

Cablefax Daily™

Wednesday — January 3, 2018

What the Industry Reads First

Volume 29 / No. 001

In Like a Lamb: 2018 Pretty Quiet on the Retrans Front

Despite the start of a new retrans election cycle in the fall, it was a relatively quiet New Year's Eve on the retransmission consent front. There were a few small blackouts—**WOW!** lost **Meredith's CBS** affiliate **WGCL** and **PeachTree TV** in Georgia as midnight ushered in the new year. **DirecTV's** lineup saw a blackout of **Rapid Broadcasting's NBC/MyNetwork TV** station in Rapid City, SD, while **Frontier Fios** customers in Seattle lost **Cox Media's CBS** affiliate **KIRO**, as well as multicast stations **Get TV** and **Laff TV**. There were also a few warnings leading up Jan 1. **Morgan Murphy Media** advised of a potential blackout for **Cox** customers, but it never came. **Atlantic Broadband** reached a deal with **Nexstar** on New Year's Eve that kept Western-Central PA CBS station **WTAJ** on its system. There may be some that quietly extended talks until after the holidays, which would mean potential blackouts in the coming weeks. The biggest New Year's programming fireworks didn't involve retransmission consent, but rather **Altice USA's** decision to no longer offer **Starz** and **Starz Encore** programming. Citing rates, it's telling **Optimum** and **Suddenlink** customers to consider subscribing directly to Starz's OTT offering. Replacement channels being offered include **MGM Channel** and **Sony Channel** (but those are only for customers in silver or higher packages) as well as **Cowboy Channel** and months-old **Hallmark Drama**. Starz ran paid ads in the *NY Times* and *NY Post* Saturday, warning of a possible blackout. The programmer argues that Altice wants a drastic price cut to penalize it for its direct-to-consumer offering. It's launched **KeepStarz.com**, offering tips to get a live customer service representative on the phone and direct links to Optimum support. **Macquarie's Amy Yong** sees the dispute as one layered with complexity, given Starz's distribution on **Amazon**, **Hulu** and other platforms. Yet she sees Starz in a good position, citing a solid track record with MVPDs that includes recently signed deals with **AT&T/DirecTV**, **Cox**, **Verizon** and others. She noted that it would likely take 600K-700K sign-ups through Amazon to offset the Altice loss, "but the value of accumulating data on viewing habits/preferences would be even greater." Back to retrans, **ACA**, which launched a retrans campaign in the fall that blames broadcasters for out-of-control prices and blackouts, said most of its members have wrapped up deals. But it didn't paint that as good news. "This latest round of negotiations demonstrates once again that large corporate media conglomerates (particularly **Hearst**, **Meredith**, **TEGNA** and **Sinclair**)—who are

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remotely headquartered and have little concern for the local communities our members serve—can and will force small cable operators to accept high double- and triple-digit percent increases to continue carrying their signals,” ACA pres/CEO **Matt Polka** said in a statement. “With ACA members unable to fully absorb these cost increases and stay in business, the real victims of the broadcasters’ greed are consumers who will see cable subscription rates rise in 2018. Don’t blame cable; blame the broadcasters.” Municipal-owned cable companies are being pretty transparent with the impact of retrans on rates. **Bardstown Cable TV of KY** said at a recent City Council meeting that the expanded basic tier will go up by a little more than \$8 following the renewal of retrans deals with the Big 4 affiliates out of Louisville. **Frankfort Plant Board** revealed at a recent town meeting that its retrans surcharge rate would increase to just under \$16/month from \$12. Happy New Year...

Liberty Bell: **Liberty Interactive** completed its acquisition of the 62% of **HSN** it didn’t already own, a move that unites the shopping net with former rival **QVC**. HSN will still be based in St. Petersburg, FL. Also on Tuesday, **Liberty Latin America** announced the completion of its split-off from **Liberty Global** to become an independent, public company.

Lifeline Penalties: The **FCC** settled its probes into five wireless companies—**Cintex**, **Easy Wireless**, **Global Connection**, **i-wireless** and **Telrite**—that received improper payments from the Commission’s Lifeline program. The settlement payments range from \$55K (Cintex) to \$1.025mln (Telrite). Even on this seemingly straightforward issue, there was some dissent among the FCC commissioners. Democrat **Mignon Clyburn** issued a statement saying that while she approves of the consent decrees issued to the offending companies, she believes the agency is giving preferential treatment to large corporations. “The Enforcement Bureau under this Chairman continues to show bias. It essentially gives hall passes to large, well-known corporations when wrongdoing is found, while it fines little-known small businesses and individuals substantial sums of money for harms which are often substantially narrower,” she said.

CFP Ratings: New Year’s Day has proven to be the ideal time to hold the College Football Playoff semifinal games. **ESPN** drew a 14.8 overnight rating for Monday’s Rose Bowl between Georgia and Oklahoma, which turned out to be a double-overtime classic. That’s up 29% YOY from the first CFP semifinal last season, which was played on New Year’s Eve. In the second slot, the Alabama-Clemson Sugar Bowl drew a 12.5 overnight, up 19% from the second game on New Year’s Eve last year. Under **Nielsen’s** new Total Audience measure, this year’s semifinal games drew 26.8mln and 21.1mln viewers, respectively.

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Down the Hatch: Sen *Orrin Hatch* (R-UT) will retire at the end of his current term, leaving vacancies looming on key Senate committees. Hatch is currently the chair of the Finance Committee and a member of the Judiciary Committee. There is speculation that *Mitt Romney* will run for Hatch's seat. **NAB** pres *Gordon Smith*, a former senator himself, paid tribute to Hatch. "It has been my high privilege and great pleasure to have counted Orrin Hatch as a beloved colleague and close friend for nearly three decades," Smith wrote. "He is to my mind an American patriot and the gold standard for public service in the United States Senate. I thank him for all that he has done, for all that he has won, for Utah, the Nation, and for people around the world. Few have achieved more. God bless, my friend."

4K for Armstrong: **Armstrong** customers using its EXP platform can now access **Netflix's** 4K UHD library. No other 4K content is currently planned for the **Arris** MG2 box, but that could change down the road. To take advantage of the new offering, customers will need Zoom internet, a compatible EXP set-top, 4K TV and Netflix premium subscription.

CTHRA Board: **CTHRA** announced its 2018 board of directors and officers, naming **Charter** group vp of talent *Seth Feit* president in 2018. *Tom Tooker*, vp of HR for **A+E Networks**, will serve as vp/pres-elect. *Dave Crossen*, svp of HR for **NBC** Broadcasting and content distribution, will act as secretary while **Cox** vp of talent management *Michele Parks* will hold the role of treasurer. *Judith Mills*, group vp of HR for **Mediacom**, and *Cheryl Middleton Jones*, svp of HR for **Scripps Networks Interactive**, round out the executive committee. The board is also welcoming *Katherine Barnett*, vp of HR for **Hearst Television**, **Discovery Communications** svp of HR *Julie Neimat* and *Rob Talmas*, vp of total rewards for **Univision Communications**, as new members.

Cox's Converge: **Cox Comm** launched online destination Converge, which features custom content on Cox's community efforts alongside technology and entertainment stories. Current features include a **Cox-Hallmark Channel** sweepstakes, Cox's work with **The Boys & Girls Club** and a deeper dive into Cox's Homelife home monitoring packages. Cox promises to use the digital destination to address tech trends and societal issues, such as Cox's role in bridging the digital divide.

A New Quest: **Univision** and **Cooper Media** are partnering to bring adventure network **Quest** to Univision's local markets. The net will broadcast on eight station digital subchannels during its Q1 2018 launch, including those in LA, Philadelphia, Miami, Orlando, Raleigh, Fresno, Bakersfield and Albuquerque. Quest is set to launch in nearly 50% of US broadcast homes, with hopes to come to more Univision markets through 2019.

Programming: **E!** will premiere the first installment of a five-part limited series titled "Citizen Rose," which follows actress *Rose McGowan* as she readies her upcoming memoir for release. The two-hour debut will air at Jan 30, with four episodes set to follow this Spring. *Time* magazine named McGowan, an alleged victim of *Harvey Weinstein*, one of its Persons of the Year for 2017. -- **ESPN** signed a deal to air all eight matches of the 2018 Florida Cup on **ESPN Deportes** in the US, as well as in several Latin American countries and Australia. The eight-club soccer event will run from Jan 10-20 at various Florida locations.

NATPE Ahead: **NATPE Miami's** schedule is shaping up for Jan 16-18 in Miami Beach, with a panel of Wall Street experts, including **Morgan Stanley's** *Benjamin Swinburne* and **Macquarie's** *Amy Yong*, to discuss how investors interpret change in media. Other speakers during the annual conference include former **EPIX** pres *Mark Greenberg*, **AwesomenessTV** CEO *Jordan Levin* and **Olympusat** pres/CEO *Tom Mohler*.

People: **Roku** named *Scott Rosenberg* gm of platform business. Rosenberg adds content distribution and related services to his responsibilities, which also include leading the company's ad business. He is taking over the duties of *Steve Shannon*, who left the company at the end of 2017. -- **Charter** hired *Vanessa Green Sindors* to serve as svp, government affairs. She will report to evp, government affairs *Catherine Bohigian* and be based in the DC area. Sindors spent the past four years in a similar role at the **American Hotel and Lodging Association**. -- **Apple** continues poaching execs from rivals for its impending video initiative, adding three ex-**Amazon** staffers in recent weeks. *Tara Sorensen* will lead children's programming for Apple's worldwide video unit; *Tara Pietri* will head up legal affairs for the division and *Carina Walker* will serve as an international creative exec. **Cablefax** confirmed the hires, which were first reported by *Variety*. Apple has been aggressive in grabbing talent from across the industry. Chief content officers *Zack Van Amburg* and *Jamie Erlicht* came over to Apple from **Sony TV**. Sorensen will report to the co-CCOs. Walker will report to another former Amazon exec in *Morgan Wandell*. Thursday's moves follow the company's hire of former **Hulu** exec *Philip Matthys* to serve as head of business affairs. Former **WGN America** pres/GM *Matt Cherniss* also made the move to Apple this year.