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What the Industry Reads First

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Ergen Says: Too Bad Sinclair Didn't Own Fox RSNs in July

DISH's subscriber metrics seem to be stabilizing following the loss of Sinclair's stable of RSNs in late July. Its 4Q net pay TV loss narrowed to 194K subs from 334K a year ago. "I don't think it takes real rocket science to see what the customers watch and how much they watch, and what the value of what programming is," chmn *Charlie Ergen* said during the company's earnings call Wednesday. He said the number of DISH subscribers who want to watch regional sports networks are now at a "fraction" of what they were before DISH dropped the nets, but added he'd still like to do a deal. "We love regional sports; we really like Sinclair. It was an unfortunate circumstance that Sinclair did not own them when our contract was up," he said (the former Fox RSNs were in the process of being sold from **Disney** to Sinclair when the contract expired). "The programmers have a hard time understanding that once someone leaves our network, there's no reason to put something back and tax the rest of the people. The kind of offer we had from Disney folks at the time the contract was up was not even close to something that made sense for us. If you can put Humpty Dumpty back together again remains an open question." While net pay TV sub losses improved, **Sling TV** recorded its first ever decline, dropping about 94K compared to a 50K gain in 3Q19. Sling group pres *Warren Schlichting* pointed to a 20% price hike as well as shifting programming lineups to explain the loss, but said there are no plans to change Sling's current strategy. "We may not be everything to everybody, but we like where we are and we're taking a disciplined approach," he said. However, analysts at **MoffettNathanson** pointed out the price hike wasn't announced until the end of December, and didn't impact existing subscribers until Jan 22. "We've long struggled to put Sling TV in any meaningful context. Sling TV obviously isn't a very profitable alternative to satellite TV; we believe it is very likely still barely breakeven even at the gross margin level, and it is almost certainly a money loser at the net margin level," a research note read. The analysts also think DISH's slowing satellite losses probably came at the expense of **AT&T's DirecTV**, which shed 945K subs (combined with **U-verse**) in the quarter. DISH execs remained coy on possible strategic partners in wireless, but did say interest jumped after last week's **Sprint/T-Mobile** ruling. "It's probably a shorter list of who we're not talking to, but we don't feel any particular urgency over striking a strategic partnership at this point," said *Tom Cullen*, evp, corporate development. Cullen said the company

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is focused on integrating the **Boost** business, finalizing the architecture of the network, finalizing contracts for key vendors and planning deployments. “We’re very cognizant of the **FCC** obligations that we’ve made and we’re actually looking forward to beating them,” said Cullen. Ergen pointed out that DISH’s decision to be an ORAN compatible network opens them up to use providers that aren’t “household names,” and referenced the “safety net” of using T-Mobile’s network for seven years. “That is without question the way a modern network should be architected,” said Ergen. “The way to compete is to build a better network, not to build the same network using old technology.” Ergen continued to talk up the possibility of a merger with DirecTV, saying he thinks it’s “inevitable.” “Those two should go together, because the growth in TV isn’t coming from linear and satellite TV providers,” he said. “You can’t swim upstream against a real tide of over-the-top big players.”

FCC Refreshing Record on Net Neutrality Order: The **FCC** is seeking comments on the Restoring Internet Freedom Order, which eliminated Title II regulation for ISPs. Following the DC Circuit’s decision this month to decline petitions for rehearing, the agency is seeking to refresh the record on how changes in the order might affect public safety. The request comes after the DC Circuit remanded some elements of the order back to the agency. It’s asking questions like ‘could the network improvements made by possible prioritization arrangements benefit public safety applications?’ and ‘do providers have policies in place that facilitate or prioritize public safety applications?’. The FCC also is seeking info on how the order might affect regulation of pole attachments in states subject to federal regulation and for feedback on the FCC’s authority to direct Lifeline support to eligible telecommunications carriers providing broadband service to qualifying low-income consumers. Comments are due March 30, with replies due April 29. **Public Knowledge** complained that the FCC didn’t open a new rulemaking to address the court’s concerns, declaring that the nature of questions appears to assume the Commission got it right the first time. Commissioner *Jessica Rosenworcel*, who voted against the 2017 order, urged the public to speak out against the measure: “The American public should raise their voices and let Washington know how important an open internet is for every piece of our civic and commercial lives. The agency wrongfully gave broadband providers the power to block websites, throttle services, and censor online content. The fight for an open internet is not over. It’s time to make noise.”

Search is on For Emma Bowen Chief: **Emma Bowen Foundation** pres/CEO *Rahsaan Harris* is resigning from his post, effective Feb 28. He’s led the association for five years. In March, Harris will take over as CEO of the Citizens Committee for New York City, a micro-funding organization aimed at improving the city. *Nikki Bethel*, who most recently served as svp, talent management for **HBO**, will serve as Emma Bowen’s interim CEO. *Phylis Eagle-Oldson*,

Cablefax: March What’s happening...

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ACA Connects Summit

Cablefax will cover this annual gathering in Washington, DC, where small- and medium sized operators make their voices heard in the halls of Congress and beyond.

State Legislature Round-up

A look at what’s happening at the state regulatory level

Cablefax: The Magazine – March Issue

The Work Culture List

Cablefax’s newest magazine shines a spotlight on companies for their work on continuing education, D&I, employee benefits and more.

Awards

Top Ops
Nomination
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Events

ACA Connects Summit
March 17
Washington DC

who served as EBF pres/CEO for nearly 15 years before retiring in 2015, will be leading the search for a permanent CEO. "I am grateful for the wonderful EBF staff, which has taken the organization from good to great. EBF has firmly positioned itself as a pipeline for entry level and mid-level positions within the media and technology sectors," Harris said. "I know this work will continue to grow because we achieve true impact when people of color are included at the highest levels of leadership."

Weekly Ratings: The NBA All-Star Game helped **TNT** nab the No 2 spot in cable prime ratings last week, with the net averaging 2.12m total viewers. The game's strong showing wasn't enough though to knock **Fox News** out of the top spot. The newser again finished first in prime (3.23m total viewers) and total day (1.74m). Other winners for the week included **MSNBC** (1.68m), **HGTV** (1.22m) and **History** (1.92m), which rounded out the top five cable nets in total viewers for prime.

Get Those Retrans Comments to the FCC: The Television Viewer Protection Act that was passed by Congress late last year directs the **FCC** to ensure negotiations between qualified MVPD buying groups and large broadcast stations groups are covered under rules requiring good faith negotiations for retransmission consent. Comments on the FCC's NPRM are due March 5; replies are due March 16. The FCC's item is proposing that a large broadcast station group is defined as an entity whose individual station members collectively have a national audience reach of more than 20%. It proposes defining a buying group as an entity that negotiates on behalf of MVPDs that collectively serve no more than 25% of all households receiving service from any MVPD in a given local market—instead of all households served by a specific MVPD in a given local market.

Distribution: Another AVOD has struck a deal with TV manufacturer. **Haystack TV**, which focuses on hyper-relevant local, national and global news, reached an agreement with **Hisense** that will see its app featured prominently on the new VIDAA smart TV platform. Haystack TV is already available on **Amazon Fire TV**, **Android TV**, **Roku**, **LG**, **Samsung** and **Vizio** as well as through Android and iOS mobile devices.

NCTC, Imagine Team Up: **Imagine Communications** partnered with **NCTC** to power AdKey, a cloud-based, platform agnostic service that supports ad insertion on all IP-based video streams. The next-gen ad insertion agreement is designed to simplify the deployment of advanced ad delivery capabilities for North American cable operators.

NAB Going Ahead: Facebook's annual global marketing conference in San Francisco may have been canceled due to coronavirus concerns, but **NAB** issued a statement Wednesday reassuring folks that the 2020 NAB Show is set to take place as planned in Las Vegas April 18-22. It largely repeats what NAB told **Cablefax last week**. The association says it is closely monitoring coronavirus and "is prepared to devote whatever resources necessary" to ensure a safe experience.

Programming: **Lifetime** ordered eight eps of "Battlefield of Love," a docuseries featuring members of the military who have fallen for civilians they have met online. -- **Spectrum Originals** keeps cranking them out, debuting gothic mystery "Paradise Lost," in partnership with **Paramount Network**, on April 13. It will be available ad-free on Spectrum's On Demand platform. No word yet on when Paramount will get it. -- **Nickelodeon's** 2020-21 content slate includes a new animated series based on the popular book series "Big Nate" along with a live-action original movie titled "The Loud House: A Very Loud Christmas!" Nick also renewed several shows, including "Are You Afraid of the Dark?," "Paw Patrol" and "Blue's Clues & You!" -- **AMC Networks'** streaming service **Sundance Now** acquired Australian drama "The Secrets She Keeps," with the six-ep series to premiere this summer. -- Chicago's **WGN-TV** may have lost the Cubs, but it now has the Chicago Fire. The two signed a multi-year deal that will make WGN-TV the home for all locally broadcast Fire home and away matches. The agreement with WGN-TV will be additive to the on-going partnership with **ESPN+**. -- **Fuse Media** and **Genius** teamed up in a partnership that will bring Genius' digital content including "Verified," "Deconstructed" and "For the Record with Rob Markman" to linear TV. "Genius x Fuse" will premiere March 18. -- **Freeform** will premiere "Motherland: Fort Salem" March 18, 9pm. The series takes place in an alternate America where over 300 years ago witches ended their persecution by making a deal with the government to fight for their country.

People: **Nielsen** is making some moves to build out its media management team. *Sean Cohan* is joining as chief growth officer and pres, international. Cohan spent 15 years at **A+E Networks**, and most recently served as pres of **Wheelhouse**. *Karthik Rao* has been named COO, Nielsen Global Media, having spent 20 years at Nielsen. *Peter Bradbury* was upped to chief commercial officer, US, from his role as evp, US Media Sellers Group. -- *James Obermeyer* is joining **Cable ONE** as svp, marketing and sales, beginning Feb 24. He comes from **Charter**, where he served as vp of marketing since 2011.

Think about that for a minute...

Standardization

Commentary by Steve Effros



I'm not generally a fan of standardization, particularly in a business such as ours where technology advances so rapidly. But it's not that easy, especially when "new" technology depends on things like public spectrum or has obvious impacts on consumers being constantly put in a position of having to buy new stuff.

We are all aware of "planned obsolescence" and the unfortunate habit of companies making products that inevitably fail after a given period of time (usually just days after the warranty is over) or are superseded by always "newer," "better" products. That happens all the time, and some of it is legit.

There's no question, for instance, that computers keep getting better, faster, have more processing capability and can do more stuff. So we all started out with a desktop monster and now many have moved to laptops that have far more power, speed, and the like. OK, that's not what I'm really talking about. I can put up with that. But what about making cell phones that no longer have headphone jacks, thus forcing us all to get "wireless" speakers, earphones and the like? What about those same cell phones being built with constantly changing power connectors thus forcing us to buy new power plugs, wires, etc.?

The EU has now pushed the adoption of a new standard for those power jacks saying enough is enough and the business plan requiring that different cell phones have different jacks and all the old ones become obsolete and part of the non-recyclable garbage stream has got to stop. I think they're right. But it's not easy.

To be sure, those little power plugs have advanced. The first ones weren't so little, then they were, but they were different shapes, or you could only plug them in one way. Apple, of course, had a proprietary jack, so that if one

member of the family had an Android phone and the other had an iPhone you had to have multiple cords to keep them powered up. Enough!

The industry itself started the standardization by moving toward a uniform "wireless" charging system. The USB "C" jacks are starting to become ubiquitous as well, so maybe this is all a matter of timing, and once the technology stabilizes there really is no need for government intervention. Maybe. But it might be that the threat was part of the reason everyone is finally getting together on one standard. Hard to tell.

Clearly there are many areas where technology is not ready to be standardized, such as set top boxes. If the FCC had imposed standards, as it was threatening to do years ago, we would never have gotten things like the X1 system, which is a clear winner and a good business differentiator. But what about things like OTT boxes?


Is it a good idea that Amazon, Roku, Apple, Google and the like are all making different boxes that essentially do the same thing but are designed so that they can block each other's product? Do we really want to make things so confusing that consumers wind up buying devices to hook up to their television sets but do not know that they are essentially tying themselves into both exclusive technology and sometimes exclusive access to only certain types of programming as well?

These are not easy questions to answer because, as noted, there's a timing issue involved. Technology needs a reasonable amount of time to develop. Innovation can sometimes be exclusionary. But it doesn't always have to be the case, nor should it.

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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