2 Pages Today

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What the Industry Reads First

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Retrans Ruckus: DISH Loses Hearst Stations in 26 Markets

That didn't last long... DISH had no retrans blackouts as of Feb 11, when it reached a deal with Bonten Media that ended a month-long blackout that involved 13 stations in eight states. The satcaster can't make that claim any more with Hearst stations in 26 markets across 30 states going dark heading into Friday. Hearst also is off to a contentious 2017, with this marking its 2nd blackout since Jan 1. Retrans reform group American TV Alliance figures that Hearst is actually responsible for more than half of the 102 consumer blackouts this year when you break it down by market. DirecTV customers lost the broadcaster's stations for a week at the beginning of January. The latest blackout came after Hearst had granted DISH a 48-hour extension in the hopes of concluding a renewal. DISH tried to extend negotiations again, but was rebuffed. "While we had hoped to conclude our negotiations before the extended March 3rd deadline, DISH has continued to insist on including material terms that are less favorable than our current agreement," Hearst said. "In addition, Hearst Television has made significant investments to deliver top quality programming to our viewers, and DISH is seeking the right to carry our stations at below market rates, which is neither fair nor reasonable." DISH claims the broadcaster is trying to nearly double the current rate it pays and has refused its offer to match rates paid by other pay TV providers. Both are using the dispute to point viewers toward free, over-the-air viewing with indoor antennas. DISH is also throwing up the blackout as "a prime example" for why Washington needs to reform retrans consent. "Broadcasters like Hearst use their in-market monopoly power to put profits ahead of the public interests they are supposed to serve," Stanton Dodge, DISH's evp, gen counsel, said in a statement. It's the first big retrans blow up for FCC chair Ajit Pai. Former FCC chmn Tom Wheeler concluded the agency would not proceed with adopting additional rules governing the good faith negotiations for retrans. There aren't any signs at this point that Pai is interested in taking up the cause, but there's always hope...

Nick Upfront: Remember how **Viacom** CEO *Bob Bakish* promised greater collaboration and integration among the programmer's properties? We saw some of that in **Nickelodeon's** upfront presentation Friday. Among the new series is animated show "Amusement Park." It's part of a joint effort from Nick and **Paramount Pictures** that will feature a slate of films that will bring new and established properties to audiences. The idea is take it from the big screen to TV and beyond. First up will be animated theatrical release "Amusement Park" (July 2018) with the TV series based on the movie to hit

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in 2019. More of that Viacom synergy vibe can be felt in upcoming shows such as "Lip Sync Battle Shorties," a spinoff of Spike's "Lip Sync Battle" that features kids mimicking their favorite artists. On the **Nick Jr** front, more than 200 new eps of shows like "Paw Patrol," "Mutt & Stuff" and "Shimmer and Shine" are on the schedule. New series include "Butterbean's Café," which follows a fairy who runs a neighborhood diner. Smart to keep an eye on how Viacom presents the "flagship six" at upfronts. Those are the six channels—Nick, Nick Jr, **MTV**, **BET**, **Comedy Central** and **Paramount Network** (currently **Spike**)—that Bakish has said will see the greatest allocation of resources.

<u>4K Round-Up</u>: With every set-top box 4K ready, Layer3 TV is billing itself as the place for Ultra HD content. Subs now have access to BBC America's "Planet Earth II" in 4K via VOD and Harmonic's 24/7 linear channel NASA TV UHD. There is no additional charge for 4K. -- Stingray Digital acquired 24/7 channel NatureVision TV, which is available online and on TV. The service features scenes from around the world in HD and 4K. Stingray, a multiplatform music provider, acquired Festival 4K last year, and has its own linear and VOD offering Stingray Ambiance 4K.

Advertising Forecast: Pivotal Research revised its 2017 US ad forecast growth rate for the year to 2.5% ahead vs its previous 2% forecast. The analysts pointed to a relatively strong completion to 2016, estimating +3.6% for 4Q and 5% for the year. Growth swells to 6.7% if political and Olympics are included. "This was the fastest pace of growth for the industry since 2005, despite underlying economic conditions that were relatively tepid," Pivotal said in a note to clients. The firm estimates national TV as up 1.8% in 4Q, reversing a 3Q decline, with total year rev up 2.6%. Local TV was down slightly excluding political advertising, falling -0.8% for the year. "We expect growth to slow during 2017, generally flattening vs. 2016 and continuing a trend whereby the medium gradually loses a modest amount of share of spending," Pivotal said. "We still expect the medium to amount to 32% of normalized ad spending in 2017, down from 33% in 2016."

<u>At the Portals</u>: The FCC has responded to the threats on some Jewish centers by releasing an emergency temporary waiver Friday to Jewish Community Centers and their telecom carriers to let these entities and law enforcement agencies access the caller-ID information of threatening and harassing callers. FCC rules generally require telcos to respect a caller's request to have caller ID info blocked. The FCC said waiving this rule may help ID some potentially dangerous calls. Sen Charles Schumer (D-NY) requested such a waiver, citing 69 incidents at 54 JCCs in 27 different states this year.

<u>Comcast-NBCU Investments</u>: **NBCU** got in on the **Snap** IPO action, investing \$500mln as part of a strategic investment and partnership. It's just the latest in a series of recent digital investments, including \$400mln in Buzzfeed and \$200mln in Vox. Not as headline grabbing, but still noteworthy... **Comcast Ventures** led \$15mln in funding in Series A financing for **MealPal**, a meal pickup platform. The crux is that MealPal tech connects with multiple restaurants who have subs pick up their own lunches (and skip the line) in exchange for a discounted price.

<u>Paramount Network Watch</u>: Viacom vet Niels Schuurmans was named to the newly created post of CMO for Paramount Network, TV Land and CMT. He'll work on the rebrand of Spike as Paramount Network. Most recently, Schuurmans served as chief creative officer/evp, creative and branded content, for Viacom Velocity where he oversaw ideation, development and execution of branded and partner integrated marketing creative content.

<u>Ratings</u>: Univision wrapped February Sweeps as the #1 Spanish-language net in prime, averaging 1.9mln total viewers 2+, 857K adults 18-49 and 382K 18-34s. In the 2016/2017 season, Univision also ranks as the No. 1 Spanish-language network and the fifth most-watched broadcast network in prime among Total Viewers 2+, Adults 18-49 and Adults 18-34.

<u>Programming:</u> Comedy Central will launch a weekly, late night series featuring Australian comedian *Jim Jefferies* this summer. -- Everything '80s is cool again. **HBO's** adopting that mantra and reviving its very '80s "Feature Presentation" intro. The updated version zooms through a city of full of homes with people watching HBO on a variety of devices.

<u>People:</u> Discovery Channel promoted *Craig Coffman* to svp, production and development, motor content. He will continue to report to *Denise Contis*, evp, dev and production. -- Fuse Media named *J-T Ladt* as chief content officer, a new position at the company. Ladt joins March 20 and will report directly to CEO *Michael Schwimmer*. He joins from Red Bull Media House's Red Bull TV, where he served as head of development tasked with expanding Red Bull's global media footprint into long and short-form narrative-based content. -- *Wes Chaar* was promoted to svp, analytics, data and decision sciences at Turner.