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What the Industry Reads First

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Pushing Back: ESPN Focuses On Moving Forward After Layoffs, Sub Losses

ESPN began its upfront presentation Tuesday morning with a New Orleans funeral procession, an odd creative choice given recent headlines about massive layoffs, declining subs and the net being a drag on **Disney's** financials. The opening theatrics were meant to depict the dreary landscape advertisers find themselves in today, with ESPN serving as a place "where advertising feels like heaven." Clunky metaphor aside, ESPN used most of its face time with ad execs to show how it is adapting to viewers' changing consumption habits and that, as pres *John Skipper* said, it is making those changes "from the most dramatic position of strength." During his uncharacteristically stoic opening monologue, Skipper pointed to the fact that ESPN last year reached 210mln US viewers per month, including 100mln on its digital platforms, and that it is included in essentially all virtual MVPDs on the market. Skipper and ESPN evp global ad revenue & sales operations *Eric Johnson* also touted the power of live sports and the net's work with **Nielsen** to more precisely measure viewership across all platforms, including out-of-home viewing. They favorably compared ESPN's ability to reach viewers live and in the moment to the efforts of other programmers' use of delayed-view impressions (i.e. C7). In another effort to show strength following the layoffs, ESPN trotted about 50 of its highest-profile personalities onto the stage all at once. The net will rely on the cachet of those personalities to keep its lineup of studio programming fresh and relevant. *Mike Greenberg* confirmed that he will host his own morning show on ESPN beginning next year, marking the end of the long-running "Mike & Mike" radio show and **ESPN2** simulcast. His former co-host, *Mike Golic*, will be joined on the airwaves by ESPN vet *Trey Wingo*, and the simulcast of their show will likely appear on **ESPNU**. The net also announced a new one-hour live talk show featuring *Bomani Jones* and *Pablo Torre*. Meanwhile, Skipper's decision not to meet with the media after the show—something he has made a habit of doing over the years—raised some eyebrows.

Down with OTT: Details on **ESPN's** much-anticipated OTT platform, slated for launch in late 2017, still remain scarce. **Disney** last year purchased a one-third stake in **BAMTech** for \$1bln with such a platform in mind, and the company hired **Amazon's** *Michael Paull* as its CEO in February. ESPN evp programming & scheduling *Burke Magnus* on Tuesday maintained that the platform will primarily feature college sports, tennis, soccer and some global sports, adding there is "a lot of other stuff around the edges that will make it something that always has a consistent content offering

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and doesn't come and go." He added, "Part of the discussion that's going on right now is, 'Is there a spinal column that runs through the product that's 24/7 in terms of highlights, news and info, or something different?'"

Estrella TV's Complaint Against Comcast, Round 2: It's been pretty quiet since **Estrella TV** owner **Liberian Broadcasting** filed a petition in September seeking reconsideration of its program carriage complaint against **Comcast**, but there seems to be some movement. The MSO was at the FCC last week to answer questions posed by the Media Bureau as it considers Liberman's request. The initial decision, issued in August, found Liberman failed to establish a prima facie case of program carriage violation because it failed to prove that it's a video programming vendor. Instead, the FCC sees it as a broadcast licensee and as such lacks standing to bring a program carriage complaint. For its petition, Liberman has taken a different tact, arguing that it qualifies as a video programming vendor because of distribution in so-called white areas, areas where the network does not have a broadcast antenna and a cable operator distributes the satellite feed to customers. Comcast believes that's a whole new can of worms and any FCC decision involving its white area feed could have major consequences on the marketplace. "It should not be made lightly, and certainly not without the benefit of additional briefing and a fully developed record," Comcast wrote in an ex parte describing the meeting. The initial FCC decision offered no opinion on whether Estrella is a non-broadcast network because of its white areas feed. While Comcast suggests the broadcaster file a new complaint to tackle the white area question, it appears dubious about the claim. "Estrella TV is fundamentally a broadcast network," the MSO said, adding that white area feeds are supplementary or fill-in services for broadcast networks that lack station coverage through O&Os and affiliates. As such, Comcast maintains the white area feed should be as part and parcel of retrans negotiations.

Atlantic Broadband's Choice: **Atlantic Broadband** is getting into the flexible programming game, launching offerings that include a \$60/month package with 60 channels and Internet speeds of up to 60Mbps for new customers. The smallest "Essential Choice Basic" option has local broadcast stations, **EPIX** and **HBO**. It's void of pretty much every cable network except the 2 premium channels along with **C-SPAN**, **HSN** and **QVC**. The MSO suggests this offering might be popular with a **Netflix**-heavy customer. For an extra \$15, customers can get voice and lock in the bundle price for two years. The new "Choice Bundles" range in price from \$59.99/month for a basic TV & Internet Choice bundle to \$159.99/month for a fully loaded bundle that comes with the maximum amount of programming, equipment and Internet speed. The next highest video package has 200 channels, including **EPIX**, **ESPN**, **Fox News**, **CNN**, **Nickelodeon** and **Cartoon**. Huge TV fans might go with the 315 channel "Total TV" pak that includes a three-room **TIVO** DVR solution. Standard features on the new bundles are 60 Mbps download speeds and **TiVo** HD receiver with integrated **Netflix**.

Univision Upfront: At its own upfront Tuesday, **Univision** presented itself as the most trusted media brand within the Hispanic community and highlighted how it is reaching its audience through five passion points: soccer, news family, music and drama. **Univision Deportes**, which has bolstered its portfolio of live soccer rights over the past few years, declared itself the "Undisputed Home of Soccer in the US" after formally announcing its previously reported deal to air the 2018 **UEFA** Champions League (along with **Turner**). **UDN** also airs matches from **Liga MX**, **MLS**, both the US and Mexican national teams and several international European tournaments. **Univision Deportes** pres **Juan Carlos Rodriguez** also hyped the net's coverage of the 2018 World Cup from Russia despite rival **Telemundo** owning the live rights. **UDN** saw primetime viewership grow by 33% last year. **Univision** also highlighted its upcoming tell-all series on musician **Luis Miguel**, titled "El Sol De Mexico." **Telemundo** is working on a similar series about Miguel. In addition, **Univision** re-upped drama "El Chapo" for a second season and introduced four new primetime dramas.

Ratings—FBI vs NBA: **NBA** playoff action couldn't stop **Fox News** from taking the top spot in prime last week, with the cable newser averaging 2.34mln total viewers in prime. It also scored its 19th consecutive week as the #1 cable net in total programming day, averaging 1.44mln viewers. Hoops action was still vital, with **TNT** and **ESPN** coverage ranking as the top 5 cable programs of the week. Tuesday's Houston-San Antonio games on **TNT** led the pack (4.73mln viewers). But a busy news week that included the firing of **FBI** director **James Comey** also delivered lots of eyeballs. **Fox News**' 8pm coverage netted 3.45mln viewers, with **MSNBC**'s 9pm hour averaging 3.36mln. **MSNBC** and **Fox** collectively had 12 programs in the week's top 25. Where's **CNN**? Much further down the list with its highest-rated hour the day the **Comey** news broke averaging 1.97mln viewers.



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