

# Cablefax Daily™

Thursday — February 6, 2020

What the Industry Reads First

Volume 31 / No. 025

## Rural Rules: Pai Wants to Update TV White Spaces Regs

FCC chmn *Ajit Pai* took another stab at closing the digital divide Wednesday by proposing to update the rules surrounding TV white spaces. Those white spaces are composed of the unused spectrum between TV stations and have long been seen as an area of opportunity for expanding broadband capacity and access in hard-to-reach areas. Specifically, Pai is proposing to allow higher transmit power and higher antennas for fixed white space devices, including unlicensed radio transmitters, in rural areas. Those changes would allow those devices to extend their reach and offer wireless services to more rural Americans. The higher transmit power would also allow signals to better penetrate obstacles like buildings or trees. But because white space devices operate in portions of the broadcast television bands and spectrum not being used for authorized services, Pai is also proposing to increase the minimum required separation distances for those white space devices operating at higher power to protect authorized services from potential interference. “TV white spaces can play a critical role in providing broadband services to rural and underserved areas,” Pai said. “The FCC has taken steps to enable the use of white spaces over the years, and this new proposal would further help bridge the digital divide while protecting TV stations.” Pai’s proposal comes just over a month after **Microsoft**, a champion of white spaces technologies, met with FCC staff and pushed the Commission to respond to its May 2019 petition for rulemaking on expanding access to white spaces. The plan covers much of what Microsoft put forth in the filing. Microsoft’s Airband Initiative uses TV white spaces to lower the cost of delivering broadband to rural America. Through that Airband Initiative, Microsoft plans to directly invest in partnerships with ISPs that will provide broadband access to at least 2mln unserved and underserved rural Americans by July 4, 2022. “Building these partnerships has given us insight into the real-world challenges that rural ISPs face every day—and has revealed pragmatic, long-overdue changes to the Commission’s rules that would support more investment, innovation, and connectivity, while ensuring that incumbent licensees remain protected from harmful interference,” Microsoft wrote in the late December filing. Microsoft pres *Brad Smith* thanked the FCC and Pai for its work on the proposal, tweeting Wednesday that it is an “important step forward towards bringing broadband to more people in rural America.” The proposal has also been applauded by **NAB** along with a number of think tanks and consumer advocacy groups. The Commission will vote on the proposal at its open meeting on Feb 28.

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## Panelists



**Italia Commisso Weinand**  
EVP, Programming & HR, **Mediacom**,  
Board, The Cable Center, Emma Bowen  
& CTAM Educational Foundations



**Jana Henthorn**  
CEO, **The Cable Center**,  
2018 WICT Rocky Mountain  
Chapter Woman of the Year



**Linda Kavanagh**  
VP, Human Resources  
**Cox Communications, CA**,  
WICT SoCal Board & LEA Honoree

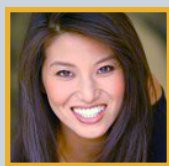


**Rori Peters**  
SVP, Content Distribution & Sales  
Strategy, **TVOne**, Former President,  
WICT Global, Member NAMIC

## Co-Moderators



**Bridget Baker**  
CEO, Baker Media, Former NBCUniversal  
President of Content Distribution, Cofounder  
CNBC, Board member GCI of Alaska, Former  
aide to U.S. Senator Ted Stevens.



**Nancy Yoon**  
TV Host, Diversity Advocate, Founder  
Asians in LA - social network of  
influencers in entertainment, politics,  
community & non-profits.

## WHEN:

**Wednesday, February 12, 2020**

4:00pm - 5:00pm – Mentoring Roundtables

5:00pm - 6:00pm – Panel Discussion

## CCTA Reception:

6:00pm - 8:00pm - "Salute to Sports Heroes & Legends"

## WHERE:

**Estancia LaJolla Resort**

9700 N. Torrey Pines Rd., La Jolla, CA 92037

## RSVP:

**el.schned@gmail.com**

WICT, NAMIC & CCTA Members - FREE  
Non-Members - \$20

**CCTA Winter Board Meeting\***  
**February 12-13, 2020 - La Jolla, CA**

## Special Guests Include:

**Special CCTA Sessions**  
**February 13, 2020**

*\*Open to CCTA Winter Board  
Meeting Registrants*

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of Operations



**Michael Powell**  
NCTA President  
& CEO

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**Cox Content Chief to Retire:** After 25 years with **Cox Communications**, **Andy Albert** is gearing up to retire at the end of the year. He was tapped in 2013 as svp, content acquisition, overseeing content deals, programming contract renewals and retrans negotiations following **Bob Wilson's** retirement. Prior to joining Cox in 1995, Albert did stints at **General Electric** and **TeleCable**. No word on who will succeed Albert, but Cox has a strong content bench that includes VPs **Chris Tygh**, **Mark Gathen** and **Suzanne Fenwick**.

**Fox-NCTC Particulars:** Remember that **Fox Corp-NCTC deal** that went down to the wire on New Year's Eve? Some of the details are emerging. Co-op members who opt in have **Fox News**, **Fox Business**, **FS1** and **FS2** carriage through Dec 1, 2023, with the rate increasing 15% in Year 1, according to sources. Members will see an increase in the 6-8% range the following years. It's not known how many of NCTC's members have opted in to the Fox contract. NCTC and Fox didn't respond to requests for comment. Meanwhile, Fox Corp reported fiscal 2Q2020 earnings at our deadline Wednesday. Revenues grew 5% YOY to \$3.78bln even as higher costs for **NFL** rights, its launch of **WWE's** "Smackdown" and the absence of **UFC** content took a toll on its 2Q20 balance sheet. The cable network programming segment served as one of the only bright spots in the company's 2Q20 earnings report, bringing in revenues of \$1.47bln, an increase of \$35mln or 2% YOY. Fox Corp said the rise was due to increases in affiliate and other revenues, including those generated by PPV boxing, and was partially offset by lower ad revenues due to the absence of UFC content on FS1 and breaking news coverage on **Fox News**.

**CableCARDS Continue to Decline:** As of Dec 31, **Charter**, **Comcast** and **Cox** had 431,169 CableCARDS in service, down from 482,410 at end of 2018. Cox saw the biggest percentage decline in cards, falling 49% from 53,474 cards in service at the end 4Q18 to 27,111 at the end of 4Q19. The stats are according to an **FCC** filing from **NCTA**. By comparison, Charter fell to 155,029 from 159,893 during the same period, while Comcast slid from 269,043 to 249,029. Asked about the decline, a Cox spokesperson pointed to the popularity of its Contour product, which features a traditional lineup and streaming integration (Cox licensed **Comcast's** X1 platform), as well as the growing number of alternative distribution methods (ie, streaming). Cox noted that less than 1% of its customers have CableCARDS. **Cablevision** is one of the legacy MSOs expected to file periodic updates on CableCARD deployments, but since parent **Altice USA** is not an NCTA member, it files updates separately. Altice reported that the number of CableCARDS it has deployed has dropped nearly 9% from 20,791 in 4Q18 to 18,967 in 4Q19. CableCARD deployments have steadily declined since the FCC's set-top integration ban expired in December 2015. Prior to that, new boxes deployed had to contain CableCARDS.

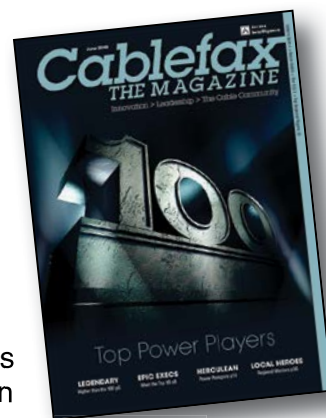
**Intelsat Needs C-band Payout to Avoid Bankruptcy:** **Intelsat**, a member of the **C-Band Alliance**, is contem-



## Who Deserves to Rank Among Cablefax's Annual Top Power Players?

The Cablefax 100 salutes the most influential executives whose leadership continues to take the industry to new heights. We will rank the top professionals in the media, cable & broadband industry and publish the list in the June edition of Cablefax: The Magazine.

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plating filing for Chapter 11 bankruptcy if US regulators don't raise the amount of compensation it would receive for clearing the C-band spectrum it currently uses, [sources](#) told *Bloomberg*. The satellite provider has reportedly hired bankruptcy experts at **Kirkland & Ellis** to prepare for a restructuring. **FCC** chmn *Ajit Pai* is set to announce his plan for a public auction of 300MHz of C-band spectrum during a speech at the **Information Technology and Innovation Foundation** Thursday. The C-Band Alliance has asked the Commission to require any bidders in that auction to pay an "accelerated clearing" fee to incentivize satellite incumbents to rapidly clear the spectrum and prepare it for 5G services. Lawmakers have been skeptical of giving significant portions of auction proceeds to the band's satellite incumbents as incentives. The Senate's Spectrum Management And Reallocation for Tax-payers Act would offer the FCC \$1bln for payments to incentivize incumbents and allocate \$5bln of the auctions proceeds to relocate them.

**Warner Bros. Announces Warner Max:** **Warner Bros** is launching **Warner Max**, a new production arm developing films for **WarnerMedia's** upcoming service **HBO Max**. The studio is initially targeting eight to 10 mid-budget movies per year, and will be overseen by HBO Max's chief content officer *Kevin Reilly* and chmn of Warner Bros. Pictures Group *Toby Emmerich*, who will share greenlight responsibility for the films. *Jessie Henderson* is expanding her role as evp of original feature films for HBO Max to also serve as the day-to-day head of the label, and the liaison between HBO Max and Warner Bros.

**Stingray-Music Choice End Patent Spat:** **Stingray Group** will pay **Music Choice** \$13.25mln to settle litigation between the two digital music companies. Half of that amount was paid to Music Choice on Monday, with the other half payable Feb 15, 2021 with 2.5% interest. Music Choice filed a patent infringement complaint against Stingray back in 2016, claiming Canadian-based Stingray was infringing on patents related to how music is delivered to MVPDs and their subscribers. Stingray filed counterclaims in the US District Court for the Eastern District of Texas. The settlement has no impact on litigation between the two in Canada. In January 2019, Stingray pulled its hostile \$120mln bid for Music Choice, which is owned by **Charter, Comcast, Cox, Sony, EMI Publishing, WarnerMedia, CommScope** and **Microsoft**. Stingray's US client base includes **Altice USA, AT&T** and **Amazon**.

**605 Launches Advanced Ad Platform:** TV measurement and analytics company **605** is launching a platform that it says enables advanced measurement and analysis of TV programs and advertisements across linear, over-the-air, DVR and set-top-box VOD. **AMC Networks** and **Discovery** will be the first programming clients. The platform is web-based, and comprised of data from set-top boxes and smart TV viewership covering more than 21mln households in the US. The company says it's the first to offer the ability to combine TV viewership datasets, allowing customers to utilize their own data in combination with 605's data.

**CSG Ups Guidance on Comcast Win:** **CSG** saw total 2019 revenue grow 14% YOY to a record high of \$996.9mln (non-GAAP adjusted revenue was \$927.7mln). Full-year revenue totals were helped by the acquisitions of **Business Ink** in Feb 2018 and **Forte** in Oct 2018, and to a lesser degree growth in cloud solutions and managed service arrangements. **CSG** is fresh off of a five-year extension signed in December with **Comcast**, keeping it in place as the billing provider for the MSO's residential broadband, video, home and voice customers. As a result, it has upped its full-year 2020 revenue guidance to \$990-\$1.03mln from \$980mln-\$1.02mln (non-GAAP adjusted revenue rises to \$917mln-\$950mln from \$907mln-\$940mln). Total rev for 4Q19 was \$254.7mln, up 3% over the same period last year.

**Ratings:** The College Football National Championship on **ESPN** reached a total audience of 27.3mln, now with full OOH and **Nielsen** reporting. The CFP Semifinals grew to 21.5mln, the most watched semis outside of New Year's Day. **ESPN Digital** saw its best year on record in 2019, averaging 95.5mln unique visitors per month, up 14% YOY. Its best month ever was September, capturing an all-time high 109.3mln unique visitors (up 22% YOY), more than half of the entire US sports category audience for the month.

**Business/Finance: Advance/Newhouse** intends to establish a credit facility that is backed by a portion of its common units in **Charter**. Advance/Newhouse noted that it remains a committed long-term Charter shareholder with no plans to sell any share other than through its continued pro-rata participation in Charter's buyback program. -- **Cable ONE** declared a quarterly cash dividend of \$2.25/share, payable March 6 to stockholders of record at COB Feb 18.

**People:** Everybody is getting into **TikTok** these days, including **Internet Association** pres/CEO *Michael Beckerman*. He's slated to depart from the organization on Feb 29 to lead policy and government relations for TikTok. He's served as pres/CEO since IA was founded in 2012. IA's members include **Amazon, ebay, Facebook** and **Twitter**. -- **Sinclair** named *Steven Zenker* as vp, investor relations. Zenker formerly served as vp, investor relations, **FP&A**.

## Think about that for a minute...

### Instantaneity

Commentary by Steve Effros

As I write this on Tuesday afternoon, the full results from the Iowa Democratic caucuses are not yet in, and I don't care. You see, it really doesn't matter whether those results come in within minutes of the end of voting, within an hour, so the candidates can get to speak on live TV during prime time, or after a day or two when the numbers are finally confirmed.



Speed is not important in this instance except for the networks hoping to sell ads and make sure that the viewing numbers remain high. Yes, all those pundits paid to profoundly pontificate on the supposed importance or at least political significance of the "results" looked a little silly when they had to keep talking when there was nothing to talk about, but that, in itself, was entertaining for a while! The speed with which the results are reported has no relationship to their actual significance (which, in the case of Iowa, isn't much!) since all they do is allocate delegates to the convention, which isn't going to take place for many months!

I raise all this because it's yet another example of what has become an almost demented obsession regarding speed in reporting. As I've noted before, the damage being done by things like Facebook and Twitter feeds instantaneously "reporting" things that then turn out to be dangerous, erroneous or intentionally wrong, that is, "fake news," are often directly related to speed.

If we required a time filter in postings there would at least be some chance of "catching" the bad stuff before it goes viral. Yes, the underlying issue of what is and isn't "bad stuff" is a difficult one to resolve. And yes, there'll be lots of discussion in this column about the implications of modifying "Section 230" which indemnifies Google, Facebook, et. al. from being responsible for what is

posted on their platforms. But we have to start somewhere. You don't get to the question of curation if you can't screen the posts in the first place because we have become so obsessed with speed that everything has to happen instantly.

That, of course, brings us back to the Iowa caucus debacle. It was apparently caused by a combination of a poorly crafted app and a user-base, mainly older election monitor folks, who had been doing it "the old way" for many years and just preferred to use the telephone regardless of whether the app worked or not! Understandable.

The Democrats are not the only ones who have run into this problem. When Mitt Romney was running for President, the Republicans put together a massive computer-based system to assure "their" folks showed up at the polls on election day. They called it "Orca." I have no idea why. As an official poll watcher, I followed the Keystone Cop results of that effort when Orca crashed, or was "beached" on election day and folks had to revert to writing names down on yellow pads and calling them all in! Reliance on massive, rarely used computerized systems doesn't seem to be the greatest idea for either political party, or the rest of us. Using only speedy information flows to affect critical decision making is just a bad idea. Validating that data, or information, however long that might take, makes a whole lot more sense.

Which, of course, gets us to 5G, touted in part because it will allegedly allow cars to instantaneously talk to each other while maneuvering in "real time." That, regrettably, might prove the premise that "speed kills."

*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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