

# Cablefax Daily™

Monday — January 8, 2018

What the Industry Reads First

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## Vegas Baby: Programming's Heavy Hitters Will Make Presence Felt at CES

The convergence of programming and distribution into an all-in-one video business will be on display this week at CES 2018, as media stalwarts and digital disruptors come together to offer insight into where the business is headed. OTT and streaming video will once again be a well-covered subject, as more established players embrace direct-to-consumer offerings. **Disney**, whose transition to OTT is perhaps the most-anticipated in the industry, will be well represented. Disney evp, publishing and digital media *Andrew Sugerman's* Wednesday afternoon appearance on the "State of the Stream" panel is a chance to glean more insight into the company's plans for its supposed **Netflix** competitor (expected in 2019). Disney ABC Television Group pres *Ben Sherwood* is also slated to discuss streaming during a "headliner conversation" Wednesday morning. Also on Wednesday, **Discovery** pres/CEO *David Zaslav* will participate in a "Future of Video" panel alongside **A+E Networks** pres/CEO *Nancy Dubuc*, **YouTube** chief business officer *Robert Kyncl* and **Comcast Cable** pres of advertising *Marcien Jenckes*, among others. Zaslav, who will likely address the company's pending merger with **Scripps Networks**, has been vocal about what he perceives to be a lack of quality virtual MVPD options in the US market. **Fox**, **Scripps**, **Turner**, **Starz** and **NBCU** are among the other programming groups represented in this year's lineup. Digital players like **Amazon**, **Hulu** and **Facebook**—all of whom have multibillion-dollar content budgets this year—are also sending execs to discuss the OTT landscape. In addition to streaming video, attendees can expect to hear plenty about emerging technologies like 5G, the Internet of Things and AI. The broadcast industry will have a revelatory moment Tuesday when the **Advanced Television Systems Committee** hosts a ceremony commemorating the first complete set of standards for ATSC 3.0 deployment. ATSC pres *Mark Richer*, **CTA** pres/CEO *Gary Shapiro* and **NAB** pres/CEO *Gordon Smith* will lead the celebration surrounding the hotly anticipated advancement. On the show floor, Comcast is focusing its efforts this year on its home automation business as one of the featured exhibitors in the Smart Home Marketplace. Turner is the presenting sponsor of the CES Sports Zone, a 4,900-square-foot installment at the Sands. Scripps will host tech consultant *Shelly Palmer's* annual "Best of CES This Year" address in its invitation-only space just off the show floor. Palmer will also interview the Property Brothers of **HGTV** fame about home technology. On the regulatory front, **FCC** chmn *Ajit Pai* withdrew from his highly anticipated appearance in the wake of his rollback of net neutrality. Still, a session

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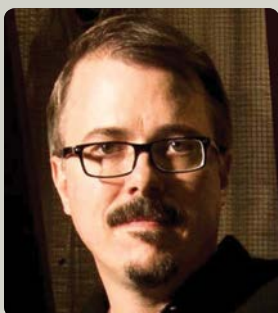
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featuring three FCC commissioners—Republicans *Brendan Carr* and *Mike O’Rielly* alongside Democrat *Mignon Clyburn*—could produce fireworks of its own. Clyburn has been vocal about her disdain for the FCC nixing net neutrality. **FTC** commish *Terrell McSweeney* and **NTIA** asst secretary *David Redl* are also slated to sit on the panel moderated by **CTA** vp, regulatory affairs *Julie Kearney*. Other hot regulatory topics will likely include spectrum allocation, infrastructure regulations, 5G deployment practices and IoT. Check back with **Cablefax** throughout the week for dispatches from CES.

**Charter’s Content Play:** Back during a 2016 investor conference, **Charter** CEO *Tom Rutledge* said the company likes being a “connection company” and doesn’t need to own a content company a la **AT&T’s** proposed **Time Warner** deal. Charter still seems to maintain it doesn’t need a content company, but it definitely is interested in content. Eyebrows were raised Friday by the news it had hired former **NBC** studio head *Katherine Pope* as svp, head of original content—a new role that will have her overseeing programming efforts. This includes a “slate of upcoming new shows” that will be available first on Charter’s platform, as well as oversight of Charter’s original content partnerships with **AMC**, **Viacom** and others that may come. Is Charter looking to create some content on its own as well? “We are exploring opportunities all the time,” a spokesperson said. “We see original content as a way to further differentiate the Spectrum customer experience and the value we provide. We have previously announced plans with our programming partners AMC and Viacom to identify, develop and co-produce exclusive, original content, and we will continue to explore opportunities for the development of original content.” Pope will be based in LA, reporting to senior evp *David Ellen*, whose areas of oversight include programming and news & sports networks. She most recently served as head of TV for **Studio 8** and was previously pres, television at **Chernin Entertainment**. She spent 10 years at **NBC/NBCU**, including as evp of the network.

**Net Neutrality Order Published:** The brief reprieve from net neutrality headlines that the holiday brought came to an end Thursday evening as the **FCC** unveiled the actual order it adopted Dec 14 that releases ISPs from Title II regulation. Regulatory observers we spoke with Friday didn’t spot any surprises in the more-than-500-page document, which eliminated the bright line rules of no blocking, throttling or paid prioritization. Think tank **TechFreedom** said the agency seems to have mainly added footnotes to address issues raised in last-minute ex parte filings. Reaction was swift and as expected. **The Internet Association** said it intends to file legal action against the order and “will continue our push to restore strong, enforceable net neutrality protections through a legislative solution.” IA member **Netflix** took to **Twitter** with the message: “In 2018, the Internet is united in defense of #NetNeutrality. As for the FCC, we will see you in court.” The order doesn’t go into effect until it’s published in the Federal Register, which will take months since OMB must approve it. That could mean a brief respite before we see a lawsuit filed. In 2011, a federal appeals court rejected **Verizon’s** lawsuit over the FCC’s Open Internet rules, agreeing with the agency that

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the telco was premature in filing before the rules were even published in the Federal Register.

**NBCU Changes:** *George Cheeks* and *Dawn Olmstead* were tapped as co-presidents of **Universal Cable Production** and **Wilshire Studios**, reporting to **NBCU** Cable Entertainment chairman *Bonnie Hammer*. The move follows *Jeff Wachtel's* appointment to pres, **NBCU** International Studios. The pair will oversee all creative development and operations at the studios, with Cheeks continuing to serve as pres of NBC's late-night programming. He will step down as pres, business operations for NBC, but will have oversight of business affairs for cable entertainment. Hammer also announced that *Bill McGoldrick* will step into the role of pres, scripted content, giving him responsibility for all original content created across **NBCU** Cable Entertainment as well as alternative programming for **USA** and **Syfy**. He was previously evp of scripted, where he ushered in shows like "Mr Robot" on **USA** and **Bravo's** "Imposters."

**The Sideshow of Television:** Only in a world in which reality TV describes the actual news could **FX** Networks chief *John Landgraf* plausibly declare that TV can seem "like a sideshow in a three-ring media circus." But as peak TV continues—with 487 scripted shows in 2017 vs. 455 in 2016 based on **FX** Networks' research—he told critics Friday at **TCA** that the pending **Disney-Fox** deal "will undoubtedly help our brand remain competitive and relevant into the future and through the peak TV era." As for Landgraf's potential role under the Mouse, he continued the shoulder shrugging responses that began a day earlier with **Fox Television Group** co-heads *Dana Walden* and *Gary Newman*. In summary, no one knows what **Disney** CEO *Bob Iger* and his minions have in mind, assuming the deal closes over the next 12-18 months. "I honestly don't think they know yet, or if they have, they haven't told me how they intend to organize this vast new company that's going to be created," he said. Landgraf did note that **FX's** famously edgy, adult-oriented programming brings "something unique and distinct" to **Disney's** current slate. "I feel optimistic about our ability to continue to do what we do well," he said. Alluding to **Disney's** stated interest to build a new SVOD platform to compete with **Netflix**, he said, "We end up sort of becoming the adult scripted component of their larger plans... Only time will tell exactly how that plays out, but I think it could be a very good thing, because... we're incredibly efficient at converting investment and relationships into excellent television." Indeed, it's unclear how **Disney** will view the fact that **FXN** already provides more explicit versions of its shows on its own **FX+** SVOD service and whether that would continue under **Disney** ownership. However, he noted that audiences and critics can now view those shows in "exact parity" with popular premium services like **HBO** and **Showtime**. Meanwhile, Landgraf said an internal investigation uncovered no reports of bad behavior during the eight years *Louis C.K.* was involved with **FX**. In November, the net quickly cut ties with the comic after he admitted to various infractions involving women in his past. The net has since removed all episodes of "Louie" from **FX+**. "As to when and if we might restore it into our streaming services, all I can say is we don't know," Landgraf said. "I don't have a decision on that yet."

**Layoffs:** If you announce \$1K bonuses in response to the **GOP** tax plan, expect scrutiny when there are layoffs. **AT&T** and **Comcast** have both been on the receiving end, with **Comcast** most recently hit for the reduction of about 500 door-to-door sales employees in its Central Division. The layoffs came in mid-December, before the bonuses were announced (and we're told that the impacted employees are eligible for a \$1K supplemental severance payment). The layoffs are part of a restructuring. "Periodically, we reorganize groups of employees and adjust our sales tactics and talent. This change in the Central Division is an example of this practice and occurred in the context of our adding hundreds of frontline and sales employees. All these employees were offered generous severance and an opportunity to apply for other jobs at **Comcast**," the company said. **The Communications Workers of America** and **AFL-CIO** have filed a lawsuit against **AT&T** over what they say is an "unprecedented massive layoff of employees represented by the union" while at the same time subcontracting work. Many of those hundreds of layoffs came in December, the same month the company announced special \$1K bonuses to 200K union-represented, non-management, front-line employees. **AT&T** has said it is adding positions in areas where it's seeing demand, while adjusting its workforce in others to drive higher efficiencies.

**Deal with It:** Amid its ongoing carriage dispute with **Altice USA**, **Starz** announced a new, multiyear agreement with **Verizon Fios**. **Fios** will continue to carry its full complement of **Starz** offerings, which includes linear channels, VOD content and its OTT service. **Verizon** will also add **Starz** diversity channels like **Starz in Black** and **Starz Encore Español**. **Starz** and **Verizon** also plan to launch a robust marketing partnership. The net declined to provide an update on the **Altice** negotiations.

**Comcast Goes Deeper in Philly:** **Comcast** acquired the cable assets of **Wilco Electronic Systems**, a provider of pay-TV and other services to approximately 9K **Philadelphia Housing Authority** residents. **Comcast** said it will make infrastructure upgrades that will allow many **PHA** residents to receive broadband for the first time, including its Internet Essentials program that provides low-cost broadband to low-income families. **Wilco** will continue to provide telecom services that include residential and commercial security and surveillance solutions.