

# Cablefax Daily™

Tuesday — June 26, 2018

What the Industry Reads First

Volume 29 / No. 122

## Passport Stamp: CuriosityStream Strikes First Deal with International Distributor

Nonfiction programming service **CuriosityStream** inked its first global deal, with Singapore distributor **Starhub** launching the service, including as a linear channel. "This deal is confirmation of the global appetite for factual programming. It's more intense in certain regions outside the US than inside," said *Clint Stinchcomb*, who was named pres/CEO of CuriosityStream last week following his work heading distribution for the company. "The same trend that exists in the US of traditional TV networks moving away from factual programming and moving more into reality fare exists everywhere. We've been talking to Starhub for a while, and unlike traditional distributors, we sort of see ourselves—I think *Jon Steinberg* at **Cheddar** coined this term—but as a post-cable network. We're looking to meet consumers and distributors more on their terms. We're not intent on jamming a never-ending, unsustainable license fee down the throat of a distributor." That means, according to Stinchcomb, that CuriosityStream is flexible in how it's offered. **Comcast** currently makes it available to subs as a \$5.99/month SVOD service. But it could also be part of an app that a distributor wants, or in the case of Starhub, a linear service. It's joining six other channels—**Travelxp HD**, **Gusto TV HD**, **Makeful HD**, **GEM HD**, **FIGHT SPORTS HD** and **COLORS Tamil HD**—on a heavily penetrated tier. "If you want pricing and flexibility for beautiful content, welcome to CuriosityStream," Stinchcomb said. While the service does have direct-to-consumer subscribers, the company believes over time the bulk of subscriptions will be through third-party partners. Looking out, Stinchcomb said the plan is to get to a point where CuriosityStream is spending in excess of \$100m a year on marketing and \$100m+ on programming. When it comes to content, he contends that it's much easier for factual programming to transcend markets compared to its scripted brethren. CuriosityStream's sweet spot is traditional nonfiction documentaries, namely in science, history, technology, nature, civilization and the human spirit. In most places, content is offered in English with possible language specific subtitles.

**CAF Phase II:** The **FCC** says 220 applicants are qualified to bid in the Connect America Fund Phase II Auction that's slated to being July 24. Up for grabs is \$1.98bln over 10 years that will be doled out to service providers that commit to offering voice and broadband in unserved high-cost areas. Among those making the cut are **Altice USA**, **Armstrong**, **Cincinnati Bell**, **Cox Communications**, **Frontier**, **Hughes Network Systems**, **Midcontinent** and **Verizon**.

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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

The FCC also released a list of more than 50 entities not qualified to bid, including **MCTV, Nittany Media, Shentel** and **Vyve Broadband**.

**Univision-DISH Red Alert:** Univision began alerting DISH viewers via radio, digital and social media over the weekend that they could lose some of its networks soon. No date was given as a deadline, but contracts often expire at the end of the month. The networks expiring are the flagship channel, **Univision Mas** and **Galavision**; **Univision Deportes**, **El Rey** and **Fusion** would not be impacted on the DBS service, but all of the channels could go dark on **Sling TV**, according to a source. "DISH has dismissed multiple good-faith carriage offers from UCI, including one to extend our current agreement to avoid a disruption of service. While DISH's own lead negotiator recently compared programming disputes to 'having a heart attack,' DISH still seems intent on entering what would be their 68th broadcast black-out since 2010 and causing yet another heart attack for their customers," the Spanish-language programmer said in a statement that identified Univision as DISH's third most-watched network in any language and Deportes as its second most-watched sports channel in any language. DISH said it's actively working to reach a fair deal, adding that there is still time for the two to reach an agreement. "Negotiations are standard in the pay-TV industry. Univision is demanding a rate increase of 75 percent for channels whose ratings have declined by nearly a third over the past five years. This from a company that lost its ability to offer the World Cup not just this year but in 2022 and 2026," read a DISH statement. "And remember, many DISH customers are able to receive Univision for free using over-the-air antennas."

**Continuing to Drop:** **Moody's** video replacement rate is on the decline, falling from 4.7x to 3.9x in the first quarter. The rate represents the absolute value of the change in broadband subs over the prior four quarters divided by the change in video subs over the same period. Revenue and EBITDA growth are dropping alongside it, with EBITDA growth for Q2 2018 lowering from 6.8% to 6.1%. Q1 2018 saw broadband subs growing about 4.5% YOY for Moody's peer group, a decline of 200 basis points from the quarter before. When it comes to VRR, **Comcast Corporation** is front of the line with 13.6x (down 1.3x from the prior quarter) followed by **Mediacom Communications** at 8.1x (up 1.9x). **WideOpenWest Finance** came in with the weakest VRR at 0.4x, an indicator that it is losing top-line revenue and EBITDA.

**Talking Guide Waiver:** The **FCC** Media Bureau is seeking comment on **ACA's** waiver to rules requiring accessibility of user interfaces on covered navigation devices for certain MVPDs. There's a Dec 20 deadline that requires MVPDs with 400K or fewer subs and systems with 20K or fewer subs to make their user interfaces audibly accessible upon request to blind or visually impaired subs. Larger entities had to meet that requirement back in December 2016. ACA has said the deadline is too burdensome for some operators, including those who use QAM modulation to offer two-

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way services. Comments are due July 10, with replies due July 20.

**Another Broadcast Merger:** **Gray TV** will acquire **Raycom** for \$3.6bln, creating the third largest broadcast station group. Combined, the company will have 142 full-power television stations serving 92 markets. The parties expect the deal to close in 4Q, with Raycom pres/CEO *Pat LaPlatney* becoming Gray's pres/co-CEO and *Hilton Howell* to serve as exec chmn and co-CEO.

**Offering a Hand:** The **FCC** gave the Rural Health Care Program a major boost, increasing the annual cap on program spending by more than 42%. The new \$571mln cap reverses spending cuts for the funding year previously imposed by the old cap, adjusting for the greater demand for rural telemedicine services. The proposal from FCC chmn *Ajit Pai* earned majority support June 14, with *Pai* saying telemedicine is "vital in many communities that may not otherwise have access to high-quality health care."

**Ready for Kickoff:** **CBS** and the **NFL** extended an agreement allowing all NFL on CBS games to stream on CBS All Access through the 2022 season. Mobile and other connected devices are included in the new deal as well, meaning the entire NFL on CBS schedule (including the Super Bowl) will be streamed live on all CBS All Access platforms.

**Arriving on EXP:** **Armstrong** integrated **Hulu** into its EXP platform. Customers will be able to access Hulu's limited commercial (\$7.99/month) and no commercial (\$11.99/month) subscription plans.

**Advanced Ad Boost:** **AT&T** entered into a deal to acquire tech company **AppNexus**, a move that it hopes will boost advanced TV advertising efforts. AT&T's first-party data, video content and distribution will be integrated into AppNexus's platform. The platform will also extend AT&T's advertising footprint into the Asia-Pacific region, Australia, Europe and Latin America.

**Buckeye Broadband:** **MCTV** is extending its service to three more Ohio communities. Residents of Salineville, Amsterdam and Bergholz can now choose MCTV, giving the provider a residential and business footprint of approximately 50K. The buildout comes after MCTV acquired two systems previously operated by **Crystal Broadband**.

**Union News:** The **National Labor relations Board** ruled that **Time Warner Cable** had the right to suspend four workers in 2014 who participated in a demonstration that blocked city traffic and access to a company facility, *Bloomberg BNA* reported. Local 3 filed an unfair labor practice charge alleging the company illegally suspended the employees.

**Tweet Tweet:** **Altice Business** hosted a "Small Talks for Small Businesses" social media workshop in Bay Shore, Long Island Monday, delivering insights and tools to local businesses on how to build their customer base through social media engagement. The event was the first in the company's "Altice Business Live Series," forums for topics that are key to growing a small business.

**Ratings:** **Paramount Network's** premiere of "Yellowstone" delivered a 1.1 rating with P18-49 and a 1.7 with P25-54. Nearly 5mln viewers tuned in to the drama, the network's third scripted original. -- As we wait for **BET Awards** numbers from **Nielsen**, the net reports the annual event was the most social program of Sunday night with 2.1mln mentions across **Facebook** and **Twitter**. That makes it more heavily talked about than World Cup games.

**Programming:** **Lifetime's** Season 7 premiere of "Married at First Sight" on July 10 at 9pm will kick off the network's Real Love Tuesday programming block and celebration, which will pay for the courthouse weddings of 70 couples living in 7 cities: Dallas, Texas; NYC; LA; Chicago; Boston; Miami, Florida and Atlanta. Couples will be able to enjoy celebrations in each of the cities on premiere day. -- Wimbledon is coming to the **Tennis Channel** for its 11th year of coverage. The action from the All England Lawn Tennis Club will begin on July 2, with Tennis Channel airing more than 200 hours of coverage over the two-week tournament. Programming begins every afternoon at 4:30, with encore presentations airing through the night. -- **HGTV** is joining in the summer fun with its Beach Week, an events airing July 16-22. New episodes of "House Hunters," "House Hunters International," "Beachfront Bargain Hunt," "Caribbean Life" and "Mexico Life" will be featured over the course of the week, which is timed to lead into the 30th anniversary of **Discovery Channel's** Shark Week.

**People:** Former **Viacom** vp *Sarah Unger* has been tapped by **Civic Entertainment Group** to become its svp of cultural insights and strategy this fall. Named one of **Forbes** 30 Under 30, Unger will lead Civic's cultural insights team. During her time at Viacom, Unger led brand strategy for brands including **Paramount Network**, **Comedy Central**, **BET** and **Nickelodeon**. -- **Epix** named *Laura Sher* its evp, head of business and legal affairs, original programming. Formerly a partner at **Cowen, DeBaets, Abraham & Sheppard LLP**, Sher will supervise negotiation and execution for business agreements related to Epix original scripted and unscripted programming.



## CFX TECH

### Today's Forecast: IMR

What started as a seemingly normal demonstration of a tornado's power on **The Weather Channel** turned into anything but, as fallen power lines and flying debris seemed to invade the studio. Last Wednesday's edition of flagship morning show "AMHQ" served as the network's debut of its immersive mixed reality technology, allowing them to create a hyper-realistic tornado around meteorologist *Jim Cantore*.

The feat was accomplished thanks to Weather's partnership with **The Future Group**, an augmented reality content and tech provider. Watching the on-air antics may have one imagining that the process took months and months to complete, but the partnership was only just announced on April 5.

"The overall production, from concept to narrative and script completion, was right at 60 days," The Weather Channel vp of design *Michael Potts* told **Cablefax**. "And it was in parallel with our engineering and technology integration, bringing all of the equipment in-house."

That integration included the onboarding of a graphical engine not typically seen in the office of a television network. The Future Group's Frontier platform is powered by Unreal Engine, a suite of tools that is particularly popular in the video game industry.

The engine required some modification in order to handle the toll of IMR technology. Additional RAM and video processors gave it the much-needed boost, and from there it was down to design and creating the simulations. While Weather acted as the creative director, constructing the narrative and visualizing the story, The Future Group brought it to life.

Weather is going in full force in its commitment to IMR technology, planning on integrating its capabilities into 80% of broadcasts by 2020. Not all of the

integrations will mimic the first, however.

"We want to evolve or revolutionize the way that weather presentation is done in general," Potts said. "Weather presentation in general, across all broadcast medium, has been pretty traditional. What IMR is going to allow us to do is create environments so that we can become more personal and relevant to our everyday viewers. Rather than standing in a studio and indicating towards a map about a thunderstorm or what a temperature might be for a location, we can bring our audience with us, take our talent to a specific location... to talk about the current conditions, forecast the future conditions in a place that looks familiar."

Moving towards that future and bringing the IMR to another level, the next logical step for Potts is to give Weather's on-screen talent the power to control the scene and the environment being presented to the audience, "to give Jim Cantore or *Stephanie Abrams* the ability to change and modify the scenes and control the data." Live integration of data will also be a work-in-progress for Weather, allowing for as precise a forecast as possible.

Don't expect Weather to keep the technology to 2-D screens, or to one screen, either. Potts is already dreaming of how to use other devices to bring the viewer as close to experiencing natural events as possible.

"There's plenty of opportunity in the future, once we have our scenes and environments created, to give our audience deeper glimpses and control into those environments or into the adjacent world," Potts said. "You could be sitting on your couch at home watching this great presentation and, with a tap or swipe of your finger, you can broaden that world into your living room. Our devices can be extensions of our linear presentation, portals that you can control into places that you want to go." -- *Sara Winegardner*

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