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Friday — June 29, 2018

What the Industry Reads First

Volume 29 / No. 125

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What the Fee: Consumer Reports Goes after Cable Surcharges

In May, **Consumers Union**, the advocacy division of **Consumer Reports**, sent letters to 11 MVPD CEOs seeking to “open a dialogue” on billing practices and alerting them that the organization would be reaching out to American consumers over the next few months asking them to share their experiences with pay-TV billing. This week, Consumers Union unveiled its “[What the Fee?!?](#)” campaign outside **Comcast’s** Philly HQ, presenting more than 100K petition signatures calling on the cable industry to eliminate fees such as the broadcast surcharge fee or regional sports fee and present the “full cost of service.” A day after the event (which had about 12-20 participants, according to CR) **AT&T** has been in the spotlight for an “administrative fee” tacked on to wireless consumer bills, first reported by **BTIG Research’s** *Walter Peczyk*, that jumps to \$1.99/month from 76 cents. Travelers have likely encountered resort fees or various airline fees. It’s not an issue unique to pay TV, but Consumer Reports has decided to start with the industry on what it promises will be an ongoing effort to go after “hidden fees” in other sectors. The group targeted pay TV/ISPs first based on surveying consumers, according to Consumers Union senior policy counsel *Jonathan Schwantes*. “There’s a proliferation of these add-on fees, which are very, very different from government surcharges, taxes, etc,” he said, rattling off a long list, from a “HD technology fee” at Comcast to an “internet infrastructure surcharge” at **Frontier** to the more ubiquitous “set-top box fee.” Of the 11 companies contacted (**Altice USA**, **AT&T**, **CenturyLink**, **Charter**, **Comcast**, **Cox**, **DirecTV**, **DISH**, **Frontier**, **RCN** and **Verizon**), Schwantes said Comcast and Verizon responded with formal letters while representatives from Frontier, RCN and Charter reached out to start a dialogue. Pay TV companies have said they are transparent with their bills and are well within their legal rights to itemize various costs. “Our goal is to provide an excellent customer experience, and we want our customers to understand the value in what they are buying,” Comcast said in response to CR’s campaign. “Our Xfinity bill was designed based on customer feedback and we’ve incorporated elements to make it simple to understand. The broadcast television and regional sports network fees are itemized on our bill so that our customers can clearly see those costs. We also provide customers a complete list of charges and fees for them to affirmatively consent to before we process any new or change of service orders as part of our sales process. Once the customer approves their order via text or email, we then send a confirmation that outlines their package and all charges.” With the broadcast fee, the industry’s

Cablefax: What's Happening in July

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>> 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

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intent was to help educate consumers that over-the-air channels aren't free, particularly in light of blackouts. Consumers Union has agreed with cable that the retrans process is dysfunctional, but it still doesn't like the fees. "The retrans fights have gotten nastier and nastier. We're on the record here saying we think the whole system is broken," Schwantes said. "If their costs are increasing, absolutely let's talk about that, but I don't see their margins suffering. I think separating out as a line item is very clever, I'll grant them that, but I don't think consumers appreciate it and we would argue it should be baked into the cost of doing business." Lawmakers have zeroed in on the issue over the years, with Sens *Rob Portman* (R-OH) and *Claire McCaskill* (D-MO) holding a bipartisan hearing and investigation last year on the issue and complaining that the fees are "misleading" and advertising disclosure for promotions are "inadequate." Schwantes said that CR and Consumers Union didn't launch the initiative with lawmakers, but "we would like to start laying some track on the Hill for a legislative vehicle. What that looks like remains to be seen, but I do think there is going to be interest."

Retrans Roundup: As we near the deadline for a **DISH-Univision** deal, crawls have started running warning the satellite provider's viewers that they could lose the channels if a deal isn't reached soon. DISH has its own messaging up online that says it doesn't understand why Univision has chosen to involve customers. "Negotiations regularly happen right up to the deadline and more often than not they are settled without issue," DISH said. Meanwhile, Latino groups **LULAC** and the **National Hispanic Medical Association** have spoke out against a blackout (and in Univision's support) on social media. -- Speaking of settling things... **MyNetwork** affiliate **KFVE** returned to **DirecTV** homes in Honolulu Wednesday after an 8.5 month blackout. The **HITV**-owned station, operated by **Raycom**, had been off the lineup since October 19. In February, the **FCC** Media Bureau denied HITV's retrans good faith against DirecTV, saying that the satcaster didn't violate the rule prohibiting a single, unilateral proposal. -- In Horry County, SC, cable operator **HTC** is facing a possible blackout of **Nexstar** stations. The two face a Saturday deadline with price the reported sticking point.

Disney SVOD Leadership: *Ricky Strauss* will serve as pres, content & marketing for **Disney's** SVOD service launching in late 2019. He is responsible for content marketing and development of programming as well as production partnerships and content acquisitions. Strauss, most recently marketing pres for **The Walt Disney Studios**, reports to Walt Disney Direct-to-Consumer and International chmn *Kevin Mayer*. Disney said *Agnes Chu* will continue to serve as svp, content for the service and report to Strauss. Disney Streaming Services pres **Michael Paull** and his team is responsible for product, technology, distribution, customer acquisition, and lifecycle marketing.

Switching it Up: It's a new model for **Sling TV**. The service introduced the option Thursday to purchase à la carte

Cablefax
THE MAGAZINE
Innovation > Leadership > The Cable Community

June 2018

Access Intelligence

The 100

Top Power Players

HIGH ALTITUDE
Rating: 100% 10/10

ON FIRE
Rating: 100% 10/10

SUPERNOVAS
The Best of the 100 10/10

GALACTIC QUEST
Rating: 100% 10/10

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.

CONGRATULATIONS TO THE INDUSTRY'S HEAVY HITTERS!

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channels and PPV events without buying a base subscription. Some free programming is also being offered without the initial paywall. **Stingray Karaoke**, **Dove Channel** and **Outside TV Features** will all be available without a subscription. Customers can sample select content for free before purchasing those channels for anywhere from \$5/month to \$7. This doesn't mean that it's doing away with its Sling Blue and Sling Orange packages. But it has changed its pricing structure, announcing a \$5 increase/month to its Orange package, a move president *Warren Schlichting* attributed to increased programming fees that have come with its expanded channel offerings. Existing Sling Orange customers will see the \$25/month charge on their August bills while those subscribing to both Sling Orange and Sling Blue will still receive both services for \$40/month.

Just Around to South Bend: **AT&T** is expanding its fiber network to South Bend, IN, a move that comes as it prepares for its launch of 5G. AT&T recently trialed its fixed 5G technology with South Bend residents, and is using results from that and others like it on its mobile 5G launches in a dozen cities this year. AT&T is planning to bring reach 14mln locations across at least 84 metro areas with its fiber network by mid-2019.

Matter Settled: The **FCC Enforcement Bureau** reached a settlement in its investigation into **AT&T Mobility's** 911 outages, an issue that hit in March and May of 2017. AT&T will pay a \$5.25mln fine, implement system changes to lower the chances of a future outage and its impact, improve the processes for notifying 911 call centers of outages and regularly file compliance reports with the FCC. The March outage led to the failure of 911 calls from around 12.6K unique users, lasting five hours, while the May outage saw 2.6K failed calls over a period of 47 minutes.

Preparing for Change: **Moody's** assigned a Ba1 rating to **Charter's** proposed senior secured notes. The rating was based on the company's current broadband infrastructure and commercial segment as well as its upcoming plans to move into the mobile wireless space. Moody's expects EBITDA to grow in the mid-single digit range over the next year while free cash flow flattens out due to the costs of upgrading **Time Warner Cable** assets as well as deploying the wireless business.

Studio Squad: **AMC Networks** is shifting the makeup of its programming leadership team in an effort to own and control more of the content coming from its **AMC Studios**. *Ben Davis* was boosted to evp, programming for AMC Studios. Davis, who has been with AMC since 2005, will act as the leader at the studio. *Susie Fitzgerald* extended her agreement with the company, keeping her as evp, programming for AMC and **SundanceTV**. *Eliot Goldberg*, who has expanded non-fiction programming at both AMC and SundanceTV, was promoted to evp, non-fiction programming for the two networks. Finally, *Kristin Jones* is adding AMC Studios responsibilities to her portfolio in her new role as evp, international programming for AMC and SundanceTV. Davis, Fitzgerald, Goldberg and Jones will report to *David Madden*, president of programming for AMC, SundanceTV and AMC Studios.

Come Together: In a show of synergy between **Discovery** and its recently-acquired **Scripps** properties, **Food Network** host *Guy Fieri* is going all in on **Discovery Channel's** Shark Week. In "Guy Fieri's Feeding Frenzy," he and his son Hunter will visit the Bahamas, trying local favorites while exploring the waters and the many species of shark. Shark Week will celebrate its 30th anniversary from July 22 through July 29.

Back in Time: **CuriosityStream** is offering exclusive tours of an ancient Egyptian tomb. How? It released its first VR documentary offering viewers a chance to travel through *Queen Nefertari's* tomb. The program is available for viewing with an **HTC Vive** headset.

Vyve 300: **Vyve Broadband** launched a 300Mbps offering to 90% of its customer base in six states. The service, called Vyve 300, increases available Internet speeds from 200Mbps to 300Mbps in most markets while adding another option in areas where it has already deployed 500Mbps and Gigabit coverage. Vyve also plans to expand Gigabit service coverage to over 70% of customers.

Guess Who's Going to Disneyland...: Political consultant and GOP pollster *Frank Luntz* will be a keynote speaker at **NCTC** and **ACA's Independent Show** at Disneyland Resorts in Anaheim. The show runs July 29-Aug 1, with Luntz's talk set for Monday morning.

People: *Jacqueline Parkes* is taking on a new role at **Viacom**, being promoted to CMO and evp of digital studios, **MTV**, **VH1** and **Logo**. She'll continue to oversee the marketing and creative for the group while also overseeing the digital content and social media for the brands. She'll also partner with Viacom Digital Studios to develop digital series and franchises. -- **MGM** promoted *Mark Burnett* to chmn of its worldwide television group, extending his contract through 2022. He began his career in television in 1992 with "Eco-Challenge," earning his first Emmy, and has produced series including "Survivor," "The Voice" and "Shark Tank."

PROGRAMMER'S PAGE

Top Ten Tribute...

Perhaps one of the most unsung heroes of the L.A. music scene is *Katie Daryl*, a producer and on-air host whose music-themed shows on **AXS TV** have helped to define the network in recent years as a destination for all things classic rock. That started with "The World's Greatest Tribute Bands," which ended its run last year and featured some pretty incredible musicians riffing on bands ranging from Pink Floyd to U2 to The Beatles in a series of live shows at the famous Whiskey A Go Go on Sunset. But that show hadn't even finished winding down before Daryl was onto her next project for AXS, the addictively fun "The Top 10 Revealed," which counts down some of the world's most iconic songs and whose second 8-episode batch premieres on Sunday night and features 27 special guests including *Dee Snider*, *Eddie Money*, *Steven Adler* and *Lita Ford*, among other rock icons. "We do what we call Hell Week," notes Daryl, describing the 5 days of in-studio interviews that operate with a precision best described as "junket style." Scheduling all of those guests back to back isn't easy, but "it feels like we are on the verge of being a well-oiled machine," she says. One major challenge is assembling the footage, and that's because Daryl prefers rare live footage to standard cuts from overplayed music videos. "I am just a fan of giving something an underground feel or that you're gaining something new from a song that's so old and well-known," she says. One upcoming episode, for example, breaks down top 10 epic songs of 1973, including "Vehicle" by one-hit-wonder The Ides of March. "It was in an era in which there wasn't a lot of video production, so finding multiple versions of that was more difficult," she says. It's a fun ride, chock full of rare footage, interesting interviews and a number of factoids you probably didn't know. As for her Tribute Band Hostess with the Mostest past... "I miss it so much," she says. "I felt a bit like a fairy Godmother getting these bands on national television." **Cablefax** has been a big fan of Daryl, recognizing her last year with a Program Award in the "Best Host - Music" category. [Entries are being accepted](#) through midnight Friday for this year's awards. — *Michael Grebb*

Reviews: "Power," Season 5 premiere, 9pm, Sunday, **Starz**. With news of defamatory tweets from *Curtis "Fifty Cent" Jackson*, who's one of "Power's" executive producers and stars, generating buzz, the series' return almost seems an afterthought. Jackson is amassing a regrettable history of posting nastygrams just prior to a project of his debuting. Fortunately, Jackson removes them after creating a furor, as he did last week, when he attacked "Brooklyn Nine-Nine" actor *Terry Crews*, who'd just testified on Capitol Hill about sexual assault. Speaking of attacks, there are plenty in this series about James St. Patrick, aka Ghost (*Omari Hardwick*), who toggles between being a drug kingpin and his legit business, owning nightclubs. He's also an (unfaithful) husband and father. With good and evil intertwining constantly, the fun here is seeing how high stakes can be raised. They're very high as Season 5 opens with Ghost's teenage children being dragged into their father's illegal activities. We recommend catching up on earlier seasons before wading in, though. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (6/18/18-6/24/18)		
Mon-Sun	MC US	MC US AA
	AA%	(000)
FNC	0.805	2450
MSNBC	0.569	1733
USA	0.467	1423
HGTV	0.457	1392
TBSC	0.370	1126
ID	0.321	978
A&E	0.317	964
HIST	0.317	964
DISC	0.314	955
ESPN	0.310	945
FX	0.304	925
FOOD	0.303	922
CNN	0.294	895
ADSM	0.291	885
TLC	0.272	828
HALL	0.263	800
NICK	0.259	789
TNT	0.252	767
NAN	0.249	759
BET	0.242	736
DSNY	0.241	733
PARA	0.219	665
HMM	0.214	651
VH1	0.204	620
DSJR	0.191	582
HBO	0.181	550
BRAVO	0.181	550
AMC	0.179	544
LIFE	0.176	537
TVLAND	0.175	532
NATGEO	0.175	532
CRN	0.173	527
MTV	0.160	486
INSP	0.155	473
APL	0.150	457
TRAVEL	0.148	451
SYFY	0.144	440
NKJR	0.140	427
GSN	0.138	421
OWN	0.136	413
WETV	0.133	405

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

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