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What the Industry Reads First

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New Era: T-Mobile CEO Legere Sets April 30 Departure Date

T-Mobile's *John Legere* is stepping down as CEO on May 1, with pres/COO *Mike Sievert* to succeed him. Legere joined the mobile carrier in September 2012 and has led the charge in the "Un-carrier" movement ever since. Sievert joined the company in the same year as CMO and has risen through the ranks before entering his current role in 2018. With his upcoming rise to pres/CEO, Sievert signed a new employee agreement that raises his base salary to \$1.2m, which will automatically rise to \$1.4m on Jan 1. In total, his compensation package in the first year could exceed \$20m. Legere called the last few weeks a little awkward due to press reports that he was in talks to run **WeWork**, but he said no discussions had taken place between him and the shared workspace company. "Because we had this announcement pending, I couldn't say that because it wasn't complete enough," Legere said. Though he's not taking over WeWork, he's not retiring just yet. He'll remain a part of T-Mobile's board after he steps down as CEO, but hasn't revealed what his plans are beyond that. "I've got at least 30 or 40 years and 5 or 6 good acts in me," Legere said. "I'm already getting a tremendous amount of input of companies that could use cultural transformation, leadership and things similar to what we've demonstrated here." He said he'll give further details around his plans closer to his departure date. Legere may be leaving the company, but another T-Mobile leader has made the decision to lengthen his tenure before hanging up his magenta cowboy hat for good. CFO *Braxton Carter* extended his contract ahead of its Dec 31 expiration date, moving his new departure date to June 1. The transition plan for Carter hasn't yet been settled, but Legere said both internal and external candidates are being considered for the role. The timing of Legere's departure may seem odd considering all that T-Mobile has to finish in the six months before his goodbye, including winning or settling a state AG lawsuit blocking its merger with **Sprint**. But Legere said this transition has been in the making since 2012. "The timing was always expected to be now, but we always expected for the New T-Mobile to exist about six months ago," the current CEO said on a call Monday morning. And while the delay in the merger was unexpected, Legere said announcing his transition now, ahead of the trial's Dec 9 start date, could actually help T-Mobile and Sprint win their case at court. With the other side on the hunt for ways in which the New T-Mobile story doesn't work, the upcoming expiration of Legere's contract and the uncertainty of who would run the new

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company could have become a weapon against the merger's approval. As for the now-expired merger agreement between T-Mobile and Sprint, Legere said the two are continuing to talk with the most recent discussions occurring over the weekend at the shareholder level. "That's not slowing down any of our progress on the deal, but it's certainly an area that we'd like to get completed as soon as possible," Legere said. And for anyone worried that Legere's Twitter-famous #SlowCookerSunday will come to an end with his tenure at CEO, you have nothing to fear. "When the time is appropriate, I'm fielding offers from cable TV stations because frankly I have 10 times more viewers than *Gordon Ramsey* and the whole rest of them," Legere joked.

C-band Auction Ahead: FCC chmn *Ajit Pai* announced that the FCC would conduct a public auction of 280 MHz of the C-band rather than a private sale, setting the stage for what could be the country's largest spectrum auction ever. **Sen Commerce** leaders introduced the 5G Spectrum Act requiring the auction to start by Dec 31, 2020. See **CFX Tech** on p4 for analysis on the latest C-band news.

House Judiciary Circulates STELAR Bill: House Judiciary chmn *Jerrold Nadler* (D-NY) has put forth STELAR legislation, just as **House Commerce** gets ready to markup its version of the bill. Under Nadler's bill, **NAB** said **AT&T's** DirecTV would have 120 days to begin providing local TV signals in the 12 markets it currently doesn't offer them in exchange for using the distant signal license to provide broadcast network programming for unserved households such as RVs and those in short markets (local markets without a full complement of **ABC, CBS, FOX** and **NBC** programming). Some of those 12 markets are short markets, meaning AT&T could still use a narrow Sec 119 license for just those broadcast networks that do not have a local network affiliate in those markets. Those short markets are: Alpena, MI (No NBC); Glendive, MT (No ABC/FOX); Presque Isle, ME (No ABC/NBC). DISH carries all the local stations in all 210 DMAs. "While NAB continues to believe STELAR's reauthorization is unnecessary, we support chairman Nadler's thoughtful narrowly-tailored approach that benefits viewers by better ensuring satellite carriage of their local broadcast stations," NAB chief *Gordon Smith* said in a statement. The **House Communications** subcmte has advanced a bill that would extend the license by five years, extend good faith retrans negotiating provisions to collective buying groups (like **NCTC**) and require greater bill/advertising transparency on price. The full committee is slated to mark up that bill Tuesday.

WICT Corrects Its Top Companies for Women: WICT revised its Top Companies for Women to Work list, saying a calculation error was discovered. The results are based on the 2019 PAR Employment Survey, tabulated by survey administrators at **Mercer**. "We have determined how the error occurred and our survey company has put measures

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in place to ensure it will not happen again,” the association said. In the revised list for Top Programmers, **ESPN** moves from first place to third, tying with **Discovery, Inc. NBCU** takes the No 1 spot, with **CBS Corp** moving to second from third. **Revolt** remains in fifth place. The PAR Top Operators for Women to Work list remains the same with **Comcast** in first, followed by **Cox, Mediacom, Midco** and **Charter**.

Altitude Sues Comcast: **Altitude Sports & Entertainment** filed an antitrust suit against **Comcast** Monday. The RSN has been off Comcast since August. It was also off **AT&T/DirectTV**, but the two reached a new deal Oct 31. Altitude remains dark on **DISH**. The lawsuit calls Comcast’s behavior “predatory” and accuses it of using its leverage to reduce/eliminate independent RSNs. “This is a meritless lawsuit in an intensely competitive market where Comcast has no competitive regional sports network and Altitude has multiple distribution alternatives,” Comcast said. “Instead of pursuing baseless litigation, Altitude should engage in responsible commercial negotiations that would allow Comcast to distribute its programming to those customers who want it without driving up costs for customers who do not.” Comcast said it has provided customers with a credit until a deal is reached.

Sony Acquires 100% of Game Show Network: **Sony Pictures Entertainment** acquired **AT&T**’s 42% minority stake in **Game Show Network**, giving it total ownership of the US cable network. AT&T received approximately \$500mln, including proceeds for its equity stake valued at \$380mln (before transaction-related adjustments) and dividends of approximately \$130mln. AT&T’s **DirecTV** will continue to carry the channel post transaction, and **Mark Feldman** will continue to serve as Game Show Network’s pres/CEO. The deal comes as AT&T works to de-lever its balance sheet.

More Leadership Moves for ViacomCBS: With **ViacomCBS** nearing closing, the exec announcements keep piling up. **Viacom**’s **Alex Berkett** will serve as evp, corporate development and strategy for the new company. **Nancy Phillips**, previously chief HR officer for **Nielsen**, will join as chief people office. **Marva Smalls**, Viacom evp, global head of inclusion strategy, will serve in the same capacity for ViacomCBS. **Jose Tolosa**, chief transformation officer of Viacom, will expand his responsibilities as evp, chief transformation officer for the new company.

AT&T Signs MPS Media Retrans Deal: Another one of those broadcast groups with a **Sinclair** shared service agreement has inked a retrans renewal with **AT&T**. **MPS Media** stations returned to **AT&T/DirectTV** early Sunday. Of the original nine, two are still outstanding: **Nashville License Holdings (CW** in Nashville) and **Waitt Broadcasting (CBS** in Sioux City IA). The **FCC** ruled in favor of AT&T in a retrans complaint it brought against the nine after stations went dark in May and June.

Bernstein Drops Lionsgate Price Target: **Bernstein** dropped **Lionsgate**’s price target to \$9 from \$13, citing **Comcast**’s plan to drop **Starz** at year-end. “Comcast is drawing a hard line here, which makes sense to us, because in our view they have all the leverage. Presumably Comcast makes a little bit of positive profit margin from retailing Starz, but is it really material in the grand scheme of things?” analysts said in a research note. “On the other hand, if Starz were dropped by Comcast, it would definitely have a massive impact on their financials. (Yes, we would change our LGF model!). This stress is amplified by the already high financial leverage carried by LGF. Starz does, at least, have an OTT answer. Starz could recapture some of the lost Comcast subs directly (at higher ARPU, to boot). But that entails a lot of risk, SAC, time, and potential churn (there is no churn, to Starz, in a fixed annual payment).” If Comcast goes through with the drop and is deemed successful, Bernstein expects others to follow.

Welcome Back, Ajit Pai: **House Commerce** will put the **FCC** in the spotlight again on Dec 5, holding an oversight meeting on the agency. Additional details will be announced the week before the hearing. “The FCC is considering a number of actions that could have serious consequences for the American people,” Commerce leaders **Frank Pallone** (D-NJ) and **Mike Doyle** (D-PA) said. “As the Committee with jurisdiction over the FCC, we must ensure the Commission is fulfilling its mission to protect consumers and act in the public interest.”

AT&T to Carry i24News: **Altice USA**’s international news and current affairs network **i24News** scored a carriage deal with **AT&T**. **AT&T U-verse** and **DirecTV** will launch the net in the “near future.” The net’s carried by several MVPDs, including **Comcast, Mediacom, Charter, Optimum** and **Suddenlink**.

XFL Wants Fan Input: With about 80 days until the launch of the **XFL**, the league has launched its Football Advisory Network (F.A.N.). The digital community is meant to give fans a say in designing the XFL experience through surveys, polls and discussions.

Programming: **Comedy Central** extended its exclusive cable deal for rights to “The Office” through 2021. After that, the series will continue to air through 2025 in a non-exclusive window on **Viacom Media Networks**. Additionally, **Viacom** renewed its cable deal for “Parks and Recreation” through 2024.

CFX TECH

Going Public

The **C-Band Alliance** threw the equivalent of a Hail Mary last week in its attempt to convince the **FCC** to allow it to sell C-band spectrum via private auction. It submitted a plan that answered one of the biggest questions surrounding its proposal: what portion of the net proceeds of a CBA-led auction would go to the US Treasury?

But alas, it was too little, too late. FCC chmn *Ajit Pai* announced via **Twitter** Monday that FCC staff would conduct a public auction of 280 MHz of the C-band. "With a strong track record of successful auctions, I'm confident they'll quickly conduct a public auction that will give everyone a fair chance to compete for this #5G spectrum, while preserving availability of the upper 200MHz of the band for continued delivery of programming," Pai tweeted.

It's not entirely surprising. With members of Congress, including the vocal *Sen John Kennedy* (R-LA), concerned about the repercussions of giving control of the C-band auction to foreign-owned satellite companies, the pressure for the FCC to retain its control over the spectrum sales has only grown.

But according to FCC officials, the only reason that the Commission decided to pursue a public auction is because the CBA was unable to prove to the FCC, industry players and potential bidders that it would be able to oversee a fair, transparent auction process. That's apparently been in question for months,

No matter the reason for the decision, legislators are jumping on the chance to get this spectrum cleared quickly. Pai sent a letter to Senate Commerce chmn *Roger Wicker* (R-MS) and other elected officials revealing his decision Monday morning. By 1pm, Wicker and *Sen John Thune* (R-SD) had introduced the 5G Spectrum Act.

The legislation sets boundaries around how the FCC conducts the auction and requires it to start no later than Dec 31, 2020. The FCC would be forced to make at least 280MHz of spectrum available through the legislation.

The bill would also require that the Commission capture for US taxpayers at least 50% of the spectrum's fair market value.

ACA Connects, who along with **Charter** and the **Competitive Carriers Association**, submitted a public auction plan rivaling CBA's private plan, applauded the decision and is looking forward to working with the FCC on the details of the auction and on a transition plan that gives cable operators, especially those in rural areas, the flexibility to transition to fiber-based solutions.

"I built my company from the ground up, and sure as the sky is blue, this boss lady is not going to sit quietly and let a few foreign-owned satellite companies tell me how to run my business," ACA board chmn and **Boycorn** CEO *Patty Boyers* said, criticizing the CBA. "I know better than them what's best in my neck of the woods, that's for sure."

They're not the only folks stepping forward to ease the transition. **MobiTV** pres/CEO *Bill Routt* sent a letter to the FCC Friday supporting ACA Connects' plan and explained that his company is "ready, willing and able" to expand its options to better serve cable operators that are seeking a fiber-based solution for video transport as a replacement for the C-band. Routt explained that **MobiTV** has the operational capability to provide its IPTV service to any operator that is connected via fiber to our data center directly or through regional POPs of aggregated fiber connectivity.

"An operator can connect to the **MobiTV** platform quickly and easily and without any upgrade to its headend, because the service is delivered over the operator's broadband facilities," Routt said.

Routt and the FCC still have plenty of time to talk as the public auction order won't appear before the Commission by the end of the year. But keep your eyes peeled in the new year as it is nearly certain that it will make its way onto an agenda within the first two months of 2020. — *Sara Winegardner*

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