

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Trouble in Paradise: Fuse Files FCC Program Carriage Complaint Against AT&T

**Fuse Media** filed a program carriage complaint at the **FCC** against **AT&T** Friday, arguing that its behavior towards Fuse has changed drastically since its merger with Time Warner in 2018.

Fuse is specifically claiming that AT&T refused to come to the bargaining table until the programmer threatened to go to the FCC, and that AT&T is attempting to harm Fuse for its own networks' benefit.

Fuse is using its experience with another vertically integrated distributor to bolster its case.

"Two years ago, Fuse was dropped by a vertically integrated distributor, **Comcast**, receiving notice from Comcast the day after a consent decree restricting Comcast's behavior toward independent programmers had expired on September 1, 2018. Comcast's termination of Fuse was the principal factor leading to Fuse's bankruptcy in early 2019," Fuse said in the complaint. "Now Fuse is faced with the same existential threat, now in the hands of the other major vertically integrated distributor."

Fuse and AT&T agreed on carriage terms for **DirectTV, Universe, AT&T TV** and **AT&T TV Now** back in 2006, with the most recent amendment coming in June 2016. Fuse claims that AT&T has ignored Fuse's proposals for almost four

months, and AT&T only made an offer after Fuse notified AT&T it may be forced to file a complaint with the FCC. According to Fuse, the offer was "untenable and likely unserious."

Fuse's complaint also argued in the complaint that its programming is similarly situated to that of multiple **Turner** nets, including **TBS, TNT, CNN, Adult Swim** and **truTV**. Fuse said that its ratings are comparable to those of the AT&T networks when adjusted on the basis of each network's reach and fees, and Fuse offers a similar proposition and demographics to potential advertisers.

"It is AT&T's ownership of similar programming that permits AT&T to have its cake and eat it too: drop Fuse, avoid paying Fuse Media any fees, mitigate the audience loss by diverting Fuse's audience to the AT&T-affiliated programs, and keep the increased advertising revenue that comes with these greater audiences," Fuse said.

AT&T is fighting back against Fuse's allegations, saying that it treats all programmers, including Fuse, fairly. "They want the FCC to order us to carry programming our customers don't want or value," AT&T told **CFX** in a statement. "We look forward to responding."

Fuse isn't the only programmer to complain about AT&T's behavior in recent months. **AMC Networks** filed an FCC complaint against AT&T in August, claiming the latter had put forth discriminatory terms during talks to renew the pair's carriage agreement. AMC Networks withdrew its carriage complaint less than a month later after the two sides were

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able to agree on new terms.

### ROKU PULLS DOWN SPECTRUM APP

The **Spectrum** TV app was removed from **Roku** platforms over the weekend, **Charter** said in a note to customers Sunday. “Despite our best efforts to reach an agreement, Roku has not accepted Spectrum’s offer to continue our contract, which allowed customers to access the Spectrum TV app from Roku devices,” Charter said on a Spectrum support page. Users that already use the Spectrum TV app on Roku should still be able to access the service, and Spectrum TV app users who are affected will be able to access their full video library on other devices. “Roku is an important partner and we are hopeful we will reach an agreement soon,” Charter told **CFX** in a statement. Roku hasn’t been afraid to play hardball when it comes to distribution deals. It took down the **AT&T TV** and **AT&T TV Now** apps in January over fee and advertising disputes, eventually restoring it to Roku platforms in May. Roku didn’t strike a deal to carry **Peacock** until late September and still doesn’t have a deal with AT&T to make **HBO Max** available on its devices. “Similar to the Peacock situation, we’re not always first,” Roku CFO **Steve Loudon** said at an investor conference last month. “But we’ve got a very good idea of what the market is and how much value we can create. We’ve got the biggest, most engaged user base in the US and so hopefully we can get a deal done.”

### DISH, COX MEDIA SETTLE RETRANS SPAT

**DISH** finally settled one of its retrans battles over the weekend, signing a multi-year agreement with **Cox Media Group** Sunday to restore 14 stations in 10 markets

including Charlotte, North Carolina, and Orlando, Florida. The impacted stations have been dark since July, when a temporary restraining order that had kept the stations available to DISH subscribers. DISH and Cox Media Group owner **Apollo Global Management** were engaged in litigation about whether DISH’s carriage agreement for the Cox stations was prematurely terminated when Apollo acquired those stations. DISH still has an active dispute with **Nexstar** that has left 164 stations dark across 115 markets.

### BREAK OUT OF THE BIG THREE

In a constantly evolving streaming world, what comes next? Panelists at **Parks Associates’** Future of Video conference are doing their best to figure it out. **Virginia Juliano**, CEO & founder of **CobbleCord**, said it’s time to move away from “the big three” of **Netflix**, **Amazon Prime Video** and **Hulu** when talking about streaming, and no one service is bullet-proof. “There’s so many moving parts, everyone’s just one rate increase away from really alienating a large swath of their subscribers,” she explained, but did note that **Disney+** is in a good position to edge into number three. “I would actually flip it and say top three is very old school, like very broadcast networks. Why does it have to be top three? Break out of that.” Juliano also pointed out that while Amazon is known as a “big three” streamer, there is a question to how many users actually watch Amazon Prime Video, and how many hours consumers spend with it. **Stefanie Meyers**, svp of distribution at **Starz**, said the next big player could be the company that figures out how to challenge the major device makers like **Roku** in a way similar to how those makers



## National Wreaths Across America Day is Saturday December 19th.

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challenged the set-top box. “If someone can do that, that’s certainly a path towards becoming one of the big three,” she said. Meyers is also watching how OTT impacts sports, believing in the next few years there’s a strong chance for a direct disruption as the sports costs are increasing, and cable customers are decreasing. Also, expect a consolidation of streaming services. “I think we’ll see more distinction between the different kind of services, possibly a number of services shutting down or getting folded into something else over time,” she said. “We’re going to start to see consolidation, sort along the lines of **Paramount+** and just distinction and differentiation.” **Rob Gelick**, evp and gm of streaming services & chief product officer at **ViacomCBS Digital**, expects to see both consolidation and consumers adding additional streaming services. “The vast majority of those users who have a single subscription or multiple seem to have an appetite to add more,” he said. “I do think there’ll be more consolidation, and they’ll be a lot more bundling and packaging as you see the market go to individual offers. I think the bundles will become more and more relevant and accurate.”

#### CENTURYLINK AGREES TO FCC SETTLEMENT

**CenturyLink** will pay \$500K to settle an investigation by the **FCC**’s Enforcement Bureau into whether CenturyLink violated Commission rules in connection with a multi-state outage that affected the delivery of some 911 calls. On Dec 27, 2018, CenturyLink suffered an outage on one of its transport networks that lasted for nearly 37 hours. The outage was caused by a combination of an equipment failure and a network configuration error. During the outage, CenturyLink failed to deliver 11 911 calls that had been forwarded to secondary Public Safety Answering Points it serves as a covered 911 service provider in Arizona.

#### PLUME SURPASSES 20MLN HOUSEHOLD MILESTONE

**Plume** now serves more than 20mln active households around the globe, the smart home services provider announced Monday. In total, the provider now counts more than 500mln devices that it is managing in the Plume cloud. Plume said it is currently averaging approximately 1mln new home activations each month. Its growth has been fueled by the independent communication service provider sector, where the company has added over 100 new customers in 2020 across North America, Europe and Japan.

#### FCC CLARIFIES ROBOCALL RULES

The **FCC** ruled that government contractors must have consent before robocalling consumers. Monday’s order reconsidered a 2016 interpretation of the Telephone Consumer Protection Act. The Commission also clarified that federal and state government callers, when acting in an official capacity, are not subject to prior consent requirements. The ruling also does not supersede the Commission’s prior emergency calls exemptions, which apply to calls like those providing critical information about the pandemic.

#### NEW PROGRAMMATIC AD SOLUTION

Convergent TV advertising platform **Beachfront** teamed up with **SeaChange** to enable real-time, programmatic monetization of linear spot, OTT and VOD ad inventory. The joint solution is already deployed in the US, and enables Beachfront’s demand partners to automate cable TV ad buying.

#### DISTRIBUTION

Free streamer **Local Now** is now available to **Comcast**’s Xfinity X1 and Xfinity Flex customers. Customers can access the service by saying “Local Now” into their Xfinity voice remote. – **Tubi** launched on **Roku** in Mexico. Thousands of movies and TV series are now available on the platform for free in localized Spanish-language.

#### PROGRAMMING

“The Office” is officially flying to **Peacock** on Jan 1, but only the first two seasons are in front of the paywall. To watch all nine seasons, subs will have to opt-in to the \$4.99 or \$9.99 tier on the streamer. The show is currently streaming on **Netflix**. – **ESPN+** and the PGA Tour struck a deal for the service to stream 23 PGA Tour events beginning in 2021, starting with the Farmers Insurance Open in January. The agreement follows a similar pact that covered 12 events in 2020, ahead of the nine-year US rights agreement that begins in 2022. – **HBO** ordered limited series “Irma Vep,” starring and executive produced by *Alicia Vikander*. – **Showtime** is debuting a new “Shameless” companion series on Dec 27 at 9pm. “Shameless Hall of Shame” will air alongside the final season of the series, and the six-episode series will feature new, original Shameless scenes juxtaposed with a retrospective look at each character’s journey over the prior 10 seasons. – **USA Network** announced January premiere dates for three of its unscripted series. “Straight Up Steve Austin” returns for Season 2 on Jan 11 at 11pm, and “Chrisley Knows Best” airs Jan 21 at 10pm, immediately followed by docu-comedy “The Rev” at 10:30pm. – **TNT**’s AEW wrestlers are reenacting scenes from the beloved film “A Christmas Story.” Kicking off Dec 24, the scenes will air as interstitials during TNT and **TBS**’ 24-hour A Christmas Story marathon. – **Discovery Channel** teamed up with the California Department of Forestry and Fire Protection to bring the series “Cal Fire” to viewers beginning Jan 3 at 10pm. The show follows Cal Fire’s frontline firefighters across the state to give viewers a first-hand look at some of the state’s most destructive fires. – **HGTV** is launching a podcast for fans that want to take an even deeper dive into all things HGTV. “HGTV Obsessed” will be hosted by influencers and HGTV superfans *Mike and Kat Stickler* and feature exclusive interviews with network talent, episode recaps, design tips and inside scoop.

#### PEOPLE

**Freewheel** named *Mark McKee* its new CRO in the US, effective immediately. He’s been acting as CRO since January 2020, and was previously vp of marketing at the company.