

Cablefax Daily™

Friday — September 7, 2018

What the Industry Reads First

Volume 29 / No. 172

100 Days: AT&T-Time Warner Move Forward Despite Appeal

It's nearing the 100 day mark since *Judge Richard Leon* approved the merger between **AT&T** and **Time Warner** and although the **DOJ** has moved forward with its plans to appeal the decision, everything is business as usual for **Warnermedia** CEO *John Stankey*. "This was a weak case that was filed going in. It is a weak case on appeal," Stankey said at an investor conference Thursday. "That doesn't mean that we don't respect the process and we're not going to run it through to completion." Calling it mostly a legal exercise, Stankey said that those in the other business units are virtually unaffected by the proceedings. There are plans in place should the DOJ win the appeal. When it comes to advertising synergies, for example, Stankey said there are commercial relationships that have been established that can either be sustained or unwound. Looking to the future, the now-combined group has been focusing on three key objectives: moving forward on initiatives that will change the cash flow trajectory around synergies for both expense and revenue, putting in place the teams to execute those initiatives and putting a unified leadership structure in place to move the business forward. Prior to the transaction, the Time Warner business operated under three distinct silos with little interaction. "That was the right approach and the right structure for the business for the last ten years," Stankey said. "We're now in a different point of time where it's clear that one of the things that needs to occur is a different level of interaction between those operating divisions and a higher degree of collaboration." According to Stankey, that cooperation is going to be what allows the combined companies to survive into the future. "Frankly, what's underneath the purpose of consolidating Time Warner and AT&T is a realization by both management teams that we didn't have the full suite of capabilities to be in a leadership position over the next couple of years," Stankey explained. "The trick is how do you do that where you don't dilute any of the profit/loss responsibility of an operating division, you don't dilute a brand, you don't dilute a creative process. But you get the synergy and cooperation you need." To those questioning whether AT&T could integrate with the legacy Time Warner business, Stankey says to wait and see. "There's no question that any time the business gets into a transformation issue that there's risk involved in it," Stankey noted. "I think the question is what strengths do you have in terms of a management team and a functioning set of assets to be able to endure that."

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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 ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@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

Charter's Calling: Charter quietly rolled out Spectrum Mobile [at the end of June](#), but waited until this week to make a marketing splash. When the soft launch took place June 30, Charter played it safe, as it didn't even have the iPhone available at that point. "We didn't want to go out and market aggressively to contacts and burn contacts because we didn't have all the devices. We now do have all the devices and as of Tuesday, we have begun to be very loud in the marketplace," CFO *Chris Winfrey* said at an investor conference Thursday. "It's activated in most of our sales channels today. We'll be using this not only as a tool to sell mobile into our existing customer base, but we'll be using mobile to sell into all of our existing new sales ... and we'll be using mobile to drive incremental sales to cable." Winfrey cautioned that Q3 results should really only look at mobile post Labor Day because there was "very, very little" activity before that. Ultimately, he believes mobile will be profitable, but it should also help with churn reduction and the ability to sell more services into the home. Mobile is the new triple-play, in that it's being touted as a way to save customers money through bundling. Winfrey suggested the typical customer is paying about \$130/month for two lines of cellular services, running through a scenario where Charter could offer two lines and broadband for around the same price. "Will that drive through and lift video and potentially fixed line phone? Maybe. But the biggest and most important point for us is to drive internet sales." Like Comcast, Charter is offering mobile through an MVNO with **Verizon**. Winfrey was positive on the arrangement, even without full control of the experience. "I'm not going to sit here and say we wouldn't prefer to have a core controlled MVNO over time—I actually think if we did we could be even more competitive and disruptive... But even without that I think we have an opportunity to continue to offload traffic through WiFi, through other forms of unlicensed spectrum and maybe through other forms of licensed spectrum over time," Winfrey said.

Making a (Sea)Change: SeaChange's 2Q19 earnings didn't quite live up to expectations, but that wasn't unexpected by management. The company reported revenues of \$11.9mIn and a US GAAP loss from operations of \$2.1mIn. The focus now is on taking steps to change that story. "As we recognized that our second quarter results would not meet expectations, we began taking steps to reduce our costs further, including implementing a cost reduction program expected to save \$6mIn on an annualized basis, with the goal of returning the Company to profitability and positive cash flow before the end of the fiscal year," SeaChange CFO *Peter Faubert* said. "While our cash burn in the second quarter was high due to our results of operations, unfavorable working capital changes and one-time uses of cash during the quarter, we expect to return to positive cash flow in the second half of the year as our topline results improve." CEO *Ed Terino* noted that they're pleased with the market's reaction to their cFlow subscription-based solutions portfolio and the end-to-end cloud-based video solution PanoramioC. He also said many

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customer transactions expected to close in 2Q were delayed and should be closing in Q3. “The increased interest in our new products, combined our expanded traction with partners... should position us for improved results in the remainder of this fiscal year,” Terino said.

In Control: DISH launched an interactive app Thursday allowing business customers to control multiple televisions from one interface in iPad or Android tablets. Called DISH OnePoint, the app can be used to manage large entertainment systems at properties installed with DISH set-top boxes, such as restaurants or waiting rooms. The app also allows users to set favorites, create custom groups and search for content in the interactive guide without interrupting the current program. The app is compatible with Wally as well as all generations of Hopper and Joey receivers. Hopper Duo support is coming soon.

Rumors Swirl: CBS shares closed up about 3% Thursday following reports that CEO *Les Moonves* is on his way out the door. **CNBC** reported that he’s being offered an exit package in the \$100mIn ballpark, with sources telling the net COO *Joe Ianniello* will serve as interim chief. **Fox Business Network** said sources confirmed CBS has consulted an executive search firm for a long-term replacement. None of this has BTIG’s Rich Greenfield convinced a CBS-Viacom merger will be viable this year, but in 2019 he hopes to see the boards of both companies “revisit a value-accretive transaction that is just the first of several steps in scaling up.”

Discovery’s Maryland Move: Discovery is readying for its HQ to move to NY’s Park Avenue from its longtime home of Silver Spring, MD, but the programmer will keep some operations in the city. Discovery said Thursday that its previously announced Maryland Hub will occupy 60K sq ft of office space across from the Silver Spring metro. The Hub will house select network and support functions, as well as select other functions, such as government relations, that are logically based in the DC area. Discovery confirmed it has sold its 548K-sq ft HQ to Foulger-Pratt and Cerebus Capital Management, with the *Washington Business Journal* putting the price tag at \$70mIn. Discovery has signed a lease for 362K sq ft at 230 Park Ave South in NY’s Flatiron District. Fall 2019 is the targeted move-in date, with the transition continuing through mid-2020.

Ready for Testing: Samsung Smart TV owners can now download the Xfinity Stream beta app. The app allows customers to watch live, on demand and DVR programming as well as public educational and governmental channels over **Comcast’s** secure private managed network. The beta is available for 2018 and 2017 Samsung Smart TVs.

Partner Project: Pioneer Broadband and CASSCOMM are the latest to leverage **ADTRAN’s** broadband and SD-Access solutions. Pioneer, in conjunction with **Downeast Broadband Utility**, is building an open-access fiber infrastructure in the rural communities of Baileyville and Calais, Maine. CASSCOMM is deploying broadband solutions across its entire access portfolio for both carrier and cable service delivery.

Fostering Hope: WWE is partnering with **Hyundai** for the 20th anniversary of its Hope on Wheels initiative. This week’s “Monday Night Raw” will be the kickoff of the partnership, with Honda joining WWE on a four-city tour to offer children with cancer at partner pediatric institutions a VIP fan experience. The package includes VIP seating, backstage access and a meet and greet with *Carter Gates*. Throughout the month, Hyundai Hope on Wheels messaging will be shared with fans across WWE Network and digital and social media. Activations will also be held at “Monday Night Raw” in New Orleans on Sept 10, Dallas on Sept 17 and Denver on Sept 24.

Ratings: **BET’s** “The Bobby Brown Story” drew 6.6mIn total viewers in its premiere week. The two-night event drew 2.3mIn on its first night, growing to 2.4mIn on the second.

Programming: **CuriosityStream** is going back 2mIn years to look at the ancestors of today’s seven species of big cats. Premiering Sept 19 at 8pm, “Age of Big Cats” will tackle how they outlasted other species to rise to the top of their respective ecosystems. -- **HBO** renewed the comedy “Ballers” for Season 5 and “Insecure” for a fourth season. -- **Cheddar** is celebrating women with a new weekly program called “ChedHer.” Premiering Friday at 9:30am, the series shines a light on female business leaders while offering millennial women tips on financial literacy, entrepreneurship and career growth.

People: *The Hollywood Reporter* broke the news late Thursday that **Universal Filmed Ent** chmn *Jeff Shell*, **NBCU** ad chief *Linda Yaccarino* and content distribution chmn *Matt Bond* have joined **Hulu’s** board, citing sources. Their addition follows the expiration of DOJ conditions that required **Comcast** to give up its Hulu board seats as part of approval of the NBCU transaction. -- **Charter** tapped *Kelly Atkinson* as head of marketing, consumer & SMB, overseeing all digital, creative and marketing efforts (with a focus on increasing penetration of all residential and SMB services). She comes to the MSO from Canada’s **Rogers** and reports to CMO Jon Hargis.

Clarification: **DOGTV** is a [24/7 linear channel](#) that’s available on **DISH** for \$4.99/month, not an SVOD service.

PROGRAMMER'S PAGE

No Joking

With 2018 marking the 50th anniversary for “Mister Rogers’ Neighborhood,” it’s hard not to think of iconic children’s TV host *Fred Rogers* when watching **Showtime’s** new series “Kidding” (premieres Sunday, 9pm). After all, it’s about squeaky clean children’s host Jeff Pickles (*Jim Carrey*), who drinks milk and avoids curse words. But Mr Pickles is no Mr Rogers, in my opinion. He lacks his awareness and sensitivity. Mr Rogers got the jokes at his expense, but it doesn’t feel like Pickles does. When Pickles’ family begins falling apart, he handles it by talking to everyone as though they are four years old. That earns him eye rolls and condemnation. “I think that there’s just a real concern for his stability,” show creator *David Holstein* (“Weeds”) said during the summer **TCA** tour when critics questioned why Pickles doesn’t earn Rogers-like respect from those around him. The other characters are looking at “this creepy weirdo at the center of it that believes in all these naive, optimistic things, and it’s very easy to look down on that person and not empathize with them.” The premiere ep, which Showtime made available early to non subscribers for sampling through **YouTube, Facebook, SHO.com**, gives you an uneasy feeling even though it’s unclear which direction Pickles is headed in. “What happens [to him] is so challenging that I would think that everyone would assume that there will be a nervous breakdown,” Carrey said during Showtime’s TCA presentation. “And it might not even be that. It might be them who is having a nervous breakdown. That’s the wonderful thing about this show. I think we’re going to be on a journey to find out that everyone is going through the same change and they’re being forced to by circumstances.” In the end, this odyssey about an iconic kids TV host feels more real than make-believe and that’s to the show’s credit. – *Amy Maclean*

Reviews: “9/11: Escape From The Towers,” Tuesday, 9p.m., **History**. There are countless docs about 9/11, including several excellent ones from History, notably “9/11: The Days After,” which took the chance of eschewing narration in favor of footage and news reports. At the time of its premiere, in 2011, the choice to go without narration was a huge gamble. Unlike “The Days After,” this new doc is not groundbreaking. It’s extremely effective, though. The key is its storytelling, concentrating on people who were in the Towers that infamous day. A bevy of work colleagues recounts, almost in real-time, their emotions and actions, some of which were heroic. The result is a compelling saga some viewers will find too emotional to endure. Those who do will be moved greatly. -- “Behind Closed Doors: John Ritter,” Saturday, 9pm ET, **Reelz**. *Natalie Morales* hosts this entertaining look at the comic actor who died far too young, at 54. It’s not meant as a penetrating examination Ritter, but, as you can imagine, it’s an enjoyable ride. The clips are, of course, terrific, but so are the stills, with Ritter mugging in many. Fortunately, Ritter’s serious acting chops aren’t ignored. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (08/27/18-09/02/18)		
Mon-Sun	MC US	MC US AA
	AA%	(000)
FNC	0.726	2,216
MSNBC	0.592	1,807
USA	0.474	1,446
HGTV	0.426	1,300
CNN	0.344	1,052
HIST	0.344	1,050
ESPN	0.326	996
ID	0.320	979
DISC	0.311	951
HALL	0.310	947
TBSC	0.284	866
TLC	0.279	852
NICK	0.262	801
FOOD	0.252	769
NAN	0.250	765
A&E	0.226	689
ADSM	0.220	671
TVLAND	0.217	662
NBCSN	0.195	594
AMC	0.194	591
INSP	0.192	588
ESPN2	0.192	586
FX	0.186	569
DSNY	0.182	557
TNT	0.176	539
BRAVO	0.176	538
OWN	0.175	536
LIFE	0.169	515
MTV	0.168	514
SYFY	0.164	500
APL	0.159	486
CRN	0.159	486
DSJR	0.157	479
VH1	0.148	452
FRFM	0.146	446
TRAVEL	0.140	426
GSN	0.137	419
HMM	0.133	406
PARA	0.131	401
HBO	0.130	396
COM	0.129	394

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

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Publication Date: October 15, 2018
 Advertising Contact: Olivia Murray, Account Executive
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 Ad Space deadline: September 17
 Artwork due: September 21

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