

Cablefax Daily™

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What the Industry Reads First

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GSN Shuffle: Net Gains Some Optimum Distribution, Gets Moved on Verizon

Years of GSN fighting to get off Optimum's Sports & Entertainment package seem to have come to an end, with the network recently moving into the Optimum Gold, Premier, Silver and Preferred packages. "Altice USA and GSN are pleased to have entered into a mutually beneficial arrangement that, through their continued affiliation, will provide both companies with additional value and rights. The companies note that the agreement will bring an end to ongoing litigation between them," GSN and Altice said in a joint statement provided to **Cablefax**. GSN filed a carriage complaint in 2011 at the FCC against what was then **Cablevision**, claiming it discriminated against the network by moving it to a sports and entertainment tier while giving better carriage to affiliated programming (**WE tv** and the now-defunct **Wedding Central**). That complaint kicked around the FCC for a long time, with an administrative law judge ruling in GSN's favor in November 2016—after Altice USA had taken over ownership of Cablevision. In July, the FCC voted 2-1 to overturn the ALJ's decision, with *Mignon Clyburn* the lone no vote. She argued that the ALJ process involved an extensive examination and overturning such a decision can set dangerous precedent. On the other hand, commish *Mike O'Rielly* questioning why it took nearly six years to resolve the issue and suggesting the ALJ process may need to be overhauled. GSN followed up by asking the **DC Circuit** to review the FCC's determination, but late last month the court dropped the case after GSN and the other parties sought voluntary dismissal. The dismissal came around the same time of the channel changes. In recent weeks, **Verizon Fios** customers have noted that GSN is no longer available on some packages, including Essentials, Mundo and Extreme (legacy 2014) package. GSN has used social media to direct viewers to a website collecting info from "people with an opinion about this change" that it says will be shared with Verizon. The site also makes it clear that GSN is still available on Fios, but may not be in their programming package. "Content costs are the single biggest factor in higher TV bills and we are moving the channel into new and in some cases, different packages to avoid increasing prices across the board," a Verizon spokesperson said, noting that the changes saw GSN moved into two new packages—the Custom Lifestyle & Reality package as well as Fios' Ultimate HD package. The net remains available for Fios sub who take the Premier, Prime, Select, Custom (legacy 2016 packages), Extreme (2009, 2010 legacy packages), SMB Enhanced and SMB Premier packages.

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The 100: YouTube TV has added Turner networks and more markets, but it's also raising its price. The live TV service is expanding to all top 100 markets in the coming weeks, with customers now able to stream TNT, Adult Swim, TBS, CNN, Cartoon Network, HLN, truTV and TCM. The monthly price for the service jumps to \$40 for new members on March 13. Existing customers and those who sign up before that date will keep their original price of \$35/month. YouTube also announced that it will be adding MLB Network and NBA TV to the YouTube base package and will offer customers the option to subscribe to subscription out-of-market service NBA League Pass or MLB.TV. New markets to receive YouTube TV include Honolulu and Syracuse.

Repack Funding: House Commerce unanimously agreed Wednesday to authorize additional funding for full power TV and radio broadcasters in the repacking of their channels following the spectrum auction. The move came during a markup of the FCC reauthorization bill, with the money to be freed up once the FCC officially declares the \$1.75bn repack money currently allocated is insufficient. "By making sure we properly relocate broadcasters displaced in the incentive auction, we add further legitimacy to future spectrum actions and other improvements in communications policy," Commerce chmn Greg Walden said, naming the repack bill the "Ray Baum Act" as a nod to his friend and former committee staff director who recently passed away. The bill establishes a broadcast repack fund, but the actual allocations will have to be worked out with Appropriations assuming the bill becomes law.

Top Dog: ESPN has the highest perceived value to cable operators compared to other basic nets (\$0.99), beating out Fox News by \$0.14 in Beta Research's fall 2017 cable operator study. ESPN2 earned the third position at \$0.78, while Disney and NFL Network each clocked in at 73 cents. NBCU Cable was seen as very helpful in selling TV Everywhere, HDTV and VOD amongst the highest amount of operators with 100K or more subscribers (63%). Disney/ESPN Networks, Fox Cable Networks, Discovery Networks, Fox News Channel and Scripps Networks also received high marks for efforts in selling TV Everywhere/HDTV/VOD. Disney/ESPN Media Networks ranked as home to the affiliate website visited the most by operators.

Building Out Broadband: President Trump delivered remarks Wednesday on his infrastructure plan in a meeting with bipartisan members of Congress, calling the initiative "a priority that is shared by members of both parties." Dems have raised concerns, including that none of the \$200bn in federal funding is earmarked for broadband deployment. The plan leans heavily on state and local government along with the private sector, with \$100m designated for an incentives program to spur \$1.5 trillion in investment over 10 years. "The American people expect all of us to work together to serve their needs," Trump said, according to remarks released by the White House. "This is an issue where I really

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Questions: Contact Mary-Lou French at mfrench@accessintel.com.



believe we can find common ground between Republicans and Democrats.” **House Energy and Commerce Committee** chmn *Greg Walden* (R-OR) issued a statement supporting the meeting, calling infrastructure efforts “a shared priority for us all.” “We stand ready to work with anyone and everyone to help deploy broadband internet to every corner of our country and improve energy distribution to bring energy prices down for consumers,” Walden’s statement read.

SpaceX: FCC chmn *Ajit Pai* has asked his fellow commissioners to support an application by **SpaceX** to provide broadband using satellite technologies in the US and on a global basis. If approved, it would be the first OK given to an American-based company to provide broadband using a new generation of low-Earth orbit satellite technologies. “Satellite technology can help reach Americans who live in rural or hard-to-serve places where fiber optic cables and cell towers do not reach. And it can offer more competition where terrestrial Internet access is already available,” Pai said in a statement.

Tech Notebook: Seven leading operators have deployed second-gen modules of **Arris’s** E6000 Converged Edge Router CCAP platform. **Comcast, Grande Communications, TDS** and **WOW!** have utilized the modules in North America, which allow them to achieve capacity upgrades from their HFC access networks. The modules grant customers the ability to upgrade existing chassis for an up to 70% increase in service group density without consuming more rack space, and give operators the opportunity to deliver multi-gig broadband services. -- Leading Swedish provider **Com Hem** will use **Harmonic’s** CableOS virtualized CCAP solution to bring faster speeds to the Nordic Region. Com Hem will deploy CableOS across its network and is also using the platform to power its symmetrical 1.3 Gbit/s service test currently being conducted in Sweden.

More Join Fubo: Six new stations have joined **fuboTV’s** affiliate network, bringing the service’s total to 193. **NBC** additions include **WECT** (Wilmington, DE), **WTHR** (Indianapolis, IN) and **WWBT** (Richmond, VA) along with **CBS** stations **KKTU** (Colorado Springs, CO), **WISC** (Madison, WI) and **WTOL** (Toledo, OH).

Discovery’s Olympic Numbers: **Discovery** and **Eurosport** report some 373mln hours of video was watched across Europe during the opening weekend of the **Winter Olympics**. 212mln users watched across all platforms, with the average free-to-air and pay-TV audience totaling 186mln. The weekend was a hit on social media platforms as well, with Discovery seeing a total of 1.1mln engagements across its social media platforms.

Machinima Rebrands: **Machinima** CEO *Russell Arons* announced a rebrand of the gamer-centric network, focusing on promoting content across several platforms and building its relationship with **Warner Bros**. Warner Bros acquired the network 15 months ago, and now Arons wants to take Machinima beyond its **YouTube** roots, transforming it into a content producer and distributor under its parent company’s digital efforts. The first effort in this vein is “Game On,” featuring exclusive gamer fan programs and tournaments at events like **E3** and **TwitchCon**. Long-form programming will be a goal, with Arons looking to build partnerships with game publishers for animated and live-action adaptations of their franchises.

Tweet Away: The live premiere of “The **BET** Social Awards” on Feb 11 earned more than 16mln impressions across **Facebook, Twitter** and **Instagram**, marking it as the No 1 most social cable special of the month. The inaugural awards show garnered 2.2mln views across **BET’s** social platforms.

Programming: **Netflix** has reached a multi-year deal with *Ryan Murphy* and **Ryan Murphy Productions** to bring new series and films exclusively to the platform starting July 1. He’ll be continuing to work with **Fox** on his existing shows. Murphy’s new original series “Ratched” and “The Politician” are set to premiere globally on Netflix. He also currently oversees the production of “American Crime Story,” “American Horror Story,” “Feud,” “9-1-1” and the upcoming “Pose.”

People: *Anu Subramanian* joined **Fusion Media Group** as COO, bringing more than 15 years of experience in finance, media and operations to the position. She most recently was CFO/COO of **Vice Media’s** digital division, and previously spent seven years at **Scripps Networks Interactive** in roles including CFO and head of finance for its digital business. Subramanian will dual report to CEO *Felipe Holguin* and *Peter Lori*, evp, finance, CAO and deputy chief financial officer at **Univision Communications**.

On the Circuit: **The Alliance for Women in Media Foundation** has opened up the call for entries for its annual **Gracie Awards**, which recognize exemplary programming created by, for and about women in radio, TV, cable and interactive media. The Gracie Awards Gala is set for May 22 in Beverly Hills. AWM and its Foundation announced the 2018 board, which includes the additions of *Joyce Fitch*, **Beasley Broadcast’s** evp, gen counsel and secretary, and *Diane Schwartz*, svp and group publisher for **Access Intelligence’s** Media Communications Group, which includes **Cablefax**.

Think about that for a minute...

The War on the Edge

Commentary by Steve Effros

There's always good reason to try to avoid war. Inevitably, a lot of damage is done and rarely does the brutal and angry interaction have overwhelmingly positive results. In this case I'm, of course, talking about 'hostile conflict' not among nations (although they will be involved) but among companies and the government. We're at the beginning of a major war over control of the "edge" of the Internet. It's not going to be pretty.



There's more than one "front" to this war, and the interaction of all the combatants is going to get increasingly complex. Probably the best thing for the broadband delivery ISPs to do is to stand back and let this all play out while trying all the while to stay out of experiencing too much "collateral damage."

The two principal combatants: the dominant "edge" providers and the consumer/government regulators. The most interesting part about all this is that the two groups are going to both be fighting each other as well as fighting among themselves.

Let's look at the "edge" providers. That's **Google, Facebook, Apple, Amazon**, etc. There are many different aspects to this fight. The most obvious public one is that several of these dominant players have also become dominant in manufacturing and selling hardware designed to be used at "the edge," in consumer's homes. We have **Amazon Echo, Google Home**, and now **Apple's HomePod** all engaging in an advertising blitz during the Olympics to try to entice us into "signing on" to their system.

Consumers are just beginning to understand that you really are committing to one or the other system when you choose the hardware. It makes little sense to get a really good sounding speaker from Apple while getting

a very efficient and more responsive home-assistant system from Amazon. They are not compatible. They don't work together. The two systems block or hinder various other sources from working. Apple's music servers, for instance, are the only ones fully operational on the HomePod. You can't watch Google's YouTube videos on the Amazon Echo Show screen, and so it goes. The companies are battling each other for dominance in the home and blocking, throttling and paid priority seem to be part of the ammunition they are using, the theory of net neutrality be damned.

But that, in turn, is triggering war talk from the government and consumer groups, both of which were perfectly happy just focusing on ISPs until now. Of course all of that attention was created by the "edge" players in the first place, yet another cautionary tale of unintended consequences. Yes, the government already had jurisdiction over the ISPs, so that was easy pickin's, but now the real threat of huge companies like Google is starting to take center stage, and there's no way the aim does not shift to them.

So what started as an economic gambit by the edge players to shift costs to the ISPs is now likely to create an even more complex and hot conflagration for them as they increasingly have to deal with calls for new regulation or legislation to oversee their activities. I think probably the best thing the cable/broadband industry can do is stand back and let it happen. We, after all, don't see any benefit in blocking, throttling or maybe even "paid priority," it just may not be economically viable, so the best thing we can do is try to stay out of the coming battle and avoid the inevitable carnage.

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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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