

# Cablefax Daily™

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What the Industry Reads First

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## Feeling Good: T-Mobile Praises Cable for Mobile Play Amidst Sprint Trial

Day 2 of the **T-Mobile/Sprint** merger trial is in the books, and T-Mobile is already feeling “very good” about its chances to succeed against the 14 state AGs suing to block the transaction. “We feel like we have a fantastic case,” COO *Mike Sievert* said at an investor conference Tuesday. “This is something that when you know you’ve got the facts on your side, when you know what you’re going to build is just a company that is truly more competitive and really brings a level of competition to this marketplace it’s never seen, that gives you confidence,” he said. Sievert couldn’t comment on whether T-Mobile is still engaging in talks with the state AGs, but he said there’s a potential for settlement right up until the verdict. That verdict is expected to come a few weeks after the trial concludes. The states are concerned about increasing competition in the wireless market and maintaining jobs for their residents. Sievert said T-Mobile and Sprint are worried about all the same things. “What’s interesting about all this is that although we’re adversaries in a case, when you really get through it and look at the things that they say they want, they’re the same things we want,” he said. “That does give us some comfort in the fact that discussions would make sense.” Talking about the competitive landscape, Sievert said the cable players entering the mobile space have made a much bigger impact on the marketplace than T-Mobile predicted. “I think they’re killing it,” Sievert said, adding that the cable companies together are the fastest growing force in wireless behind T-Mobile. “The cable guys are really making a difference in this market. And what’s interesting is it’s not really coming from us. In fact, it might be one of the reasons **Verizon** is swinging so hard... They’re feeling that pressure and they have to act.” Another upcoming entrant to the wireless market (should T-Mobile and Sprint be allowed to merge) is **DISH**, and Sievert said it will have all the resources to take share away from **AT&T** and Verizon. If nothing else, its entry into the wireless market will allow DISH to put the spectrum it has been “warehousing” to work for the American people, Sievert joked. “We’ve been very critical of them in the past for warehousing this spectrum and I think we accused them of being spectrum hoarders, but the truth is they probably just didn’t have a business model as to how to unlock all that spectrum,” he said. “Because without a deal like this one, you would have to basically tell your investors... ‘I’m going to stick my head down and build a network for the next several years with zero revenue and zero customers because you have to be full national before you can launch. And in a few years, I’ll launch and be-

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gin to collect my first revenue dollars, OK?” Sievert would not offer an update on negotiations to lease 600MHz spectrum from DISH, but said he’s confident they’ll reach a deal eventually. The trial has given T-Mobile and Sprint more time to plan the first phase of their wireless network combination, which involves rolling out Sprint’s 2.5GHz midband spectrum onto T-Mobile sites. CTO *Neville Ray* said that he’s spent the last 6-9 months securing leases and permits for the areas where that spectrum will be rolled out, allowing the company to quickly bolster its 5G network. T-Mobile turned on its 5G network on 600MHz spectrum on Dec 2, and Ray said it’s silly to compare it to Verizon’s. “You need a mobility 5G service, not a hotspot-like service, which is what that is,” Ray said. “Don’t get me wrong, we’re going to use mmWave too. But back to the deal, the foundational layer of this network and the beautiful thing about this deal is combining three sets of spectrum assets: lowband, midband and the highband.”

**Acorn Leads the AMCN SVOD Pack:** **AMC Networks** says its four SVOD services have surpassed 2mln total subscribers, achieving a year-end target for the company. It turns out half of those are from **Acorn TV**, which CEO *Josh Sapan* said is profitable today at 1mln subs. He said the company expects all the services, which also include **Shudder**, **Sundance Now** and **UMC**, to become profitable by year-end 2020. In 3-5 years, AMCN expects the SVODs’ sub base to be at least two to three times larger, Sapan said an investor conference Tuesday. “These services are yielding financial benefits to our top and bottom line results. They currently generate about \$100mln in revenue on a run rate basis, and we expect them to generate over \$500mln in revenue by 2024 run rate,” he said. In addition to direct-to-consumer distribution via its own apps, AMCN recently struck a deal with **Charter** to launch the SVODs. **Comcast** will be adding them as well, starting with Acorn TV, Sapan revealed. As for traditional distribution of its cable channels, Sapan acknowledged the marketplace has grown tense. “With some distributors, there’s an ‘I’ll drop you first and we’ll discuss later,’ which is a new form of how to say hello,” he quipped, adding that he feels pretty good about where AMCN is given its relationships, strong programming and “very attractive” wholesale rate.

**Return of the Spirit of Net Neutrality:** Like the Ghost of Christmas Past, net neutrality haunted Capitol Hill Tuesday on the two-year anniversary of the **FCC**’s decision to repeal 2015 rules regulating ISPs under Title II. Sens *Ed Markey* (D-MA), *Maria Cantwell* (D-WA) and *Ron Wyden* (D-OR) raised the specter from the Senate floor, calling on the chamber to vote on the Save the Internet Act passed by the House in the spring. “Under Sen McConnell’s leadership, Republicans have buried this bill in their legislative graveyard,” Markey said. The bill would reinstate the FCC’s 2015 rules and Title II regulatory regime. As for the argument that the internet has been just fine since Title II was repealed, Markey countered ISPs have had every incentive to keep a “low profile.” Ultimately, the question is

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do consumers trust ISPs to do the right thing without being told—and he suggested the evidence is no. Sen Roger Wicker (R-MS) objected and kept the bill from being brought to the floor. He argued that broadband investment and speeds have flourished in the two years since Title II was repealed. “I will agree with my colleagues in one respect. We should have no discrimination online, and we don’t have discrimination online today,” Wicker said, encouraging Dems to join the GOP in enacting a permanent net neutrality statute. “We can make the statute better.”

**FCC Whacks ISPs for Open Internet Disclosures:** The FCC Enforcement Bureau on Tuesday cited several ISPs for not publicly disclosing their network management practices, which is required under the agency’s 2017 Restoring Internet Freedom Order. In late 2018, FCC staff conducted online searches to verify whether broadband providers were fulfilling their obligations to provide disclosures. Unable to find disclosures, the Wireline Competition Bureau sent one or more letters reminding the ISPs of their obligations, but Commission staff remain unable to locate the transparency disclosures. Some ISPs received citations, while others received admonishments. The difference is that citations go to unregulated entities so the FCC can fine them if they do it again, and admonishments are warnings to regulated entities, which could face monetary forfeitures. ISPs receiving citations include Bridger Cable TV of Montana, North Texas Broadband, International Power Systems of AZ, Ripflo Network of OH, Reynolds Cable TV of GA, MicroTek-Solutions of MO, Cape Ann Communications of MA and ASA Networks. Another group of companies received “admonishment orders,” including Tristate Internet, Native American Telecom LLC - Pine Ridge, Stoneham Cooperative Telephone of CO, Signal of IA, OneTone Telecom of SC, Two-Way Radio Service of MD, MJM Telecom of CA, Leonore Mutual Telephone of IL, Central Communications & Electronics, Gunby Communications, Cedar Creek Wireless, Flashpoint ISP, ConnectTo Communications, Digital Connection and the City of Commerce, GA.

**NBC Sports Passes \$1Bln in Tokyo Olympic Ad Sales:** Eight months ahead of the Opening Ceremony, NBC Sports surpassed \$1bln in ad sales for the 2020 Summer Olympics in Tokyo. NBCU expects to exceed the record-breaking \$1.2bln that it earned from the 2016 games in Rio. Tokyo is currently pacing “double-digit growth” ahead of Rio, according to Dan Lovinger, evp ad sales, NBC Sports. Speaking to reporters during a conference call Tuesday, Lovinger said that “more than half” of the committed advertisers are new to the Summer Games, from industries including technology, dining, financial services, retail and pharmaceutical. Packages range in price from \$1mln to \$100mln. “It really depends on who you are, what you’re trying to accomplish and where you want to be in the Games,” Lovinger said. NBCU will carry more than 7K hours of coverage across broadcast, cable, digital, social and upcoming streamer Peacock. Lovinger also noted the Democratic National Convention takes place two weeks before the Olympics, and the Republican National Convention two weeks after. “We believe that the Olympics will unify our country,” Lovinger said. “There is no red or blue in the Olympics, only red, white and blue. Advertisers understand and appreciate that.” Lovinger also confirmed that so far, NBCU has not engaged with any presidential candidates for advertising during the 2020 Olympics. Lovinger expects the 2020 Olympics to pull in more than 200mln viewers, making it the most watched event of the year. He pointed to the 14-hour time difference to Tokyo allowing for many events to air live in primetime and late night.

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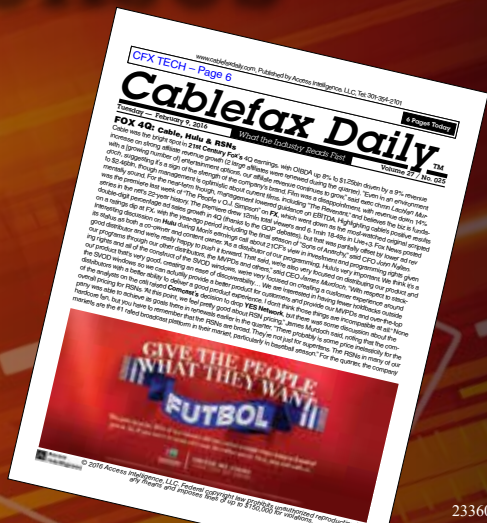
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**10.5 Million for CuriosityStream:** Non-fiction SVOD **CuriosityStream** has surpassed 10.5mIn paid subs and it expects that number to grow throughout 2020. Helping boost its numbers is a new bundled carriage model that has given it distribution to all customers in particular service plans. Distributors bundling CuriosityStream include **Altice USA** in the US, **Millicom** in Latin America and **StarHub** in Singapore. The company expects the bundled distribution model to continue to rollout worldwide at a significant pace. CuriosityStream also is working on language customization and expects its programs to be available in Russian, Serbian, Spanish, Portuguese, Mandarin and Cantonese by the end of 1Q20.

**House OKs TV Viewer Protection Act:** The House approved the TV Viewer Protection Act by voice vote Tuesday. The bill requires pay TV operators to disclose the total price, including itemized charges, fees and estimated taxes, before a consumer signs up for a video package. The bill also makes permanent a STELAR provision requiring MVPDs and broadcasters to negotiate for retrans consent in good faith. It also allows smaller MVPDs to join together to negotiate collectively under the good faith rules. The bill does not extend satellite's right to import distant signals in some markets. If that's not extended, satellite's compulsory license will expire Dec 31.

**Netflix Says 'The Irishman' Drew 26mIn Views:** Netflix said *Martin Scorsese* gangster film "The Irishman" was streamed by 26.4mIn accounts in its first seven days. Chief content officer *Ted Sarandos*, speaking at an investor conference on Tuesday, predicted the three-and-a-half-hour film will reach an audience of 40mIn households in its first 28 days. Netflix's benchmark for viewership is an account making it at least 70% of the way through the film. Last week, **Nielsen** said the movie reached about 13.2mIn subs in the US in its first five days of streaming. Even though Netflix only started making original films three years ago, the streamer was just nominated for 34 Golden Globes, 17 of them in film categories. "It's a good mark of quality both for the industry and for consumers," Sarandos said. The Irishman also had a limited release in theaters, and Sarandos said feature film has the potential to become a larger draw for subs than TV series. "Consumers understand the value proposition of new movie watching, better than they do television," he said. "In NY, that's a \$100 night out. That translates into how they value Netflix. It's not as clear [with TV] as it is with movies." Sarandos doesn't foresee any big changes coming to Netflix headed into 2020. "Nothing dramatic is going to happen soon," he said. "We're executing on exactly what we set out to do under the exact same strategy under the exact same wins and losses that we did before."

**Comcast Subs Seeing Less Starz:** As promised, **Comcast** removed the linear nets Starz Edge, Starz in Black, Starz Comedy, Starz Cinema and Starz Kids & Family from its channel lineup Tuesday. The content from those channels is still available on demand, and Comcast continues to offer the main **Starz** channel, **StarzEncore**, StarzEncore Action, StarzEncore Black, StarzEncore Westerns and associated content on demand. **EPIX** has been added to premium packages at no charge, with three new EPIX channels (EPIX 2, EPIX Hits and EPIX Drive-In) coming to those packages Wednesday (Dec 12). Comcast said Starz is available la carte through the end of December, adding that it's working with the programmer "to preserve the right to offer you that option beyond December 31."

**Howe Exiting NBCU:** *Dave Howe*, pres of strategy and growth at **NBCU Cable**, is leaving the company after 18 years at NBCU. "These last two decades have been some of the most fulfilling and rewarding of my career," Howe said in an internal memo to staff. He first joined the company as a marketer for **Syfy** in 2001 before rising to the position of pres of the net and **Chiller**. In 2016, he took on his current role. Howe said his highlight was acquiring **Blueprint**, a lifestyle content and commerce platform. "It's been a terrific experience working with the Blueprint team to help transform the business in partnership with almost every area of NBCUniversal," he wrote.

**Anti-NDA Initiative:** **Fox News** alum *Gretchen Carlson* and *Julie Roginsky* are creating a new org devoted to stopping companies from using nondisclosure agreements to cover up incidents of workplace harassment and discrimination. "If companies want to be on the right side of history, they will be on our team," Carlson told *The Hollywood Reporter*.

**FourthWall Media and PlacelQ Team Up:** TV analytics company **FourthWall Media** and data and tech provider **PlacelQ** have partnered to create an attribution report that connects television advertising with in-store visits. The partnership aims to merge TV viewership and location intelligence to help marketers understand TV attribution and drive customer engagement. FourthWall's Reveal analytics platform can use anonymized matching of TV ad exposures with mobile location data to determine how TV ad campaigns affect store traffic. The companies say the offering will allow marketers to plan and track ROI based TV campaigns as they do digital.

**Oops:** **Cablefax** misquoted **Charter** CEO/chmn *Tom Rutledge* in its Dec 10 issue as saying, "You still don't have broadband in most of those products..." in reference to streaming services. The corrected quote reads, "You still don't have broadcast in most of those products..."