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What the Industry Reads First

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Wild West: Future of Television Panelists Gaze into Crystal Ball

With the cable industry's **Diversity Week** taking place a subway ride away, pay-TV providers went unrepresented at **Digital Media Wire's** Future of Television conference in downtown Manhattan Wednesday (with the exception of **Comcast's Ventures** arm). It would have been interesting to hear their responses to speakers forecasting the extinction of the pay-TV bundle as we know it. "The cable bundle is filled with so many brands that mean nothing and a handful that mean a ton," said **AwesomenessTV** head of worldwide distribution *Rebecca Glashow*, a former **Discovery** exec. "What you're going to see is sort of the death of those smaller networks that the networks don't invest in and there's no audience." Glashow argued MVPDs recognize the days of the all-in-one bundle are numbered. "They have their hands tied because those [carriage] deals are 7-10 years long. So, in the interim, you have platforms like X1 where you can innovate, they're starting to build that hedge, so when the deals come up, they can be more aggressive in starting to shrink the bundle." Former **Marvel** evp/GM of interactive & distribution *Peter Phillips* echoed the sentiment, saying, "Only in the last few months has cable really rolled out products that potentially cannibalize themselves, like the skinny bundles that Comcast put out where it potentially takes someone who spent \$75-100 bucks, for example, on a package, and gets them to spend \$20 a month. The thought is that you're actually taking cord-nevers and getting them into the ecosystem and hopefully you can at least get them in there enough to sell them on other products." The MSO is gearing up to launch its Instant TV across its national footprint, a development first reported by *Multi*. So, what will distribution look like in the future? *Floris Bauer*, pres/co-founder of content studio **Gunpowder & Sky**, suggested consumers will access aggregators of "mini SVOD channels" for different content brands. A number of speakers referenced the "confusing" OTT landscape that consumers are currently forced to navigate, suggesting it's untenable as is. "A lot of times if you look around and say, 'I want to watch some show,' you may be a subscriber to Netflix and you can watch Season 1, but if you want to watch Season 2 you might have to go out and buy it and pay another \$20 for the season," Phillips said. "We're a long way from making this really easy for the consumer." **Bloomberg** global head of digital *M. Scott Havens* during a later panel suggested the next five years "could bring consolidation and failures" in the OTT space. **MLB Advanced Media** evp, business *Kenny Gersh* said,



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“What I think will happen over the next couple of years as people keep trying things out is there will be more of a re-bundling on a different platform. Users won’t be downloading, necessarily, a hundred different apps for each different channel. Whether it’s **BAMTech’s** over-the-top service with **ESPN** that could potentially aggregate sports, **Amazon**, **Hulu**, **Netflix**, a couple of them that consumers will sign up for.” Havens suggested that perhaps **Apple** could centrally package and sell video content given that it is “somewhat agnostic” in the current pay-TV landscape.

Conference Notes & Quotes: Former **Marvel** evp/gm of interactive & distribution *Peter Phillips* shared his thoughts on parent company **Disney’s** decision to remove content from **Netflix** in favor of its own direct-to-consumer streaming service. Phillips worked on licensing content to Netflix and IP for original series. “When you have a model where you’re licensing your content to other distributors who have now become a brand—Netflix is a brand—suddenly you are building another brand with your brand. ... That’s what starting to make these companies say, ‘Wait a minute. I’m making somebody else too powerful and, down the road, I’m never going to be able to get that back.’” -- **Bloomberg** global head of digital *M. Scott Havens* didn’t reveal much about what the company’s upcoming **Twitter** streaming net will look like, but it’ll be quite different than the traditional Bloomberg News channel if Havens has his way. “Hopefully a lot different or we’ve done something dramatically wrong,” he said. “With this new endeavor, we wanted to go a little bit broader, a little bit younger and leverage the resources that we built. We have 160 or 170 bureaus, 2700 journalists all that we constructed for linear TV that we can leverage.” He later added that it would be “a failure” if the Twitter stream features blocks of commercials, noting the industry as a whole has struggled to adapt ad formats to OTT platforms.

Pressuring Pai: Dems were lining up to take swings at Ajit Pai on Wednesday. Sen Maria Cantwell (D-WA) took to the Senate floor to encourage colleagues to vote down his renomination as FCC chmn. Her objections centered on his attempt to roll back the 2015 Open Internet order. The move came after The Daily Caller reported that Sen Majority Leader Mitch McConnell (R-KY) had filed for cloture on the nomination, which would mean a vote on reconfirming Pai would take place soon. Meanwhile, Sen Richard Blumenthal (D-CT) wrote a missive to Pai Wednesday, urging him to block Sinclair’s proposed \$3.9bn Tribune acquisition. “With this proposed transaction, Sinclair threatens to strangle whatever remaining localism remains in our communities. With its outsourced news and distant ownership, Sinclair would reduce the number of independent voices in each of these markets and sharply reduce the number of local journalists and reporters,” he wrote. The letter also took a dig at Pai’s “inexplicable decision” to reinstate the UHF discount, with Blumenthal stating Sinclair would still exceed the national ownership cap by 6.5% if the UHF discount survives litigation. Piling on was Democratic FCC commish Jessica Rosenworcel, who has been vocal about the need for the FCC to hold hearings to address the impact of recent hurricanes. “After Hurricane Katrina and Hurricane Sandy FCC held hearings to address network recovery. Why won’t agency do it for Harvey, Irma & Maria?” she wrote on Twitter following the agency’s open meeting Tuesday. Asked after the meeting if there would be hearings, Pai said the Commission is focused on “restoration and recovery” at this point. He traveled to Texas following Harvey and recently visited Irma-impacted Florida with commissioner Mignon Clyburn. “Once we have the ability to be retrospective and take a look at the issue with a little bit of distance, we can have that discussion, but right now I’m focused like a laser beam... on making sure we do whatever we can to get these networks up and running,” Pai said.

More NBCU Content for Hulu: Hulu will become the exclusive SVOD home of “30 Rock” beginning Oct 1 under a new licensing deal with **NBCU**. It leaves **Netflix** at the end of this month. The agreement adds new shows to Hulu’s lineup, including **Syfy’s** “Face Off” and comedy “There’s Johnny,” which was supposed to debut on soon-to-be shuttered streaming service **SeeSo**. “Parenthood” and UK series “Made in Chelsea” are also headed to Hulu under the deal.

Channel Changes: **Charter** notified customers that it will stop carrying **Sportsman Channel** as of Oct 30. Charter also carries Sportsman siblings **Outdoor Channel** and **World Fishing Network**, which are not impacted. Sportsman owner Outdoor Sports Group said Charter accounts for less than 5% of its overall distribution, with the two unable to come to terms on broader distribution.

Carriage: **Layer3** has struck a deal with **Starz** to bring the premium channel to its platform. Subscribers have the option of adding the Starz family of nets to their packages for an additional \$11/month, including 34 all HD channels. With this latest addition, Layer3 TV now offers 80 premium channels, including HBO, Showtime and Cinemax.

-- **DISH** is increasing its distribution of **Ride TV**, thanks to a new agreement with the net. The equestrian-centric network will now be available to customers subscribing to Dish's America's Top 120 package and above. Ride TV will also be coming to the Heartland and DishLATINO Max packages.

NAMIC Notebook: Noting that a focus on diversity is "particularly timely considering what's going on in our country," **Comcast** evp and chief diversity officer *David Cohen* kicked off **NAMIC's** Day 2 by lauding "inclusive innovation" that has helped Comcast develop X1, voice navigation and other features that keep it ahead of the competitive pack. The goal, said Cohen, is always to "turn diverse perspectives into amazing new businesses... there's incredible value in fostering the entrepreneurial spirit." He said Comcast views diversity as an opportunity to evolve business models for a changing marketplace. "Change is not something we should be afraid of," he said. Cohen's remarks were followed by a "Shark Tank"-style competition (congrats to fitness startup **Forte** for taking the crown), and of course the NAMIC Annual Awards Luncheon honoring Next Generation Leaders *Ebonne Ruffins*, vp, local media development at **Comcast**; *Daniel Ellemberg*, **Fusion TV** pres & chief content officer; *Linda Pan*, **AMC Networks'** svp, new digital business; and *Romina Rosado*, svp & editor-in-chief, **E! News & Online** at **NBCU**. Meanwhile, ex-NYC Mayor *David Dinkins* introduced NAMIC's Mickey Leland Award recipient *Katrina Adams*, CEO of the **United States Tennis Association**. She touted the power of diversity and inclusion, adding that "those ideals and that message have never been more important than they are today."

Hiring Veterans: The cable industry has made hiring veterans a priority, and those efforts were put in the spotlight Wednesday with **Charter's** appearance at a **House Committee on Veteran' Affairs** hearing. Charter evp, chief HR officer *Paul Marchand* testified about the MSO's Broadband Technician Apprenticeship Program for military veterans, which allows them to receive certification and get a taste of what it is like to serve as a tech. It's currently in five states, with plans to bring it to Charter's entire 41-state footprint over time. That rollout depends largely on states, with some requiring state certifications vs national. Charter has more than 12K veterans working with it today, accounting for 13% of its workforce, Marchand told members. The hearing was good PR for Charter, which received compliments for its veterans initiatives as well as its \$1.3mln commitment to Hurricane Irma relief efforts (\$350K donation to **Rebuilding Together** and \$1mln in PSAs). Going forward, Charter's looking to grow its presence on bases so that it can reach military members before they leave active duty. Marchand also said the company's looking to partner with the **VFW**, **Hiring Our Heroes** and other orgs.

Social Circles: Despite the rise in cord-cutters, live TV viewing has proven itself to be one of the biggest drivers in social commentary regardless of the time of year. According to the **Video Advertising Bureau's** latest #TVisSocial report, ad-supported TV claimed 67% of the top 10 trending topics on **Twitter** on any given day of the week. The study used as the basis for the report measured social engagement on Twitter over a period of four weeks. Ad-supported TV hit its social high during the primetime period, with eight ad-supported programs and 13 topics related to the platform trending in Twitter's Top 10 each night.

WICT Touchstones: **WICT's** Washington DC/Baltimore chapter will honor nine women with its Touchstones of Leadership Awards at the annual PowerBrokers Breakfast on Oct 5: **TeamPeople's** *Monica Lucero* (Geraldine B. Laybourne Fearless Award), **C-SPAN's** *Marty Dominguez* (Inspire Award), **Comcast's** *Aimee Metrick* (Communicate Award), **Disney's** *Susan Fox* (Connect Award), **Comcast's** *Donna Rattley Washington* (Know Yourself Award), **Cox's** *Kathryn Falk* (Catalyst Award), **TV One's** *Sharon Alston* (Listen Award), **Discovery Comm's** *Kelly Kane* (Glenn Britt Emerging Leader Award) and **FCC** Sec *Marlene Dortch* (Outstanding Public Service). TV One interim gm *Michelle Rice* will keynote the event.

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Think about that for a minute...

Changing of the Guard

Commentary by Steve Effros

The NCTA has announced that two of my favorite folks over there, Jadz Janucik and Barbara York, are finally going to hang up their armor and move to my perch in the arena, watching the unfolding drama of our industry rather than being down in the pit slugging it out every day. Congratulations to both of them for jobs well done and the decision (I think they took a little too long to make it, but then I've told them both that before) to finally let the younger folks engage in the day-to-day battle.

Barbara, a 36-year association employee, supervised the complex and headache-inducing staging of the NCTA's "Cable Show" for 35 consecutive years! She also served for a time as Chief Administrative Officer and coordinated the planning of virtually all the major events the NCTA has done during that time from board meetings (yes, she's excellent at herding cats!) to the move of the NCTA headquarters.

Since I've been working in this sphere for 46 years, I've watched and interacted with Barbara since she started. I don't think I've ever seen her "blow her top"... at least not in public, and there have been many, many times she would have been totally justified in doing so! Have you ever dealt with the unions in a Chicago convention hall? Barbara is unfailingly polite, calm and pleasant to deal with in these public, high-stress moments, an attribute that, I think, probably worked to her detriment since no one in the industry could think of a better person to hand the impossibly tough assignment of running all the details of a trade show. Behind closed doors things may have been a little different, it's true, but that's also part of the job she did so well.

Jadz, on the other hand, always lets you know, right away, where she's at. When she's not smiling, get out of



the way! I love her. I've enjoyed working with her for the entire 41-year stint she put in at the NCTA as, ultimately, the head of Association Affairs. What that means is she's been in charge of taking care of the membership, (cats, again...) being the link and point-person with all the state associations, and also the one who helped work with all the grassroots and outside groups that get involved in cable policy debates either at the federal or state level. That's a very full plate, and Jadz has done an extraordinary job. She has this incredible memory, remembering more names and faces in the industry, and even local politicians, than anyone I know. She's more than earned some rest.

Both of these professionals have spent long, successful careers at the NCTA. The association has changed its name a couple of times, modified its logo, gone through quite a few bosses and yet the bedrock of the association, particularly Jadz and Barbara, has held firm. Whether that will be the case in the future is not as clear.

Their jobs became increasingly difficult as the industry changed, consolidated, and, from my point of view, lost focus on the value and use of national and state associations. The "big" guys now all have their own Washington offices and they have thus superseded, to some degree, the role of the association. That's a mistake, particularly as we move into an era where state legislation regarding broadband, privacy, etc., is going to become far more prevalent. We're going to miss both Barbara and Jadz's skills in the coming challenges.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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