carriage complaints. It refrained from challenging the standard, instead questioning the agency putting more obstacles in programmers' way. "From a high level, it could appear as if the Bureau has decided that since program carriage complaints are often unsuccessful, that it should adopt procedural standards that dispose of them quickly. But this is a self-fulfilling prophecy, and the Bureau's approach here raises the question of whether any complaint, no matter how favorable the facts, can withstand the most cursory rebuttal from a

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Source: Nielsen Npower

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cable operator.” Comcast, which stopped carrying beIN programming in August 2018, opposes the emergency petition, saying the Bureau acted squarely in it’s authority.

Disney Warning DISH/Sling Customers: That temporary truce between **Disney** and **DISH** appears to be over. Disney began warning DISH and **Sling** customers Tuesday that they could lose **FX, FXX, FXM, Nat Geo** and **National Geographic WILD** if a new deal isn’t reached by 9pm PT Tuesday (8/27). Disney first warned customers of a possible carriage drop on July 21, but the two continued to chat and the channels have remained on. “We have a responsibility to make our viewers aware of the potential loss of our programming. However, we remain fully committed to reaching a deal and are hopeful we can do so,” a Disney spokesperson said. DISH’s response: “Our goal is to keep these channels available to our customers. Disney, the new owner of these channels, decided to involve customers in the contract negotiation process at a point when there is still time for the two parties to reach a mutually beneficial deal.” There’s been a number of carriage drops this summer, with DISH currently without **Meredith** stations and **Fox** RSNs. Rival **AT&T/DirectTV**’s black-out with **Nexstar** continues, though we hear talks are ongoing. This week may put some added heat on broadcast negotiations with college football starting up and games airing on Fox and other broadcast nets. FX, FXX, National Geographic, and Nat Geo Wild are available on both DISH and Sling, while FXM and **Nat Geo Mundo** are available only on DISH.

Broussard Bidding AMC Adieu After 30 Years: **AMC Networks** distribution chief **Bob Broussard** plans to retire from the company at the end of the year. He’ll have spent 30 years with the company, tackling everything from managing relationships with cable, satellite and telco providers to its entry into the world of original programming. “Bob has provided thoughtful and highly effective leadership at our company, starting in the legal department and ultimately running affiliate relations during a period that completely transformed AMC and its relationships with distributors, to the benefit of everyone associated with the company and the millions of fans of our programming,” AMC Networks pres/CEO **Josh Sapan** said in a statement. Broussard said that he never imagined the transformation he and AMC Networks would undergo when he joined the company in August 1989, and while he will sorely miss it, he’s excited to move into his next chapter. Before coming to AMC Networks, Broussard was a corporate lawyer with the New York law firm of **Paul, Weiss** where he specialized in mergers, acquisitions and financing transactions.

News for the Summer Ratings Win: Yes, **Fox News** and **MSNBC** were the ratings darlings this summer, taking first and second place for the season, respectively, in both prime and total day. But August was pretty good to **CNN**. Thanks to the Democratic debates July 30 and 31... late enough to be considered part of the August ratings period. The debates helped CNN to a third place finish in prime for all ad-supported cable for August, behind Fox and MSNBC. And it bested both

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news rivals in the 25-54 news demo (391K for CNN vs 375K for Fox and 222K for MSNBC). CNN's P2+ prime viewership of 1.47mln is up 40% compared to last August's 1.05mln. Of course, that still put it about a million viewers behind first-place primetime finisher Fox News (2.45mln, +6.5% over last August). CNN was a lot closer to No 2 MSNBC, with the **NBCU** net averaging 1.48mln in prime for August, down from 1.85mln in Aug '18. Take out the debates though, and CNN is down YOY in total viewers (-15%) and 25-54s (-35%). The race between these three will be the sideshow leading up to November 2020. For summer (May-August), CNN finished 8th overall in prime (988K viewers), while Fox News dominated everyone (2.42mln total viewers). MSNBC was a distant runner-up (1.57mln), followed by **HGTV** (1.23mln), **USA** (1.06mln) and **ESPN** (1.02mln). On the total day side, **Nick** had the most viewers for summer after Fox News (1.34mln) and MSNBC (866). HGTV took fourth (682K) followed by **Investigation Discovery** (662K) and CNN (587K).

Revamped Franchise Fee Rules Set to Take Effect: The **FCC**'s revamped rules governing cable franchise fees are set to take effect Sept 26. The new rules adopted on Aug 1 conclude that cable-related in-kind contributions required by a cable franchise are subject to the statutory five percent cap on franchise fees. There are exemptions for certain capital costs related to PEG channels.

Comcast Upgrades X1 for Business: Comcast is expanding the capabilities of its residential X1 video platform for **Comcast Business**. The company introduced a TV service navigation app aiming to simplify the way bars, restaurants, fitness centers and more manage multiple TVs, just in time for football season. Comcast Business will still supply stand-alone X1 voice remotes to control individual TVs, but the new app lets owners and managers control up to 16 TVs using a tablet or smartphone in any given location. This eliminates the need for separate remotes. Like the standalone remote, the app also uses voice search and navigation technologies.

SVOD Services Continue Growth: Nearly three-quarters of US households have an SVOD service from **Netflix**, **Amazon Prime** and/or **Hulu**, according to research from **Leichtman Research Group**. The company found that 74% are subscribers, up from 64% in 2017 and 52% in 2015. Among those, 69% have more than one service, jumping from 51% in 2017. In all, 51% of overall US households have an SVOD service, an increase from 33% in 2017 and just 20% in 2015. Streaming usage is unsurprisingly more popular in younger generations. Just 15% of adults over 55 stream an SVOD service daily, compared with 51% of ages 18-34. However, 64% of all adults stream at least monthly.

Four Additional Areas Receive Sprint 5G: Sprint launched 5G coverage in areas of L.A., NYC, Phoenix and DC, Tuesday. The service is now available in portions of nine markets, including Atlanta, Dallas-Fort Worth, Houston, Kansas City and Chicago. Concurrent with the expansion, Sprint revealed that the **Hatch** mobile cloud gaming streaming service will be preloaded on Sprint 5G smartphones. The smartphones will include a complimentary three-month subscription to Hatch Premium. Hatch offers more than 100 games and the ability to connect with friends and join live tournaments. Customers will still be able to play games when outside of a 5G coverage area using Sprint's LTE network. After the three-month trial, Hatch will be available for \$7.99/month per line.

Insight TV Gets Indies: Insight TV added three new independent distribution platforms to its US base. **NCTC** members **Marquette Adams Communications** in WI and **Electric Power Board of Chattanooga** will carry the net. Additionally, **Highlands Cable Group** in NC launched the channel.

ESPN Gets Kicking: The **United Soccer League** and **ESPN** reached a new three-year rights agreement through the 2022 season. The new deal will see 3x more games televised annually on ESPN's networks, including the addition of Spanish-language coverage on **ESPN Deportes** and expansive coverage on **ESPN+**. In 2020, the relationship between USL and ESPN enters its fifth year as the league celebrates its 10th season. Under the new agreement, 18 regular-season games will air across **ESPN2**, **ESPNEWS**, **ESPNU** or **ESPN Deportes** in addition the Championship final. All other games will be on **ESPN+**.

Nielsen Reports Estimated US TV Homes for Upcoming Season: Plenty of folks still choose to watch content from the comfort of their living room. There are 120.6mln TV homes in the US for the 2019-20 TV season, according to **Nielsen**'s National Television Household Universe Estimates. The number of people age 2 and older in US TV households is estimated to be 307.3mln, a 0.6% increase from last year that can likely be attributed to population growth. Nielsen uses data from the **US Census Bureau** combined with information from its national TV panel to arrive at the estimates in early May.

People: **Univision** upped **María Martínez-Guzmán** to svp and executive news director, effective immediately. Before this, she was vp, news gathering for Univision News. -- **Nickelodeon** welcomed **Ashley Kaplan** and **Luke Wahl** to the family as svp, digital studios and vp, digital studios, respectively. Kaplan joins from **Fullscreen Media**, while Wahl served as head of video for content studio and lifestyle publication **Gear Patrol**.