

Cablefax Daily™

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What the Industry Reads First

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Standing Strong: Unscripted Still at Home on Traditional TV

Another award season has come to pass with scripted television continuing to be showered with critical and commercial acclaim. And yet, at **Realscreen Summit**, networks are not backing away from their commitments to unscripted programming. While the rest of the industry seems disrupted by streamers and cord-cutting, nonscripted leaders remained unphased by the sea of change. They're seeing massive payoffs from their dedication, finding audiences that are not only willing to grip onto flagship programming, but follow stories on to spinoff series. "We've been really successful at building our audience with a loyal following," **WE tv** evp, development and original programming *Lauren Gellert* said, noting the network's top position with African American women on Thursday nights. "The loyal audience that is 'Growing Up Hip Hop,' that is 'Marriage Boot Camp,' that has been with the 'Braxton Family' franchise is really unique to us and has helped us a great deal in both stabilizing and growing an audience. Looking to the future, we're looking at what shows we can launch off of those franchises and how we can build them out as well." While scripted television has increasingly faced competition from the skyrocketing popularity of streamers like **Amazon** and **Netflix**, unscripted programmers in 2018 are finding some solace from the content storm while the advantages of traditional nets still outweigh the trendiness of landing a spot on newer platforms. "Right now, in January 2018, I couldn't really identify with you a major nonfiction series that I'm thinking about top of mind on any of those platforms," **TLC** evp, development and production *Howard Lee* said. "Maybe that's different a year from now, but right now, you could sell the same project to every one of us here. We're going to hone it and shape it with you. We're going to keep giving you consistent feedback. You're going to know ratings. You're not going to know the rewards that you're getting from a streamer." The clear advantage with streamers is money, **E!** head of development and production *Amy Introcaso-Davis* said. "The disadvantage is, if you get a show on one of them, there are going to be many that are going in the graveyard next year," she added. It's not just the idea of breaking through so much clutter that draws producers to non-scripted spaces. It's distribution. Networks like **E!** have become the destination for series like *Rose McGowan's* "Citizen Rose" because of its capability to deliver programming to 160 countries around the world. "She wanted to reach as many people all over the world as she could," Introcaso-Davis explained. "She didn't want to be preaching to the converted, she wanted to reach people that she wouldn't normally." The traditional cable nets have a key

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advantage in this time of discourse: their timeliness. Their SVOD brethren may need to spend months dubbing a series into various languages, while nonfiction specialists move with a speed that allows them to connect with audiences and react. "There is an immediacy for cable, so we can react to the culture today because we move so fast, particularly because of social media," Introcaso-Davis noted. Gellert said considerations such as those play a huge role in launch strategy. The choice of network versus SVOD service could make or break a series regardless of its content, if it's on a platform that can properly reach a core audience. "There's just so much to watch," Gellert began. "You find yourself in this sea of content. But if you come to WE tv on a Thursday or Friday night, you know what you're getting. You know what we're delivering to you, you know who the viewer is, you know who the brand is and you're getting the content you came there for."

Amdocs Buying Vubiquity: At our deadline, software and services provider **Amdocs** announced it had reached a deal to acquire **Vubiquity** for \$224mln in cash, with the deal expected to close in 2Q. Vubiquity is a provider of premium content services and tech solutions, connecting top content owners, like **Time Warner**, with distributors, like **Netflix** and **Comcast**, to deliver entertainment across platforms globally. "We believe this move uniquely positions Amdocs to deliver a set of comprehensive content solutions that combine Vubiquity's expertise with our monetization, analytics and personalized customer experience capabilities," Amdocs pres/CEO *Eli Gelman* said in a statement. Amdocs reported 1Q revenue Monday of \$978mln, at the midpoint of guidance of \$960mln-\$1bln. It's down 0.2% sequentially and up 2.4% vs 1Q17.

Broadbandpalooza Hearing: The **House Communications** subcmte on Tuesday started discussion on 25 bills focused on improving broadband infrastructure, hearing from seven witnesses, including **ACA** pres/CEO *Matt Polka*. There was bipartisan support for streamlining broadband deployment, but the devil is in the details. Rep *Peter Welch* (D-VT) fretted that no federal funding had been set aside, while Ranking Member *Mike Doyle* (D-PA) remarked on the sheer amount of legislation being considered. "I can't remember a time when this committee held a hearing on so many bills with a single panel of witnesses," he said. "We are simply not giving these bills the time and expertise required for the members of this committee to fully consider each of these bills and the ramifications. It would seem to me far more prudent to hold a series of hearings." House Commerce chmn *Greg Walden* (R-OR) said he remembered the \$7bln broadband stimulus bill that was "pushed out the door" before broadband maps were in place to identify unserved areas. The importance of accurate mapping to avoid overbuilding was mentioned several times during the 2.5 hour hearing. Pole attachments also came up, with Polka asking for ways to simplify the process. "Our members literally build into their budgets time and money because of how long it takes for attachments to pole to produce broadband to be approved," he said. *Shirley Bloomfield*, CEO of **NTCA –The Rural Broadband Assn**, piled on, remarking that one of her members in South Dakota had a year delay because of needed **US Forestry Services** permitting. "You're in South Dakota, your build time is very short" because of

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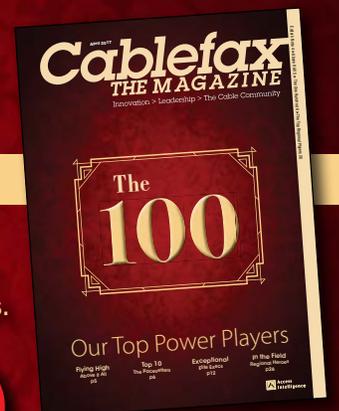
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weather, she said.

Pai Says US Leading World in 5G: FCC chmn *Ajit Pai* responded to questions about the 5G memo controversy, adamantly declaring that the agency hasn't rested on its laurels. "We have aggressively moved forward to push spectrum ... to allow innovators to experiment. We have explored ways to promote wireless infrastructure rules that will employ generation networks that will look different than 4G and previous networks we have had," he said in a news conference after January's meeting. "I think the private sector has responded. We see companies engaged, making massive investments in 5G." *Axios* first reported on the leaked Trump administration memo, which suggests the US government build a national 5G network to combat concerns China and other countries might be developing 5G technology faster than the US. "I think we are leading the world in 5G," Pai said. Asked if he was aware such a 5G proposal was under consideration and if he's expressed concerns with the administration, the chmn said he can't say more than that the agency regularly consults with federal partners on issues "that are at the intersection of security and communications networks."

FCC January Wrap: Tuesday's FCC meeting included the final approvals to launch the Connect America Fund Phase II auction, which is expected to provide nearly \$2bln over the next decade to expand fixed, high-speed Internet service in unserved rural areas. The public notice adopted sets a March 30 deadline for applications to participate with the auction set to begin July 24. The FCC is hoping to entice cable, satellite, fixed wireless and rural telco and others to participate, with the public notice detailing educational plans that include online tutorials and a mock auction. In other FCC news, the Commission voted 3-2 to create an Office of Economics and Analytics. Democrat *Jessica Rosenworcel* complained about a lack of transparency, saying she wasn't given info on how many people will work in the office or whether some divisions have functions disbanded. The Commissioners also heard a preliminary report on that false ballistic missile alert in Hawaii, with the public learning that the employee who disseminated it did not recognize that it was a drill.

Monthly Ratings: It's hard to believe, but we've already reached our ratings recap for January 2018. It's a new year, but the network names atop both primetime and total-day viewership are familiar. In prime, **ESPN** led the way with an average of 3mln viewers P2+ thanks to strong interest in regular-season **NBA** action, as well as its coverage of the **NFL** Playoffs. **Fox News** came in at No 2 in prime with 2.5mln P2+, averaging 3.3mln for "Hannity" and 3mln for "Tucker Carlson Tonight" throughout January. **MSNBC** picked up where it left off in 2017, coming in at No 3 in prime with 1.9mln P2+. "The Rachel Maddow Show" continued to be a major draw, averaging 3mln viewers and scoring more A25-54 (678K) than any other cable news program. **HGTV** (1.5mln) and **USA** (1.4mln) rounded out the top five in prime. The top five nets in total-day viewership were Fox News (1.5mln), ESPN (1.2mln), MSNBC (1mln), **Nickelodeon** (988K) and **Investigation Discovery** (871K). Fox News has led all cable nets in total-day viewership for 19 straight months.

ID Check: **Comcast Ventures** invested in data security startup **BigID** as part of a \$14mln Series A funding round. The Israel-based company will use the funding to grow its engineering team and expand global sales and marketing. Other investors involved in the Series A round include **ClearSky Security** and the **SAP.iO** Fund. The round brought BigID's total funding thus far to \$16.1mln.

SVOD Arms Race: **The Diffusion Group**, a Texas-based research firm, projected **Netflix**, **Hulu** and **Amazon Prime** will triple their cumulative spending on original content by 2022. Netflix has said it intends to spend \$7.5-8bln on content in 2018, but didn't specify what percentage of that will go toward originals. Amazon and Hulu reportedly spent \$4.5bln and \$2.5bln on content in 2017, respectively. According to a TDG survey, about 40.7% of Netflix subscribers feel original shows are "very important" in their decision to keep using the service. Some 21% went even further, characterizing originals as "absolutely critical," while 24.4% responded "somewhat important" and 14% chose "of no importance."

Strong Salute: **Veterans Cable Services** named **Armstrong** the recipient of its 2017 Veteran Employer of the Year award. Armstrong pres *Jeff Ross* accepted the honor at the company's annual awards banquet.

Super Bowl Streaming Spot: **Amazon Prime** will promote its upcoming series, "Tom Clancy's Jack Ryan," with a 60-second spot during Sunday's Super Bowl. **NBC** has said 30-second spots during the game have sold for an average of \$5mln. The show is scheduled to premiere Aug 31.

People: **Alticast** hired *Frank Romeo* as its svp, business development, the position previously held by pres/gm *Jae Park*. Romeo will be responsible for growing business in North and South America. He previously served as svp, new business development at **Humax USA**. -- **USTelecom** named **Shentel** pres/CEO *Christopher French* and **Windstream** pres/CEO *Tony Thomas* to its board. The trade association represents broadband service providers and suppliers for the telecom industry.