

# Cablefax Daily™

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What the Industry Reads First

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## Oath of Office: Verizon, A+E Networks Reach Digital Distribution Deal

Verizon struck a deal to offer content from **A+E Networks** across its Oath brands, the company's latest move to bolster the recently acquired digital destinations. The agreement also includes a renewal of carriage for A+E Networks on **Fios** for an unspecified term. Under the new deal, Verizon picked up first-window exclusivity rights to short- and medium-form content from A+E Network's fledgling digital arm, **45th & Dean**. The Oath sites will also be able to carry select long-form content from A+E's linear channels, as well as short-form content supporting A+E programming, on a non-exclusive basis. A+E Networks pres of distribution *David Zagin* said the deal doesn't include any content that previously required pay-TV authentication. Verizon vp, programming & content strategy *Erin McPherson* said, "What we'll be doing with A+E through 45th & Dean is developing originals that really serve an audience where they are—news, sports, on HuffPo, on Yahoo.com or the Yahoo! app. We'll be developing content targeted at those key audiences, particularly younger audiences, millennial audiences that are viewing content online and on mobile phones." A+E Networks formed 45th & Dean in 2016. The studio's output since then has included short-form content, such as "Bae or Bail" on **Facebook Watch** and "Second Chance" on **Snapchat**. A+E was among the first content partners for Watch when it launched last August. Zagin said distributing content on Oath similarly will allow A+E Networks to reach a younger audience. Verizon also upped its sports lineup in the deal, gaining the right to expand its distribution of **National Women's Soccer League** games beyond the **go90** platform. A+E Networks has an equity stake in the league and aired a Game of the Week on **Lifetime** last season. "We found in our existing go90 partnership that this content is very, very sticky to consumers," McPherson said. "It's very appealing, and of course live sports is unique in its ability to aggregate audience around content and create excitement." The NWSL games compliment Verizon's existing streaming deal with **Univision** for **Liga MX** games. Similar to Verizon's recent \$2.5bn streaming deal with the **NFL**, the A+E Networks content on Oath will be available to anyone, not just Verizon customers. That's a change from the carrier's previous NFL agreement, which opened up mobile streams only to Verizon subs. McPherson insisted Verizon will continue to offer other exclusive content to its wireless customers. Verizon's Oath brands, a combination of assets from its recent acquisitions of **AOL** and **Yahoo!**, include Yahoo's

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INSP's returning original series *The Cowboy Way* follows the adventures of three modern-day Alabama cowboys. They live by a cowboy code as important to them as it was to those who tamed the west. They work hard, play hard and then go home to their families. Their days aren't easy, but these friends wouldn't have it any other way.

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various verticals (Sports, Finance, News, etc.), the **Huffington Post**, **TechCrunch**, **Tumblr** and **Engadget**.

**Ratings:** With the Rose Bowl and Sugar Bowl on New Year's Day, **ESPN** easily won last week for primetime among cable nets. It averaged 6.55mln viewers for the week of Dec 25, with Christmas powerhouse **Hallmark** (2.2mln) in second place, followed by **Fox News** (1.6mln). **Nielsen** stats are based on coverage ratings. -- It may have been cold outside New Year's Eve in Times Square, but it was hot for **CNN** ratings. The net's special with **Anderson Cooper** and **Bravo's Andy Cohen** was the newser's most-watched NYE special ever, averaging 3.28mln viewers from 11pm-12:30am, ahead of **Fox News'** 2.42mln and **MSNBC's** 286K. CNN was No 1 in the time period for all of cable that night. The special was up 8% in total viewers vs last year and gained 1% among A25-54. -- The season 3 opener of **History's** "Hunting Hitler" on Tuesday was the strongest yet for the show among total viewers (1.9mln, +36% from Season 2's premiere) and A25-54 (818K, +42%). Other key demos saw growth, including A18-49 (+30%), M25-54 (+34%) and M18-49 (+23%). -- Season 6 of **Lifetime's** "Married at First Sight" returned Tuesday as the highest rated telecast of the series in key demos, outperforming last season with total viewers (+12%), A25-54 (+29%), W25-54 (+27%), A18-49 (+31%) and W18-49 (+36%). -- **A&E's** "Intervention: The Heroin Triangle" saw double-digit growth from 2017's "Intervention" with total viewers (+17%), A25-54 (+16%) and A18-49 (+17%).

**5G Gear:** **Samsung** is providing **Verizon** with equipment for its impending commercial 5G fixed wireless launch, including home routers and radio access units. It will also offer 5G radio frequency planning services. Verizon announced last month that it plans to roll the technology out in Sacramento in the second half of 2018. The companies teamed up for pre-commercial customer trials in seven cities last year. Samsung's announcement follows one from **Ericsson** last month about its involvement in Verizon's 2018 5G efforts.

**Speed of Sound:** **Roku** is getting into the home audio game by allowing manufacturers to build sound bars, smart speakers and audio systems that connect to a user's main Roku device. The devices will be able to connect wirelessly and respond to voice commands. Roku plans to roll out its voice assistant as a free update to its operating system by the Fall. **TCL** is Roku's lead OEM partner and will announce plans for its first device under the program on Monday at CES. Also on Wednesday, Roku announced **Magnavox** as the latest manufacturer to join its TV licensing program.

**Over-the-Airheads:** **Azteca America** programming is moving to full-power station **KJLA** in L.A. The move follows the sale of Azteca's **KAZA** in the **FCC** spectrum auction last year for \$91.1mln. KJLA is available on **Charter**, **Direc-**

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A festive background featuring gold and red Christmas ornaments and gold garlands against a light blue background with white bokeh lights.

*Most Wonderful*  
**MOVIES**  
*of Christmas*

**WE'RE #1 AND #2  
IN SPREADING  
HOLIDAY CHEER.**

Hallmark Channel's *Countdown to Christmas* and  
Hallmark Movies & Mysteries' *Most Wonderful Movies of Christmas*,  
are the **top two** holiday destinations for cable viewers.



**TV, DISH, Frontier, AT&T U-verse and Cox.** KAZA made news in October, with the FCC approving an application to assign Azteca America's KAZA license to **TV-49**—notable because the Commission allowed the sale of a license before the station had begun to channel share.

**Inflation Adjustments:** The **FCC** Media Bureau released 3Q inflation adjustment figures for cable operators who face rate regulation (which occurs where it has been determined there is no effective competition). The 3Q adjustment lets those operators raise prices by 2.09%. That's up from 1.01% in 2Q and 1.42% in 3Q16. The Commission releases a new quarterly inflation factor for operators using FCC Form 1240. All adjustments are based on changes in the Gross National Product Price Index (GNP-PI) published by the **Department of Commerce**, Bureau of Economic Analysis (BEA). In 2015, the FCC adopted rules presuming that every market faces effective competition. As a result, franchising authorities can't regulate basic unless they successfully demonstrate that cable is not subject to effective competition from a competing provider. Effective competition is defined as MVPD competitors having at least 15% of the local pay-TV market.

**Carriage:** The **Cowboy Channel** launched on **DirecTV's** channel 603 last week. Parent **Rural Media** launched the channel in July as a companion to its main network **RFD-TV**, rebranding the **FamilyNet** channel. It recently scored carriage with **Altice USA**, which named it as one of the replacement channels it's launching on **Suddenlink** and **Optimum** after dropping **Starz** on Jan 1. The DirecTV deal gives the net carriage with all the major distributors, including **DISH, AT&T U-verse, Charter, Comcast, Cox** and **Mediacom**.

**OTT Overload:** Some 49% of viewers are overwhelmed with the amount of content being produced, saying there are too many TV programs from which to choose, and millennials are still unsatisfied with current OTT offerings. Those findings are from **Ooyala's** State of the Broadcast Industry 2018 report, which predicts the frustrations will drive improvements including streamlined authentication, improved content curation, personalization and easier search and discovery. Through these growing pains, mobile viewing is expected to continue its explosive rise, with such viewing accounting for an estimated 75% of mobile data traffic by 2022. Content distributors are expected to experiment with new formats, social media platforms, skinny bundles, IP technology and even more original content through 2018 to retain their market share.

**Going Smart:** **Disney, ESPN** and **Samsung** have come together to bring the **ESPN** and **Freeform** apps to Samsung Smart TVs across the US. Streaming on the apps is open to subscribers across all major traditional and digital pay-TV providers nationwide. The Freeform app allows subscribers to watch the network live 24/7 and access on-demand content. The apps are also available on computers, smartphones, tablets and a range of connected streaming devices.

**Supporting the Troops:** **Mission Media** will host a collaborative exhibit event at the **Student Veterans of America** National Conference in San Antonio (January 4-6). The exhibit will shed light on careers in the industry and includes **A+E Networks, Comcast, NCTA** and **WICT** as participating organizations. SVA National Conference attendees include more than 2K veterans utilizing higher education to transition to civilian life.

**Nice Digs:** **NBC** unveiled its set designs for the upcoming Winter Olympics in South Korea, highlighted by a 3,500-square-foot geodesic dome set for primetime and late-night coverage. The broadcaster will use a total of 13 sets for its 2,400 hours of coverage across **NBC, NBCSN, CNBC, USA Network** and digital platforms. Five studio sets will be located back home in Stamford, CT.

**Programming:** A third season of **Showtime's** political docuseries "The Circus" is on the way. The season will premiere April 15 at 8pm, bringing new episodes in the spring before another run this fall. **CBS News' Alex Wagner** will join **John Heilemann** and **Mark McKinnon** as a permanent host. -- **Amazon Prime Video** and **ITV** have greenlit eight eps of Prime original series "The Widow." -- **Freeform** ordered a spinoff of "The Fosters," which wraps with a three-night series finale this summer. The finale will lead into the new show following Callie and Mariana into young adulthood. -- **HBO Documentary Films** acquired the US TV rights to "Believer," a documentary following Imagine Dragons frontman and Mormon **Dan Reynolds** as he investigates how the Mormon Church regards its LGBTQ members. The film will premiere at the 2018 Sundance Film Festival, airing on HBO this summer.

**People:** **Jocelyn Diaz**, head of programming at **EPIX**, is parting amicably with the company after three years in the position. Her departure comes six weeks after **Michael Wright** took the helm as pres. A force behind its shift into original series, Diaz also was key in developing documentary programs including "Serena" and "America Divided." Diaz previously served as a programming exec at **HBO, ABC** and **Walt Disney Television**.

# Think about that for a minute...

## More of the Same

Commentary by Steve Effros

It's traditional that at the end of a year or the beginning of the next one newspapers, media outlets and yes, even columnists expound either about the high and low points of the year gone by or prognosticate about what's to come. I try not to do the former because, after all, you just experienced the same year I did and I think you know what happened without me telling you again! As to prognostications about the future, well, that's another thing.

For me, in this business, it's easy. We're going to experience more of the same. Nothing particularly exciting in that, just the same old stuff that we have experienced for many years now: regulatory uncertainty, legal battles with unknown outcomes, journalistic malfeasance when it comes to reporting on their own business and hyperbolic bloviating about whether this or that decision or rule will result in the demise of the telecommunications world as we know it. And, oh yeah, some invention or new technology announcement that will also allegedly create total havoc with the existing order by the end of the year!

So, take it easy. You've heard it all before. Nothing to get terribly excited about.

There will still be lots written and orated about "net neutrality." That, certainly, is nothing new. Yes, there will be some major legal challenges surrounding the FCC's decision to move back to the traditional regulatory posture of "Title I" regulation rather than the two-year experiment with "Title II." But as I've noted before, most of the questionable parts of regulating under Title II were not actually put into effect, and the move back to Title I simply means that we're back to the status quo for regulation of broadband for the past 20 years. The



history of broadband development during that time was certainly not shabby, so while there will inevitably be some hyperventilation, there's not likely to be any major change a consumer would notice.

As to the legal challenges, I have no idea where they'll go, other than whatever the decision is in the Court of Appeals, it will then be appealed to the Supreme Court, and by then we are well out of 2018. So, you'll just have to wait for the next installment or two of "end/beginning of year" columns to find out what happens next!

If any of you are worried that the technology you have built to deliver the Internet will be superseded in the next 12 months, relax. Not going to happen. Fiber has proved to be a significant adjunct to HFC design, but after all, it's just another cable in the arsenal we already use. "Gigabit" Internet speed is here both through fiber to the home and DOCSIS 3.1, and for the life of me I don't understand why any household would actually need or pay for it in normal use. "5G" may be a great technology and expand wireless broadband delivery, but at the end of the day all "wireless" systems utilize the wired infrastructure to provide reliable service, and if 5G really proves to be a viable broadband delivery system it will take many years to deploy.

So, I hope you had a good holiday, and a happy New Year's celebration and now it's back to work, and the reality that in this business we've got a good thing going so long as we maintain the system and stay focused on the customer. Do that, and it will be a happy new year indeed.

*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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