

Cablefax Daily™

Wednesday — April 19, 2017

What the Industry Reads First

Volume 28 / No. 074

Verizon Dealing: Lots of Fiber, Yahoo Numbers and Some Fresh Rumors

Verizon made headlines Tuesday over its \$1.05bn purchase of fiber-optic cable from **Corning** to grow its wireless platform. And then a *Bloomberg News* report in the afternoon that CEO *Lowell McAdam* would consider deal talks with companies such as **Comcast** or **Disney** raised some eyebrows. Of course, most companies would “consider” talks with anybody if the price was right. And just because you talk, doesn’t mean it goes anywhere... Under the Corning agreement, Verizon has agreed to a 3-year minimum purchase agreement with up to 12.4mln miles of fiber purchased each year. It drew the praise of **FCC** chmn *Ajit Pai*, who said it “heralds the construction of ‘densified’ 5G networks that will benefit American consumers. It will create thousands of high-quality jobs building and laying fiber. And it will go a long way toward closing the digital divide.” On **CNBC** Tuesday, McAdam talked about why the company is going that 5G route vs fiber all the way to the home. “When we deployed **FIOS**, we’d run a strand, cable into a neighborhood with 6 or 8 strands. Now we’re going to drop off 6 or 8 strands to every street light,” he said. “It allows you to do things like intelligent transportation grids, intelligent electric grid management, water system management...” Meanwhile, **Yahoo**—which it is expected to acquire in June—reported 1Q earnings after the market closed Tuesday. And there was some pretty good news. Quarterly revenue was up 22% to \$1.33bn. Net income hit \$99mln compared to a loss of the same amount in 1Q16. Yahoo’s Mavens—mobile, video, native and social advertising—rose 35.6% to \$529mln. Mobile rev was up 58.5% to \$412mln. No real color on the Verizon deal, with Yahoo only saying that it continues to work with Verizon on integration planning for the sale of its operating business. “Our Q1 performance reflects solid financial and operational execution in the new year, with more than \$1.3 billion in GAAP revenue delivered. These results are the product of our teams’ tremendous focus and dedication to our users and advertisers,” Yahoo CEO *Marissa Mayer* said in the earnings release. “As we enter our final quarter as an independent company, we are committed to finishing strong and planning for the best possible integration with Verizon.”

FCC BDS Vote: Calls keep mounting for the **FCC** to delay its scheduled Thursday vote on business data services (AKA special access). Sen *Ed Markey* (D-MA) and Congressman *Mike Doyle* (D-PA) joined the chorus, writing



Your customers are ready. Are you?

Quickly deliver new digital services and get to know your customers with a modern, personalized, branded experience that will keep them coming back. Visit ascendon.csgi.com now.

ASCENDON

CSG
INTERNATIONAL

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Katie Nale, 301.354.1828, knale@accessintel.com ● Community Editor: Alex Silverman, 212.621.4951, asilverman@accessintel.com ● Dir. of Bus. Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Marketing Manager: Alex Virden, 301.354.1619, avirden@accessintel.com ● Production Manager: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

in a letter to the agency that the order's conclusion that there is robust competition appears at odds with data collected by the FCC. A trio of Republican lawmakers from Arkansas didn't ask to delay the vote, but are seeking that a "reasonable transition period" be implemented so that small businesses can prepare for any price hike related to the rules change, *The Hill* reported. **The Internet Innovation Alliance**, whose members include **AT&T** and **Alcatel-Lucent**, are among those pushing to keep the vote on the agenda. "It is deeply ironic that some are now criticizing the FCC for taking 'quick' action on BDS reform. A few short months ago, some companies and groups were advocating wrapping up the proceeding by January 1; now, they seek a three-year delay. The facts of competition in the BDS market have not changed," IIA said. Of course, what has changed is the order on the table. Republican FCC chmn *Ajit Pai* wants to deregulate the BDS market, while former chair *Tom Wheeler* proposed rules that would have had the agency pile on regs for incumbents as well as new entrants, such as cable operators.

Must Carry Complaint: *David Ellington*, owner of low-power Cleveland, Mississippi, station **WHCQ** has filed a must carry complaint against **Cable One**. The station is seeking carriage on the MSO's system in Clarksdale, Mississippi. Cable One said it will file a response later this week. Ellington claims the operator failed to respond to a must-carry request letter that he sent the company in January. Low-power stations can qualify for must-carry status if they meet certain criteria, such as being located no more than 35 miles from a cable system headend and delivering a good quality over-the-air signal with no full power station licensed to any community within the county served by the cable system.

O'Reilly Ratings, NBA Playoffs & More : **TNT's NBA** playoffs coverage on Sunday accounted for cable's most-watched programming for the just-wrapped week. The Oklahoma City-Houston game edged out the Chicago-Boston game for first place (5.16mln vs 5.14mln). **Fox News'** "The O'Reilly Factor" continued to reign, taking 3rd and 4th place (3.7mln and 3.6mln), followed by "WWE Raw" on **USA** (3.6mln and 3.4mln). Notably, "The O'Reilly Factor" took a dip in viewership for Wednesday-Friday, with host *Bill O'Reilly* on vacation. The host, slated to return next week, has seen advertisers depart following reports of harassment settlements paid to women. He's denied any wrong doing. Wednesday's ep fell to 2.81mln viewers and Thursday averaged 3.11mln. Still, Fox News was the most-watched cable net in prime (2.38mln total viewers) followed by **MSNBC** (1.52mln), **HGTV** (1.46mln), **TNT** (1.41mln) and **ESPN** (1.33mln). At 0.6 for P2+, **Investigation Discovery** had a higher average rating in prime for the week than **USA** and **Discovery**, but the other nets had an edge in delivery (1.27mln for USA and 1.22mln for Discovery vs ID's 1.18mln).

DISH Downgrade: **Macquarie Capital** downgraded **DISH** to "neutral" following its \$6.2bln spend in the spectrum auction. The analysts said any potential M&A deal could be hindered by a lack of near-term carrier spectrum demand. Macquarie noted that **AT&T** and **Verizon** spent next-to-nothing in the 600MHz auction with a recent focus on mmWave spectrum and fiber. The firm cut its price target for DISH to \$61 from \$70.

Ratings: **ESPN's NBA** playoffs opening weekend tripleheader averaged 2.98mln viewers per telecast, including streaming, up 11% YOY. That figure breaks down to an average of 2.89mln viewers per game on TV and

Cablefax Daily is THE Place to Advertise for NAB

Launching a new product? Let the industry know!

Premiering a new show? Let the industry know!

Celebrating an anniversary? Let the industry know!

Deliver your message with impact and influence the industry's elite.

Advertise in Cablefax Daily today!

an average minute audience of 88.6K via live streaming. The five games that aired on ESPN and **ABC** accounted for the net's most-streamed NBA playoffs opening weekend ever, with an average minute audience of 91.8K viewers and 303.9K average unique viewers. -- **NBC Sports'** cable coverage of the Stanley Cup Playoffs across **NBCSN, CNBC** and **USA** is averaging 709K viewers through 15 telecasts, up 8% from 654K viewers in 2016. In addition, the telecasts are averaging 27K digital viewers, up 80% from 15K per game last year. NBC's viewership increases can be partially attributed to the net broadcasting alongside individual teams' RSNs in local markets during the first round of the playoffs for the first time. -- "*Casey Anthony: An American Murder Mystery*" was **Investigation Discovery's** best series debut ever with more than 3.6mln viewers in L+3 for all three nights of the series

Programming: **Bravo** renewed scripted series "Imposters" for a second 10-ep season. Its freshman season averaged more than 1.4mln total viewers an episode, the fastest in-season growth of any new scripted series on ad-supported cable with a +23% increase in P18-49 from the first to second half of the season. -- *Katie Couric* will serve as executive producer for **FYI** culinary series "Scraps" (premieres May 21), which follows national **Sur La Table** chef *Joel Gamoran* as he travels across the US creating feasts from table scraps. -- **HGTV** greenlit a new season of "Property Brothers at Home," with the latest iteration the *Scott* brothers and *Drew's* fiancée *Linda* as they renovate the soon-to-be newlyweds' first home together in LA (premieres November). -- **Netflix** announced new animated series "Carmen Sandiego" will premiere in 2019. The show will dive into Sandiego's past in a 20-ep series with a run time of 22 minutes each. *Gina Rodriguez* ("Jane the Virgin") will voice the red-hatted villain, and *Finn Wolfhard* ("Stranger Things") will voice Player, Sandiego's friend and accomplice. -- **E!** extended its agreement with *Ryan Seacrest* to continue serving as host and exec producer of "Live from the Red Carpet." -- **Fusion Media Group** unveiled its first full slate of podcasts with offerings from recently acquired media brands including **Jezebel, Lifehacker, Deadspin** and **The A.V. Club**. Episodes are distributed through a partnership with **Panoply** and are currently available on iTunes, Google Play, Stitcher, iHeartRadio, Spotify and other platforms. -- **Travel Channel** has ordered 13 new "Mysteries at the Museum" eps to air later this year.

C Spire Streaming Launch: **C Spire** wants to "transform" the cable TV industry with the launch of a new streaming service meant to eliminate the need for set-top boxes. The app runs on streaming devices like **Amazon, Apple, Roku** and **Android** and **Apple** tablets and smartphones and is integrated with the Amazon Echo voice assistant and a custom C Spire TV Alexa skill. C Spire TV will launch later this spring with availability for customers of C Spire Fiber's gigabit Internet product. C Spire, the nation's largest privately held wireless communications provider, primarily serves the Southeastern US with its 4G LTE network and 6K+ miles of fiber.

Peabody Awards: **The Peabody Awards** announced 12 winners in its documentary category, including **ESPN's** "O.J.: Made in America." Entertainment winners will be announced April 20, with the remaining category winners revealed on April 25. Other winners in the doc category include **Netflix's** "Audrie & Daisy" and **Investigation Discovery's** "Southwest of Salem: The Story of the San Antonio Four."

Comedy Central Development Slate: **Comedy Central** on Tuesday announced it is greenlighting three new shows as part of its development slate for the upcoming year. "Corporate" pokes fun at workplace culture at a generic multinational corporation, where two junior execs-in-training find themselves pitted against the CEO and other bosses. "Taskmaster," based on a popular British program, stars comedian *Reggie Watts* as the judge of a competition between five unwitting comics. "The New Negroes" is a standup and musical series featuring black entertainers and focusing on black life in America. The net also ordered nine pilots, including "Delco Proper," which is based on a Comedy Central web series.

Trade Winds: Join **Cablefax** in welcoming new editors *Katie Nale* and *Alex Silverman*. Nale, a former editor for *Technology Integrator* and *Dealerscope*, is based in our Rockville, Maryland, HQ. She can be reached at knale@accessintel.com. Silverman, most recently a staff writer at *SportsBusiness Daily*, is based out of NYC and can be reached at asilverman@accessintel.com. Both report to editorial director *Amy Maclean*.

People: Former **Suddenlink** svp and chief programming officer *Patty McCaskill* joined **Layer3 TV's** content advisory board. The industry vet is in good company, joining a board that includes entrepreneur, musician and investor *DA Wallach*, former **Disney** lobbyist *Preston Padden* and **Pillsbury Winthrop Shaw Pittman** attorney *John Hane*. Prior to **Suddenlink**, McCaskill was vp, programming and PPV for Charter.