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What the Industry Reads First

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Sky High: Comcast Fights Back on Critics of Sky Offer

Everyone's got an opinion on **Comcast's** proposed buy of **Sky**, but senior management is ready to fight back against those critical of the transaction. **Steve Burke**, **NBCU** senior evp and CEO, called out the companies' similarities at the **Morgan Stanley** investor conference last week, saying Sky is seen in much the same way as Comcast NBCU due to its mix of content and distribution assets. "When we announced the NBCUniversal deal, there was a lot of skepticism," Burke said in response to those asking why Comcast isn't staying in distribution rather than pursuing the Sky acquisition. "We've proven at least to ourselves, and hopefully a lot of people who know our company well, that content and distribution can work well together. When we look at Sky, we see a very unique intersection of content and distribution." Speaking at a **Deutsche Bank** investor conference Monday, CFO/senior evp **Mike Cavanagh** echoed the words of Burke. "The integration of distribution, content and technology... that's Comcast," he said, noting these similarities are part of what make Sky a logical addition to the Comcast business family. "We don't need to be international for the sake of being international, but if you are going to consider something that's interesting as an international opportunity, I think Sky checks important boxes." Sky's 23mln direct customer relationships, content assets and growth prospects were key factors in Comcast's decision to craft an offer for the company. "It's got market leadership positions, it's got good management and solid momentum," Cavanagh continued. "It's not a turnaround project by any stretch of the imagination." While Sky has a strong presence in the UK, Germany and Italy, Spain and Switzerland are areas where Comcast sees the company as continuing to grow. Semi-exclusive rights to sports properties such as the European Premier League in the UK and Germany's Bundesliga were noted as key content offerings along with **Sky News**. Cavanagh called out the similarities between Comcast's X1 set-top box and Sky's Q Box as another area of interest, saying it shows the company's commitment to pushing the technology envelope. "Together with what they're doing with some of the OTT products like **Now TV**, [it] is evidence of a heavy investment in innovation, creativity and [being] on the front foot when it comes to delivering a great experience that's technology enabled." Some have questioned why Comcast would want to

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acquire a satellite company, since it has been fighting against satellite for years. But both Burke and Cavanagh pushed against the notion that Sky could be classified as such. "What satellite provider in the US context has networks, Sky programs, that command close to 50% of viewing by the subscribers?" Cavanagh said. "And that's what Sky is. That is very different in our minds."

Pitaro Named ESPN Chief: Disney went to its bench to fill the role of pres, ESPN and co-chair of Disney Media Networks, selecting Disney Consumer Products and Interactive Media chair *James Pitaro* for the job. Given his background in interactive and ESPN's upcoming direct-to-consumer launch, it could be a good fit. Pitaro was head of **Yahoo's** media properties, including Yahoo Sports, before joining Disney. While his background is more in digital, we're told he's no stranger to many on the ESPN side of the house. Pitaro served as president of Disney Interactive before being named chmn in 2016. *John Skipper* resigned from the ESPN post in December, citing a substance addiction. Former ESPN head *George Bodenheimer* had been serving as the acting chair the past few months. New leadership for consumer products and interactive will be announced later. "Jimmy forged his career at the intersection of technology, sports and media, and his vast experience and keen perspective will be invaluable in taking ESPN into the future," Disney CEO *Bob Iger* said.

Viacom at Deutsche Bank: Tasked with rebuilding Viacom's networks after replacing *Philippe Dauman* as CEO, *Bob Bakish* talked distribution drama at the **Deutsche Bank** investor conference. "The single most important question facing the company was, what was the future of domestic distribution," Bakish said. "Were we going to get dropped by **Charter**? There was a lot of noise and drama around that." Since taking the helm, Bakish said Viacom has "renewed or extended half of our subscriber base," with no pending negotiations in the work with a major distribution partner over the next year. On the advertising front, Bakish was optimistic. While not able to reveal numbers, he noted that the company continues to see "good tone" in the ad market going into the upfronts. "Yes, it's majority ads on linear television networks, but it's also our advanced advertising business," Bakish said. "That's around instilling data-driven approaches and alternate orbits. The combination of these flagship brands combined with our advanced ad solutions continues to position us very well in the ad market." Bakish also announced that Viacom has struck a deal with Norwegian telecom company **Telenor** for mobile streaming rights of Paramount+, which he called "a combination of Paramount first-window movie product from pay TV with Viacom network television product." Viacom introduced the product to the set-top box space in Europe last year. "It's another example of the potential for IP and video assets to move to the mobile space, and remember that mobile distribution

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REGISTRATION QUESTIONS:

Mary-Lou French
mfrench@accessintel.com

SPONSORSHIP OPPORTUNITIES:

Olivia Murray
omurray@accessintel.com
301.354.2010

PROGRAM INFORMATION:

Mike Grebb
mgrebb@accessintel.com

is the most ubiquitous distribution on the planet by far,” Bakish said, noting there are at least 6bln mobile handsets around the globe.

March Madness: NCAA March Madness Live will be available across a record 16 platforms this year. New this year is the “Fast Break” feature that has live streaming whip-around coverage of every tournament game during the first two full days of tournament action. Fast Break, presented by **AT&T** and **Lowe’s**, has live look-ins, quick turnaround highlights, and commentary. Once again, select games will be available in VR. All 67 games from the 2018 NCAA Division I Men’s Basketball tourney will be televised across **TBS**, **CBS**, **TNT** and **truTV**, starting on March 13 and culminating with the National Championship game on TBS April 2 (the net also is home to the Final Four).

Carriage: Charter is launching VOD access to **PBS** and **PBS Kids** On Demand through its set-tops as well as the Spectrum TV App. The content is available to Spectrum TV customers who subscribe to a video package that includes PBS’s networks. -- **Comcast** keeps beefing up the amount of **Zone TV** SVOD content it’s carrying. Xfinity TV has added **Lion Mountain TV**, an African wildlife and adventure program powered by Zone TV. It joins other Zone TV SVOD choices, such as **PlayKids** and exercise-focused **FitFusion TV**.

Three Pinocchios: With all the rhetoric swirling over net neutrality, **House Commerce** majority leadership jumped on a *Washington Post* fact-checking report that awarded “Three Pinocchios” to a tweet from Dems. “If we don’t save net neutrality, you’ll get the Internet one word at a time,” US Senate Democrats tweeted on Feb 27, with paragraph breaks between each word to emphasize the slowness. After outlining both sides of the debate, the Post article concluded: “For now, though, there’s scant evidence that Internet users should brace for a slowdown. Yet the Democrats’ tweet conveys the false impression that a slowdown is imminent unless net neutrality rules are restored.” That’s a message those in favor of the **FCC’s** order removing Title II regulation for ISPs have been trying to make for years. Let’s see if it this helps amplify it. -- In other internet news, the US ranks third in the world in The **Inclusive Internet Index**. That puts it behind only Sweden and Singapore in terms of the extent to which the internet is accessible and relevant to all. The Index, now in its second year, was commissioned by **Facebook** and conducted by *The Economist* Intelligence Unit to assess the performance of 86 countries in four categories of inclusion—accessibility, affordability, relevance and readiness. When it comes to affordability, the US is second only to Canada on the Index. Readiness is an area for improvement, with the US ranking 21st globally and 15th among 30 high-income nations. “Weaknesses in that area include low trust in online content, including government websites, non-government websites and social media,” the Index said.

Programming: **Discovery Channel** brings “Deadliest Catch” back for a 14th season on April 10, 9pm. To celebrate the show’s 200th episode, the series will host a live show just before the premiere at 8pm that features peeks of big moments in the upcoming season and discussions with the captains.

People: *Patrick Webre* was selected as the **FCC’s** chief of the Consumer and Governmental Affairs Bureau, continuing the work he’s been doing as acting chief. Before joining the Commission last year, he worked at **Jenner & Block**. -- **Pac-12 Networks** has named *Larry Meyers* evp, content. In the newly-created role, Meyers will drive content and production efforts across all platforms. Additionally, *Sam Silverstein* has been elevated to vp, editorial, another new role at the nets. Silverstein will guide Pac-12’s editorial voice across all platforms to bring fans closer to teams and universities under its purview. The announcements come following the September appointment of *Mark Shuken* as Pac-12 Networks’ new president.



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Questions: Mary-Lou French 301-354-1851 • mfrench@accessintel.com
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