

# Cablefax Daily™

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What the Industry Reads First

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## Copyright Complaint: DISH-Apollo Retrans Spat Gets More Litigious

When DISH lost 18 Apollo Global-owned Cox Media Group stations on Jan 18 (formerly Northwest Broadcasting stations), it managed to keep 13 Cox Media Group stations from going dark on its lineup thanks to a temporary restraining order issued by Illinois state court. But in the latest turn of events, Cox Media Group (CMG) is suing DISH for copyright infringement for the continued carriage of those 13 former Cox Enterprises stations, which include Atlanta's WSB (ABC) and Orlando's WFOX (Fox). CMG filed the complaint Friday after the Illinois court upheld the temporary restraining order, but said CMG isn't prevented from asserting a right to monetary relief for copyright infringement. The court took no position on whether there is infringement. "DISH knew that CMG withdrew its consent to retransmission as of the January 18 Deadline. DISH also knows that its continued retransmission after that time was willful and therefore subject to enhanced statutory damages, as evidenced by, among other things, its submissions and statements to the Illinois state court acknowledging that it would be liable for willful infringement damages if it lost the contract dispute," CMG said in its complaint. DISH won the temporary restraining order on Jan 15. DISH argued that CMG is wrongly trying to terminate a March 2019 retrans agreement between DISH and the Cox Stations in favor of moving the Cox stations under the Northwest agreement. "The defendants contend that the Northwest acquisition occurred a millisecond before the Cox acquisition, so that the Cox Stations were supposedly acquired by a freshly minted broadcaster— an owner that already had a retransmission consent agreement with DISH," DISH told the Illinois court. DISH contends both the Cox and Northwest transactions were approved by the FCC on the same day and later consummated on the same day. This isn't the first blackout for Cox Media Group since the Apollo deal closed in December, with Verizon Fios losing stations in Syracuse, Pittsburgh, Boston and Providence, RI, for four days at the start of 2020. DISH also isn't a stranger to blackouts. In addition to the 18 former Northwest stations that are dark, Marshall/Mission broadcast stations have been dark on DISH's lineup since Jan 3.

**Sinclair-Nexstar Settle Lawsuit:** Sinclair and Nexstar said Monday that they have agreed to settle a lawsuit over the terminated Sinclair-Tribune merger, with Sinclair selling a station and making a \$60mIn payment to Nexstar. After FCC concerns about the proposed deal caused Tribune to terminate the sale of 42 stations to Sinclair in 2018,

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Nexstar purchased Tribune for \$4.1bln. Neither party admitted any liability or wrongdoing in the settlement. As part of the resolution, Sinclair will sell WDKY-TV in the Lexington, KY, DMA to Nexstar. It has also sold certain non-license assets associated with KGBT-TV in the Harlingen, Texas, DMA, though Sinclair will continue to operate KGBT as an independent broadcast station. Sinclair and Nexstar also modified an existing agreement regarding carriage of certain Sinclair digital networks by stations acquired by Nexstar in connection with the Tribune acquisition. Sinclair will make a cash payment of approximately \$60mln to Nexstar, net of the asset sales purchase price. In August 2018, Tribune filed a \$1bln lawsuit against Sinclair, claiming it had deliberately disregarded repeated warnings about certain proposed station divestitures. Sinclair filed a counterclaim, alleging Tribune breached its merger obligations to exercise its own reasonable best efforts to close the deal.

**Starz Programming Head Leaving:** After nearly 10 years at **Starz**, programming chief *Carmi Zlotnik* is exiting the premium channel at the end of the month to pursue new creative endeavors. He oversaw notable series such as “Power,” “Outlander” and “American Gods.” Zlotnik, who previously headed original programming production at **HBO**, will consult for Starz for a time. His departure comes almost a year after *Chris Albrecht* stepped down as CEO following Liongate’s integration of the net. *Jeffrey Hirsch* was promoted from COO to pres/CEO of Starz in September. Hirsch praised Zlotnik’s track record, calling him “a great creative partner, mentor and friend to so many.”

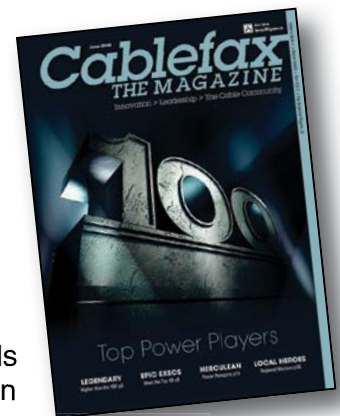
**Sprint, in Limbo, Continues to Lose:** If it wasn’t already abundantly clear that **Sprint** needs its merger with **T-Mobile** to stay above water, the company’s 3Q20 earnings report hit the point home. Looking on the bright side, it wasn’t as bad as it could have been as the wireless provider clings to its remaining customers. Sprint lost 115K postpaid phone subscribers in the quarter, beating analyst estimates of a 160K loss. Churn in its postpaid business rose to 1.87%, up from 1.75% YOY. Total revenues came in at \$8.08bln, a 6% drop YOY. “I continue to be impressed by the commitment of Sprint employees to deliver results during this period of uncertainty,” Sprint CEO *Michel Combes* said in a statement. “As we await a decision in the state attorneys general lawsuit, I continue to believe the merger with T-Mobile is the best way to deliver the benefits of competition to American consumers.” Should the merger be blocked, Sprint would likely declare bankruptcy, and *MoffettNathanson* believes that would come in the form of a Chapter 11 restructuring rather than a Chapter 7 liquidation. “Save for the fact that it might take a while, it wouldn’t change things very much for industry structure, and Sprint might actually emerge in better competitive condition than at any time in the last decade,” *MoffettNathanson* said in a note, adding that it has no idea which side NY District Judge *Victor Marrero* will side with. *New Street* analyst *Jonathan Chaplin* has been skeptical that declaring bankruptcy will be enough to save Sprint,



## Who Deserves to Rank Among Cablefax’s Annual Top Power Players?

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writing back in November note that even if its debts were wiped away, Sprint would still need an additional \$7bln in new capital. "And they will need time. Lots of time, particularly if they are dragged through a protracted Chapter 11 fight," Chaplin said. "Will someone be willing to make the investment once the balance sheet is cleaned up. Perhaps. Not us." As for predicting the case's outcome, MoffettNathanson is stuck in the middle, but leaning towards the state AGs' argument. Others have taken a similar position, with **Cowen** giving it a 60% chance that the state AGs prevail. Sprint's stock had dipped 4.14% by market close to its lowest level since 2016.

**FCC Makes CBRS a Reality:** The **FCC** has certified four Spectrum Access System Administrators, allowing for full commercial use of the 3.5 GHz CBRS spectrum for broadband connectivity and 5G. **CommScope**, **Federated Wireless**, **Google** and **Sony** were all certified to operate commercial services in the band. "With more than 25 customers offering commercial services and another 50 in development, Federated Wireless is extremely pleased with the momentum the market has achieved since [initial commercial deployment] in September, and we are eager to continue driving the next wave of services, including private 5G," said Federated CEO *Iyad Tarazi* in a statement. Prior to commercial availability, the 3.5 GHz CBRS band was used primarily by the Department of Defense, mostly for shipborne radar systems. The **CBRS Alliance** and its 159 members are celebrating the final stage of a commercialization process that began back in 2013.

**Fox Acquires Concacaf, Olympic Soccer Qualifiers:** Just a day before the USWNT starts Olympic qualifiers, **Fox Sports** and **Concacaf** have agreed to an exclusive multi-year US English-language rights deal. The agreement includes the 2021 and 2023 Gold Cups as well as the Men's and Women's Olympic Qualifiers and Scotiabank Concacaf Champions League. The Concacaf Women's Olympic Qualifiers kick off Tuesday on **FS2**, when the reigning World Cup champs take on Haiti at 8:30pm. English-language coverage of the Gold Cup remains exclusively on Fox Sports, which will also televise the Concacaf Men's Olympic Qualifiers in March live from Mexico. The next three editions of the Scotiabank Concacaf Champions League will be on Fox Sports, featuring matches between clubs from MLS, Liga MX and more, and serves as the qualifying tournament for the FIFA Club World Cup.

**AT&T Loses El Rey, Fusion:** **AT&T** is the latest distributor to lose **Univision**-owned nets **El Rey** and **Fusion**. The two channels went dark on **U-Verse** and **DirectTV** Jan 23. "We are no longer offering the Fusion and El Rey Network channels. We apologize for any inconvenience this may cause and will continue to provide great lifestyle programming on channels like **A+E**, **AMC**, **Fuse**, **IFC**, **Sundance TV**, **Syfy**, **Viceland**, among others," a spokesperson from AT&T said. Both nets have struggled with carriage, but El Rey in particular has had its difficulties. The net was not included in the deal Univision and **DISH** struck last year after almost nine months of blackout for the Spanish-language media company's networks. However, a spokesperson from Univision said the net is currently not in danger of shutting down. "Univision has been a partner and investor in El Rey Network since its launch in 2013, and we are proud to continue supporting its efforts to serve our culturally diverse population," the spokesperson said. Univision flagship networks still remain on AT&T.

**Comcast Buying Unified Communications Vendor:** **Comcast** announced its acquisition of Irish Unified Communications as a Service (UCaaS) provider **Blueface** Monday. The acquisition will add Blueface's customizable cloud voice communications platform to the Comcast Business portfolio. Blueface will continue to support its existing customer base post-acquisition. Terms of the acquisition were not disclosed, but Blueface told customers in a blog post that further job creation at its Dublin headquarters is something both Blueface and Comcast Business are committed to. New positions will be created in software development, engineering, program management and sales.

**Distribution: Yahoo Finance**, owned by **Verizon Media**, launched a full daily 24-hours of linear news programming on **Verizon Fios**. The coverage includes eight hours of market weekday coverage, additional finance programming, special events and programs from across the Verizon Media ecosystem.

**Remembering Kobe Bryant:** **ESPN** will honor the life and legacy of late basketball superstar *Kobe Bryant* Monday evening by re-airing the final game of his NBA career. At 9pm, viewers can tune into Black Mamba's last game, which took place April 13, 2016 when the Utah Jazz faced the LA Lakers. -- **Spectrum Networks** will have special programming and re-airings of classic games and moments from Bryant's Lakers career on **Spectrum SportsNet** and **Spectrum News 1** in Southern California. Spectrum SportsNet will include re-airings of Kobe's final NBA game at 4:30pm PST on Monday, and his 81-point performance against the Raptors (2006) at 8pm PST. The net's coverage will also include the Lakers Top 10: Kobe Bryant Moments at 3pm and the 2017 "Connected With...Kobe Bryant" at 4pm PST. SportsNet's live studio programming will begin at 6:30pm PST with #Lakeshow. At 7pm PST, SportsNet and Spectrum News 1 will simulcast a special Access: SportsNet Lakers show dedicated to Kobe. The Lakers' home game Tuesday against the Clippers has been postponed.



## CFX TECH

### Plume Powering Smart Home 2.0

We've now entered into the second generation of smart home technology, a time where connected devices rule the home from roof to basement and cloud-based solutions are the name of the game. Driving the Smart Home 2.0 movement forward is **Plume**, a software-based smart services company that broke onto the WiFi scene back in 2014. It markets its products for individual consumers, offering up services that optimize the performance of their smart devices and protect them against cyberthreats for a \$99/year membership, but has also white-labeled its products and services for use by ISPs around the globe.

Its software-based platform has made Plume an early favorite of cable operators. **Comcast, Charter, Liberty Global** and members of **NCTC** have all struck partnerships with the company, which is entering 2020 with its technology deployed in nearly 14mln homes and over 500mln devices on its cloud. As cable operators pivot their businesses to become ones focused on the future of connectivity, those deals have allowed operators to offer their subscribers a sophisticated smart home platform without having to build a software platform from scratch. Plume is able to continually upgrade its services and quickly deploy them to its own members as well as its partners without having to send out new hardware.

"By being a software-based solution, it allows us to not only continuously optimize and improve their WiFi experience in the home, which is of course driven by increases in the number of devices in every connected home... but it also allows us to bring new services into the home through that platform," Plume co-founder/vp, product **Adam Hotchkiss** told **CFX**. He added the while most ISPs have a smart home strategy in mind, they often struggle with how to move ahead. The biggest hurdle has been the ISPs' reliance on hardware to deliver their services.

"For 100% of the operators that we've dealt with, none of them had a modernized architecture," Hotchkiss said, meaning that their architectures were largely hardware-

or firmware-based. "None of the ISPs had a cloud-based services platform. We consider what we're doing first and foremost is to modernize the infrastructure that they have by moving everything up to the cloud and delivering the services there. From that, that's a long-term platform. Hardware will come and go, the platform will stay." Plume's goal with each launch of a new cloud-based platform is for that platform to survive for at least 10 years.

Plume announced the latest addition to its smart home services portfolio at **CES**: WiFi-enabled motion detection. To be deployed on Feb 27 to all subscribing US Plume users (ISP partners can choose when to deploy the feature to their subscribers) through the open-source software OpenSync, the service transforms any compatible nodes and WiFi-enabled devices into motion detectors. Disruptions in WiFi waves are used to detect levels of motion as well as where that activity is taking place. All it took for Plume members to access the new capabilities was a simple software update.

Plume isn't the first to explore using WiFi as a way to sense motion in environments, but it wanted to wait until the technology was fully reliable before examining deploying the feature. From start to finish, it took Plume nine months to prepare its version for deployment. "A lot of people get enamored by the fact that you can detect movement through WiFi. It's almost like magic to a lot of people," Hotchkiss said.

When hearing back from Plume customers on what they thought of the feature, the team was surprised to find that while many were interested, it wasn't for any reason related to the security of their household. Most just wanted to track what was going on within the home, whether that was what their children are doing in various sections of the house or if a contractor arrived on time. In the later half of the year, Plume is hoping to update the feature to add functionalities related to elderly healthcare including fall detection. — *Sara Winegardner*

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