

# Cablefax Daily™

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What the Industry Reads First

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## Flip the Script: Putting Home Automation above Security

A decade ago, cable operators were eyeing the home security market as the next frontier for incremental revenue. But these days, they are prioritizing home automation over security as more people become comfortable with the service thanks to **Google Home**, **Nest** thermostat and other devices. **Cox** recently went from offering two tiers of service—a home security offering and a more expensive home security/automation offering and reversed it so that the basic entry package is now automation only and starts at \$19.99/month. Cox's Homelife Automation includes an indoor/outdoor HD camera with free motion-activated recording and secure live camera viewing. Also included are custom alerts sent to mobile devices (for example, when children get home from school), mobile device control of lights, smart door locks and thermostats, 24/7 support via phone and professional installation. "We realize there is an emerging market that really aspires to smart home services, but may not want the professional 24/7 monitoring," Cox Homelife svp said *Kristine Faulkner*. Overall US revenue in the smart home market is estimated at \$18.9m in this year, with an expected annual growth rate of 14.8%, resulting in market volume of \$32.8m in 2022, according to research by **Statista**. Household penetration from 2018 to 2022 is expected to rise from 32% to 53.1% during that time. For Cox, the hope is to capture some of that market by zeroing in on chief consumer concerns: the expense of various devices; the anxiety over install of those devices and getting them to work together; and offering ongoing support. The MSO began to roll out the automation offering in late March following testing in Tulsa, San Diego and Rhode Island. Cox should complete the nationwide rollout in early June, with the remaining markets to get it primarily located in its southeast and central regions. While Cox does allow a customer to subscribe to just Homelife Automation, 98%+ today take other services (with the MSO believing the service is helping improve churn). The shift to automation over security isn't a drastic change. "The emotional benefits consumers see in these services are very similar across monitored home security and home automation. Feeling protected, being safe, peace of mind really translate across both of these," Faulkner said. "I think ultimately consumers want increasing choice over how much they want to control vs what they want monitored. I think we'll continue to see business models evolve." When it comes to integration, Cox has a certain amount of devices it's working with today, including cameras, thermostat controls, door locks and lighting. "It won't be every single manufac-



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turer and device, but our quest is to really cover the key categories of interest,” Faulkner said. One of the things she believes the automation offering has going for it is that in some cases, it opens up options that consumers may not have previously thought about. “Most of the smart home options today largely depend on consumers buying individual devices, setting them up themselves and making them work seamlessly together,” she said. “There’s little help offered to those who want to create an ecosystem of those devices that work together. We recognize there’s a desire for simplicity, convenience and personalization in how they control their homes.” [Editor’s Note: This is our first article in a series looking at home automation. Our next installment will focus on Comcast’s efforts.]

**GDPR Day:** The **General Data Protection Regulation** is now in effect in the EU. It replaces the Data Protection Directive of 1995, giving consumers more control over how businesses interact with their personal data. Companies are required to be more open with what data they are gathering as well as who they are sharing it with. Any company with a digital presence in the EU is required to comply, facing penalties of up to 4% of their worldwide annual revenue from the previous financial year. Some lawmakers are wasting no time in bringing similar rules to the US. *Sens Ed Markey (D-MA), Dick Durbin (D-IL), Richard Blumenthal (D-CT) and Bernie Sanders (I-VT)* introduced a Senate resolution Thursday that would call on US companies and institutions affected by GDPR to provide Americans with privacy protections included as part of the law. “When the European privacy law takes effect, the American people are going to wonder why they are getting second-class privacy protections,” Markey said. “If companies can afford to protect Europeans’ privacy, they can also afford to do so for their American customers and users.” **Needham and Co** analyst *Laura Martin* said that such a policy would likely not hit the US within the next year. Even if it did, its effects would surely be different than what will come for the EU. “Because we come from a deregulatory environment, it’s unlikely that we would end in the same place,” Martin told **Cablefax**. The likelihood of the issue being solved before the November elections also seems slim.

**BET Switch-up:** *Debra Lee* is stepping down as chairman/CEO of **BET Networks**, effective Monday. The move isn’t a major shock, as the pieces were put into place when **Viacom** evp/CAO *Scott Mills* assumed the role of BET pres at the start of the year. Lee has continued with her responsibilities as chmn/CEO while advising Mills as he guides the overall strategy and day-to-day operations of the network. “I could not be prouder of the enormous amount of talent and creativity at BET Networks today and I will always be BET’s number one fan, rooting for each and every one of you as you continue to break barriers and share your authenticity with the world,” Lee said in a statement. “I leave with pride, gratitude, and joy for a life-changing professional and personal journey.” Lee’s career with BET began more than three decades ago in 1986, when she joined the company as its first vp and general counsel. She rose to president and COO in 1996 before becoming chmn and CEO in 2005.

# Cablefax 100 & Top Ops Celebration Dinner

**TUESDAY, JUNE 5**  
**5:30 - 9:00PM**  
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**FCC's Last Word on Comcast Complaint:** The FCC Media Bureau dismissed the remaining allegations in **The Word Network's** June 2017 carriage complaint against **Comcast** in an order issued Wednesday. It follows a Bureau decision in October to dismiss the core program carriage claims at the heart of Word's complaint. The African-American religious network alleged that Comcast discriminated against it by reducing carriage from 12mln to 5mln homes. This week's order related to allegations of a violation of the NBCU exclusivity condition, which prohibits Comcast from doing anything that would inhibit a programmer from making content available to online video distributors. The Bureau said Word Network failed to show that Comcast demanded exclusive digital rights and said a declaration by pres/CEO **Kevin Adell** actually undermined the claim. His statement reflected the net's "concern that any demand for its digital rights, including on a non-exclusive basis, would preclude TWN from keeping exclusive digital rights to itself." In other words, the Bureau believes the issue was about The Word Network not wanting to part with its exclusive digital rights vs Comcast seeking exclusive digital rights.

**Ready for Review:** **Moody's** placed **Comcast's**A3 long term debt ratings on review for downgrade after the company announced that it was considering and preparing an all-cash offer for the assets that **21st Century Fox** has agreed to sell to **Disney**. **Moody's Michael Simon** noted that the review was prompted by "the strong potential for a bid, concerns over how aggressively it would be financed as an all-debt financed offer, and considering Comcast's previously announced all-cash competing offer for **Sky**."

**Rumor Mill:** **Bloomberg** reports that **Vince Sadusky** will be the next CEO of **Univision**, replacing the retiring **Randy Falco**. Sadusky is the former CEO of **Media General** and former CFO of **Telemundo**. Univision declined to comment.

**Scaling Back:** **Vevo** is phasing out elements of its owned-and-operated platforms to focus on growing its audience on **YouTube** and other platforms. "Going forward, Vevo will remain focused on engaging the biggest audiences and pursuing growth opportunities," a blog post on the company's website read. The announcement comes as **YouTube** has taken another stab at the music scene itself, relaunching YouTube Music for \$9.99/month. Vevo will focus its energy on selling ads against its videos while also investing in original content through its dscvr and LIFT emerging artist programs, "as well as new formats that we plan to roll out shortly."

**Going Next-Gen:** In a keynote address at the **Advanced Television Systems Committee** conference, **America's Public Television Stations** pres/CEO **Patrick Butler** applauded the possibilities that come with the arrival of ATSC 3.0. Butler spoke to pilot programs underway that take advantage of the standard's advancements in interactivity, mobility and spectral efficiency, such as **WKAT-TV's** establishment of an experimental facility to test ATSC 3 applications in distance learning and health, remote control irrigation of farms, local news, emergency preparedness and connected vehicles. "With all of these improvements in our core public service missions of education, public safety and civic leadership in view, public television is eager to embrace ATSC 3 and to do everything we can do to speed its widespread adoption," Butler said.

**Ratings:** **ESPN's** coverage of the **NBA Eastern Conference Finals Game 5** Wednesday was the highest-rated telecast of the night across television, based on metered market ratings from **Nielsen**. The game delivered a 5.7 metered market rating while the 2018 Eastern Conference Finals have averaged a 5.8 rating through five games. This is ESPN's highest-rated Conference Finals in six years, with the 2018 NBA Playoffs on the network averaging a 3.4 metered market rating (+17% YOY).

**Buzz Buzz:** More than 24 live hours of the "2018 Scripps National Spelling Bee" will air across **ESPN** networks Tuesday-Thursday. **ESPN3** will exclusively carry all of the preliminary rounds streaming on the ESPN app starting Tuesday at 9:15am. Coverage of the finals will begin on Thursday at 10am on **ESPN2**, concluding at 8:30pm on **ESPN**. Both will also stream live on the ESPN app and a play-along version of the session will stream on **ESPNU**. This will be the network's 25th straight year of televising the tournament's finals. -- All 2018 **Canadian Football League** regular season and postseason games will be carried across ESPN networks and **ESPN+**. **ESPN2** and **ESPNEWS** will televise more than 20 games while nearly 70 will be streamed exclusively on ESPN+. Coverage will begin on June 14 when the **Edmonton Eskimos** take on the **Winnipeg Blue Bombers** on ESPN2 at 8:30pm.

**People:** **Michael Graf** has been elevated to svp of ad sales for **BBC World News TV**. Graf joined **AMC Networks** in 2015 from **BBC Worldwide**, where he focused on **BBC America** and BBC World News. He's also held positions at **Scripps**, **Discovery Communications** and **Fox Sports**. -- Former **NBCU** and **Verizon** exec **Chip Canter** is joining **Massive**, a UX vendor for the OTT industry, as global chief revenue officer. Canter spent more than a decade at NBCU, holding several executive positions. He most recently served as general manager of Verizon's digital entertainment businesses.

# PROGRAMMER'S PAGE

## Cracking the Code

When Academy Award-winning producer *Bobby Moresco* was approached about making a movie based on Irish crime writer *Ken Bruen's* book "Merrick," he thought the novel was "brilliant." "But I didn't think it was a movie I'd want to try and be involved in," Moresco told **Cablefax**. "But there was a character in his books that I thought would be great to build a television show around." Enter crime thriller "100 Code," which makes its debut on **WGN America** on Tuesday at 10pm. The character that sparked it is NYPD detective Tommy Conley (*Dominic Monaghan*), who finds himself in Stockholm working with a detective on a serial killer investigation with a possible link to the US. This is no bromance though, with the Swedish investigator (played by the late *Michael Nyqvist*) not a fan of anything American, including his partner. Off camera it was a different story though. "Michael, God rest his soul, was the nicest man on the face of the earth. [Nyqvist and Monaghan] are both such great guys and both so professional that they became friends very quickly," explained Moresco. "I directed the first couple episodes and they kept leaning on the friendship. I had to keep saying, 'Guys, you're not friends. Stop it.' Once we got past that... they were able to tap into some really cool stuff. That's the only hurdle we had to get over." Moresco has experience on both the big and small screen, directing and producing shows such as "Millennium" and co-producing the film "Million Dollar Baby" and sharing an original screenplay Oscar with *Paul Haggis* for the film "Crash." For Moresco, the best thing about a TV series is the chance to really explore a character over 12 hours. "It's about having the time not to rush through things and getting to the other side of an argument that you might not be able to get to at the end of a movie." — *Amy Maclean*

**Reviews:** "The Fourth Estate," premiere, 7:30pm, Sunday, **Showtime**. This is a fascinating, 4-part docu-series where filmmaker *Liz Garbus* allows the viewer to be a mobile fly on the wall, perched in NY and DC bureaus, as *NY Times* reporters and editors cover the early days of this improbable and problematic presidential administration. That said, it's not for everyone. It reminds one of **HBO's** short-lived hit "The Newsroom," sans the romantic entanglements, drinking and *Jeff Daniels*. Instead this series is the un-sexy, exhausting nuts and bolts of how stories get reported and written. It's must-see TV if you're a policy wonk, journalist, publicist, history buff, politico or wish to put a face with a byline when you read the Times. For the most part those faces are young, enthusiastic but fatigued (the hours are grueling). And while Garbus is a master filmmaker, this week's first ep fails to let us inside the policy meetings, where Times editors, a decidedly older crowd, arbitrate the larger issues of White House coverage. — "Six," Season 2 premiere, 10pm, Memorial Day, **History**. Honest, it's coincidence "The Newsroom" is mentioned above and here we have Newsroom alum *Olivia Munn* returning to episodic TV. In this gritty, fictional series about the Navy's SEAL Team Six, Munn quickly overcomes the lads' machismo overdose as a tough CIA operative. -- *Seth Arenstein*

Basic Cable P2+ Prime Rankings*		
(5/14/18-5/20/18)		
Mon-Sun	MC	MC
	US	US AA
	AA%	(000)
TNT	0.929	2828
ESPN	0.837	2549
FNC	0.767	2336
MSNBC	0.547	1667
USA	0.456	1389
HGTV	0.390	1188
NICK	0.376	1145
TBSC	0.361	1099
HIST	0.325	989
ID	0.303	924
CNN	0.303	923
NBCSN	0.286	872
DISC	0.275	836
FOOD	0.271	826
ADSM	0.266	810
A&E	0.261	793
TLC	0.257	782
DSNY	0.257	781
NAN	0.242	737
HALL	0.239	729
BRAVO	0.210	641
TVLAND	0.207	630
AMC	0.195	594
FX	0.195	593
LIFE	0.190	578
SYFY	0.186	567
VH1	0.178	541
DSJR	0.173	527
INSP	0.170	518
MTV	0.157	479
HBO	0.155	471
TRAVEL	0.145	441
NKJR	0.142	432
APL	0.138	421
FRFM	0.136	416
NATGEO	0.130	397
GSN	0.129	393
HMM	0.125	380
PARA	0.118	359
BET	0.116	354
LMN	0.115	349

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.



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