

Cablefax Daily™

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What the Industry Reads First

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Storm Watch: Cable in Prep Mode as Dorian Descends

While Dorian doesn't present the threat it once did to the US, it's still a powerful Category 2 storm with many along the coast of Florida, Georgia, North Carolina and South Carolina urged to evacuate. Internet, video and phone providers were doing their parts to keep communications going, including **Comcast**, **Charter** and others opening up WiFi hotspots to the public for free. **Atlantic Broadband**, which services both Florida and SC, said it would temporarily suspend disconnect activity, including disconnects for non-payments so customers have access to services before and during the storm. **WOW!**'s storm prep check list mirrors that of many of its peers, and includes staging satellite phones and diesel fuel trucks at headends, updating employee lists and double checking communications plans for social media, emails, etc. **The Weather Channel** wasn't just reporting on Dorian on TV, but also working behind the scenes with its affiliates. "We were in touch with **Cable Bahamas**, which carries The Weather Channel. Part of what we did with them is got them maps and messaging and social media to help them try and get the message out," Weather Channel pres **Tom O'Brien** told **Cablefax**. "We talk to all our distribution partners in the affected areas and offer our services to try and spread messages... There's also the TV Everywhere product we have. It's an authenticated app that people can use on their phones, so if someone loses power or evacuates and doesn't necessarily have access to the TV, they have access to The Weather Channel through TV Everywhere." With the Bahamas bearing the brunt of what was a Category 5 storm, it's not immediately clear how the operator and its employees are faring. **Entertainment Studios Networks** distribution head **Janice Arouh** said she and others on Weather's distribution team have reached out, but haven't heard back yet. With O'Brien joining Weather Channel in February, Dorian marks the first major hurricane he's ridden through as head of the network. Weather Channel's storm coverage catapulted it up the ratings chart, ranking 8th among cable nets in total day P2+ for Aug 26-9/1—up from 56th place the week before, according to **Nielsen** data. **Fox News** topped Weather Channel in primetime coverage Monday night for P2+, but Weather took first place in the 25-54 demo. It was buoyed by strong tune-in over Labor Day weekend. On Wednesday, the **FCC** extended communications provider disaster reporting into GA, NC and SC, asking cable, broadcast, wireline and wireless providers to provide daily reports of outages and infrastructure updates. Wednesday's FCC status report, which only included Florida,

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Contact Olivia Murray at omurray@accessintel.com



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reported more than 35K cable and wireline subscribers out of service, up from 6,884 the day before. Conditions along the coasts of the Carolinas were expected to deteriorate Wednesday night and Thursday, with The Weather Channel's hurricane expert *Rick Knabb* warning that even Hampton Roads, VA, could see some life-threatening storm surge.

Altice USA-Dolan Settlement Includes News 12 Job, Regional Ops Security: *The Dolan Family and Altice USA* announced Tuesday that a settlement had been reached in the former's suit over operations at **News 12**, and now we have the details. The terms of the agreement, which remain in effect until Feb 28, 2023, require that News 12 maintain at least 371 full-time employees with the amount of open positions never exceeding more than 10% of total budgeted full-time positions. News 12 will maintain its current operating structure as well as its fully functioning studios located on Long Island, the Bronx and in NJ. No further consolidation of News 12 regional operations will be allowed and a minimum of 80% of each News 12 unit's coverage must pertain to the regions served. The settlement agreement will also survive any sale or merger of News 12, and Altice must include *Pat Dolan* among potential bidders in any sale proceeding. For the Dolans, the additional job security for News 12 employees, the assurance that News 12 will keep its current newsroom structure and its continued coverage of hyperlocal sports were key aspects of the settlement agreement. "These were the issues important to the Dolan Family and why we filed the lawsuit," Pat Dolan said in a statement. "We're very pleased they were addressed and we appreciate Altice working with us to address these issues." Altice had no additional comment on the settlement. -- News 12 is also getting a distribution boost with its newscasts coming to **Verizon Fios** customers starting in November. The newscasts will serve as an alternative to Verizon's **FiOS1 News**, which will be shut down at midnight on Nov 15. FiOS customers will also have access to Altice-owned **i24NEWS** and **Cheddar** starting in early 2020.

Disney and Cox Get It Done: ESPN's **ACC Network** has another carriage deal, this time with **Cox**. With this latest deal, **Comcast** remains one of the few major distributors not carrying the net, alongside **AT&T U-Verse**. If a Comcast deal isn't struck by Saturday, Comcast (which has a heavy presence in Florida) subs won't be able to watch FSU take on LA-Monroe. The Cox deal is good news for ACCN fans in VA and MA, where Cox has a heavy footprint.

Sixth Circuit Dismisses Leased Access Case: A US federal appeals court on Wednesday dismissed **NCTA, Comcast, Verizon** and others' petition to revisit the **FCC's** 2018 leased access order. The order never actually went into effect as the court stayed it in May 2008 and OMB disapproved of new information collection requirements imposed by it. The FCC vacated the order in June of this year, approving streamlined rules that eliminate the requirement that cable operators make leased access available on a part-time basis. Following the vote, the FCC petitioned the US Sixth Circuit Court of Appeals to dismiss the petitions for review as moot. Circuit judges *Richard Suhrheinrich*, *Alice*

Cablefax Upcoming...

The FAXIES Award Luncheon

Tuesday, Oct. 22 • 12:00-2:30pm • Edison Ballroom, NYC

Bigger. Better. Faxier. The expanded FAXIES awards program recognizes the intersection of marketing, PR and content producing endless content diversity and a dizzying array of entertainment options. This celebration lunch brings together the all the puzzle pieces and recognizes the best people and initiatives impacting American culture. Join us when we announce the winners of the Ultimate b2b awards program.

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Most Powerful Women Celebration

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This signature Cablefax event always draws an elite crowd of senior-level female execs across disciplines from distributors, programmers and technology—and it's the perfect opportunity to catch up with old friends, make new connections and celebrate the continued advancements of women throughout the TV, cable, broadband and media universe.

www.CablefaxWomen.com

Batchelder and *John Nalbandian* granted the dismissal.

YouTube Fined \$170 Million for COPPA Violations: **Google** has agreed to a \$170mIn settlement with the **FTC** and NY Attorney General *Letitia James* over **YouTube's** alleged violations of the Children's Online Privacy Protection Act. Those allegations against the company include the showing of targeted advertising in videos likely to be viewed by children. The settlement also requires Google and YouTube to develop a system that would see its creators identify their child-directed content on the site. The fine will be split with \$136mIn going to the **FTC** and \$34mIn headed to NY, and while it is more than 30 times greater than the previous largest COPPA fine, the decision is coming under fire from lawmakers and advocacy groups. The overwhelming opinion? It's great that the **FTC** is acting, but the penalty was not high enough and COPPA regulations are not enough to protect children online. "As complaints from privacy advocates over the years have amply demonstrated, COPPA is not effectively enforced, and companies are not sufficiently incentivized to protect children's information," **Consumer Reports** policy counsel *Katie McInnis* said in a statement. Also responding negatively to the settlement were **House Commerce** chmn *Frank Pallone* (D-NJ) and **House Consumer Protection and Commerce** chair *Jan Schakowsky* (D-IL), who called YouTube's use of children's personal information a "betrayal of its users' trust." Both called for more comprehensive federal privacy legislation with strict penalties for companies that abuse their access to personal information.

Amazon Upgrades Fire TV Cube, Adds Soundbar to Product Lineup: **Amazon** is releasing a second generation of its Fire TV Cube with a "hexa-core" processor that's more than twice as powerful as that included in the device's first run. According to the retail giant, Fire TV has more than 37mIn active users. That gives it a sizable lead over **Roku**, which announced it had surpassed 30mIn active users in its 2Q19 earnings report. The second generation will stay at the \$119.99 price point while offering up 4K Ultra HD content at up to 60 frames per second. It will also come with local voice control, which Amazon claims executes Alexa voice commands up to four times faster than before. It's currently available for pre-order and will ship in Oct 10. Coming to Amazon's product lineup for the first time are Fire TV Edition soundbars. Also announced Wednesday, the Nebula Soundbar - Fire TV Edition allows for video and audio streaming and includes support for 4K Ultra HD. It includes an Alexa-powered voice remote that can be used with a customer's compatible TV as well as the soundbar. The soundbar is available for pre-order in the US for \$229.99 and will begin shipping Nov 21.

Federated Wireless Completes Series C Funding Round: **Federated Wireless** has secured \$51mIn in Series C funding, the company announced Wednesday. Contributors included existing investors **Allied Minds**, **American Tower** and **GIC** while newcomers included **Pennant Investors** and **SBA Communications**. The funding will be directed to Federated Wireless's CBRS efforts, allowing it to accelerate the availability and adoption of shared spectrum CBRS services by wireless carriers, cable companies, utilities and enterprises.

SiriusXM and Fox Sign Agreement: **SiriusXM Radio** and **Fox News** signed a new long-term agreement to continue carrying Fox News Channel, **Fox Business Network**, and **Fox News Headlines 24/7**. The agreement includes exclusive audio rights for the channel, as Fox News On-Demand Audio will now be distributed on Sirius' on-demand platform and on **Pandora** as podcasts.

beIN Strikes Soccer Deal: **beIN Sports** and US-based Spanish-language broadcast net **Azteca America** (owned by **HC2 Network**) signed a content licensing agreement. Azteca America now has broadcast rights to all of the upcoming 2019/2020 LaLiga Smartbank soccer season (approx 150 live games). The deal comes on the heels of a May deal in which Azteca America will exclusively sell advertising on beIN's sports channels in the US. The earlier agreement covers beIN Sports, beIN Sports en Espanol and streaming platform beIN Sports Connect. Previously, beIN had its own internal ad sales staff.

Public Affairs: **Viamedia**, a cross-media local advertising company, is partnering with fast food chain **Hardee's** again to award a Kentucky college student up to \$10K for college tuition. Over the last 6 years, Viamedia and Hardee's have awarded \$45K in scholarships to five Central KY students. Entrants will compete for the prize by writing short essays, beginning Sept 9. The winner will be announced Nov 26.

People: **MTV** promoted four execs in its content group to svp. *Bahareh Kamali* was named svp/head of strategic development, adding **CMT**, MTV Studios, MTV Documentary Films and Scripted to her responsibilities. *Dara Cook* will serve as svp, original franchise programming, *Benjamin Hurvitz*, svp, original series and *Sitarah Pendelton* as svp, original series. All four began their careers with MTV and previously held vp titles.

Think about that for a minute...

A Rural Tutorial

Commentary by Steve Effros

I'm very impressed with Elizabeth Warren. She's smart, and more than capable of applying facts and experience to policy conundrums. The same is true of FCC Chairman Ajit Pai and Senator John Thune (R-SD), current chair of the Senate Communications Subcommittee. But all of them display a serious lack of understanding of the issue of broadband deployment in rural America. Warren just published an op-ed piece explaining her "...plan for universal broadband," and Thune is having a "field hearing" on the subject, but didn't invite any experienced, old-hand rural cable operators to explain what's really going on. He should have.

Let's use the Warren proposal, which could have been written by Tom Wheeler's minions when he was at the FCC, as the example of what seems to be some basic disconnects as to rural broadband reality.

To begin with, she suggests that the "problem" of lack of adequate rural broadband is the fault of the "big" companies which "...maximized their profits at the expense of rural towns..." I guess what she's saying is that they essentially have always chosen not to build run rural systems, principally because they lose their shirts every time they try! They can't run rural systems any more than Google can. Note that Google never tried. Amazon puts its distribution centers near major metropolitan areas with big road and airport facilities. I guess that must mean that Amazon is intentionally dissing rural America too.

No, that's not it. These companies, with their major overhead and need to fund things like legal departments, R&D labs and the like will never succeed in rural America because the margins are too narrow and the need for pure local understanding and dedicated talent is too high. We have rural cable systems in just about every significant town and outpost in this country. Most of them have built



cable systems that are now "hybrid fiber/coax" and are more than capable of locally delivering high-speed broadband. The infrastructure is already there!

So why isn't it being offered? Because there's a missing component: the middle mile connection. Fiber between the major metropolitan points of presence of the internet hubs and those small towns. If the local operators could get a middle mile connection at a reasonable price, most of their customers who want it could get it at a very reasonable price! But the "middle mile" is either not there, or there is no competition to keep prices down. You want to "fix" the "rural problem?" You don't need to have cities and towns build yet another local, "last mile" system. They have already failed at doing that many times over! You need to solve the "middle mile" issue.

The Warren proposal for \$85 billion for municipal ownership is based on totally false assumptions; first, that communities know how to build *and maintain* complex communications infrastructures. Look at the history of municipal ownership of cable. It's disastrous, unless you assume that almost all these facilities will never be financially sustainable and it's OK that they will always have to be subsidized. That's the history. It usually starts with great promises, underestimation of initial costs, overruns, delayed construction and ultimately the shock of finding out that the system will need rebuilds and upgrades almost constantly! Those are the facts.

Folks who know and understand those facts are already in place; local, rural cable operators. Fix the "middle mile" problem and you'll get parity in rural broadband, and it won't cost \$85 billion to do it!

Steve

T:202-630-2099
steve@effros.com

(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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