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What the Industry Reads First

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Miami Heat: NATPE Bringing Cable, Streamers to One-Time Broadcast Haven

Once a massive meeting place for domestic broadcast syndication, NATPE Miami has evolved over the years into a must-attend event for many in the cable industry. Some of that's the nature of just how much content is needed these days. In an on-demand world, replays of originals can't run over and over all week, making acquisitions a must for many. "As a buyer, I feel like NATPE has had a resurgence over the last five years. It's an incredibly vibrant market. It's really well positioned at the start of the year—not to mention from a location and weather perspective," *Christian Drobnyk*, evp, programming strategy and acquisition for **National Geographic Channels**, told **Cablefax**. "I think it's an energizing atmosphere that's helped partly by the program that's put together—panels and speakers. But I think it's also helped by being a really interesting mix of a domestic market that meets an incredibly strong Latin America/international market. It's kind of evolved in a way that I'm not sure that was even part of the grand master plan." Another component to its rise has been the success and importance of OTT, which the conference has recognized by adding the NATPE Streaming Summit into its lineup for the first time this year. That follows the establishment last year of a NXTGN (Next Gen) Advisory board that includes execs from companies such as **Crackle**, **Hulu** and **Warner Bros Digital Networks**. NATPE's board also recently added **Netflix** vp, original content *Cindy Holland* and **Facebook** head of development *Mina Lefevre*. NATPE chmn *JP Bommel* said given the changing market, it's important digital be included in every session. This week's gathering (Jan 16-18, Miami Beach) will include Facebook head of global and creative strategy *Ricky Van Veen* discussing the Facebook Watch platform. "It's been very interesting to see [NATPE's] evolution and how the program has adapted to address the dramatic changes in our industry," said **Ovation** programming evp *Scott Woodward*, who has been going to the conference every year since joining the arts network four years ago. "NATPE is always on our annual conference agenda. There are content producers and distributors that we meet with there who may not take the trip to Cannes and find this time of year really perfect to launch new concepts and series." As for those who appreciate Miami Beach in January, good news. Bommel said there are no plans to leave the area in the immediate future. No specific attendance figures, but Bommel said in November that international attendees were tracking 10% ahead of last year.



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Albrecht at TCA: Starz chief *Chris Albrecht* told TV critics Friday it's "outrageous" that **Altice USA** hasn't offered refunds to customers who subscribe to premium packages including Starz amid a carriage standoff between the premium net and operator. "Our big point with them has been, 'hey if you're going to charge customers for Starz, you've got to pay us for that customer,'" he said. "And, so far, that hasn't been something that they have agreed to do." Albrecht predicted the two will eventually resolve the carriage dispute, but he acknowledged that these negotiations "are always difficult." "Both sides are financially incented to make things work," he said. "It's becoming increasingly a case of MVPDs wanting to pay less while still being able to charge their customers more. That's not going to work for us." Albrecht noted that the net's series "Power," a top-rated show for African-American audiences, is between seasons. "We have 600,000 customers in Brooklyn that are essentially within walking distance of the set for Power," he said. "A lot of this has to do with timing, and I'm sure if Power was on the air this Sunday, we'd be in a different situation." Albrecht called it "disingenuous" for Altice to partly blame Starz's OTT offering for the dispute, noting that **Showtime, HBO** and numerous other channels also offer direct-to-consumer options.

Video Description Changes Ahead: Fluctuation in top-rated cable nets over the past seven years can be seen at a regulatory level. **FCC** rules require MVPDs with 50K or more subs to provide a certain number of hours per quarter of video description for the top five non-broadcast networks. The number of required hours jumps to 87.5 hours as of July 1, which is also when the FCC will update the five cable nets needing description based on **Nielsen** numbers. Since July 1, 2015, **USA, TNT, TBS, History** and **Disney** have been subject to the video description rules. According to data provided by Nielsen for '16-'17, the top 10 cable nets are: **Fox News, ESPN, USA, MSNBC, HGTV, TBS, Discovery, History, Hallmark** and **TNT**. The FCC notification went out Friday, giving those nets 30 days to seek an exemption. It's likely the news channels and ESPN will seek exemptions based on the amount of live programming they air. ESPN was granted an exemption in 2015 because it primarily airs prime-time programming that's live or near live. "We believe we will be exempt just like ESPN, but we are pleased by the attention," said a spokesperson for Fox News, which finished the past two years as the No 1-rated cable net. This will be only the third time the list of top five non-broadcast networks has changed and it represents the biggest shift to the list. The first set of top five nets, established in 2012, were USA, Disney, TNT, **Nick** and TBS.

First & Goal: **Amazon** logged an average-minute audience of more than 310K viewers for each of its 11 regular-season **NFL** streams in 2017 (10 "Thursday Night Football" games, plus Christmas Day). That figure, which counts viewers who tuned in for at least 30 seconds, represents a 17% increase from **Twitter's** average audience for "TNF" games in 2016 despite Amazon's streams being limited exclusively to Prime subscribers. Amazon's biggest audience



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of the season was 2mIn worldwide viewers for a Dec 7 matchup between the Falcons and Saints. The games on Amazon were also available via some combination of an NFL broadcast partner (either **CBS** or **NBC**, depending on the game) and **NFL Network**. The NFL has put out an RFP for next season's "TNF" package that, according to *SportsBusiness Journal*, leaves the door open for a digital partner to acquire the rights exclusively.

Carr Nomination: **Senate Commerce** is slated to consider *Brendan Carr's* **FCC** re-nomination to a five-year term on Thursday. In August, Republicans wanted to confirm him in for two terms instead of the single term that expires in June, but Democrats objected. Republican nominees are typically paired with Democratic FCC nominees, and there's been uncertainty over *Mignon Clyburn*, whose term expired in June. She has not been renominated, but can continue to serve until Congress adjourns in December.

Fan Service: **FX** is jumping onto the voice assistant bandwagon with its own skill for **Amazon Alexa**. The technology will offer viewers another way to engage with FX content through devices including voice-enabled speakers and handheld devices. Users can access fan content like show details, exclusive cast interviews and find on-demand viewing options for **FXNOW** and **FX+**.

Local Channels: **FuboTV** launched 12 new local stations on Friday—five **CBS** and seven **NBC** affiliates. The virtual MVPD's additional CBS markets include San Antonio, Tucson and New Orleans. New NBC markets include Sacramento/Stockton, Tulsa, Cincinnati and Pittsburgh. Fubo now carries 138 local stations, plus access to **Fox** national network programming in 45 additional markets. The service does not carry **ABC** or any **Disney**-owned cable nets.

Going Green: **Shentel** is partnering with equipment provider **Altec** on efforts to bring more eco-friendly vehicles to the company fleet. Altec's hybrid-electric technology is set to eliminate idle time at the job site, decrease noise pollution levels, lower the company's carbon footprint and total tailpipe emissions while reducing maintenance costs and overall fuel consumption. Shentel introduced its first hybrid lift truck in December.

USF Inquiry: Two Democratic lawmakers have asked the **GAO** to look at the **FCC's** plan to transfer the USF from a private bank to the US Treasury, fretting that the agency hasn't been transparent about the process and wanting assurances that the deposit will not disrupt programs supported by the fund. "We are concerned that the FCC seems poised to transfer the entire fund without having run a public process to assess the consequences of its action," Rep *Peter Welch* (D-VT) and **House Commerce** ranking member *Frank Pallone* (D-NJ) said.

Ratings: **MLB Network** saw primetime viewership grow 6% YOY in 2017, which represents the largest increase for a league-owned or single-sport cable net last year. -- The Season 7 premiere of **UP TV's** "Bringing Up Bates" was the strongest for the series since the debut of its second season amongst W/A18-34, and ranked as a top-20 program in its timeslot with W18-34.

Programming: **MSNBC** and **Vox Media's Recode** are partnering on a conversation series with leaders in technology, business and politics. The show centers on town hall discussions with audience members about the impacts of technology on various aspects of modern life. **Google** CEO *Sundar Pichai* and **YouTube** CEO *Susan Wojcicki* will join co-hosts *Kara Swisher* (Recode) and *Ari Melber* (MSNBC) for the series' first special at a town hall on Friday at 12pm at Yerba Buena Center for the Arts in San Francisco, CA, which will air on MSNBC on the same day at 10pm ET. -- **BBC America's** "Killing Eve" will premiere April 8 at 8pm. Based on the novellas by *Luke Jennings* and written by *Phoebe Waller-Bridge* ("Fleabag"), the spy thriller stars **Sandra Oh** ("Grey's Anatomy") and **Jodie Comer** ("The White Princess"). -- **Showtime** is delivering a full-season marathon of comedy "SMILF" on Jan 13 at 4pm. The series can be streamed on Showtime's standalone streaming service as well as Showtime Anytime and Showtime On Demand. -- **Charter**-owned **Spectrum News NY1** is launching a live 10pm newscast on Monday, titled "NY1 Live At Ten." As of late last year, NY1 is available on **Altice USA**-owned **Optimum** in addition to Spectrum systems. -- **Fox Sports Southeast** will recognize MLK Day Monday with 17 hours of related coverage within three **NBA** telecasts featuring the **Atlanta Hawks**, **Charlotte Hornets** and **Memphis Grizzlies**. Featured content includes NBA Commissioner *Adam Silver* and NBPA pres *Michele Roberts* touring the National Civil Rights Museum in Memphis, a guided tour of former NBA player and current FOX Sports analyst *Mike "Stinger" Glenn's* extensive historical civil rights art and literature collection in Atlanta, and live look-ins to the National Civil Rights Museum as well as The King Center and Ebenezer Baptist Church.

People: **Shout! Studios** has tapped *Brent Haynes* as head of TV development, a newly-created role tasking him with conceiving new creative projects and production partnerships. Haynes previously served as pres/executive producer of **Picture Arcade** and as svp of comedy & animation at **MTV**.

Editor's Note: Your next issue of **Cablefax Daily** will arrive Tuesday, Jan 16 because of the MLK Day holiday.



A Certain Shade of Green

A year ago at CES 2017, Hulu svp, customer experience *Ben Smith* told visitors to the company's lavish, branded hospitality suite overlooking the Las Vegas Strip that the next 12 months would be a year for learning. Traditionally an SVOD player, Hulu was on the verge of taking the next step into live TV.

In the very same space this past week, Smith was ready to share what he and his team had discovered and how they are using that knowledge to improve the Hulu user experience. The launch of live TV in early 2017 coincided with the introduction of an entirely new user interface, which Smith and his team have been tinkering with based on both user behavior data and feedback from individual customers.

The best example of that is "Lineup," the default screen when users open Hulu. The content surfaced there today, according to Smith, is about 90% different than at launch last spring.

"We entered into the year thinking that Lineup was the place for content discovery—this is where you would find the next show you want to watch, the next movie," Smith explained. "As we both heard from users about what mattered to them when they turned on Hulu and especially when we looked at that data—what do people really select from this list—it turned out discovery was the least important thing that happened in this list. Fundamentally, it is about content you are super familiar with, e.g. content you're already watching."

Now, instead of getting recommendations for new content upon logging in, users are shown the latest episodes of their current favorites and their favorite teams' recent games (which are automatically recorded). Relevant suggestions for new content are still accessible on the subsequent "TV" and "Movies" panes, as well as on genre-specific lists.

Hulu also employs an editorial staff to ensure the inclu-

sion of content that is particularly relevant in real time. During Hurricane Irma, for example, Hulu surfaced CNN's all-day weather treatment for users across the country. For subscribers in the path of the storm, local news coverage led the Lineup screen.

Curating the most relevant content for each individual user remains a top priority for Hulu in 2018. When a user signs into Hulu for the first time, the platform asks them to take a brief survey about their tastes: which programming genres they're most interested in, what shows they're currently watching, etc. Citing data indicating viewers' tastes change over time, Smith plans to prompt users to take a few minutes later this year to go through the survey process again.

Hulu is also beta testing a range of subtle new features that will help the service learn more about its users' tastes, such as a "stop suggesting this," and "remove this from my watch history" functions. It also plans to let users mark certain episodes of a particular show as "watched" in case a viewer has already seen them elsewhere, which indicates that user enjoys that series and wants to know about new episodes.

In one of its most ambitious UI initiatives yet, Hulu has been working with **NBC Sports** to develop a personalized experience for the upcoming Winter Olympics. Early next month, Hulu will prompt users to select the sports they are most interested in and build the Olympics portion of the UI around those preferences. Hulu is already working with **Turner** on a similar endeavor for March Madness.

On panel after panel at CES this year, programming and distribution execs pointed to personalization and curation as the most important differentiators in the OTT space. It's clear that hasn't escaped Smith and his team at Hulu, who are among the most advanced in providing users with content they want to watch when and where they want to watch it.

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