

# AT&T Lawsuit vs. Consultant Is New Weapon in Retrans Wars

## Max Retrans accused of misusing trade secrets

By Jon Lafayette

**T**HE RETRANSMISSION-CONSENT WARS are intensifying with the war of words between AT&T and Nexstar Media Group heating up and with AT&T launching a legal battle against Max Retrans, a consulting firm that works with smaller station groups and is headed by former Nexstar chief operating officer Duane Lammers, known as The Hammer.

In a lawsuit filed in federal court in St. Louis, AT&T charges that Max Retrans is using confidential data from negotiations with individual station groups to get higher fees for its other client groups despite a nondisclosure agreement.

AT&T is seeking damages based on how much more money it is paying stations in retrans fees, because Max Retrans is leveraging what it knows about AT&T's contracts with other broadcasters.

Lammers did not respond to a request for comment, but passed the request along to Armstrong Williams, owner of Howard Stirk Holdings, one of the small broadcasters working with Max Retrans.

Stirk was also among a number of broadcasters currently blacked out on AT&T's DirecTV satellite platform that was named in an earlier lawsuit by AT&T, which charges the station groups have not been negotiating in good faith.

Williams accused AT&T of wrongfully using litigation as a weapon "to intimidate broadcasters and their agents from negotiating fair and market-based retransmission rates."

AT&T is using its power as a gatekeeper against stations to limit viewer choice, Williams added. In the case of WEYI, Flint, Michigan, and WWMB, Florence, South Carolina, it's stifling some of the handful of African-American-owned stations in the country.

"AT&T should stop throwing tantrums and trying to bully broadcasters and their agents, like Max Retrans, and instead return to the negotiating table and behave like adults," Williams said.

In its lawsuit, AT&T claims Max Retrans's use of trade secrets is resulting in delays in retrans negotiations, leading to AT&T losing subscribers.

AT&T will also be harmed by Max Retrans's "misappropriation of trade secrets by paying higher retransmission consent fees," the suit said.

Despite Lammers's background, Max Retrans is not involved in Nexstar's carriage dispute with AT&T, which has resulted in a week-plus blackout of about 120 stations and an increasingly acrimonious war of words that has attracted the interest of elected officials.

In a statement, Nexstar accused AT&T of a "misinformation campaign," insisting that it offered the telco a 30-day extension that was rejected. Nexstar also said it has renewed more than 390 distribution agreements with cable providers over the past 20 months.

"In contrast, following its 2015 acquisition by AT&T, DirecTV has been routinely involved in disputes with content providers," Nexstar said, adding, "a little more than a year after putting DirecTV together with Time Warner, AT&T appears intent on using its new market power to prioritize its own content at the expense of consumers, and insisting on unreasonable terms that are inconsistent with the market."

Nexstar's extension was conditioned on getting retroactively paid a new, higher rate, AT&T said.

"AT&T has been ready to negotiate since Nexstar removed its stations more than a week ago," the company said. "As we enter the second week of their blackout of our customers [at press time], Nexstar has canceled our scheduled meeting for Friday [July 12] and it now has been rescheduled for Saturday [July 13]." ❏



Howard Stirk Holdings owner Armstrong Williams accused AT&T of using litigation to intimidate broadcasters.

# FCC Loosens the Lid on KidVid

## Critics say online video is hardly safe alternative

By John Eggerton

**T**HE FCC IS allowing broadcasters to offload some of their educational/informational children's programming to multicast channels and will let them pre-empt E/I programming for local sports and specials, not just news, citing the proliferation of alternative platforms for kid-friendly video, including online. But opponents say the internet is hardly a safe video haven for kids and the old rules were hardly a burden.

It is the first major revamp of the rules governing educational and informational (E/I) content since they were adopted almost a quarter-century ago. FCC chairman Ajit Pai signaled that the rules were being dislodged from regulatory amber to meet a marketplace brimful of content for children on multiple platforms.

FCC Republicans say the "modest" rule revamp,

spearheaded by commissioner Michael O'Rielly, was just a way to give broadcasters more programming flexibility while preserving the basic mandate for the dwindling number of kids who still favor broadcast educational kids' fare over the wealth of it elsewhere, including online.

The revamp was called "modest" because while the FCC initially considered lifting the three-hour-per-week E/I requirement, it did not, and it continues to require most content to air on the primary channel. And while the FCC will now allow for more unscheduled, short-form E/I programming, the majority of such content must still be weekly,



regularly scheduled and at least a half-hour in length.

Democrats, including those in Congress, and kids' TV advocates were still crying foul, including citing an issue much in the news. That would be criticism

of edge providers for collecting kids' personal data or delivering inappropriate content, or arguing they are not bound by statutory kids' privacy protections.

Broadcasters would have preferred even more deregulation from the FCC, but sounded happy with what they got. There was even something for cable operators.

While O'Rielly said the revamp did not achieve the procedural "simplification" he had sought, it does decrease the frequency with which cable

operators have to collect and post KidVid certifications from programmers they carry, a deregulatory move celebrated by ACA Connects, which represents smaller, independent operators. ❏

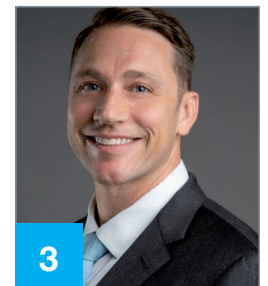
## + Fates & Fortunes



*"Worked with Rip Torn. So funny, original and intense. Favorite line of his from 'Larry Sanders': 'You're like a Greek God, Larry. Part man, part desk!'"*

—Rob Lowe, sharing news of the death of actor Rip Torn, who had small-screen roles in *The Larry Sanders Show*, *30 Rock* and *Will & Grace*, was 88. He also starred in movies such as *Men in Black*, *Dodgeball* and *Eulogy*.

**1) SHEA SORENSON** is joining KVOA Tucson, Arizona's *Tucson Today* as meteorologist/weather anchor. Most recently, Sorenson served as evening meteorologist at WATE in Knoxville, Tennessee. The NBC affiliate airs *Tucson Today* weekdays from 5 a.m. to 7 a.m. History has named **ADAM FRATTO** VP of scripted programming. Fratto, who joins the network from Reel One Entertainment, will oversee development and production of the network's scripted fare and will work on projects for A+E Studios. A+E Networks has promoted **2) PATRICK VIEN** to group managing director, international, where he will be responsible for A+E's international portfolio and businesses. Vien had been co-executive managing director. Vien's co-executive managing director, **EDWARD SABIN**, has left the company. Comedy Central has upped **SARAH BABINEAU** and **JONAS LARSEN** to co-heads of original content. They will oversee all comedy content across the network's platforms, with Babineau spearheading scripted shows and Larsen managing unscripted programs. Both executives previously managed the network's talent and development teams. **3) RYAN BLOOD** has joined Disney and ESPN Media Networks as VP of affiliate sales. Blood had been with Verizon Communications's Fios TV, where he was director of content strategy and programming acquisitions. In his new role, he will lead the sales team that works with distributors. Discovery has named **PAUL REHRIG** general manager of Eurosport Digital. Rehrig heads to Eurosport from AMC Networks, where he was executive VP of digital and business development. As GM, he will oversee Eurosport's digital direct-to-consumer products, which includes the brand's app and Eurosport Player. **ZAMIR AHMED** has been promoted to VP of media relations for the National Association of Broadcasters. Ahmed, who previously was director of media relations, will serve as an occasional spokesperson for the organization with the press and will shape the NAB's messaging. NCC Media has tapped **FRANK LAPLACA** as senior VP of corporate development and **ARI TURNER** as senior VP of sales operations. LaPlaca, who joined NCC last May from GroupM, will report to CEO Nicolle Pangis. Turner, who had been a VP at AT&T's Xandr, will report to president Andrew Ward.



## THE WATCHMAN

Senior content producer Michael Malone's look at the programming scene

### Sweetbitter's Sophomore Season, Suits Spins Off, HBO Unmasks *Jihadi John*

SEASON TWO OF *Sweetbitter* has arrived on Starz. It's about Tess, who leaves her small town and lands a job at a fancy New York restaurant. Executive producer/showrunner Stuart Zicherman said season two was liberating after season one's six-episode run.

"It takes a little time to find the essence of your show," he said. "We're excited to get a chance to expand."

Stephanie Danler's *Sweetbitter*

novel takes place over the course of a year, and season two breaks from the book a bit. Zicherman's highlights include Sandra Bernhard turning up as the restaurant's absentee owner, Maddie, and a bunch of restaurant staffers heading out to see the band Interpol — in 2006.

Zicherman does not miss his work in the restaurant world. He toiled in a Wyoming resort town, where his chatty nature did not work for him as a server. "I was a terrible waiter," he said. "I ended up being a good busboy."

Also going through a career change is Jessica Pearson of *Suits*. Spinoff *Pearson*, which sees the character, played by Gina Torres, as

a mayor's fixer in Chicago, premieres on USA Network July 17. Executive producer/showrunner Daniel Arkin described *Suits* as blue sky, and *Pearson* as a bit more gray. "We like to say it has the DNA of *Suits*, but it's a different child," he said. "It's meant to be a little more rough around the edges."

*Pearson*, and Torres, have their fans at USA. "Bonnie Hammer has always loved Gina the actress and *Pearson* the character," Arkin said.

Real-life news pops up in *Pearson*, whether it's racial injustice or police scandals. But the show is hardly ripped from the headlines. "We don't do topic of the week," Arkin said. The issues are touched on, he added, "but *Pearson* is always character-driven."

HBO showcases an intriguing character on *Unmasking Jihadi John: Anatomy of a Terrorist*, about London-reared ISIS terrorist Mohammed Emwaz that premieres July 31. The film debuted in the U.K. on the same night as

the *Game of Thrones* finale, and executive producer Jane Root said it held its own.

"The mystery of who this man is really captivates people," she said.

The film looks at James Foley, the American journalist beheaded by Emwaz

in 2014. Foley's remarkably composed mother speaks in *Unmasking Jihadi John*. Root calls her "an astounding interview."

*Unmasking Jihadi John* depicts an awkward kid and how he ends up as a murderous terrorist. It also shows the aggression with which U.K. law enforcement went after the young man. "I hope it provokes a discussion about how the secret services work and how these terrorists can be combated," Root said.



Sweetbitter