

Cablefax Daily™

Wednesday — May 24, 2017

What the Industry Reads First

Volume 28 / No. 099

Check In: Cable One's Busy Doing the NewWave Dance

Less than a month after **Cable One** closed on its \$725mln acquisition of **NewWave**, pres/CEO *Julie Laulis* offered up a bit of color on the transaction at the **JP Morgan** investor conference, calling it a “mini Cable One.” Like its big brother, NewWave hasn't spent a lot of time on video or triple-play. “They are very similar to Cable One. They've focused on business services and HSD. They have spent the majority of the past three years rebuilding their plant... They are selling 100 Mbps service in 90% of their footprint, but that's the highest they go,” she said. Over time, NewWave will get GigaOne and their tiers will look like Cable One's. There's a 3-year plan in place to integrate technology platforms and pricing/packages. Management's hopeful it can soon get NewWave's 26% HSD penetration closer to Cable One's 31%, noting that they believe less than 10% of its footprint has any type of triple-play competition. Most of Cable One's customers take its standard product, which is 100 Mbps downstream for \$55/month. On SMB, Cable One's achieved about 1/3 penetration in its legacy markets, with NewWave similarly situated, according to Laulis. “Business services is growing in both footprints in the mid-teens,” she said. “The one area where we lag our NewWave brothers is in hosted voice, so we hope to take their hosted voice product and launch it across our footprint.” What about the synergies between the two? Cable One has estimated \$24mln in annual run-rate cost synergies. CFO *Kevin Coyle* pegs NewWave's EBITDA margin at around 35% compared to Cable One' 47%. “That's where we think the synergies are, whether they be from a programming standpoint, system operating efficiencies standpoint, eliminating some corporate overhead...,” he said. “We may have hit them at a bit of an inflection point here. They've spent a lot of time upgrading their plant, their network, getting themselves in a position to grow their business in all facets and get their margins up. They're just not there now.” Most Cable One presentations dive into its strategy to focus on HSD and business services over video and Tuesday's was no different. Asked whether the MSO has considered partnering with some of the new OTT providers, Laulis said it's keeping a close eye on developments in the space, but doesn't want to take its eye off HSD and business. “That being said, if someone could bring to us an OTT play that made customer lives easier... if someone could put together a great package, which I don't think anyone has done yet that we could easily resell, we would probably look at that,” the CEO said. FYI: Cable One, which was the first operator to drop **Viacom** several years

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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

ago, only has one major programming deal coming up near the end of this year.

Budget Talk: Among the recommendations in President *Trump*'s fiscal year 2018 budget is the elimination of federal funding for public media. Whether Congress will go for it or any of the other cuts in his \$2.1 trillion budget, of course, remains to be seen. Just a few weeks ago, Congress approved full funding for public broadcasting in its FY17 omnibus appropriations bill. The **FCC** released its FY 2018 budget estimates to Congress on Tuesday, requesting \$438mln, down from \$481mln that was enacted in 2017. It's also seeking less full-time equivalent workers—1448 vs the 1550 enacted level in FY17. According to the budget estimate: "The Commission requests \$322,035,000 in budget authority from regulatory fee offsetting collections. This request represents a decrease of \$1,780,000 or 5.2% from the FY 2017 level of \$339,844,000 that excludes the one-time request amount \$16,866,992 for the headquarters move/restack. The Commission requests \$111,150,000 in budget authority for the spectrum auctions program. This request represents a decrease of \$5,850,000 or 5% from the FY 2017 level of \$117,000,000." Confused by the one-time move expense? The agency's leaving its longtime home in Southwest DC on 12th St and moving to NoMa. But the move isn't expected to be complete until November 2019.

Proprietary Information: **Ooyala** filed a federal lawsuit against **Brightcove** for the "misappropriation of proprietary trade secrets." The litigation lists trade secrets as including customer contact lists, confidential sales pitches and pricing, marketing plans and corporate strategies meant to undermine and exploit Ooyala's business dealings and sales efforts for Brightcove's benefit in the Latin America region. Brightcove said it believes the lawsuit is entirely without merit adding that the company is "working toward resolving the matter, which is narrowly focused on a particular region and does not concern our products, services or technology."

Gigabits in Illinois: **Mediacom** is launching one gig Internet speeds within its Illinois service territory. As a result, over 275 small cities and towns now have access to download speeds up to 40 times faster than the **FCC**'s minimum broadband definition. To date, the MSO has launched one Gig Internet service in more than 800 communities, with additional launches coming on a market-by-market basis through the remainder of the year. That includes 70 additional Illinois launches over the next two months.

Altice Brand Consolidation: **Altice** announced that it will bring the majority of its holdings under its primary brand identity. The company worked with **Publicis Groupe** and **Turner Duckworth** to create a new campaign and logo intended to convey the strength of Altice as a whole. The Altice brand, name and logo will replace the current identities at most of Altice's operating companies—including **Optimum** and **Suddenlink**—by the end of 2Q 2018, and B2B brands will transition to Altice Business. Exceptions to the rebrand include **Red** in France; **Moche**, **Uzo** and **Sapo** in Portugal; **Next TV** in Israel; media news brands (**News 12 Networks**, **i24NEWS**, **BFM**, **RMC**); press brands of **SFR Presse** (**Libération**, **L'Express**, etc.); and **Teads**.

Out-of-Market Change-Up: **Comcast's** Fairfield County, CT, customers lost broadcast stations **WTNH** (New Haven-based **ABC** affil) and **WCTX** (**MyNetworkTV**) Tuesday. The MSO said it was providing the out-of-market stations as part of an agreement with station owner **Nexstar**, but that agreement ended and was changed. "Our practice is to not pay twice for largely duplicative programming. As a result, we can no longer carry these stations," a Comcast rep said. Fairfield is assigned to the NYC DMA by **Nielsen** and thus receives **WABC** and **WWOR**. Comcast is still carrying the NBC Connecticut station **WVIT** as well as Hartford-based CBS affil **WFSB**.

News Ratings: A tumultuous week for President *Trump*'s administration proved to be a boon for **MSNBC**, which for the first time in its history topped both **Fox News** and **CNN** in weekday primetime viewership last week. MSNBC averaged 2.44mln P2+ in primetime last Monday through Friday, compared to 2.41mln for Fox News and 1.65mln for CNN. The release of those numbers prompted lots of headlines declaring a changing of the guard in cable news. Not so fast! Fox News was quick to point out that it still topped MSNBC in total-day weekday viewership (1.53mln vs. 1.22mln). When taking the weekend into account, Fox News topped MSNBC in both primetime (2.20mln vs. 1.86mln) and total-day viewership (1.46mln vs. 1.03mln). In fact, Fox News topped all cable nets in total-day viewership for the 20th straight week with 1.44mln viewers. **TNT** topped all cable nets in primetime last week thanks to the **NBA's** Eastern Conference Final. Meanwhile, Fox News was the most-watched cable news net for coverage of last night's attack in Manchester, according to

early Nielsen data. The net averaged 2.95mIn P2+ from 7pm-12am, more than CNN (1.60mIn) and MSNBC (1.56mIn).

Betting On OTT: Poker Central, which folded the cards on its linear network last year, has launched an OTT service called PokerGO that will feature both live events and on-demand programming. Subs cost \$99 for a year or \$10 per month. Live programming will include the Super High Roller Bowl and a number of World Series of Poker events.

Premium Products: Showtime said Sunday's premiere of "Twin Peaks" generated a record number of signups for its streaming service, marking the single biggest day and weekend of registration. -- **Starz** on Tuesday announced that its app is now available on select **Samsung** smart TVs.

AMC Ad Sales: AMC Networks created a new ad sales division designed to leverage content from across its entire portfolio. The company promoted *Ilene Danuff* to oversee the group in the role of svp, cross portfolio and partnership sales. She most recently served as vp, ad sales for **AMC** and **SundanceTV**. In addition, **DISH** vp, media sales and analytics *Adam Gaynor* joined AMC Nets as vp, advertising and data solutions. Danuff and Gaynor are both based in New York and report to pres, ad sales *Scott Collins* and svp, ad sales *Marc Krok*.

Programming: Spongebob is still alive and kicking. **Nickelodeon** greenlit the show's twelfth season, which will include 26 eps to premiere in 2019, the series 20th anniversary year. Nick also reupped the top series from its preschool portfolio. Renewed shows include a fifth season of "PAW Patrol," a fourth season of "Shimmer and Shine" and second seasons of "Rusty Rivets" and "Nella the Princess Knight." Nick currently ranks as the number-one basic cable network for kids 2-5. -- **BBC America** will partner with *Elisabeth Moss* on new mini-series, "Fever," based on *Mary Beth Keane's* novel, which follows the first known healthy carrier of typhoid fever, infamously known as "Typhoid Mary." -- **ESPN** has signed college basketball analyst *Dick Vitale* to a contract extension through the 2019-2020 season, which will be his 41st with the network. -- **History** commissioned a documentary series about Watergate that will be produced and directed by *Charles Ferguson*. The series will include new interviews with journalists, Nixon administration officials, members of Congress, and prosecutors. The net plans to premiere the series early next year. -- **Comedy Central** has extended the first season of "The President Show," its late-night program poking fun at President Trump, for an additional seven episodes. The show, which airs on Thursdays at 11:30pm ET/PT, debuted to 1mIn viewers (live+3) on April 27 and is averaging 870K viewers across its first four eps. -- **NFL** Hall of Famer *Michael Strahan* and business partner *Constance Schwartz-Morini* have signed a deal with **ITV**, in which their company **SMAC Entertainment** will produce projects for TV, OTT and digital platforms for ITV America.

Creating Change: Univision Deportes announced a partnership with social impact agency **Force Multiply** to launch two new initiatives including "Por el Amor al Deporte" a program to recognize and celebrate individuals that leverage sports as a vehicle for social change. Another program aimed at fast-tracking and uniting likeminded organizations to create social change through sport is also in the works.

People: *Kris Anne Monteith* will serve as the permanent chief of the **FCC's** Wireline Competition Bureau. She had been serving as acting chief of the bureau on an interim basis. Monteith during her 20 years at the FCC has held several senior leadership positions, including acting chief of the Consumer and Governmental Affairs Bureau, as well as chief of the Enforcement Bureau. -- *Susan Malfa* was named evp of advertising sales for **Bounce, Escape, Grit** and **LAFF**, where she will oversee all ad sales efforts. Malfa, who was previously a senior sales leader at **NBCU**, will report to Bounce COO and **Katz Broadcasting** CEO *Jonathan Katz*. -- *John Gauder* of **Comcast** was named regional vp for California where he will oversee all of Comcast's cable operations in the state. Gauder replaces *Hank Fore* who retired in April after 14 years with Comcast.



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