

# Cablefax Daily™

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What the Industry Reads First

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## Tribune/DISH: Bundling at Issue

In addition to the usual rate dispute, **DISH** blamed the blackout of **Tribune** stations Sun night on the broadcaster's push to bundle its local broadcast stations with **WGN America**. Tribune stations in 34 states and DC went dark on the satellite provider after the 2 failed to reach a retrans renewal. The blackout includes 42 Tribune O&O stations, covering more than 50mln HHs. As part of the dispute, 7mln DISH subs lost access to Tribune's cable net WGNA. "By attempting to force bundle its cable channel with its local broadcast stations, Tribune is using local viewers as leverage to raise rates for WGN America—a channel that is in decline," evp of programming *Warren Schlichting* said in a statement. In a video explaining to subs how they are affected, Schlichting said DISH offered extensions, which were refused by Tribune. Tribune's side of the story? "It's particularly unfortunate that they (DISH) are denigrating WGNA, a network with two original top 20 shows," including "Underground," *Gary Weitman*, **Tribune Media's** svp for corporate relations told us. He also said Tribune offered a long-term extension that DISH rejected and that DISH was only interested in a very short-term extension. Tribune converted its superstation WGNA into a basic cable net in Dec, 2014. The broadcaster has been "leveraging the power of retrans to build a meaningful affiliate fee base for WGNA," **BTIG** analyst *Rich Greenfield* wrote in a blog post Mon. He noted during last summer's battle between **Sinclair** and DISH, forced bundling led the **FCC** to convene an emergency meeting with both parties. The agency released an NPRM in Sept focusing on the definition of good faith negotiating in retrans disputes. "While it remains unclear how much the FCC can do to reform retrans without new legislation, we believe actions such as Sinclair's last summer and Tribune's current battle with Dish serve to embolden regulators to take action," Greenfield said. For DISH, it has a unique opportunity to make its point to the FCC, he said. And there's the fight over rates. "Tribune is demanding an unreasonable rate increase for channels that are available for free over the air. Actions like Tribune's are what drive price increases and feed customer frustration for our industry," Schlichting said. The satellite provider is offering subs in affected areas digital antennas to receive local over the air channels. The dispute shows the need for retrans reform, DISH general counsel *Stanton Dodge* said. "The FCC has the opportunity to investigate remedies like arbitration with interim carriage, which could end broadcaster blackouts while preserving the interests of all parties," he said. Weitman fired back: The broadcaster has offered "the same kind of fair market rates that DISH already pays other

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local station groups with **ABC, CBS, NBC** and **CW** affiliates with top-rated local news, and other similarly valued cable networks." He added the broadcaster is willing to accept the same rates for its local stations and WGNA that others are currently paying. "Dish is notorious for forcing station groups and cable nets off of its distribution system; in the past three years alone, Dish has done so twelve different times," the exec said. A prolonged dispute would hurt both sides, **Wells Fargo** analysts wrote in a research note Mon. For Tribune, \$40-\$50mln+ of revenue could be at risk, they said. For DISH, the dispute could "further pressure already challenging subscriber trends." The analysts said they weren't surprised by the dispute given DISH's history of tough negotiations and blackouts. The timing (with Tony Awards on CBS, Stanley Cup on NBC, and **NBA** Finals on ABC) also makes the blackout "feel like a negotiation tactic" from Tribune, they said. Having said that, the dispute is likely to be resolved sooner rather than later, they said, noting the recent DISH/Sinclair dispute only lasted a day. Greenfield agreed that a long-lasting dispute would result in DISH losing subs. However, there is limited must-watch broadcast TV programming until the NFL returns in the fall, he said. And while the NBA Finals are on ABC, of all the affected Tribunes, only 3 are ABC affil, he noted.

**Adobe TVE:** Adobe is working together with **Apple** to improve consumer adoption of TV Everywhere services, Adobe said Mon as Apple held its Worldwide Developer Conference. Apple's new authentication APIs aim to allow users to sign in using their pay-TV credentials, and once signed in, they won't have to sign in again as they're moving from one TVE app to another. Adobe is working to incorporate these new APIs into all Adobe Primetime authentication SDKs, ensuring efficient adoption by programmers. **CTAM** recently announced it's working with Adobe to support a TVE upgrade that will improve the sign-in experience for pay-TV subs across both in and out of home platforms.

**Augmented Reality: Comcast Ventures** joined investors **Lenovo, Tencent** and **Horizons Ventures** in **Meta's** \$50mln Series B funding. Meta, an augmented reality company, is in the process of deploying its 2nd-generation AR headset. How does AR differ from virtual reality? See-through digital content is displayed as a layer over actual physical surroundings. Examples could be using AR glasses to get deeper, digital information about a museum exhibit you are viewing. Meta CEO *Meron Gribetz* gave a TED Talk on AR in Feb. "To me, [AR] is part of a story of how we can extend our bodies with digital devices instead of the other way around," he said.

**Orlando Impact:** **TNT** postponed Sun night's Season 3 premiere of "The Last Ship" in the wake of the Orlando mass shooting. A sneak peek of the new season shows gunfire erupting in a nightclub. "Our hearts are with the victims and their families," the network said. The names of victims of the shooting at Pulse nightclub in Orlando were still being released Mon. Among those killed was *Luis Vielma*, who worked at **Comcast-owned Universal Orlando**. Theme parks in the city were said to be heightening security efforts in the aftermath of the attack. "We are all heartbroken by the tragic and horrific events in Orlando, and offer our thoughts, prayers and support to everyone in our community affected by this senseless act," **Disney** CEO *Bob Iger* said in a statement. **People.com**, quoting an unnamed federal law enforcement source, reported Mon that the gunman had scouted Downtown Disney, recently renamed Disney Springs.

**FNG Names New CFO:** **Fox Networks Group's** longtime CFO *Del Mayberry* is retiring after more than 3 decades with the company. The company named *Ravi Ahuja*, current evp of business operations and development, as the successor. Ahuja will report to FNG chmn *Peter Rice* and pres/COO *Randy Freer* and work closely with **21st Century Fox** CFO *John Nallen*. Mayberry joined Fox in 1983. He was promoted to evp and CFO in 2002.

**Sling TV Coming to Apple TV:** At its Worldwide Developer Conference Mon, **Apple** said **DISH's** subscription streaming service Sling TV is coming to Apple TV, allowing Apple TV users to access the service directly. Other apps that will land on Apple TV include **Fox Sports Go, Sketch Party, Minecraft Story Mode** and **NBA 2K**.

**Electronic Notifications:** **NCTA** and **ACA** are urging the **FCC Media Bureau** to act on its petition to clarify that electronic dissemination by email to subscribers via confirmed email address or website links is sufficient to satisfy a requirement for public notices under Section 76 of the Communications Act. No parties filed opposition to the petition in initial comments, with several commenters in support, including a group of 83 small and mid-sized cable ops. "By clarifying that the written notices in Section 76.1602(b) may be provided electronically as described below, the Bureau would eliminate this environmental waste; modernize its rules to meet consumer expectations to receive communications electronically; improve communications between cable operators and their customers, including by enhancing the ease and speed with which

# BUSINESS & FINANCE

notices can be updated or corrected; and afford cable operators greater flexibility to match the electronic operations of their online and other competitors,” ACA and NCTA said.

**Programming:** **A&E** debuts weekly, in-studio series “Black And White” on July 13. Billed as a comedy series that tackles race in America, it’s hosted by *Christian Finnegan* and *Sherrod Small*. -- **Cartoon** will take 15-second digital series “Mighty Magiswords” and morph it into a full-length linear series launching this fall. Cartoon will introduce the expanded concept this summer through a series of character-driven shorts, a web game and on-air spots. -- New Japan Pro Wrestling joins Canada’s **Fight Network** on July 7, with new eps of the English-language series to debut Thursdays at 9pmET. **AXSTV** will continue to air the series in the US, having inked a multi-year deal for it last year.

**People:** *Jim Lanzone* was named chief digital officer of **CBS**. He’ll continue as CEO of **CBS Interactive**. -- **Entravision** named *Angela Navarrete* to svp, integrated marketing solutions, McAllen, TX, and *Rene Morales* to the same role for Las Vegas.

**Public Affairs:** **Comcast** awarded \$219K in scholarships to 199 CA students as part of its annual Leaders and Achievers Scholarship Program. Since 2001, Comcast has awarded more than \$25mln to nearly 25K high school seniors across the country as part of the program.

## Cablefax Daily Stockwatch

Company	06/13 Close	1-Day Ch	Company	06/13 Close	1-Day Ch			
<b>BROADCASTERS/DBS/MMDS</b>								
DISH:	52.38	(1.09)	HARMONIC:	2.73	(0.09)			
ENTRAVISION:	6.91	(0.09)	INTEL:	32.17	0.13			
GRAY TELEVISION:	11.05	(0.21)	INTERACTIVE CORP:	53.31	(1.16)			
MEDIA GENERAL:	17.70	0.08	LEVEL 3:	51.31	(0.96)			
NEXSTAR:	50.58	(0.87)	MICROSOFT:	50.14	(1.34)			
SINCLAIR:	30.45	(0.73)	NETFLIX:	93.85	0.10			
TEGNA:	21.92	0.01	NIELSEN:	53.90	(0.51)			
<b>MSOS</b>								
CABLE ONE:	490.47	(5.87)	SEACHANGE:	3.29	(0.05)			
CABLEVISION:	34.77	0.09	SONY:	27.52	(0.51)			
CHARTER:	223.28	(0.25)	SPRINT NEXTEL:	3.62	(0.09)			
COMCAST:	62.39	(0.41)	SYNACOR:	3.06	(0.12)			
GCI:	14.67	0.39	TIVO:	9.78	(0.04)			
LIBERTY BROADBAND:	58.75	(1.1)	UNIVERSAL ELEC:	66.30	0.81			
LIBERTY GLOBAL:	35.07	(1.5)	VONAGE:	4.74	0.08			
SHAW COMM:	18.93	(0.07)	YAHOO:	36.47	(0.36)			
SHENTEL:	34.24	0.47	<b>TELCOS</b>					
<b>PROGRAMMING</b>								
21ST CENTURY FOX:	28.91	(0.02)	AT&T:	40.19	(0.14)			
AMC NETWORKS:	60.05	(0.31)	CENTURYLINK:	26.89	(0.07)			
CBS:	52.11	(0.62)	FRONTIER:	4.87	(0.24)			
DISCOVERY:	25.97	(0.18)	TDS:	27.58	(0.23)			
DISNEY:	97.57	0.23	VERIZON:	52.57	(0.1)			
GRUPO TELEVISIA:	24.93	(0.16)	<b>MARKET INDICES</b>					
HSN:	49.91	(2.74)	DOW:	17732.48	(132.86)			
LIONSGATE:	21.25	(0.04)	NASDAQ:	4848.44	(46.11)			
MSG NETWORKS:	16.58	(0.45)	S&P 500:	2079.06	(17.01)			
SCRIPPS INT:	62.89	(1.07)						
STARZ:	26.01	(0.01)						
TIME WARNER:	73.13	(0.5)						
VIACOM:	46.01	(0.21)						
WWE:	17.44	(0.03)						
<b>TECHNOLOGY</b>								
ADVANTAGE:	1.83	0.02						
AMDOCS:	56.85	(0.53)						
AMPHENOL:	58.65	(0.82)						
APPLE:	97.34	(1.49)						
ARRIS GROUP:	23.10	(0.49)						
AVID TECH:	5.84	(0.07)						
BLNDER TONGUE:	0.38	(0.06)						
CISCO:	28.84	(0.19)						
COMMSCOPE:	31.55	(0.48)						
CONCURRENT:	5.88	(0.21)						
CONVERGYS:	26.79	(0.59)						
CSG SYSTEMS:	41.55	(0.64)						
EHOSTAR:	38.58	(0.6)						
GOOGLE:	718.36	(1.05)						

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