

Cablefax Daily™

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What the Industry Reads First

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Midterms Mania: Political Advertising Approaching November

Elections always promise to be interesting, and this year is no exception. As races continue to heat up across the country, the industry has its eye on political advertising. “The only thing predictable about any political advertising is its unpredictability. Broadly, the 2018s are shaping up for us in our media like 2014 midterms. It’s still based on which races end up catching fire and catching the attention,” *Dan Templin*, **Mediacom’s** svp of business solutions, told **Cablefax**. Though Templin said this year’s cycle is similar to the previous midterms, others disagree. “I think in ’18 there are similarities up to a certain point, but ’18 I think has gotten a lot of press because of the potential Blue Wave,” said **Tim Kay**, vp of political strategy for **NCC**, which sells spots across the MVPD universe. “What we’ve seen through this primary season is its been regionalized, there’s different issues in different places around the country. I think you’re seeing these localized messages. The question that I have is are we going to see more of a national message once that election window opens?” *Don Sinagoga*, vp of political advertising for **Comcast Spotlight**, estimates that the cable industry is on track for approximately \$800mln in political advertising sales, with cable set to take a mid-30% share of political advertising dollars. “For political advertising, while the news networks, such as **Fox [News]**, **MSNBC** and **CNN**, are in high demand in the local markets, we also see demand for female-skewed networks such as **HGTV** and **Bravo**,” Sinagoga said. Trends show that during midterms, the focus tends to be on local elections. “We serve largely secondary and tertiary markets that unlike in national elections, we actually do better with the midterms because it is more local and state based,” Mediacom’s Templin said. “We had expectations of seeing a slight increase mid to single digits, we’re trending really well against that right now. We’re hopeful this might heat up even more than we anticipated, but we’re on target to see our goals.” From the perspective of a national organization, the ability to hyperfocus political advertising on local elections is becoming increasingly important. “What drives the local cable business is the ability to incorporate data within our cable systems, and the ability to go multistream, and our ability to demographically and geographically target, especially in state elections,” Kay said. The ability combine geotargeting with delivery across multiple screens and digital platforms widens cable’s reach. For NCC, Senate elections in battleground states such as Missouri, Indiana, West Virginia and Florida has its focus. Mediacom is playing close attention to the gubernatorial and

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Great forum to help improve the collaboration in the industry, understanding differences, making it better. It provided me with several great ideas and created new relationships that will be highly valued. The venue and vibe were terrific...

Jim Gleason
CEO | Vast Broadband

The Cablefax Retreat was a great way to hear a wide variety of opinions on industry issues and challenges. I was really impressed with the people who attended as well as the topics of discussion. I definitely had good takeaways from the meeting.

Dave Shull
CEO | The Weather Channels

The Cablefax event was unique — a beautiful, low-key event where I was able to have honest, interesting conversations with peers in the industry. This is a type of event that has been sorely missing in the cable world.

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congressional races in Iowa, as well as campaigns in Missouri. Comcast Spotlight is eyeing Illinois, Florida, Colorado, Pennsylvania and Michigan. And while it may seem like elections are front and center, there's still plenty of runway for political spending. Approximately 65% of full year political takes place between Labor Day and Election Day.

Fireworks: In response to allegations that it throttled the internet connection of emergency response vehicles in Santa Clara County, CA, at the time of the Mendocino Complex fire, **Verizon** is offering up an apology. "We made a mistake in how we communicated with our customer about the terms of its plan," a Verizon representative said. The case was detailed in a brief filed with the US Court of Appeals in the DC circuit court in support of the restoration of Title II regulations. In his declaration, Santa Clara County fire chief *Anthony Bowden* said that Verizon's data throttling had a significant impact on emergency services' ability to respond. While the fire department paid for a data plan that throttled speeds when the department exceeded its data limit, Verizon has a practice of lifting those restrictions in the case of an emergency. Because of this, Verizon classified it as a customer service mistake rather than one that related to the **FCC's Title II rollback**. Santa Clara County counsel *James Williams* fired back, saying Verizon's throttling has everything to do with net neutrality. "It shows that the ISPs will act in their economic interests, even at the expense of public safety," Williams said in a statement.

Going, Going, Gone: The **FCC** said bidding has concluded in its Connect America Fund Phase II auction, with winners to be announced in a few business days. The complete auction round-by-round results will be available to bidders and to the public in the FCC's Public Reporting System. The CAF II auction is for up to \$1.98bln of support over 10 years for rural broadband in unserved areas. The Commission approved 220 bidders for the auction, including **Altice USA, Cox Communications** and **Verizon**.

Weekly Ratings: We can only imagine Tuesday's breaking news-a-palooza will boost **Fox News** and **MSNBC** even higher in the ratings stratosphere next week, but both nets are doing just fine. Fox News won prime and total day last week (2.3mln P2+ prime; 1.3mln P2+ total day), while runner-up MSNBC averaged 1.8mln in prime and 1mln in total day. The two newscasters accounted for 20 of the top 25 programs on cable last week, according to **Nielsen**. What non-news shows are people watching? **Discovery's** "Alaskan Bush People," which netted 3.4mln live+SD viewers—more than Fox News' most-watched "Hannity" ep, which clocked in at 3.26mln viewers, per Nielsen. **HGTV's** lineup continues to pull in a loyal following, with the net taking third place in prime for the week (1.4mln viewers). **USA**, with **WWE Raw**, nabbed the No 4 spot (1.3mln) and **NFL** pre-season helped **ESPN** take fifth place (1.2mln). As for Tuesday's (Aug 21) breaking news with *Paul Manafort* and *Michael Cohen*, Fox News ranked number one in total day with both total

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viewers and in the 25-54 demo (1.621mln for Fox vs 1.579mln for MSNBC for P2+; 329K vs **CNN's** 322K in the demo). MSNBC had the lead in prime that night (3.296mln P2+ vs 2.948mln for Fox). MSNBC had 709K 25-54 viewers in prime Tuesday night, ahead of CNN (639K) and Fox (613K).

Growing the fubo Family: Turner's portfolio is now available to **fuboTV** customers. The multi-year agreement adds **TNT, TBS, CNN, Cartoon Network, Adult Swim, truTV, TCM** and **HLN** to fubo's base package at no extra cost. The base package is still \$39.99 for the first month. Additionally, **Boomerang** and CNN International are being added to the fubo Extra package. CNN en Español is now part of fubo Latino.

For the Children: Genius Brands International reached another goal Wednesday, successfully raising a \$4.5mln investment round of convertible debt. Led by *Robert Wolf* of **32 Ventures**, the funding will be used to drive the success of Genius Brands' preschool property "Rainbow Rangers," which is premiering on **Nick Jr** on November 5. Products are also set to hit the marketplace through an extensive retail rollout led by **Mattel**. Genius Brands will host a Rainbow Rangers launch event in NYC's Time Square on Nov 5, concurrent with the show's debut. "We're still early in our growth, and the future is about continuing to create more enriching kids entertainment and delivering it on the platforms kids are watching," Genius Brands chmn/CEO *Andy Heyward* said on the company's win.

Super Secure: AT&T completed its acquisition of cybersecurity-focused **AlienVault** Wednesday, bolstering its offerings in the space. AlienVault pres/CEO *Barmak Meftah* will become pres of AT&T Cybersecurity Solutions and CEO of AlienVault, reporting to AT&T Business CEO *Thaddeus Arroyo*.

Dog Whisperer: Sling TV partnered with *Cesar Millan*, the famed dog whisperer, to launch an on-demand lineup catered to dogs in honor of National Dog Day this Sunday. Sling customers can find a featured ribbon on the "My TV" screen titled "Shows Your Dog Will Love – Picked by Cesar Millan." The ribbon has over 45 shows and movies that Millan promises pets and their parents will enjoy together. It is available through Aug 28.

PPV Showdown: WarnerMedia's Turner snagged the worldwide rights to a head-to-head match between golf greats *Tiger Woods* and *Phil Mickelson*, with the winner getting \$9mln. The Thanksgiving weekend event will be distributed on a live PPV basis via B/R Live, as well as **DirectTV** and **U-verse**. Turner said it would be offered to other on-demand providers as well. PPV pricing for the live event will be announced at a later date. **HBO's** "24/7" reality franchise will cover the lead-up to the match.

Programming: Comedian *Tiffany Haddish* is getting her own **Netflix** special. The "The Last O.G." actress will tape the special in early 2019 ahead of its global premiere later in the year. -- **Travel Channel** is prepping for the spookiest time of the year, releasing its plans for the "Ghostober" programming event. It all begins on Oct 6 at 9pm with a four-part, four-week long "Ghost Adventures" miniseries that will take the team to the "Graveyard of the Pacific." Other premieres include one-hour special "Chris Jericho: Monster Hunt" (wt), "Scariest Night of My Life," "Most Terrifying Places in America" and interactive ghost hunting series "Haunted Live." -- **Netflix** renewed "The End of The F***ing World" for a second season. Season 2 of the series, based on the graphic novel of the same name, will premiere globally on Netflix, except in the UK, where it will premiere on Channel 4.

People: **DISH** evp/CTO *Vivek Khemka* is resigning from the company, effective Sept 7. During his tenure, Khemka led the strategy for DISH's Hopper HD DVR. He's moving on to **Liberty Latin America**, where he will serve as svp and chief technology and product officer. Before coming to DISH, Khemka held positions at **Danaher, Motorola** and **McKinsey & Co.** -- **Stingray** tapped *David Purdy* to fill the newly created chief revenue officer role. He will oversee all aspects of Stingray's revenue expansion including advertising and sales efforts. He previously served as chief international growth officer of **VICE Media**. -- **NCC Media** named *Noga Rosenthal* as chief privacy officer and general counsel. She comes over from **Epsilon** where she had the role of chief privacy officer, and is a longtime board member of the **Network Advertising Initiative**. -- *Romina Rosado* is **Noticias Telemundo's** new svp of digital news, effective immediately. Based in Miami at the company's new headquarters, she'll head the development and execution of digital programs across Noticias Telemundo and digital news. Rosado most recently served as svp of global content at **E!**.

Lead the Way: WICT is accepting applications for 180 seats for its Rising Leaders Program. Applications for all six 2019 classes are due by Nov 13 at 1pm. The program is designed for industry professionals at the manager and director level who have demonstrated potential and desire for leadership and career advancement. The classes are split up by geographical location and will take place in Ft Lauderdale, FL, San Diego, CA and Chicago, IL.

Editor's Note: Cablefax has transformed its Overachievers Under 30 into the new **People to Watch** program, honoring the rising & future industry leaders of all ages. Nominate rising talent by Aug 31.

Think about that for a minute...

The Halftime Correction

Commentary by Steve Effros

Things are relatively quiet in Washington right now. Both Senate and House members are home raising money for the upcoming election or on some jaunt at taxpayer expense. The president's off playing golf. It's actually money well spent from the point of view of a lot of folks, anything to keep them out of DC! But even with all the summer doldrums, there has to be something to keep the righteous indignation flowing, so last week it was a hearing about the FCC not being able to cope with email filings.

The Commission and its chairman made a mistake. No question about it. They, and particularly their IT folks, characterized a collapse of their electronic comment filing system as the result of a "DDOS" attack, an intentional distributed flooding of the system in order to deny service. It wasn't. As soon as they realized that, they should have said so. But because investigations had already started on why the system had failed, the real reason was kept confidential until the investigations were over. Mistake. That has just led to a vast set of conspiracy theories as to why the Chairman didn't 'fess up" a lot sooner, and the assumption by some that the whole episode was intended to block comments from actually being filed that were opposed to what the Commission was proposing.

Now all this has to do with "net neutrality," so you know it's going to go off the rails no matter what, and that's not really what I want to comment on today. Rather, it's time for all of us to understand, and say quite plainly, that there are NO infrastructures built to handle sudden, massive influxes of calls, data, power, water, or anything else. This isn't about some nefarious scheme regarding a hot political issue, this is about the reality of infrastruc-



tures.

It all reminded me of when I was speaking, many years ago, to the Pennsylvania Congressional delegation up on Capitol Hill. They were exercised about the fact that when the cable system had an outage, their constituents, our customers, complained that they would try to call in to the local system and the lines would always be busy, they couldn't get through! One Congressman pointed out that the same complaint never seemed to be true of the telephone company. And that's where the title of my column comes from; my response was "think about that for a minute..." If the telephone service is out, there's no wonder that folks don't complain about the company not answering their phone; customers can't call them in the first place!

In the FCC case, it wasn't a DDOS attack, it was a popular Sunday night skit on television that urged all like-minded folks to file a "comment" with the FCC about net neutrality (with incorrect characterizations of what was proposed, but forget that for now.) Well, a whole lot of folks read the address on the screen and immediately tried to send a "comment." The result was the same as a DDOS. Too much input all at once crashed the system. It always will.

The telephone system is only designed to handle calls of less than 25% of telephone customers at one time, hence on Mother's Day you are likely to get a notice that "all lines are busy" try your call later. And then there's the plumbing system in most apartment buildings. They always suffer from "the halftime phenomenon" during the Super Bowl. You don't need a hearing to figure that one out.

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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