

Cablefax Daily™

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What the Industry Reads First

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Investor Notebook: Charter CEO Blames Prices, then Password Sharing

Everyone is working to manage the transition of the video ecosystem and viewing habits, but **Charter** chmn/CEO *Tom Rutledge* isn't blaming all of that transition on the rise in streaming. Instead, it's a price issue. "The fact that consumers can't afford the bundle is the biggest issue," the exec said at the **Goldman Sachs** Communacopia Conference Thursday. "The second biggest issue is that the new streaming content, the new video content and IP, is unsecured." Password sharing continues to be a favorite target for Rutledge, who noted that with 30% of households only having one person, it is a major pain point. Charter's primary goal is not to monetize video, according to Rutledge. "Our primary objective is to create valuable customer relationships that include video," he said, noting that he doesn't view video as a standalone product. When it comes to the company's mobile offering through an MVNO with **Verizon**, Rutledge said nothing is stopping Charter from pursuing a similar arrangement from **Sprint** down the road. He repeated **Comcast's Brian Roberts** refrain from the day before, saying he heads a "connectivity company." (Recall: It was actually a *Jim Dolan*-led **Cablevision** that was using first this phrase back in 2015). "I think there is a whole new set of products that are going to come along, entertainment products, virtual reality products, three dimensional holographic products. It will be the new forms of entertainment, information, education that people will use five years from now, 10 years from now," Rutledge further explained in a **CNBC** appearance filmed at the investor conference. "I think we have a great situation from a connectivity perspective [as the video market changes]." -- In a conversation with **CNBC**, **Verizon's** new CEO *Hans Vestberg* said the company will go full steam ahead with its plans for **Oath**, despite Wednesday's announcement of *Tim Armstrong's* departure. "Our ambition is, of course, that we both can leverage the strength of the Verizon side, the network and the distribution, and bringing the Oath assets in there," said Vestberg. He also outlined the company's schedule for 5G. "When we now go from 4G to 5G, it is more evolution," he said. "When Verizon went from 3G to 4G, we needed to take out all the equipment because CDMA was not compatible with 4G LT. This time it is evolution, so this is the normal path. It's rolling out in four cities before the end of the year, but Vestberg says the market can expect full implementation by early next year. "We will come out as soon as we have the network ready and handsets to be bought. We're working diligently on it, and I'm not happy with middle '19, so we will do it earlier."

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Hurricane Alert: Thursday was all about final prep plans for Florence as the storm neared coastal NC, SC and VA. **Charter** had 18 stores closed ahead of landfall and an extensive checklist of preparations. **Cox** went ahead and opened up **The Weather Channel** for all of its customers in the Hampton Roads/NC, Roanoke, Northern Virginia, regardless of what package they're in. **Comcast's** total WiFi hotspots freed up for use by customers and non-customers stands at more than 234K. It's also brought in more generators and stand-by techs as the storm's path is becoming clearer. **Atlantic Broadband** is monitoring the potential impact for its systems in SC, VA, Grasonville and parts of MD and DE and directing customers to its website and social media accounts for real-time outage info. "We have conducted extensive preparation actions in advance of this storm to ensure we keep customers connected. All Atlantic Broadband employees are on full alert and prepared to handle all storm related service issues," said customer care vp *Courtney Long*. **Suddenlink** may see an impact in some of the NC communities it serves. More than 100 generators have been prepped and sandbags are in place for locations and infrastructure that could see flooding. The **FCC** has activated its Disaster Information Reporting System, with the first reports due Thursday at 10am (nothing had been shared publicly as of our deadline Thursday afternoon). Cable ops, broadcasters and other communications providers are encouraged to voluntarily supply updates on outages. In addition to the wall-to-wall coverage, Hurricane Florence is impacting TV through program change-ups. Several college football games slated to run on **ESPN** this weekend were canceled, including Saturday's West Virginia game at NC State. Stay safe everyone!

Mid America Show: TV distributors' recent partnerships with OTT providers can bolster video offerings and more efficiently provide the content customers want, said panelists at the **Mid America Cable Show** in Oklahoma City this week. But while ops can make commissions selling OTT subs as they do with premium nets, the big opportunity is leveraging those deals into upselling broadband, said *Shawn Hayes*, who handles digital TV and strategic partnerships at **Consolidated Communications**. "Most of those customers are taking higher speeds than the average," he said at a panel Tuesday. *Carlos Lopez*, vp, marketing and communications at **Olympusat**, said Hispanics are increasingly cutting the cord and also migrating to rural areas, so small ops that can't afford **Univision** and **Telemundo** might explore cutting deals with an OTT offering like Olympusat's VEMOX to give Hispanic customers an option "to get the content they love." **NCTC** pres/CEO *Rich Fickle* said ops should be careful to guard the customer relationship as they do more OTT deals, noting that it's easy "to lose a sense of what's happening" in terms of analytics and usage. *Jamie Grosz*, who handles content acquisition and business development at **Philo**, said the company is already training cable CSRs to speak fluently about the service "so their customers think they're getting

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Philo from them and not from Philo... We certainly respect the relationship you have with the customer.” – Operators should explore CPM and impression-based TV ad sales to maximize ad inventory on secondary networks, said **Viamedia** Chief Revenue Officer *David Solomon* at a separate panel. He noted that Viamedia wants “to blend the lines between digital and linear” so that tier 3 and 4 networks currently going undersold can fill inventory and generate more revenue for operators. “If we can blend these lines, we drive CPM prices up. Rates go up,” he said.

Day 75: Thursday marked Day 75 of the **Univision** blackout on **DISH**, and there’s no end in sight. In fact, this week saw CEOs of the **Houston Hispanic Chamber of Commerce**, **National Hispanic Construction Assn** and **RGV Hispanic Chamber of Commerce** reach out to the Attorney General of Texas and ask that his office look into DISH’s marketing and consumer practices, particularly related to the Latino community. The two companies will see each other in court in a completely separate matter, with a status conference scheduled on DISH’s lawsuit against Univision’s decision to stream some Liga MX games on Facebook in English. This week, a federal judge denied Univision’s motion to dismiss the case. That order is under seal (parties have 10 days to propose redactions).

Big Man on Campus: Live TV is still alive and strong on college campuses, making up 44% of total video consumption. That was followed by 37% from VOD and 19% from DVR, according to **Comcast**. Thursdays and Sundays were the most popular day for watching, with the 7-9pm timeslot earning the top slot every day of the week. While TVs are certainly not the top choice, neither is mobile, with twice as much consumption happening on computers and laptops versus those mobile devices.

How to Measure: The **Advanced Target Standards Group’s** “Calculation Principles for Advanced Targets” standards are set to be implemented in **Nielsen’s** Advance Audience Posting API. The ATSG has worked to create guidelines for the use of advanced targets in linear TV and managing advanced audience segments. The consortium has also released new resource materials, including documents laying out the issues that need to be addressed by the use of first-party data and a data labeling framework for TV measurement data. In addition, **Janus Strategy & Insights** pres and Nielsen alum *Howard Shimmel* has joined the ATSG in an advisory capacity. -- Nielsen’s board is expanding its strategic review of the company’s Buy segment to include strategic alternatives for the company and its businesses. The assessment is looking at a number of options, including to operate as a public, independent company; separating either Nielsen’s Buy or Watch segment; or selling of the company.

Ready to Elevate: **Espial’s** Elevate Cloud IPTV Platform is available on **Amazon Web Services** and is ready for deployment with AWS Elemental services for cloud-based video processing and delivery. The partnership allows Espial’s SaaS video platform to offer providers auto scaling, the Amazon Cloudfront, native security-logging capabilities and high-quality content delivery. Elevate promises providers easy deployment IPTV, OTT and cable services with low risk and predictable costs.

Who’s Got the Power?: The six finalists in the **Adaptive Power Challenge** were announced by **SCTE-ISBE** in partnership with **Liberty Global** and **Comcast**. Concepts from **Alpha Technologies**, **Technetix** and **Teleste** were recognized as finalists in the Established Enterprise category while **Energy Cool**, **Robert F. Cruickshank III** and **SOFC.nl Holding BV** advanced in the Breakthrough Organization category. They’ll compete at **Cable-Tec Expo** next month, with each category winner receiving \$10K and the opportunity to present its solution directly to cable operators. The finalists will present their solutions and awards will be presented starting on Oct 23 at 2pm.

Kiddie Streams: UK preschool platform **Hopster** snagged carriage on **Comcast** as an SVOD service. It’s the first time the online subscription service has seen carriage from a US pay TV provider. As is the case with a lot of these SVOD offerings, Hopster will set customers back an additional \$4.99/month. It includes classic children’s programs such as “Sesame Street” along with European independent animation such as “Two Minute Tales.”

Public Affairs: **Fox News** partnered with the **National Merit Scholarship Program** to create the Dr. Charles Krauthammer Memorial Scholarship. It will be awarded to children of FNC and **Fox Business Network** employees starting in 2020. It will award winners \$2K a year for a max of four years. *Krauthammer* worked as a contributor to FNC from 2002 until he passed away earlier this year.

People: **Disney** added **Mastercard** exec *Michael Froman* to its board. -- **21st Century Fox** announced that *Gerson Zweifach*, sr evp, group general counsel and chief compliance officer, will step down following the close of the company’s transaction with Disney. -- **Comedy Central** tapped *Erika Soto Lamb* as vp, social impact strategy. In her newly-created role she will be responsible for multiplatform social change initiatives. She previously served as the national director of strategic communications at **Democrats for Education Reform** and **Education Reform Now**.

PROGRAMMER'S PAGE

And the Emmy Goes To...

Like all TV nerds, the **Cablefax** editorial team is eagerly awaiting Monday's **Emmy Awards** (live on **NBC** 8-11pm ET). And we all have our favorites, even if we can't agree on what they are. One thing we can settle on—it's really odd that **Netflix's** "Black Mirror" picked up the win in the category of Best TV Movie for its "USS Callister" ep. It's not a movie! Cablefax's *Mollie Cahillane*, *Amy Maclean* and *Sara Winegardner* give their two cents on some of the big awards still up for grabs. **Comedy Series:** *Sara:* Maybe it's the time period, maybe it's my love of comedic women, but **Amazon's** "The Marvelous Mrs. Maisel" feels like a breath of fresh air. *Mollie:* Despite the hype around "The Marvelous Mrs. Maisel," I think it's "Atlanta's" year. *Donald Glover's* bold **FX** comedy offers a refreshing twist to the genre. *Amy:* I'm from Atlanta. Do you even need to ask? **Drama Series:** *Mollie:* "The Handmaid's Tale" will take home the prize two years in a row. *Sara:* The second season of Netflix's "Stranger Things" was another perfect mix of horror and charm while somehow making you care about the characters even more than in the first. Mike and Eleven forever! *Amy:* Oh, Sara. Stranger Things jumped the shark. I'm placing my money on NBC's "This Is Us." It's a drama that speaks to so many people, with even my 12-year-old hooked. **Limited Series:** *Amy:* Surely we can all agree that it's FX's "The Assassination of Gianni Versace." *Mollie:* *Ryan Murphy* is always an Emmy favorite, and it deserves the win. *Sara:* Sorry, but after falling for *Benedict Cumberbatch* as Sherlock Holmes, it was fantastic to see him actually tackle what it means to be an addict. **Showtime's** "Patrick Melrose" gets my vote. **Variety Talk Series:** *Mollie:* In a competitive category full of standouts, **Comedy Central's** "The Daily Show With Trevor Noah" will take home the win. His sharp voice and unapologetic, nuanced commentary is Emmy gold. *Sara:* Coming from Britain with no established audience, *James Corden* has carved a unique place for himself alongside mainstays like Fallon and Colbert. *Amy:* Too much talent here... Can't we just give them all a statue?

Reviews: "Kidding," 10pm, Sunday, **Showtime**. Anyone expecting wacky, face-morphing *Jim Carrey* will think they've got the wrong channel. Carrey is excellent, but serious as a Mr. Rodgers-inspired kids' TV host whose life is filled with sadness and, perhaps in future eps, significant change. We have qualms about urging viewers to hang in there, as critics received just four eps. Still, we will, hoping the rest of "Kidding" is as progressive, creative and compelling as its opening eps. The series' title is downright misleading, though kids figure heavily in this innovative venture, which likely will stick with viewers long after the screen goes dark. It's that unusual, the characters, sequences and timing that offbeat. Many networks boast shows "unlike anything seen on television." Few deliver; Kidding does. The ensemble is tremendous, with Carrey receiving excellent support from *Judy Greer* (as Carrey's character's estranged wife); *Frank Langella* as his creepy boss and, oh, father; *Catherine Keener* as his sister and colleague; and *Cole Allen* as his son. -- "Seau," Thursday, **ESPN+**. We've yet to see a "30 for 30" film we didn't like. This one, about the late footballer, is a fine tribute, but also a call for caution. — *Seth Arenstein*

| Basic Cable P2+ Prime Rankings* (09/03/18-09/09/18) | | |
|--|----------|-------------|
| 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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