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What the Industry Reads First

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Media Landscape: Hearing Discusses Vertical Integration, Rise of vMVPDs

"It seems that the only constant in the media marketplace is change," Rep Mike Doyle (D-PA) said at the top of Thursday's Communications subcommittee "State of the Media Marketplace" hearing. This year alone saw the combination of **AT&T-Time Warner**, **Disney** making a deal to purchase **Fox** assets and the continued rise in cord-cutting as more OTT options arrive every day. Amidst it all, traditional MVPDs have been forced to adapt in order to stay competitive. **Kagan Media Research Group** research director *Ian Olgeirson* noted that companies like **Comcast** and **Charter** have invested heavily in improvements to their user interfaces, making them more similar to those found in OTT services. Comcast also developed its Instant TV initiative, a vMVPD service that can be added to an internet package for \$18/month. The offering also includes DVR capabilities and allows customers to add channels and customize their package. What's still to be seen is how many streaming services one person will subscribe to before they encounter "subscription fatigue," **MoffettNathanson** founder and senior research analyst *Craig Moffett* told the subcommittee. Vertical integration was a hot topic in its own right with the AT&T-Time Warner merger and the still-fresh **Sky** purchase by Comcast earning many mentions. Moffett claimed that these deals were made in response to new challengers entering the marketplace. Amongst them are the edge providers from the tech industry that have the ability to pack quite a punch in their products. "It is very clear that the moves that you've seen from companies like AT&T and Comcast have been precisely to respond to the fact that the scale and market power of companies like **Google** and **Facebook** are in fact much greater than their own," the analyst said. In a letter submitted prior to the hearing, **ACA** pres/CEO *Matt Polka* noted that the increase in vertical integration has made it more difficult for ACA members to maintain a viable video service. With ACA members losing roughly 14% of their video subs in the last five years, smaller cable operators have had to shut down or sell to other companies. "That means their customers either lose a competitive option in the marketplace or a provider that has close ties to the community," Polka wrote. Independent programmers **Ride TV**, **Revolt**, **MAVTV** and **Cinemoi** joined together to pen a letter to the Committee that highlights how dysfunction in the retransmission consent market can be a serious threat to smaller entities like themselves. "We believe the survival of independent programming is important not only for the sake of our individual

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companies, but to ensure that true alternatives remain available to the American people,” the missive read. “If you believe, as we do, that today’s media landscape needs more voices, you should be worried that existing regulation—including retransmission consent—can reduce the number of voices in an already concentrated market.”

Unprecedented Alliance: Nine states banded together to support **AT&T** in the **DOJ’s** antitrust case to block the company’s acquisition of **Time Warner**. State attorneys general from Wisconsin, Alabama, Georgia, Louisiana, New Mexico, Oklahoma, South Carolina, Utah and Kentucky filed the amicus brief late Wednesday in the US Court of Appeals for the DC Circuit. “What is truly unusual, especially in a merger of such national scope, is that not a single state decided to join the federal government’s antitrust action here or file a supporting amicus brief,” Wisconsin attorney general **Brad Schimel** wrote. The 25-page brief chronicled the history of states joining with the federal government on antitrust cases when companies with national footprints attempt to merge, potentially leading to reduced competition. “History suggests that at least some States would not hesitate to get involved if they believed that the merger would decrease competition and harm their citizens,” Schimel continued.

Beleaguered Boxing: **HBO** is leaving the ring. The company broadcast its first boxing fight in 1973, but now says it is “pivoting away” from programming live boxing beginning in 2019. “Boxing has been part of our heritage for decades. During that time, the sport has undergone a transformation. It is now widely available on a host of networks and streaming services. There is more boxing than ever being televised and distributed. In some cases, this programming is very good. But from an entertainment point of view, it’s not unique,” the company said in a statement. HBO’s most-watched fight in 2018 saw only 1.3mln viewers. **Showtime** is likely to pick up some of the matches. **Showtime PPV** will air the **Wilder vs Fury** heavyweight world championship on Dec 1 at 9pm. The showdown pits two undefeated heavyweights against each other at Staples Center in LA.

Cut it Out: **TiVo** announced the TiVo Bolt OTA for Antenna in an effort to target cord cutters. The 4K Ultra HD capable set-top is designed to work with an antenna. The company says viewers will still be able to enjoy high-quality HDTV programming, but save over \$800 within a three-year period. The box has four tuners and a 1TB hard drive that can record 150 hours of HD programming. It includes TiVo’s user experience and access to OTT services. It retails for \$250. TiVo also announced it’s dropping the monthly DVR service charge for the Bolt OTA from \$14.99 to \$6.99, or customers can opt for a \$250 lifetime service fee.

Power Up: **J.D. Power** found in a study that overall residential wireline customer satisfaction increased across the

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board. It found that companies that focus on finding newer, more effective ways of communicating with their customers are the main source of the satisfaction increase. The ISP and telephone studies measured satisfaction across network performance and reliability, cost of service, billing, communication and customer service. The television study measured those five factors as well as programming. For ISPs, **Verizon** ranked highest in the East region, **AT&T/DirecTV** in the North Central and South regions, and **Cable One** ranked highest in the West region. **DISH Network** performed highest in overall satisfaction, and ranked highest in the North Central and West regions. AT&T/DirecTV ranked highest in the East and South regions.

Trend Tracker: **Nielsen** is continuing to add to its portfolio, launching the MediaTech Trender. The quarterly consumer tracking survey looks into the emerging devices and services that shape how people are consuming media as well as their perceptions of that media. Amongst those technologies being traced are smart speakers and VR devices. Insights gathered so far revealed that household ownership of smart speakers rose to 24% in 2Q. Listening to music remains the most popular use, with 90% of users using them weekly for that purpose. -- Separately, **Nielsen** announced an expansion of its Total Audience capability for local measurement of ads and content. The solution will allow Digital Ad Ratings, Total Ad Ratings and Digital Content Ratings to measure reach, frequency and GRP performance for ads and contents on both digital and TV at the local market level.

Philly Fans: **NBC Sports Regional Networks** launched a direct-to-consumer product for displaced Philadelphia sports fan. The "Philly Pass" will allow fans outside of NBC's Philadelphia territory access to NBC Sports Eagles, Phillies and Sixers pre- and postgame programs, weekday sports programs and additional team-focused programming. It is available for \$29.99 a year or \$3.99 a month.

Vue Anything: **PS Vue** users in multiple markets now have access to local broadcast stations at no additional cost. The service now offers more than 540 local **ABC, CBS, FOX** and **NBC** stations in cities all over the country.

Sling Scores: **Sling TV** added two additional channels to its offerings. **Comedy Dynamics** (\$5 per month) and **DOGTV** (\$5 per month) are both available for purchase with or without a base subscription.

Dual Capacity: **AirTV** introduced its first dual-tuner capability to AirTV Player, making it so users can watch and record two OTA broadcast channels simultaneously. Customers can buy the dual t-tuner adapter for \$29, or bundle it with the player for \$119. A bundle with a single tuner is also available for \$99.

Programming: **Byron Allen's Entertainment Studios** ordered a total of 650 new half-hour eps for five current court series. The shows include "America's Court with Judge Ross," "Justice for All with Cristina Perez," "Supreme Justice with Judge Karen," "Justice with Judge Mablean" and "The Verdict with Judge Hatchett." The shows are carried in broadcast syndication and on the ES net **Justice Central TV**. -- **HBO Documentary Films** acquired the rights to "The Cold Blue" from **Paul Allen's Vulcan Productions**. The doc examines the daily life of men of the Eighth Air Force, who flew in WWII. It will debut on HBO in June 2019. -- "Outrageous Acts of Science" will return to **Science Channel** on Oct 17 at 10pm. -- **Nickelodeon** will air a month-long lineup of Halloween premieres starting Oct 8 with the premiere of the new show "The Bureau of Magical Things at 8pm." Other programming includes "Paw Patrol," "Rise of the Teenage Mutant Ninja Turtles" and "SpongeBob SquarePants." -- In other spooky news, **Freeform** is celebrating the 25th anniversary of cult classic "Hocus Pocus" with a 90-minute celeb-filled special on Oct 20 at 8:15pm. The all-star party features musical performances by *Dove Cameron*, boy band *PrettyMuch* and a themed costume contest judged by *Sharon* and *Kelly Osbourne*. -- **Hallmark** is continuing its "Fall Harvest" programming event with the premieres of original films "Falling for You" on Oct 6, "Under the Autumn Moon," Oct 13, "Love, of Course" Oct 20 and "Good Witch: Tale of Two Hearts" on Oct 21. It's hard to believe it's already that time of year, but the net will air its "2018 Countdown to Christmas Preview Special" starring country singer *Kellie Pickler* on Oct 20, 10pm.

People: **Fran Bradley** has been unanimously elected chairman of the **Broadband Cable Association of Pennsylvania** (BCAP). He currently serves as director, government affairs for **Atlantic Broadband**. -- **Sid Eshleman** joined **CuriosityStream** as the new head of distribution. Before joining the company, he served as chief distribution officer at **Poker Central**, and previously spent 13 years as svp, sales and marketing at **Turner**. -- **Oxygen Media** promoted **Stephanie Steele** to svp, production and development, moving up from her role as director, current programming. In other Oxygen news, **Lisa Hsia**, evp, digital for **Bravo & Oxygen Media** is adding **Universal Kids** to her purview. **Jennifer Geisser** will now lead strategic media campaigns and brand awareness across all platforms for Universal Kids in addition to leading communications for Bravo and Oxygen.

PROGRAMMER'S PAGE

Scripted Unreality...

Narrative experts will tell you that stories on both the big and small screen generally stick to established structures and character arcs that have been around for thousands of years. That's still true. However, the thirst for something "new" in the Golden Age seems to have pushed top creatives to take risks that never would have flown in the past. Take **FX's** "Legion," which wrapped Season 2 in June and could best be described as an acid trip that fell asleep—and then dreamt another acid trip. If Season 1 felt strange but pretty coherent, Season 2 felt like a conspiracy by creator *Noah Hawley* to gaslight our brains. He's probably still laughing at people trying to figure out those sushi boats and the mustached femme-bots. A more recent example of wacky storytelling would be **Netflix's** new series "Maniac" starring *Emma Stone* and *Jonah Hill* as two people whose dreams keep colliding as part of a medical drug trial—all set in a confusing world filled with 1980s retro gadgetry that somehow exists side-by-side with futuristic AI and "Inception"-like microwave tech. You'll watch the eight episodes thinking that at some point co-creator and director *Cary Joji Fukunaga* will tell us what the hell is going on. But he never really does. Was it all a weird dream within a dream, a schizophrenic delusion or just a *Terry Gilliam*-esque parallel reality? Crickets. And speaking of **HBO**, one of its biggest hits "Westworld" just closed out Season 2 jumping back and forth between so many timelines and narratives that audiences constantly found themselves off balance. All of this begs the question: As more and more shows twist reality and purposefully confuse us, will even established series slowly veer into avant-garde territory in search of something new? In the old days, TV shows treated us like narrative idiots, holding our hands at every turn. Now they expect MENSEA-level analysis. It's an exciting time to watch TV. But also exhausting. — *Michael Grebb*

Reviews: "Shameless," 9pm, Sunday, **Showtime**. We rarely review a mid-season episode of a long-running series. But it's a rare series that reaches 100 episodes. Now in Season 9, "Shameless" reaches the century mark with Sunday's ep and it's a beauty. There's no chance showrunner *John Wells* could have known about the Kavanaugh brouhaha months ago when this week's episode was being planned. Still this ep, loaded with sex- and gender-based storylines, seems fortuitously timed. One of the stories about making a bar more women-friendly features a hoot of a board game. Even more, a political-related storyline results in an all-out battle at the polls, which in a way isn't far off from what's happening in the country. Ep 100 seems strong. -- "Mayans M.C.," 10pm, Tuesday, **FX**. If you liked "Sons of Anarchy," you'll know what to expect with this new series. The question we have is whether or not viewers will hang in as the story develops—pacing is sometimes slow—and the characters become better known. Face it, the main characters of Sons were so memorable, as were its actors, "Mayans" has a battle. Fortunately, Mayans has *Edward James Olmos* as Felipe, the father of *EZ Reyes* (*JD Pardo*), just out of jail and a strong prospect to join the motorcycle club. Will they be enough to sustain it? — *Seth Arenstein*

Basic Cable P2+ Prime Rankings*

(09/17/18-09/23/18)

Mon-Sun	MC	MC
	US	US AA
	AA%	(000)
ESPN	0.956	2,919
FNC	0.889	2,714
MSNBC	0.616	1,881
NFL	0.491	1,498
USA	0.434	1,324
HGTV	0.429	1,309
HALL	0.386	1,179
ID	0.327	997
HIST	0.317	968
CNN	0.302	924
A&E	0.296	905
FOOD	0.285	872
DISC	0.285	871
TBSC	0.282	861
TLC	0.279	851
NICK	0.237	723
FX	0.223	681
ADSM	0.216	659
AMC	0.210	641
NAN	0.203	619
TVLAND	0.188	575
DSNY	0.183	560
TNT	0.182	557
INSP	0.179	548
LIFE	0.171	523
HBO	0.167	512
VH1	0.165	504
BRAVO	0.164	500
DSJR	0.162	494
SYFY	0.159	485
FRFM	0.154	471
MTV	0.151	462
NKJR	0.138	423
HMM	0.136	416
APL	0.132	404
NATGEO	0.132	404
TRAVEL	0.132	402
LMN	0.126	384
OWN	0.124	380
GSN	0.122	374
BET	0.116	355

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

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