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What the Industry Reads First

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Cup Half Full: Telemundo Not Fazed By US' World Cup Absence

Like most US-based World Cup stakeholders, **Telemundo** is disappointed about the men's national team failing to qualify for the 2018 tournament. Next year's event in Russia will mark the first time since 1986 that the Stars and Stripes aren't represented on the global stage. Even so, the Spanish-language rightsholder doesn't anticipate the Americans' absence impacting its advertising revenue. "They're not telling us that they're going to see an impact that will affect the amount of revenue we thought we might have before that," Telemundo Deportes pres **Ray Warren** said of his ad sales team during a Wednesday conference call. "I think we'll see a little diminution in the ratings by a couple of percent, but I don't think it's enough to impact our thoughts going in. They're continuing to write business, close business." **Horowitz Research** svp, insights and strategy **Adriana Waterston**, who oversees the company's multicultural and Latino research, supported Warren's hunch that Hispanic viewers will still tune in. "In our view, and based on past and current research we have conducted on Hispanic sports fans and their interest in soccer and the World Cup (especially Spanish-language TV viewers), there is no reason that advertisers/media buyers should be concerned about the Telemundo audience's viewership of the World Cup simply because the US didn't qualify," she said. "I might say differently if you had asked me about **Fox's** (general market) audience." Indeed, the US missing the cut will undoubtedly impact English-language partner Fox Sports more significantly than **NBCU**-owned Telemundo. **Pivotal Research's** **Brian Wieser** wrote last month that reports of a \$10-20mln negative impact on Fox as a result of the US not qualifying made sense. **ESPN**, Fox's predecessor, aired all 64 games of the 2014 World Cup from Brazil. The four games involving the American team generated nearly 20% of the net's total viewership for the tournament, according to **Nielsen** data cited by the *New York Times*. For **Univision**, the Spanish-language rightsholder in 2014, US games represented only about 9% of total viewership (that number might have been higher had Mexico failed to advance to the round of 16). "If you're a buyer or a planner or a marketer, and you're looking at the World Cup on Telemundo, you see 10 Hispanic teams playing, so there's something for everybody," Warren said of next year's 32-team field. Waterston added of Latino Americans, "This community has been waiting in anticipation for the World Cup to start, and just because one team doesn't qualify doesn't mean they won't watch, even if it hap-

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pens to be the US.” While Warren declined to go into detail about where the network is in terms of inventory sold for the World Cup, he said it’s “way beyond” 50%. Neither Fox nor Telemundo could’ve expected to match 2014 viewership even before the US failed to qualify, as the time zones in Brazil were far more conducive to American TV than those in Russia. Kickoff times in 2018 will range from 5am-2pm ET. Telemundo will air 56 live games on its eponymous broadcast net and eight on its cable net, **Universo** (several games take place simultaneously in different locations, creating the need to use both nets). There are also plans to re-air games on Universo throughout the day. In addition, the net will deliver a one-hour studio program at 7pm ET each night throughout the duration of the tournament. In total, Telemundo will air more than 500 hours of World Cup-related programming across the two linear nets, plus another 1000-plus hours on its digital platforms.

Going Offline: FCC chmn *Ajit Pai* continued his fight against social media speaking at a **Media Institute** luncheon Wednesday, claiming platforms like **Facebook** and **Twitter** are reflecting “the growing feeling that America today is a meaner, coarser place than it used to be.” Pai was the first FCC commish to join Twitter in 2012 to connect with the public. While he acknowledged that social media has had positive impacts, allowing movements like the recent #MeToo campaign to flourish, he said the political spin placed on everything in our society has only been exacerbated by social media, making even the simplest comments fodder for criticism. “Tribalism is a powerful drug,” Pai continued, “And it’s terrible for our country.” He urged people to stop the virtual “displacing the real,” favoring in-person conversations that could foster the kind of tolerance that “helps maintain civic institutions” over our toxic digital dialogue. Fellow commish *Mignon Clyburn* stood up for the “Internet freedom” of American families in a piece published on Medium Wednesday afternoon. “Sadly, the Chairman’s proposal tramples over the rights of these communities and will actually prevent them from adopting any related consumer protections—an action I believe is likely unlawful and will no doubt be litigated in court,” Clyburn said, urging Pai to withdraw the proposal prior to the upcoming Dec 14 vote. Pai closed his **Media Institute** remarks, reiterating the need to disagree civilly, “to see each other as people aspiring for a better country but envisioning different paths for getting there.”

CTAM at CES: **CTAM’s** taking a new approach to CES. For more than 15 years, it’s offered cable execs curated tours of the mammoth tech show, recently scaling back to tours every other year. For 2018, it’s ditching the traditional tour format and offering live streaming with recorded interviews and breakdowns of key themes from the show. CTAM’s svp, advanced products *Angie Britt* will be joined by tech analyst *Leslie Ellis* on camera. The change in format was partly due to a diminished number of cable execs hitting the large show as well as the practicalities of



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getting them from place to place with 2.6Mn net square feet of exhibit space, CTAM execs said. CTAM hasn't decided whether it will continue with this format or return to traditional tours. One show the group is keeping an eye on is **SXSW**. CTAM pres/CEO *Vicki Lind* said member companies have expressed interest in participating, which can be a very costly endeavor. It's possible CTAM could help by serving as the host with multiple participants under its banner, but such talk is in very early stages.

TCA Ahead: CTAM just released the schedule for its portion of **January Television Critics Association** winter tour, and it will again manage five days (Jan 11-15). The marketing association made the jump from three days to five in July with the **Critics Association** asking the group to oversee production of streaming players' sessions in addition to those of the cable networks. Streamers will be well represented during the winter tour, with **Hulu, YouTube, Crackle** and **AcornTV** all holding sessions. Streaming services have participated in **TCA** tours before, but July marked the first time streamers appeared alongside traditional cable networks. Cable nets participating in January include **BBC America, ESPN, Paramount Network** (which will have just completed its rebrand from Spike), **AT&T's Audience Network, Starz, Ovation, Pop, Viacom, HBO, Nat Geo, Epix, AMC Networks, A+E Networks, Turner, Hallmark, Discovery** and **Viacom** will host evening events.

ESPN Layoffs: **ESPN** informed approximately 150 employees Wednesday that their jobs were being eliminated. Network pres *John Skipper* indicated in a memo to employees that the majority of the positions eliminated were in studio production, digital content and technology. "They generally reflect decisions to do less in certain instances and re-direct resources," he wrote. Wednesday's layoffs had been anticipated in the media for several weeks.

Comcast Hearts Music: The latest **X1** updated has **Comcast** launching **iHeartMedia's** digital music, podcasting and live streaming radio service on the platform. X1 customers can listen to iHeartRadio directly through their TVs, with rolling out beginning Wednesday and continuing over the coming weeks. Comcast also currently makes music available on X1 through **Music Choice, Stingray** and **Pandora**.

Beauty of Nature: **DirecTV** launched **Outdoor Channel** in HD Wednesday after previously offering it only in standard definition. The satellite company now offers both versions. The net is available as part of DirecTV's sports pack, which costs \$13.99/month, and can also be purchased a la carte for \$3.50/month.

WWE Looks to Expand Content: **WWE** is expanding its motion picture production arm **WWE Studios** so that it includes scripted, non-scripted, family and animated content for both traditional TV and digital globally. *Michael Luisi* will continue to serve as studio's president. It's not foreign territory with WWE represented on **E!**'s "Total Divas" and "Total Bellas." It also has partnered with **HBO** for next year's *Andre the Giant* doc.

Survive and Advance: **Hulu** reached a deal to license the subscription streaming rights to a number of **Disney/ABC Television Group** programs, including current drama "Designated Survivor." The complete libraries of other programs, including "Revenge," "Shadowhunters," "Marvel's Agent Carter," "Blossom," "The Catch" and "Bunheads," will also be added to Hulu.

Hulu Continues UI Rollout: **Hulu** launched its recently updated user interface and live TV service on 2017 **Samsung** Smart TVs. Hulu introduced the new platform in May and has since made it available on **Apple TV** (4th gen.), **Amazon Fire TV, Roku, Xbox One, Nintendo Switch, Chromecast** and **iOS** and **Android** mobile devices.

Programming: **Showtime** is bringing comedy "SMILF" back for a second season. The series starring *Rosie O'Donnell* will head back into production next year, with the Season 1 finale airing on New Year's Eve at 10pm. SMILF debuted with the biggest premiere week audience for a Showtime comedy since 2012. -- **Spectrum News NY1** is launching a show taking viewers inside New York City's art and culture. Each 30-minute episode of "Spotlight NY" will highlight historic venues and institutions that foster the city's unique identity. (debuts Dec 2, 7pm).

People: **A+E Networks** promoted *Sean Murtagh* to svp, finance, where he'll oversee financial planning for **A&E, History, Lifetime, Lifetime Movies** and **FYI** along with **A+E Studios** and marketing. -- **Viacom** has tapped *Jose Tolosa* for the newly-created position of chief transformation officer, reporting to pres/CEO *Bob Bakish*. He'll be leading a team responsible for developing initiatives to support priorities the company developed as part of its fourth quarter and 2017 earnings reports. *Melody Tan* will succeed Tolosa as COO of **Viacom International Media Networks**. Tan previously operated as evp, programming, strategy & operations for **MTV, VH1** and **Logo** in the US. -- **SCTE-ISBE** is bolstering its IT, marketing and HR departments with multiple staff promotions. *Dave Edmunds* has risen to senior director, applications development and integration, while *Zenita Henderson* will take over as senior director, marketing operations and business development. *Kathleen Sponaugle* becomes director, HR.

Think about that for a minute...

It's Past Time

Commentary by Steve Effros

Hopefully you all had a wonderful Thanksgiving hiatus last week. Regrettably, the fact that it was a “holiday” week did not prevent all sorts of major events from taking place while we all ate too much. Let’s try to “catch up” with all the shenanigans.

We start with the **Department of Justice** bringing a suit against the **AT&T/Time Warner** merger proposal. I’ve already delved into the question of “undue influence” in my column two weeks ago. I come out on the side of those who think this is more likely to be a DOJ effort to re-imagine the antitrust laws. They want to extend them from their traditional role of assuring no unfair competition between competitive rivals to more of a “protect the consumer” from potential, foreseeable, imagined or whatever harm. That’s a much broader role, and one that really ought to be left to Congress, but as we all know, Congress is not really functioning these days and that’s been the case for quite a while, so the departments and agencies are taking it upon themselves to “update” the laws, and the courts have become the arbiter of how far they can go.

I’m not going to handicap which way I think the courts will go on that one. But I can on the next “stretch” from last week: the **FCC** proposal to scrap the “net neutrality” rules. To be sure there will be legal challenges to whatever ultimately is adopted (no, they didn’t vote, as some “journalists” reported, this was just a release of the proposed document they will vote on next month). But no matter what the courts have to say, I don’t think that was the ultimate objective of Chairman *Ajit Pai*.

Once again, we are in a situation where the Congress has been totally unable to do its job, and so the regulators are left trying to influence where the law should be



going. In this case the FCC is saying that “broadband” is moving way too fast, and they are not omniscient, (a recent admission) and therefore we shouldn’t have “Title II” preemptive, prophylactic regulation. Rather, we should have “watchdog” regulation through the **FTC** and the **DOJ** to prevent any harms that can be shown to actually be happening.

This is a philosophical argument about government regulation that has gone on for a long time. It will continue to flip back and forth in the regulatory sphere and the courts until Congress gets its act together, if ever, and actually tackles the issues and writes some new, modern legislation rather than rely on the regulatory structures used for railroads and telephone monopolies of yesteryear.

So, the fact that the FCC is proposing something sweeping is not an indication that they are in favor of an internet “takeover” by the big, bad ISPs, with “blocking and throttling” becoming the norm. First, they don’t really think that will happen, and neither do I. But second, they are setting the stage to try to force Congress to act. It’s past time.

Finally, it’s necessary, again, to comment on how bad the reporting has been about all this. The FCC does not “allow” blocking and throttling in its proposal. It says those actions can be monitored and stopped in other ways, by other agencies, if they are found to be anti-consumer. And the FCC did not “sneak” in its net neutrality proposal just before Thanksgiving to “hide” it. Instead, it released the proposed text three weeks before the vote, a new, long-missing, overdue and welcome transparency.

Steve

T:202-630-2099
steve@effros.com

(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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