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What the Industry Reads First

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Spinning Plates: Glut of Buyers, Platforms Forces Flexibility

It's a nice problem to have: Endless places to sell content from traditional TV to streaming to mobile and beyond. But in 2018, content creators can no longer conceive of a cool show and then rinse and repeat the same pitch in 100 different rooms. "The plate spinning is so different now," **PopSugar Studios** pres *David Grant* told creators and execs gathered Tuesday at Digital Entertainment World in L.A. "It's not just 3 plates now. It's 50 plates... You still can make it work. It just takes a lot of creative thinking. It's not like the old days." Perhaps an understatement, considering that the priorities of traditional nets generally differ from those of companies like **Facebook, Apple** or **YouTube**. The trick is to create "one show where different versions can go all of these different buyers," said *Nate Hayden*, svp, original content at *Jukin Media*. "You just have to be flexible within each piece of that content." Facebook, for instance, puts share-ability and community above all else—including even the number of actual eyeballs. So showrunners must recalibrate considerably even as they scramble to find a home among a dizzying array of suitors. "I wouldn't necessarily say it's a renaissance; it's a rebirth," said **Electus** COO *Drew Buckley*, who just sold a series to Facebook around TV personality *Bear Grylls* and added that "you've got to play to their strengths... How do we use that platform to sell our show and engage that community... Is this something that people are talking about?" *Jennifer Perri*, vp, Univision Creator Network at **Univision Communications**, said it's about nailing the specific experience on every platform: "Ultimately, you want to be where your audience is."

Disney Details: **Disney** CEO *Bob Iger* says that its **ESPN** Plus direct-to-consumer app will launch this spring with a \$4.99/month price tag. In addition to "thousands of hours" of live sports programming not currently on linear, the offering will be the home of the entire library of the ESPN "30 for 30" series, Iger said during the company's FY1Q earnings call Tuesday. There will be a live stream for ESPN networks that authenticated subscribers can access. Disney beat analyst expectations with revenue of \$15.35bln (+4% YOY) and adjusted income of \$1.89/share (up from \$1.55 in the prior-year quarter). Cable networks revenues for the quarter increased 1% to \$4.5bln and operating income decreased 1% to \$0.9bln. Lower operating income was due to

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a loss at **BAMTech** and a decline at **ESPN**, partially offset by growth at the **Disney Channels** and **Freeform**. **ESPN** saw lower advertising revenue. Execs on the company's earnings call noted that one factor is the Winter Olympics, which is having an adverse impact on Q2 ad sales.

Taxes in Cable Bills: Sorry Charleston, WV. There's no hiding the "Charleston Municipal Business and Occupation Tax" on **Suddenlink** customers' bills. The **FCC** Media Bureau released a letter Tuesday denying a 2016 request from the city treasurer to have the tax struck as a line item on Suddenlink subscribers' bills. The tax is on gross receipts of most businesses in the city, with Charleston treasurer Victor Grigoraci arguing that Suddenlink lacks the authority to pass through and itemize the B&O tax it pays. His take is that it's a privilege tax on all business activities of Suddenlink (including advertising and home shopping network revenue), not a tax levied on the transaction between the cable operator and a subscriber. But the Media Bureau said that doesn't matter, pointing to the 5th Circuit's affirmation in 2003 of an FCC decision halting Local Franchise Authorities' efforts to hide from subs franchise fees they collect from cable ops on ancillary revenues. It's worth noting that this petition came from the city treasurer, not the city itself. "While the City may or may not agree with the contents of his petition, the matter has not been addressed to the City Council and the filing of such petition on behalf of the City of Charleston was not authorized by Council, the Mayor or the City Attorney," Charleston told the FCC last February.

Fair Play: FCC Chmn *Ajit Pai* presented opening remarks at the **Minority Media & Telecommunications Council's** 9th Annual Broadband and Social Justice Summit, addressing an issue from the past that's again rearing its ugly head: discriminatory practices in the advertising industry. He announced to the crowd the issuance of a "Fair Play Charter" from the **4A's** Media Leadership Council. The 4A's charter asks media agencies and media departments to recommit to fair and equitable treatment of minority media owners. "This updated policy aims once again to eliminate the problem of 'No Hispanic,' 'No Urban,' and 'No Asian' dictates in the media industry," Pai said. "It is my hope that this new policy will help even the playing field for all minority broadcasters. In my view, these dictates have no place in the American media marketplace." "No Hispanic"/"no urban" dictates describe a practice in which agencies and the brands they represent make media-buying decisions that are noninclusive of media owned by or targeted to African Americans or Latinos. The Fair Play Charter also extends to include targeted media of other special-interest communities. -- Tuesday's Summit also featured former FCC chmn *Dick Wiley*, who expressed massive support for a broadcast incubator program being examined by the FCC's Advisory Committee on Diversity and Digital Empowerment. "Obviously, the devil's in

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the details, but the basic concept of having a quid pro quo helping minorities and helping the stations get some media relief is great,” Wiley said, adding that he and former MMTCC CEO *David Honig* had been working on just such a program for many years. *Larry Irving*, pres/CEO of the **Irving Group** and **NTIA** veteran, also supported such a program. But he cautioned the Commission as it solidifies the details. “Having worked on the Hill and having worked at NTIA promoting minority owners for years, one of the things I’d be very careful about is that it doesn’t become a dodge, that it doesn’t become a front,” Irving warned. “There is no greater way to lose support from the Democratic members of the House and the Senate than to have these programs become just another way for folks to expand their universe and put a front out.”

Discovery Closer to Scripps: The European Commission has cleared **Discovery Comm’s** proposed \$14.6bln deal to acquire **Scripps Networks Interactive**. The approval is conditioned on Discovery’s commitment to offer third party distributors the right, on a non-exclusive and unbundled basis, to distribute **TVN24** and **TVN24 BiS** in Poland. The deal is under **DOJ** review in the US and expected to close later this quarter.

RUS Administrator: President *Trump* announced his intent to nominate **Co-Mo Electric Cooperative** gm/CEO Kenneth Johnson as USDA’s Rural Utility Service administrator. Johnson is also president of Co-Mo Connect in Tipton, MO, the first to deploy a FTTH network to all members without federal or state funding. ACA applauded Johnson’s selection. “Kenneth’s work history demonstrates he is fully aware of the special conditions and often difficult economics that challenge private sector investment in a capital-intensive business like the laying and stringing of wireline facilities across hundreds of miles of sparsely populated regions,” ACA pres/CEO Matt Polka said. RUS plays a key role in infrastructure improvements for increasing broadband access to rural America.

Cox Gets Knighted: **Cox Communications’** ad sales arm signed a multi-year exclusive deal to represent **AT&T SportsNet Rocky Mountain’s** local on-air advertising opportunities during **Vegas Golden Knights** games. **Cox Media** will be the exclusive sales rep beginning with the Knights’ second **NHL** season this fall. The deal covers pre-game, post-game, in-game on-air advertising opportunities. Cox reached an 11th hour deal to carry AT&T SportsNet Rocky Mountain in October, hours before the Knights first game.

Going Gold: **Altice USA** is partnering with **NBCU** on a multiplatform content offering tied to the latter’s coverage of the Olympic Winter Games. **Optimum** and **Suddenlink** video subscribers will have access to more than 2.4K hours of programming on demand, including all competition sessions. This comes in addition to 630 linear television hours from NBCU’s broadcast and cable networks.

Programming: **History** gave a greenlight to docuseries “American Farmer,” an 8-parter from BoBCat following several family farms across the country. -- “Bridezillas” will make its return to **WE tv** on March 2 at 10pm. Season 11 will include 10 hour-long episodes spotlighting the most outrageous brides and the meltdowns surrounding their special day. -- Short film “Traffic Stop” will air on **HBO** on Feb 19 at 8pm, coming to **HBO On Demand, HBO Now, HBO Go** and affiliate portals on Feb 16. The documentary examines the issues surrounding race and law enforcement through the story of an African American schoolteacher and her harrowing arrest.

People: *Sheonna Mix* joined **Bravo Media** as vp, current production, where she’ll be spearheading the production of “Vanderpump Rules” and unannounced series. Mix most recently served as executive producer for series on **YouTube Red, VH1, WeTV** and **E!**.

In Memory: Fascinating remembrance Tuesday in the **Boston Globe** of WWII veteran and cable pioneer *Richard Leghorn*. Leghorn was awarded a Silver Star for WWII reconnaissance flights over Germany. He passed away Jan 15 at his home in Osterville, MA. He was 98. Leghorn’s contributions to cable include helping found CableLabs and pioneering parental controls. He began acquiring cable systems in 1966, ultimately owning nine systems, the last of which he sold in 1985.

Big Apple Buying: **GABBCON** will tackle diversity and inclusion at its third annual NY Audience Based Buying Summit, bringing together strong female voices to tackle concerns including audience targeting and the rapidly changing TV market. *Wendi Dunlap*, svp digital investment at **Blue449**, will headline the event on Feb 20 at Pier Sixty in NYC.

Star Search: **The Cable Center** is accepting applications for its **2018 Intrapreneurship Academy**, which aims to educate and empower the next generation of leaders in the cable industry to envision and effect innovation within their organization’s corporate structure. The spring session runs from April 17 through June 24, while the fall session runs from Aug 14 through Oct 11. Registration for both is open at cablecenter.org, with a Feb 16 deadline for the spring session. The Center graduated 17 intrapreneurs last fall during its pilot program.