

Cablefax Daily™

Tuesday — June 5, 2018

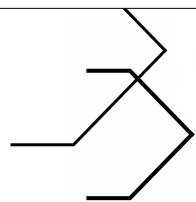
What the Industry Reads First

Volume 29 / No. 108

Moving Out: Zarghami Stepping Down as Nickelodeon Head

For the first time in more than thirty years, *Cyma Zarghami* won't be a part of **Nickelodeon**. **Viacom** president/CEO *Bob Bakish* notified the Nickelodeon team of her departure before the rest of the company via an internal memo. "I don't have to tell any of you how much Cyma has meant to Nickelodeon, and how her leadership has helped lead the brand to success after success over the course of her incredible four decades at the company," Bakish said, calling Zarghami a true pioneer. "It is never easy to say goodbye, but her legacy here is long, and she leaves behind an incredible team of smart, dedicated people who are a model of creativity and collaboration across the industry." Zarghami first joined Nickelodeon in 1985, becoming president in 2006. The race is on to find someone ready to take the reins of the brand and bring it into the future while fighting the ratings drops that have hit the network. The children's network continues to suffer from Viacom's choice to license many of its most popular series to **Netflix** in 2010. **Bernstein Research** estimated that Nick audiences were down 25% in fiscal 2Q. Analysts at Bernstein have long questioned the viability of fully distributed linear kids' networks, while expressing concerns over the less profitable model OTT offers the genre. The changes at Nick come as **Disney** is gearing up to launch a direct-to-consumer service that could add new pressures. Nick is currently borrowing a page from sibling **MTV**, which has been on a ratings roll, by bringing back some retro fare, such as "Double Dare." Filling the hole left behind in the interim will be *Sarah Levy*, who currently serves as COO of Viacom Media Networks. She'll work with Nickelodeon's remaining leadership team to manage operations during the transition period. This isn't the only recent leadership shift for one of Bakish's "Flagship Six." It's not even been two weeks since *Debra Lee* announced she'd be stepping down as chairman/CEO of **BET Networks**. But is Zarghami's departure much of a surprise? Questions arose over whether Zarghami would stay on past her current contract back in February. Levy hopped onto the brand to be involved in operations and strategy, taking some of the responsibility away from Zarghami. Levy was stepping in to the scene at BET with similar responsibilities.

DISH-Sagamore Day 14: Two weeks into a blackout of **SagamoreHill Broadcasting** stations in 11 markets, **DISH** is levying a new complaint. The satellite provider says Sagamore is requesting payment for all DISH subs



THE REAL WORLD MOVES
IN REAL-TIME, DO YOUR
SERVICE TECHNICIANS?

LEARN MORE ABOUT CSG'S AWARD
WINNING WORKFORCE EXPRESS



CSG
TOGETHER, YOU WIN.

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Associate Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

in its markets—even those that do not access its channels through DISH’s satellite service. DISH customers can opt to drop local from their TV package and save \$12/month, using an antenna to access the channels for free. “Forcing consumers to pay for free, over-the-air signals is an absurd violation of SagamoreHill’s public service as a broadcaster,” *Andy LeCuyer*, DISH programming svp, said in a statement. “This is a first. Never before has a broadcaster blocked DISH customers to force payment from consumers who get its signal over the air.” SagamoreHill couldn’t be reached for comment by deadline, but in a letter last week CEO *Louis Wall* said the two companies have had “no meaningful discussions” about rates and instead have “centered around issues of legal language and stipulations in the proposed agreement.”

Becoming Commissioner: *Geoffrey Starks* is poised to be the next **FCC** commissioner, with President *Trump* nominating him for the job. He’d be filling the space left behind by Dem *Mignon Clyburn*, who ended her time with the Commission last month before its May meeting. Starks currently acts as the assistant bureau chief in the FCC’s Enforcement Bureau. “He has a distinguished record of public service, including in the FCC’s Enforcement Bureau, and I wish him all the best during the confirmation process,” FCC chairman *Ajit Pai* said in a statement. Starks’ nomination wasn’t anything shocking, as Senate *Minority Leader Chuck Schumer* had picked Starks for the role earlier this year. In the days following, supporters stepped out to voice their views on the nomination. Current Commissioners *Brendan Carr*, *Jessica Rosenworcel* and *Mike O’Rielly* congratulated Starks on the nomination, with O’Rielly saying Starks would bring a “new voice to important debates before the Commission.” **ACA** president/CEO *Matt Polka* applauded the choice, also highlighting Starks’ current work, while the **NAB** joined in by strongly supported the choice. The nomination will require Senate confirmation, which should come in the months ahead. Republican Commissioner Carr is in the middle of the same process for a new term, recently being confirmed by the Senate Commerce Committee and now requiring a Senate floor vote before he can begin his next term.

Putt Putt: **Discovery** and the **PGA Tour** are coming together to give golf aficionados a way to experience the sport across devices. The 12-year partnership will begin in 2019 and includes global multiplatform live rights to all PGA Tour media properties outside of the US. The deal also includes something for those who can’t watch live: a dedicated PGA Tour-branded OTT streaming service. A global OTT platform is also a part of the plan, with 50% of PGA’s participation and 55% of its supply coming from outside of the United States. On a call discussing the deal, PGA stressed that this is not a rights deal, **Wells Fargo’s** *Marci Ryvicker* said. Talks between the two began in late 2016 when the PGA approached Discovery due to its strong position internationally in content and the

Cablefax:

What’s Happening in July

EDITORIAL: Amy Maclean • amaclean@accessintel.com
Sara Winegardner • swinegardner@accessintel.com

ADVERTISING: Olivia Murray • omurray@accessintel.com

AWARDS: Mary-Lou French • mfrench@accessintel.com

»» Top Operators Magazine

Cablefax’s annual Top Operators Magazine, salutes the operators who are at the forefront of innovation and creativity in the cable industry.

Special Feature: ACA’s 25th Anniversary

»» Independent Voices in Media

Cablefax will analyze the state of independent content as the bundle unravels, OTT flourishes and direct-to-consumer content options across multiple devices has never been more robust. Where will the indie nets and smaller Where will the indie nets and niche players fare in this Brave New World? We’ll take a comprehensive look at the state of the marketplace.

»» The Independent Show

As independent operators return to Anaheim, CA for their annual gathering, Cablefax will preview and cover the regulatory, technology and business strategy debates that always make this NCTC-ACA event a must-attend for anyone with skin in the game.

»» Summer TCA

Summer TCA tends to be a hotbed of news about upcoming fall premieres and other programming — not to mention executive sessions that will address everything from the changing TV business, to ratings and measurement, to the marketing challenges in an increasingly competitive environment.

Awards

Most Influential Minorities

Deadline:
July 13

Most Powerful Women

Deadline:
July 20

direct-to-consumer experience. Discovery's *Alex Kaplan* will lead the business as president and gm. Discovery is expecting to spend \$2bln over the course of the deal, gradually increasing its investment.

Privacy Patrol: Facebook finds itself in the crosshairs of lawmakers again, following a *NY Times* report over the weekend that it has shared subscriber info with mobile device makers. According to the article, Facebook allowed the device companies access to the data of users' friends without their explicit consent. Facebook says it has done no wrong, with these contracts strictly limiting the use of data. But members of Congress were quick to express concern. *Sens Ed Markey* (D-MA) and *Richard Blumenthal* (D-CT) sent a letter to CEO *Mark Zuckerberg* Monday seeking more info on the 60 or so companies with this arrangement and wanted to know whether Facebook can confirm none of this data was misused. Over in the House, *Frank Pallone* (D-NJ) said it's another example of Facebook only coming forward when "forced to do so by a media outlet" and urged the **FTC** to conduct a full review of whether its 2011 consent decree against the company was violated. Facebook agreed to settle FTC charges in 2011 that it deceived consumers by telling them they could keep info on Facebook private and then allowing it to be made public.

Supply Chain Security: When it comes to an **FCC** proposal to prohibit the use of money from the USF to purchase equipment/services from vendors identified as posing a national security risk to communications networks, **NCTA** is warning against a piecemeal approach. With legislation pending in Congress that would impose statutory restrictions on certain suppliers, NCTA urged coordination across the federal government. "Piecemeal approached by multiple agencies, each of which address only a portion of the issue, risk creating inconsistent policy implementation and overlapping or redundant regulatory burdens," the group said. **Huawei** is one of the companies that the government has expressed concern about. In its own comments to the Commission, Huawei argued that the name of a vendor or its home country doesn't determine the source of the product and can't be used as key criterion for a source of threat. For Huawei, about 1/3 of its equipment is from Huawei/China with the rest coming from around the world. It cited JVs that companies such as **Nokia** and **Ericsson** have with Chinese government-owned entities.

Highlight Reel: IBM's Watson technology is ready to take on soccer just in time for the World Cup. IBM is partnering with **Fox Sports** for the global event, which will be the first where Fox Sports brings AI into its production and distribution. IBM Watson will add to match footage with automated, advanced metadata tagging while also sorting through footage to find the best moments from every match and create highlight reels. Fans will be able to keep up with top moments from every match through "The Highlight Machine," which went live Monday. The feature is a searchable archive past FIFA matches and allows viewers to save, favorite or share custom highlight reels.

Silver Screen: The movie business could be in a state of evolution, and the industry has **Netflix** to thank for that. Netflix's aggressiveness around movies could lead to a major shift in the value chain, as its aggressive approach to developing original movies with no theatrical release could lead to the continuing of an increased skew towards a small subset of movies at the box office, according to a report from **Barclays**. There now may even be times when streaming is more favorable than theatrical releases. That will only be true for select movies, where the outlook for streaming looks more favorable over time. Another potential option would be to strike both platforms at once, but it isn't quite the age where simultaneous movie releases on streaming services and in theatres is accepted by anyone in the chain of command.

Programming: A new season of "Ghost Adventures" is coming to **Travel Channel**. *Zak Bagans* and *Aaron Goodwin* will continue to explore haunted locations when it premieres on June 16 at 9pm. The network is also preparing for an upcoming special, "Cleopatra: Mysteries at the Museum." *Don Wildman* will head to Alexandria, Egypt to search for the lost tomb of *Cleopatra* on June 28 at 9pm. -- **History** greenlit "Grant," a TV documentary based on *Ron Chernow's* biography of president *Ulysses S. Grant*. The six-part series will be produced by **Appian Way Productions** and **RadicalMedia** in association with **Lionsgate Television**. Appian Way is also developing a film on the biography with Lionsgate, which will be distributing the project under its **Summit Entertainment** label.

People: A few **Turner** folks are having their roles expanded as part of the company's increased investment in strategy along with data and analytics. *David Beck* has been named evp, corporate strategy and operations, while *Jesse Redniss* will act as evp, data strategy and product innovation. Before coming to Turner, both Beck and Redniss were the co-founders of advisory business **BRaVE**. -- **Lionsgate** tapped **Sony Pictures** vet *Corri Berg* as gen counsel, reporting to CEO *Jon Feltheimer*. He starts the gig next Monday.