

# Cablefax Daily™

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What the Industry Reads First

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## **Skinny Bundles: Winners, Losers and Lots of Prognosticating**

**A&E, History** and the rest of the **A+E Networks** gang will be a part of **Hulu's** upcoming live TV streaming service. All of the nets, including **Lifetime, LMN, FYI** and **Viceland**, will be part of the core package to launch this spring. The sub-\$40 offering also includes **CBS, 21st Century Fox, Disney** and **Turner** nets. Not in the package is **Viacom**, and Hulu doesn't plan to carry the programmer's suite of channels at launch. **Bloomberg** first reported the Viacom news. It's a setback as new CEO **Bob Bakish** is painting its core six networks as must-haves for skinny video offerings. At the same time, he's been pretty open that Viacom has to repair relationships with distributors. Viacom is also not included in the upcoming **YouTube** live video package, nor are **Discovery Communications, AMC Networks, Scripps Networks Interactive** and **Time Warner**. While this may seem to divide the programming world into winners and losers, **Bernstein Research** cautions that things may not be so great for the winners either. Why? Even if the programmers are getting paid minimum guarantees, the subs have to show up, Bernstein Research told clients. The firm is doubtful many subs will sign up, and even if they do, it believes they'll mostly cannibalize. What's more, "the 'losers' will respond, probably launching their own OTT services (directly or with partners), creating the first 'nonsports skinny bundle,' at a much lower price, with just as much margin (or more) for distributors," the research note said. **BTIG** also expects such an offering, nicknaming it the "loser bundle." Bernstein Research said its five years of focus groups suggest younger audiences just aren't interested in paying \$40/month for a linear-like offering when they can get Netflix for \$10, Amazon Prime for "free" or Hulu for about \$6 (new subs). And keep in mind—those subscriptions can be shared across users. Need more OTT food for thought? BTIG's *Rich Greenfield* issued a warning Friday to sign up now for Hulu as you know it. He suggested with Hulu Live on the horizon, the company may slowly worsen the Hulu legacy experience to push consumers toward Hulu and other third-party virtual MVPD offerings (kind of like Hulu did to push people from its now dead free offering to premium). Greenfield theorizes that the degradation could come in the form of a delay between when content airs live and when it's available on Hulu legacy products.

**DISH Convertible Notes:** Let the guessing games begin. **DISH** intends to sell \$1bln in convertible notes with the money to be used for "strategic transactions, which may include wireless and spectrum-related strategic transactions" and for other general purposes. **Well Fargo Securities** said it wasn't sure why DISH needed more money, with it having \$5.3bln cash, \$17.1bln debt and a net debt-to-EBITDA ratio of 3.7x at the end of 2016. "Perhaps DISH is once again taking advantage of a favorable marketplace. Perhaps [Charlie Ergen] is raising more for the incentive auction (though we really thought he had dropped out at some point). Or perhaps he is raising money to buy something spectrum-related, though we have no idea what," the firm said in a note to clients.

**Nick's Refresh:** One of **Viacom's** "Flagship Six" has launched an on-air brand refresh. **Nickelodeon's** new look reflects the world of play, imagination and surprise. Created with global branding and creative agency Superstudio, the revamp

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has kids interacting with real world and Nick characters in a mix of live-action and graphics. Examples include turning SpongeBob's face into a tongue-twisted fun zone. New Viacom CEO *Bob Bakish* has outlined a strategy to focus on 6 core, flagship networks: Nick, **Nick Jr**, **MTV**, **Comedy Central**, **BET** and **Paramount Network** (rebranding from Spike).

**Redling Accusations:** AT&T says a report by the **National Digital Inclusion Alliance** and **Connect Your Community** that suggests it has discriminated against lower-income Cleveland neighborhoods doesn't accurately reflect the company's investment to bring faster Internet to rural and urban areas. "Access to the Internet is essential, which is why we've continuously invested in expanding service and enhancing speeds," a spokesman said. "While we are investing in broadband, we're also investing in technologies that will mitigate some of the infrastructure limitations." The groups said the report is based on an analysis of **FCC** broadband availability data that began after they learned residents of some neighborhoods were being declared ineligible for AT&T's "Access" discount rate program because they couldn't get AT&T connect at the 3Mbps downstream speed that was then the program's minimum requirement. "Our analysis, based on newly released FCC Form 477 Census block data for June 2016, provides clear evidence that AT&T has withheld fiber-enhanced broadband improvements from most Cleveland neighborhoods with high poverty rates—including Hough, Glenville, Central, Fairfax, South Collinwood, St. Clair-Superior, Detroit-Shoreway, Stockyards and others," the groups said. Look for deeper investigations into these claims. AT&T has invested nearly \$1.5bln in Ohio between 2013-15 for wireless and wired networks, with more than \$325mln of that in Cleveland. Overall, AT&T has invested \$135bln in its networks from 2012-16 when capital and acquisitions of wireless spectrum and operations are factored in.

**Getting Facebooky with It:** Univision **Deportes** and **Major League Soccer** will live stream at least 22 regular season matches in English via **Facebook**. The matches will be streamed on the Univision Deportes Facebook page and feature Facebook specific commentators, fan Q&A, etc. Atlanta United vs Chicago Fire on March 18 at 4pm ET is the first match.

**Strong Premiere Ratings:** The premiere of "Feud: Bette and Joan" went down as **FX's** most-watched new program premiere since last year's "The People v OJ Simpson," averaging 5.17 total viewers on a L+3 basis for the premiere and 2 encore telecasts. -- Nice debut for **E!'s** scripted drama, "The Arrangement." It delivered a combined L3 audience of 2.2mln total viewers and 1.2mln 18-49s across all airings. It ranks as the second biggest new scripted series launch of 2017 to date among Women 18-34 (294k). The net led into the March 5 premiere with a showing of "Fifty Shades of Grey."

**Programming:** **Pop** is bringing back critically acclaimed series "Schitt's Creek" for a fourth season. Season 3 wraps on April 5. It's the net's most-watched series, averaging more than a half million nightly viewers (Nielsen L+&, P2+). -- **Freeform** has launched short-form digital series "Dinner with Dad," chronicling a young man's weekly meal with his father, *Jason Alexander* of "Seinfeld." It's available on Freeform.com, the Freeform app and **Hulu**.

**People:** **Viacom** upped *Christa D'Alimonte* to evp, gen counsel and secretary, effective April 15. She succeeds *Michael Fricklas*, who previously announced he was leaving the company. She currently is svp, deputy gen counsel and assistant secretary at Viacom. Additionally, Viacom named *Keyes Hill-Edgar* as evp, global business affairs and gen counsel of Viacom Media Networks. He will continue to oversee business and legal affairs for the domestic media networks, and he'll expand oversight to include Viacom International Media Networks, content distribution and the Media Networks' labor, guild and production legal matters.

## Cablefax Industry Jobs

### 3 Tips to Finding and Hiring the Perfect Candidate

#### TIP 1 : Target Candidates!

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#### TIP 2 : Be Selective!

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#### TIP 3 : Stand Out!

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