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What the Industry Reads First

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Viacom's Plan: Bakish Courting Pay TV Industry, Focusing on Flagship Six

For at least the second time in less than a month, **Viacom** CEO *Bob Bakish* has made it clear the programmer has work to do with its US distribution partners. Speaking on Thursday's 1Q17 earnings call, the new CEO said he's been spending more time with them recently. "The team, under new leadership, is already at work pursuing broader, more forward-thinking partnerships that reinforce the value of the pay TV ecosystem and our brands and that take advantage of some assets that previously were not part of the equation," Bakish said. The exec used Thursday's call to outline 4 key areas of improvement for Viacom: Be more focused; Be distinct; Unlock the benefits of scale; Be more adaptable. To achieve this, Viacom will put its "full power" behind 6 flagship brands—**Nick, Nick Jr, MTV, BET, Comedy Central** and **Paramount**. While he's talking about the Paramount studio brand, Viacom will be bringing the brand to TV by rebranding **Spike** as the **Paramount Network** in 2018, with scripted programming a significant part of the net. "Adopting the Paramount name and fortifying its programming is a natural way for Spike to strengthen its position as a major general entertainment network, which will enhance our adult audience delivery and enable us to grow this important sector of the ad market," Bakish said. So what does that mean for the cable networks beyond the core six? "They will not go away," he said. Insert collective groan here from MVPDs looking to lighten their channel load (**Cablevision** even sued Viacom over being forced to carry channels beyond the core programming. That suit was dropped before **Altice USA** closed its purchase of the operator). But while those other nets may be high performing or have core fans, "they don't necessarily have global or theatrical potential, and they won't benefit from an increased resource commitment," the CEO said, describing them as "reinforcing brands." **VH1, Logo, TV Land** and **CMT** have been realigned within the organization to reinforce the Flagship Six. While Viacom was clear they aren't shutting those nets, it still sounds like potentially good news for distributors looking to go skinnier with video offerings. **NBCU** recently trimmed the fat, by shutting down **Cloo** and moving **Esquire** to digital. "25 networks cannot survive. You have to drop the weaklings," a **Sanford Bernstein** research note said, suggesting that network shutdowns are a natural, if not inevitable, conclusion. The problem is in the financials. "You cannot afford to cut out \$1+bln of EBITDA. And we don't believe you can recapture that \$1+bln of EBITDA from raising price on the Core 6 networks (which, recall, will also be increasing content in-



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vestment), because they are also over-earning already...” the analysts wrote. Bakish said Viacom would be very limited in what it gives OTT players, restricting it largely to library content. The programmer does, however, want to continue to strike deals with virtual MVPDs, like **Sony Playstation Vue** and the upcoming **Hulu** live service. Back to Bakish’s distributor tour... he didn’t name names, but said he had a conversation with a CEO of one of the largest MVPDs last Friday. The takeaway was that no contractual issues exist with the strategy. And advertising clients also like the idea, he said. It’s clear that Viacom is pushing the Flagship Six as imperative for any entertainment bundle—with programming covering kids, young adult, African Americans and a general audience. For 1Q, Viacom posted a \$396m profit with revenue up 5.4% to \$3.32bn.

Univision Staying on Charter (For Now): It looks like **Univision** and its suite of networks will remain on **Charter** probably through the end of the month. The two companies filed a joint stipulation and proposed order requesting to keep a temporary restraining order that was set to expire yesterday (Feb 9) in place until Feb 28. Under the proposal, the hearing on Charter’s request for a preliminary injunction would be adjourned until 3pm on Feb 28. As such, Charter would be required to post a bond for the programming for that period. The two are scheduled for mediation before a judge on Feb 14, so maybe they’ll be each other’s Valentine and make up. Someone send chocolates!

Disney Ups Kanter: *Nancy Kanter* was promoted to evp, content and creative strategy for **Disney Channels Worldwide**. She will continue to serve as gm of **Disney Junior Worldwide**. Her new role has her overseeing content creation strategy for original live-action and animated programming for kids age 6-14 on **Disney Channel** and **Disney XD**, in addition to all creative content for kids age 2-7 on Disney Junior. Acquired content also falls under purview. In 2011, Kanter led the launch of Disney Junior. She was named evp, original programming and gm of Disney Junior in 2013.

FCC Hearing: Senate Commerce is scheduled to have a hearing on March 8 with all 3 **FCC** commissioners. The hearing, which focuses on FCC oversight, will have “a broad scope covering every aspect of the agency and major policy issues before the Commission,” according to committee head *John Thune* (R-SD). “The FCC has already taken steps towards increased transparency under Chairman Pai and I would like to see that continue. At our hearing, committee members will have a forum to ask the commissioners about issues facing the FCC that impact Americans,” Thune said in a statement.

NARB vs Comcast: **The National Advertising Review Board (NARB)** recommended **Comcast** discontinue some of the company’s Xfinity service advertising claims, including that the service “delivers the fastest Internet in America” and the “fastest in-home WiFi.” NARB, administered by the **Council of Better Business Bureaus**, said a review found that claims an ISP offers the fastest Internet, without clearly stating what “fastest” means, can be subject to various interpretations by consumers. As for the in-home WiFi commercial, NARB said the MSO didn’t provide a reasonable basis for the messages conveyed by the claims. Comcast said while it disagreed with certain findings of the board, it agreed to comply with the decision. “Comcast will take NARB’s recommendations into account in developing future advertisements, and expects NAD and NARB will hold all advertisers to the same standards when making similar claims,” the company said.

More FCC Reforms: The process reform at the **FCC** continued and this time is related to editorial privileges, the power to make changes to the documents that commissioners have just voted upon. Starting with the Open Meeting on Feb 23, editorial privileges granted to bureaus and offices will extend only to technical and conforming edits to items, chairman *Ajit Pai* said Thurs. Under his plan, any substantive changes made to items following a meeting must be proposed by a commissioner. Moreover, substantive changes to items should only be made in cases in which they are required, pursuant to the Administrative Procedure Act, as a response to new arguments made in a Commissioner’s dissenting statement. The approach was first proposed by fellow GOPer *Michael O’Rielly* two years ago. He suggested editorial privileges at the agency are too broad.

FCC Auction: The proceeds of Round 53 Stage 4 of the Forward Auction, as part of the FCC’s spectrum incentive auction process, reached \$19,604,250,025 as of Thurs. The clock price for a product is set for each round by adding a fixed 10% increment to the previous round’s posted price. Starting Fri, the increment will change to 15%. The change will be reflected in the next round clock prices announced after round 53. Also effective Friday

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is the activity requirement, which will increase from 95% to 100%. Specifically, a bidder's activity requirement will be satisfied when the bidder has bidding activity equal to 100% of its current eligibility. If this requirement is met, the bidder's eligibility will not be reduced for the next round.

Programming: NBCU's week of Olympics news continues, with *Bob Costas* announcing that he's passing primetime hosting duties to *Mike Tirico*. Costas served as host for a record 11 Olympics. "VICE's" 5th season on HBO debuts Feb 25 at 11pm. -- **ESPN's** 5-game **MLB** spring training schedule includes the Red Sox vs National as the United States Naval Academy in Annapolis, April 1. -- **Starz's** "The White Princess," the follow-up to miniseries "The White Queen," will debut on April 16 at 8pm. -- **YES** will televise 19 New York City FC regular season matches and 2 preseason matches this year. All telecasts will be streamed live via Fox Sports Go.

People: *Mina Lefevre* has left her post as **MTV Networks'** scripted head and joined **Facebook** as head of development. "I have always been drawn to the idea of building something and the idea of being part of the team that helps build Facebook's original content ecosystem... well, that just seems like a dream!" she said in a Facebook (natch) post.

Cablefax Daily Stockwatch

Company	02/09 Close	1-Day Ch	Company	02/09 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	61.07	0.21	MICROSOFT:	64.06	0.72
ENTRAVISION:	5.25	(0.15)	NETFLIX:	144.14	(0.6)
GRAY TELEVISION:	12.50	0.40	NIELSEN:	43.18	1.12
NEXSTAR:	66.25	1.65	SEACHANGE:	2.48	(0.02)
SINCLAIR:	34.90	1.25	SONY:	31.80	(0.03)
TEGNA:	23.45	0.28	SPRINT NEXTEL:	8.77	0.11
MSOS					
CABLE ONE:	632.91	(1.24)	SYNACOR:	3.05	UNCH
CHARTER:	325.07	(0.66)	UNIVERSAL ELEC:	62.00	(0.45)
COMCAST:	75.03	0.34	VONAGE:	6.89	0.22
GCI:	20.41	0.52	YAHOO:	45.08	0.01
LIBERTY BROADBAND:	84.82	0.19	TELCOS		
LIBERTY GLOBAL:	35.19	(0.21)	AT&T:	41.31	0.10
SHAW COMM:	21.35	(0.07)	CENTURYLINK:	24.42	(0.01)
SHENTEL:	26.70	0.40	FRONTIER:	3.28	(0.02)
PROGRAMMING					
21ST CENTURY FOX:	30.12	(0.09)	TDS:	29.71	0.70
AMC NETWORKS:	55.19	0.09	VERIZON:	48.81	0.44
CBS:	64.38	0.87	MARKET INDICES		
DISCOVERY:	27.96	0.43	DOW:	20172.40	118.06
DISNEY:	109.49	0.49	NASDAQ:	5715.18	32.73
GRUPO TELEVISIA:	22.87	0.16	S&P 500:	2307.87	13.20
HSN:	36.20	0.95			
MSG NETWORKS:	21.95	0.35			
SCRIPPS INT:	77.23	2.04			
TIME WARNER:	96.37	(0.23)			
VIACOM:	46.45	1.70			
WWE:	20.96	1.68			
TECHNOLOGY					
ADVANTAGE:	1.83	0.01			
AMDOCS:	59.10	0.53			
AMPHENOL:	68.29	0.27			
APPLE:	132.42	0.95			
ARRIS GROUP:	28.76	0.29			
AVID TECH:	5.65	0.15			
BLNDER TONGUE:	0.73	0.02			
CISCO:	31.50	0.23			
COMMSCOPE:	38.43	(0.07)			
CONCURRENT:	5.15	0.04			
CONVERGYS:	24.85	0.31			
CSG SYSTEMS:	39.74	1.30			
ECHOSTAR:	53.18	UNCH			
GOOGLE:	809.56	1.18			
HARMONIC:	5.25	0.15			
INTEL:	35.46	(0.92)			
INTERACTIVE CORP:	76.82	0.51			
LEVEL 3:	57.63	0.08			



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PROGRAMMER'S PAGE

Poly Love

Playing the one guy in Audience Network's polyromantic series "You Me Her" is a dream role for Greg Poehler. But not for the reasons you're thinking. Cablefax talked with Poehler—brother of Amy and multi-hyphenate on former NBC series "Welcome To Sweden"—about being in an onscreen thrupple ahead of the show's Season 2 premiere (Feb 14, 8:30pm). Here are some excerpts. **Aside from the prospect of being in a threesome, what drew you to the part?** It's a dream role, right from the get-go there are so many emotions running through this guy's head. It's a titillating subject matter done in a really grounded way. I felt like, it could be me, it could be the guy next door. It's also the reason why I keep my body in such bad shape, to try to make it more relatable to people. What's interesting about Jack and Emma is that they're in love but just in this kind of stale portion of their relationship. I think a lot of people can relate to that kind of lull. I don't think I would recommend bringing another woman into the relationship to spice it up, but it's certainly something to think about. We're just posing the question of whether that's possible. **Things aren't working out quite as planned for Jack in season 1...** What's interesting to me about my character is that when you think of it conceptually—one man, two women—it would be every man's dream. But really, nothing seems to work out for him, especially when talking about the relationship and not just the sex aspect of it. Trying to make a three-person relationship work if you're the only man is emasculating. You'd think it would be the opposite, but especially when you see the two women having their own relationship and getting closer than expected, you wonder if you're really necessary. Season 2 is interesting for Jack. He goes through a metamorphosis in that sense and rediscovers who he is and wants to me. And another woman is introduced in Season 2; his ex-girlfriend comes back. As if the show didn't have enough women. And that helps him rediscover his swagger a bit. - *Cathy Applefeld Olson*

Reviews: "The Missing," premiere, Sunday, 8pm, **Starz**. Viewers will be forgiven for thinking they've seen "The Missing" before. The barest bones of the plot—a family outside its home country has a child go missing—are similar to, yes, "The Missing," Season 1. Just as before, there's a French detective who comes out of retirement to work the case. And it's the same actor (the wonderful *Tchéky Karyo*) playing the same part of *Julien Baptiste*. Despite similarities, this Missing has much going for it. Karyo alone is worth watching, but add *David Morrissey* and *Keeley Hawes* as the missing child's parents and you have an addicting, 8-part thriller. -- "30 for 30: This Was The XFL," Sunday, 7:30am, **ESPN2**. Sure, many viewers know how the story ends: the XFL, a league **WWE's Vince McMahon** created with TV legend *Dick Ebersol*, failed to see its sophomore year. But do they remember the roles *gasoline* and *JLo* played in the story? The short film is a choppy, wild ride as McMahon and Ebersol recount their attempt to birth a football league that would out-hype, out-tough and out-sex the **NFL** (players and announcers were encouraged to date the cheerleaders). A quibble: Ebersol scion *Charlie* is the filmmaker. Still, the story is loaded with honesty, mea culpas and plenty of warts. - *Seth Arenstein*

Basic Cable Rankings (1/30/17-2/05/17)			
Mon-Sun Prime			
1	FOXN	1.4	3266
2	HGTV	0.7	1644
2	USA	0.7	1550
4	MSNB	0.6	1478
4	TBSC	0.6	1340
4	HIST	0.6	1317
7	CNN	0.5	1263
7	DSNY	0.5	1235
7	DISC	0.5	1234
7	ESPN	0.5	1211
7	ID	0.5	1070
12	FOOD	0.4	1000
12	TNT	0.4	985
12	FX	0.4	825
12	HALL	0.4	795
12	DSE	0.4	96
17	ADSM	0.3	784
17	A&E	0.3	769
17	TVLD	0.3	730
17	LIFE	0.3	720
17	TLC	0.3	695
17	FRFM	0.3	676
17	AMC	0.3	661
17	NKJR	0.3	654
17	NAN	0.3	650
17	SPK	0.3	626
17	DSJR	0.3	574
17	HMM	0.3	566
17	BRAV	0.3	560
17	OWN	0.3	507
31	SYFY	0.2	565
31	BET	0.2	528
31	VH1	0.2	509
31	APL	0.2	504
31	INSP	0.2	466
31	TRAV	0.2	461
31	CMDY	0.2	430
31	GSN	0.2	426
31	ESP2	0.2	417
31	NGC	0.2	413
31	MTV	0.2	409
31	WETV	0.2	392
31	EN	0.2	387
31	LMN	0.2	386

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks

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