

# Cablefax Daily™

Friday — June 22, 2018

What the Industry Reads First

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## WatchTV: AT&T CEO Predicts Video Sub Growth in Coming Years

When AT&T bought DirecTV three years ago, it had about 25mln video customers combined with U-verse. Today, it still has about 25mln subs, thanks to the introduction of OTT service **DirecTV Now**, according to CEO *Randall Stephenson*. “There’s been a mix shift to over-the-top. We knew that. It’s very important. We’re getting the pricing rationalized so that over-the-top is a profitable model,” he said at **Wells Fargo’s** 2018 Telecom Forum Thursday. “Keeping that subscriber base in the US at 25mln is really important.” Enter WatchTV, the \$15/month skinny bundle tied to wireless that the company pledged to launch following the close of the **Time Warner** deal. “The content costs are low. You don’t have a lot of sports programming in there. It’s an entertainment and news featured programming bundle,” Stephenson said. “We actually think we’re going to be growing [video subs] over the next couple years.” The WatchTV unlimited wireless plans—AT&T Unlimited & More and AT&T Unlimited & More Premium—will be available next week, with the Premium offering including the addition of one premium service, such as **HBO, Starz, Amazon Music Unlimited** or **VRV** along with 15GB of high-speed tethering. Stephenson repeatedly pointed to OTT as a “tremendous” opportunity for the advertising business. **Turner** nets, including **TNT, TBS, truTV, Cartoon** and **CNN**, are obviously well represented in the WatchTV lineup, with **A&E, AMC, Discovery, History, Viceland, OWN, Food, Lifetime, Hallmark** and **HGTV** among the nets in the package. **Viacom** channels **BET, Comedy Central, VH1, Teen Nick, Nicktoons** and **MTV2** are slated to join the package shortly after launch. Missing are sports nets and local broadcast stations along with **Disney, Fox, Comcast-NBCU** programming. It also doesn’t feature smaller independent channels. Premium customers get a \$15 monthly credit that can go toward DirecTV, U-verse or DirecTV Now. Non-premium subs get the credit for DirecTV Now only. Stephenson used the investor conference to reflect a bit on the closing of the Time Warner deal—a process that took exactly 600 days. In creating a modern day media company, the first element is premium content, he said pointing to HBO, Warner Studios and TWX’s IP library. “And that’s before you get to the digital elements,” Stephenson said, remarking that CNN.com is the most-visited news site in the US while **BleacherReport** has become a “sports go-to digital property.” The other key element in creating this new company, according to the CEO, is extensive direct-to-consumer relationships, with Stephenson predict-

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ing that the days of being a wholesaler of premium content are over. “We’re starting with 170mln direct-to-consumer relationships... This is 170mln screens for us to deliver content to,” he said, adding that technology and high-speed network capabilities help to propel the company into this new age. CFO *John Stephens* said AT&T’s total debt level will be at \$180bln, with 2Q numbers reflecting just 15 days of Time Warner activity. Net debt EBITDA levels for the year are expected to be in the 2.9 range, moving down to 2.5 by the end of 2019, Stephens said, predicting around 1.8 by 2023. AT&T will report earnings July 24, with it expected to provide Time Warner results on a historical basis as well as guidance for the year.

**C-band Vote:** A draft of the **FCC’s** C-band order would have the agency collect additional info about earth stations and space stations operating in the band to get a better understanding of the technical characteristics of existing operations. It would also let the FCC make decision about the scope of future services for the band. The Commission is also set to vote July 12 on an NPRM that would propose to add mobile allocation to the band as well as seek comment on various aspects of the future of incumbent use in the band, including possibly sunseting fixed microwave point-to-point licenses.

**Still Deny Sinclair-Tribune:** Those opposed to a **Sinclair-Tribune** combo still are, despite the company’s most recent proposed divestitures. **DISH, ACA, Cinemoi, CWA, Ride TV, Sports Fan Coalition** and **Newsmax** were among those who asked the FCC to deny the deal this week. **NCTA** stopped short of filing a petition to deny, but told the FCC that Sinclair has failed to demonstrate that the harms associated with ownership of two Top 4 stations in St Louis and Indianapolis outweigh the benefits. It also called on the agency to ensure that stations divested to meet broadcast ownership rules are sold to arms-length buyers, noting that the current plan has it selling six stations to buyers closely allied with Sinclair. “Close Commission scrutiny is also necessary given Sinclair’s track record of exerting control over retransmission consent negotiations of stations with whom it has a business relationship, notwithstanding rules directly prohibiting it from doing so,” NCTA said, pointing to a 2016 consent decree of nearly \$9.5mln after the Media Bureau found Sinclair had negotiated retrans on behalf of, or coordinated negotiations with, 35 non-Sinclair stations. ACA’s lengthy list of concerns with the deal includes clauses that raise retrans fees for any station Sinclair acquires. The group wants clarification that Tribune stations being divested do not count as being acquired by Sinclair so that purchasers of the stations can’t attempt to raise prices under the clauses.

**South Dakota vs Wayfair:** The **US Supreme Court** on Thursday overturned a decision that states can’t impose a

**Drumroll please...**

Cablefax’s annual must-read is here. Inside, we run through the most influential leaders and rank them 1-100, while also highlighting those executives delivering results on a regional level.

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sales tax on online retailers that don't have a physical presence in the state. Court watchers believe it could have an [impact on OTT providers](#), requiring them to collect and remit sales tax.

**Children's TV:** The **FCC** Media Bureau opened docket number 18-202, which is on the Children's Television Programming Rules. The Commission plans to vote next month on an NPRM that looks at the requirement that broadcasters provide three hours of instructional or educational children's program each week. It tentatively concludes that requirements that programming be at least 30 minutes and regularly scheduled each week be eliminated, while seeking comment on whether to modify the three-hour/week guideline.

**Carriage:** Last week, **DirecTV** and **Hemisphere** resolved their retrans dispute that saw **WAPA** and **WAPA Deportes** dark on **DirecTV Puerto Rico** for about six weeks. On Thursday, the companies announced a carriage deal that brings Hemisphere's US Spanish-language channels **Cinelatino**, **WAPA America**, **Centroamerica TV** and **Pasion** to **DirecTV Now's** new "Todo y Mas" and "DirecTV Now Espanol" packages.

**Growing the Brands:** **Viacom** already creates programming for its brands, but it's ready to share the love by launching a studio model. Viacom brands will license and produce episodes of fully-owned content for third parties. The company began its efforts through **Paramount TV**, which produced content for **Netflix** and **USA**, a move which pres/CEO *Bob Bakish* is looking to build on. **MTV** is kicking off the new initiative, developing new series while reimagining the classics with the newly-launched **MTV Studios**. The programming developed, centered on series from the MTV vault, will be used by partners across SVOD and linear. The initial slate includes a reimagination of "Daria" from writer *Grace Edwards*, "Aeon Flux" from *Jeff Davis*, reality series "The Real World" with **Bunim/Murray Productions** and an update to "Made." New titles in the works include coming-of-age docuseries "The Valley" (working title) and "Siesta Key."

**They Shoot, They Score:** Entertainment brand **Whistle Sports** won a big victory, raising over \$28mln in Series D funding. Global investment company **Aser** led the investment round and was joined by **Liberty Media**, **Emil Capital**, **WndrCo** and others. The investment will be used to expand Whistle's catalog of free and premium original content. Gaining the support of Aser is a major plus for Whistle Sports, as Aser subsidiary **Eleven Sports** can work with the brand to continue its growth.

**Inside the Barn:** With *Justify* making history by winning the Triple Crown, there's been plenty of talk around horsepower. **History** and the **Ram Trucks** brand are coming together for the "Stories of Horsepower," an initiative centered on stories surrounding horse racing across linear, digital and social platforms. It will share the side of the race not shown on television, showcasing the veterinarians and trainers caring for the animals until it's go time. Each of the four executions will run on-air as well as on History's **Facebook**, **Twitter** and **YouTube** pages as well as on Ram Trucks' platforms.

**Lending a Hand:** In light of the recent deaths of designer *Kate Spade* and chef *Anthony Bourdain*, **CNN** is ready to play its part in fighting the suicide crisis. *Anderson Cooper* will host a town hall, "Finding Hope, Battling America's Suicide Crisis," on Sunday at 7pm to raise awareness by bringing in health professionals as well as those whose lives have been affected by suicide. Among those appearing at the town hall are Chief Medical Officer for **The American Foundation for Suicide Prevention** *Dr. Christine Moutier*; *Karl Rove*, former senior advisor to president **George W. Bush**; and *Jane Clementi*, co-founder of the **Tyler Clementi Foundation**. The town hall will be streamed on CNN.com, CNNgo and on the CNN mobile apps.

**Bring in the Expert:** *Dr. Lois Frankel* will address the crowd at this year's **CTHRA** HR Symposium, examining how HR leaders have the power to foster change within their organizations. An expert in executive coaching, Frankel will talk typical mistakes to avoid as well as offer tips to leaders on how to make their changes effective. The Symposium, with the theme "Leading Seismic Change," will be held from October 1-2 in Philadelphia.

**Programming:** Palm Springs is getting a makeover. Home renovators *Eric and Lindsey Bennett* will try to transform the California town in the new season of **HGTV's** "Desert Flippers" on July 24 at 9pm. -- **Lifetime** greenlit three films based on novels from *Jane Green*. "Tempting Fate," the first of the trio, is in production. The other two films will be based on "To Have and to Hold" and "Family Pictures."

**People:** **Turner** appointed **AT&T** exec *Peter Knag* to serve as EVP and CFO of the company. He'll report in to *Pascal Desroches*, who also saw a boost by being named CFO, **WarnerMedia** and Turner administrative officer. Desroches was previously Turner's CFO. Knag previously acted as the vp of AT&T merger planning, guiding the financial planning and analysis for the company's merger and integration with **Time Warner**.

# PROGRAMMER'S PAGE

## A Stroke of 'Genius'

Whether it's taken viewers inside the mind of physicist *Albert Einstein* or into the abstract works of *Pablo Picasso*, **Nat Geo's** "Genius" has continued to highlight some of history's greatest innovators. It's a series that's certainly made its mark, garnering a 2017 Emmy nomination for outstanding limited series and a Cablefax Program Award win last year in the best actor category for *Geoffrey Rush's* portrayal of Einstein. As it closed its second season Tuesday, showrunner *Ken Biller* and executive producer *Brian Grazer* are on the hunt for the next icon to shed a spotlight on. This time, it may very well be a woman. "We're zeroing in on finding a woman that we think is also iconic and a genius herself," Grazer said at **TCA**. "We're looking in all these different areas to find people that ultimately, even though their lives are complex and cinematically engaging, are aspirational." While this would be the first time that a woman has been at the front and center of the program, it certainly won't be the first time that women in history have found a voice. Previous seasons 'Einstein' and 'Picasso' highlighted Serbian mathematician *Mileva Maric*, photographer *Dora Maar* and painter *Françoise Gilot*, "Whether it's in Einstein or in Picasso, while at the center of our show we've had these iconic figures, we have taken great pains and taken great pleasure, in fact, in exploring the equally brilliant women that surround these figures," Biller said at TCA. But how many viewers knew about those women before watching Genius? Much of the mystery still surrounding women in history is part of what could make the next season of Genius more intriguing than either of the two that came before it, but it could also prove a challenge. Einstein and Picasso are household names, but Dora Maar or Mileva Maric? Not quite. But the bit of girl power could be exactly what the Genius needs to keep audiences curious. (Ed's Note: Nominations are due Friday for Cablefax's 2018 Program Awards, with the final entry deadline June 29. Enter [here](#).) – Sara Winegardner

**Reviews:** "Cooper's Treasure," Season 2 premiere, 9pm, Friday, **Discovery**. Some things look slower on TV than they are; other things move faster than in reality. Hockey players on TV seem to be moving through sand, though they're racing down the ice at high speed. Similarly police procedurals solve complex cases in 60 minutes, including commercials. Hunting for treasure from ancient shipwrecks at the floor of the sea is a painstaking job with more lows than highs, says *Mike Perna*, a veteran explorer who captains the ship in this series. Perhaps intentionally the series moves slowly. Viewers can invest 60 minutes in an ep and Perna and crew find nothing. Still, the enthusiasm of lead hunter *Darrell Miklos* is infectious. Also compelling: Miklos is using maps and other materials that the late astronaut Gordon Cooper gave him. During two journeys, Cooper observed anomalies from space that he believes might be treasure. Patient viewers may find out. -- "The Affair," ep 2, season 4, 9pm, Sunday, **Showtime**. Who knew when The Affair began this series would spin out to where the main characters have their own orbits? OK, maybe the writers. The best plotline belongs to Alison (*Ruth Wilson*), who finds company in this ep. The opening scene, though, is tense and relevant to this week's news. – Seth Arenstein

### Basic Cable P2+ Prime Rankings\* (6/11/18-6/17/18)

Mon-Sun	MC	MC
	US	US AA
		AA% (000)
FNC	0.930	2,833
MSNBC	0.562	1,712
HGTV	0.467	1,421
USA	0.408	1,243
TBSC	0.401	1,221
HIST	0.335	1,019
CNN	0.330	1,006
ID	0.321	978
FOOD	0.315	958
DISC	0.311	948
A&E	0.310	943
ADSM	0.277	842
NICK	0.275	837
ESPN	0.272	830
TLC	0.260	791
HALL	0.254	773
NAN	0.250	760
DSNY	0.247	752
TVLAND	0.211	644
HMM	0.207	629
FX	0.194	590
AMC	0.190	579
TNT	0.188	572
DSJR	0.182	554
BRAVO	0.179	544
VH1	0.173	527
APL	0.171	521
FRFM	0.170	518
HBO	0.169	514
SYFY	0.167	507
LIFE	0.166	504
INSP	0.161	490
MTV	0.155	471
TRAVEL	0.154	470
NATGEO	0.142	432
BET	0.142	432
WETV	0.140	427
NKJR	0.139	424
GSN	0.138	420
COM	0.138	419
PARA	0.135	412

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

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