

# Cablefax Daily™

Friday — January 5, 2018

What the Industry Reads First

Volume 29 / No. 003

## Salary Summaries: Consolidation Complicates Annual Compensation Survey

The **Cable and Telecommunications Human Resources Association's** (CTHRA) compensation survey has been an annual tradition for the industry for some 20 years, but consolidation is making comparisons a little tougher. The just-released 2017 edition wasn't able to provide a year-over-year MSO compensation comparison because of M&A. "We were missing one of our key ways of reporting because we could no longer compare apples to apples," said *Hali Croner*, president/CEO of **The Croner Company**, the research and compensation consulting firm that conducts the annual CTHRA surveys. "We anticipate next year we'll have Charter in its consolidated state for two years and we'll be able to get them back." She added that the MSO participants did feel like their performance in compensation was strong, in the 1-3% growth range. CTHRA's report found programmers averaged from 2016 to 2017 an increase in salary adjustment budgets (merit) of 3%, on par with the national average. A note of caution though—unlike in past years, there were several employment tiers on the programming side that saw pay growth below the 3% merit budget, including middle management, professional IC and operating support. Croner said the disruption in the industry could be to blame, causing a greater influx of new personnel that skewed YOY salary comparisons. Speaking of disruption, there is a lot of competition for talent with digital native companies. CTHRA's survey found those digital companies (**Amazon, Apple**, etc) are able to pay base salaries for content jobs that are 53% higher than what traditional programmers offer for those same positions. The digital natives don't participate in CTHRA's survey, but Croner pulls that info from other surveys that it conducts. "These companies are willing to offer 21% to 53% higher on base pay for similar jobs on average because they are just hiring them away. It's just really hard for programmers to compete on base, on total cash compensation and also on equity," Croner said. "Particularly at the senior level, that's where the digital natives are picking them off." Bonuses and long-term incentives, such as stock options, can push total direct compensation ranges to 64% to 133% higher for digital. This year's report doesn't have a breakdown of MSOs compared to digital companies, but Croner said it's a similar story. The 2017 CTHRA survey had 58 participants (11 MSO, satellite and telecommunications companies and 47 cable programmers, broadcast networks and digital content creators). That compares to 59 for last year's survey (14 MSO/satellite companies and 45 programmers). New participants in 2017 included **Verizon, Fox News, Blizzard Entertainment, Altice USA, Riot Games** and



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The top portion of the image features several Christmas ornaments, including gold and red spheres, and gold tinsel garlands, set against a light blue background with soft white bokeh lights.

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

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



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 ● Associate Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Community Editor: Alex Silverman, 212.621.4951, asilverman@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Prod. Mgr: 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

**The Vanguard Group.** This year’s survey included six new MSO job families—legal counsel, home security installation/service, customer advocacy, home security sales, sales operations and lead generation—and 35 new positions, including digital marketing specialist and manager of home security sales. Programmers added four new job families (multimedia producing, motion graphics design, digital partner marketing, and international distribution) and 42 new positions, including vp, content and director of multimedia producing.

**Merger Fun:** The pending **Fox-Disney** deal could actually help independent TV studios struggling to get shows on broadcast and cable nets that increasingly favor their own in-house production arms, **Fox Television Group** co-chairman/CEOs *Gary Newman* and *Dana Walden* told critics Thursday on the first day of **TCA’s** Winter Tour in Pasadena, CA. Walden sees “a lot of great opportunity for a lot of companies with tremendous rosters” to fill a vacuum when Fox’s own in-house studio becomes part of Disney after the deal closes. But Newman said it’s unclear whether “New Fox” will start its own in-house studio to replace the one it will lose as part of the deal. Either way, they both stressed that it’s “business as usual” for the next 12-18 months, pending regulatory approval. “We have to operate at Fox as if the deal won’t go through,” noted Newman. But interestingly, current Fox studio deals will remain in place even after Disney takes over, meaning that the deal shouldn’t result in any current Fox Broadcast Network shows suddenly shifting to Disney-owned ABC. Newman and Walden also acknowledged that their own future roles are also up in the air. Either or both of them could end up at Disney running the acquired production studio, stay at New Fox to run FBC or simply ride off into the sunset (Just to cover all their bases, they started the session by showing a holiday vacation photo, which depicted both of them posing with Mickey Mouse). No matter what happens, Newman vowed that New Fox will be “a very robust and nimble company that will continue the tradition of disruption that has always been core to the Fox brand.” He acknowledged a lot of “anxiety” among Fox execs and talent the week the deal was announced, and in a later panel veteran producer *Ryan Murphy* revealed that he even asked Disney CEO *Bob Iger*, “Am I going to have to put Mickey Mouse in ‘American Horror Story,’ and he said no.” Darn. That would have been something.

**Clubhouse Leader in Mobile 5G:** **AT&T** declared its intention to be the first US wireless company to bring mobile 5G service to market. The carrier expects to begin operations in a dozen unspecified markets by the latter part of the year. It ensured it will bring the technology to market “without compromising its long-term vision.” The company pointed to governing body **3GPP’s** finalization of standards as the impetus for its sooner-than-expected deployment timeframe. The standards have allowed hardware, chipset and device manufacturers to begin development. AT&T’s plans follow **Verizon’s** announcement last month that it plans to launch fixed-wireless 5G commercially this year. Verizon CFO *Matt Ellis*, however, said on an earnings call last year that mobile 5G was “certainly not a 2018 activity.” **T-Mobile** last year



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said it expected to begin its own mobile 5G rollout in 2019 and to have nationwide coverage by 2020.

**Sprint's New CFO:** Sprint named former **Altice N.V.** CEO *Michel Combes* its pres/CFO, effective this Saturday. Combes will report to Sprint CEO *Marcelo Claure* and join the board at a later date. Current Sprint CFO *Tarek Robbiati* will leave the company at the end of the month. Combes, a native of France, will relocate to Sprint HQ in the Kansas City area. Combes left Altice less than two months ago amid concerns about the performance of the company's European business. His hiring also comes two months to the day after the collapse of a potential merger between Sprint and **T-Mobile**, a deal that was considered critical to the future of the nation's fourth-largest wireless carrier. In the wake of talks ending, research firm **MoffettNathanson** dropped its target price for Sprint from \$6 to \$2, writing an independent Sprint faced "a punishing future of dramatically negative free cash flow and steep debt maturities." **BTIG Research's** *Walt Piecyk* wrote Tuesday (prior to Combes' hiring) that while Sprint is "on the right path" with its new capital investment plan, it will "take time and impact the balance sheet." Sprint in announcing Combes' hiring touted him as a "turnaround strategist who achieves success through a mix of growth and cost management." The company detailed two of Combes' previous turnarounds in the telecom space: the sale of once-floundering **Alcatel-Lucent to Nokia** in 2015 and the revitalization of **France Telecom** (which rebranded as **Orange**) from 2003-2006. Investors seemed to take the news of Combes' hiring as a sign that things could get worse before they get better for Sprint, as its stock dropped 4.41% to \$5.63 by the close of trading Thursday.

**MetroCast Deal:** **Atlantic Broadband** completed its \$1.4bln acquisition of **MetroCast cable systems** in NH, ME, PA, MD and VA, giving it an 11-state footprint. On a Pro Forma basis, the combined company will pass more than 850K homes, have 450K+ customers, more than 1,250 employees and more than \$710mln in combined revenue. The MetroCast brand will remain in place for now, but the systems will begin offering a suite of enhanced services under the Atlantic Broadband name starting in the spring. Atlantic Broadband, owned by **Cogeco**, raised \$1.85bln of secured debt through a combination of term loan B and revolving credit facility financings as well as \$315mln of equity through an investment by **Caisse de dépôt et placement du Québec** for a 21% interest in Atlantic Broadband's holding company. The proceeds were used to fund the deal and refinance Atlantic Broadband's existing debt.

**Weathered Approach:** A bit of irony in a notice **Verizon Fios** sent to customers Thursday warning "Winter Storm Grayson is Here." The **National Weather Service** does not name winter storms. It's something **Weather Channel** started doing in 2012, drawing both praise and criticism. The irony comes in because Verizon hasn't carried Weather Channel since March 2015, replacing it with **AccuWeather**. For its part, Weather Channel pre-empted live programming this week to cover the unprecedented cold on the East Coast.

**Across the Universe:** **DISH**-owned **Sling TV** will be the inaugural user of a new cross-platform addressable advertising measurement service from **comScore**. This data will join Sling's impressions and DISH set-top box impressions in assessing the reach of ad campaigns. ComScore said it is the first company to offer such a service. DISH opened cross-platform addressable advertising to reach both Sling and DISH viewers in the fall of 2017. The new comScore service allows advertisers to validate the performance of their creative via third-party metrics.

**Ratings:** **BBC America's** Christmas Day special and farewell episode to "Doctor Who"'s Twelfth Doctor brought record viewership for the net, bagging 2.2mln total viewers and 1.1mln A25-54 across its two telecasts in **Nielsen** L+7 ratings. The annual special, which also served as the highly-anticipated introduction to the female Thirteenth Doctor, surpassed last year's show by 62K viewers, making this year's edition BBCA's most-watched telecast in two years. The show also hit social highs, becoming the No 1 most social program of the week, and of Christmas Day for the fifth straight year.

**Programming:** **HBO** megaseries "Game of Thrones" will air its six-episode final season in 2019. *David Benioff* and *D.B. Weiss* will continue to serve as directors and writers for Season 8. -- **WE tv** docuseries "Love After Lockup" will premiere Jan 12 at 10pm, telling the tales of six couples reuniting and preparing for the altar after years of being separated by bars. -- **Syfy** picked up "Nightflyers" for a full series order. Adapted from *George R.R. Martin's* novella and the 1987 film of the same name, the alien-themed TV will be produced by **Universal Cable Productions**.

**Obituary:** *Jim Shaw*, vice chmn and former CEO of **Shaw Communications**, passed away at the age of 60 after a brief illness. Originally hired in 1982 as a construction worker and cable installer, he rose to become the Canadian operator's second CEO from 1998-2010, growing the company's revenue from \$646mln to \$3.7bln. He headed the company's asset swap with **Rogers** to solidify Shaw's position in Vancouver and lower mainland while building a platform for the company's internet services. "I have not only lost a brother, but a great friend and mentor," said Shaw CEO *Brad Shaw*. "Our lives will not be as complete without hearing Jim's laughter or getting the benefit of his counsel or his insight."

# PROGRAMMER'S PAGE

## Kids These Days

Even the most involved parents probably don't have a clear picture of what their teenagers' high school experience is like. What adults do know, however, is that school today is a lot different than when they walked uphill both ways in the snow to class. With its newest reality show, "Undercover High," **A&E** is betting Americans will embrace the opportunity to be flies on the wall of a modern-day high school. "It's an amazing window into the world of the American teen that we just haven't seen before, in a very, very immersive way," **A&E** head of programming *Elaine Frontain Bryant* told **Cablefax**. "What we found out from our very brave superintendent is that kids talk to kids. They don't talk to other adults; they weren't talking to counselors, they weren't talking to the administration." The show centers around seven 20-something adults posing as students in a Kansas high school in order to provide viewers a peek inside. Even the undercover adults, who aren't too far removed from their own high school days, are shocked by how much things have changed. As one might expect, the impact of smartphones and social media is overwhelming both inside and outside of the classroom. While incidents of cyberbullying are fairly well-documented, viewers might be surprised by just how difficult it is for a teacher to keep students' attention for any length of time. Teen pregnancy, sexual orientation, sexual harassment and learning difficulties are among the smorgasbord of issues the show highlights. The production of "Undercover High" carried some additional risk due to the age of many of the subjects involved. Despite an extensive risk-management process, Bryant admitted feeling a bit uneasy during the filming process. "For the four months of shooting, I probably held my breath the whole time because it is a very serious undertaking, and we did take it that seriously," she said. "Undercover High" premieres Tuesday at 10pm ET on **A&E**. – *Alex Silverman*

**Reviews:** "Intervention," 9pm, Tuesday, **A&E**. If you've not seen this Emmy-winning docuseries, you're in for an eyeful. This new season is based 20 miles north of Atlanta in a suburban cluster known as the Heroin Triangle. We were told heroin use in the area has risen 300% during the past 3 years. In addition, there's more overdosing from heroin and opioids in the suburbs than the cities. Into this environment the series' interventionists venture for 90 days, joining local and state officials, friends and family, to attempt to dent the epidemic. In a series full of incredible footage and stories, one of the most interesting moments during next Tuesday's ep comes when Sgt. *Josh Liedke* of the Marietta Police stops a car and recognizes Casey, a young woman he'd stopped previously. Instead of arresting her, Liedke offers to get her into rehab. Accepting, Casey, in tears, says it's the kindest thing she's ever received. We'll be watching her story, ditto Allen, a former millionaire now a penniless, homeless addict. -- "The Chi," series premiere, Sunday, 9pm, **Showtime**. A fabulous debut for Chicago native *Lena Waithe's* gritty, soulful drama about urban life in her hometown. It's a feat to introduce a bevy of characters, but a top-notch cast and Waithe do it well, laying the groundwork for what might be a hit. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (12/25/17-12/31/17)		
Mon-Sun	MC US AA%	MC US AA (000)
ESPN	2.059	6,270
HALL	0.691	2,105
FOXNC	0.513	1,563
USA	0.476	1,449
TNT	0.402	1,223
HGTV	0.395	1,202
ID	0.372	1,131
TBSC	0.350	1,065
MSNBC	0.336	1,024
FRFM	0.335	1,019
DISC	0.332	1,011
HIST	0.329	1,000
A&E	0.309	941
FX	0.303	924
CNN	0.293	891
DSNY	0.292	888
ADSM	0.289	880
NICK	0.284	866
HMM	0.269	820
FOOD	0.262	799
CRN	0.248	756
NAN	0.235	715
TVL	0.220	669
LIFE	0.205	624
SYFY	0.192	586
BET	0.192	584
TLC	0.186	565
NKJR	0.184	561
DSJR	0.181	552
LMN	0.181	552
AMC	0.173	526
NGW	0.172	524
HBO	0.171	521
BRAVO	0.164	500
NATGEO	0.161	489
WETV	0.151	459
APL	0.151	459
INSP	0.148	450
VH1	0.147	447
TRAVEL	0.144	440
FS1	0.143	434

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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