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What the Industry Reads First

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Gone Dark: DISH Customers Lose HBO In Carriage Dispute

HBO has been blacked out for the first time in its four-decade history, with no immediate end in sight. At midnight Wednesday night, HBO and **Cinemax** went dark on **DISH** and **Sling TV** due to an ongoing carriage dispute. More than 2mln customers are affected, with both parties placing the blame squarely on the other. DISH ripped into HBO's new parent **AT&T** in a press release at midnight, pointing to the company's **Time Warner** acquisition as the source of the spat. DISH programming svp *Andy LeCuyer* reiterated that stance in an interview Thursday. "It comes just a few months on the heels of the AT&T-Time Warner transaction, and there's a lot of people that were concerned during that and the **DOJ** trial that AT&T would be able to exercise market power in a way to drive subs to their products, and I think that's what we're seeing happen here," he told **Cablefax**. Not surprisingly, an executive at HBO strongly disagrees, saying the premium net believes DISH never had any intention of coming to a deal. The rep said HBO offered a proposal with better terms than previous contracts, which was declined. HBO also said it offered DISH an extension in which the channels would remain available, which it said DISH declined. However, LeCuyer said that DISH offered AT&T an extension that would have kept the channels available to customers and would true up AT&T upon coming to an agreement, and that AT&T refused. In other words, it's a typical case of he said/she said in yet another programmer-distributor dispute. Among the sticking points, DISH claims AT&T is demanding it pay for a guaranteed number of subscribers, regardless of how many consumers actually want to pay for HBO. DISH told customers Thursday that they will not be charged for any time without HBO/Cinemax, and if they've already been billed, a credit will apply on their next statement. The dispute comes with the interesting backdrop of DOJ appealing a federal judge's ruling that allowed AT&T and Time Warner to combine. Oral arguments are scheduled to take place in DC next month. DISH formerly objected to the AT&T and Time Warner deal from the beginning. "I would assume the DOJ is watching this carefully," LeCuyer said. "For over 38 years, DISH has been about serving rural consumers. It's in our DNA. We think that rural consumers are being disproportionately harmed, the content is being withheld from them by HBO, and they're forced to go to AT&T's own platform." Direct-to-consumer plays have caused new wrinkles in the distributor-operator negotiations. In January, when **Altice USA** lost **Starz** for about six

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weeks, it took the unusual move of advising its customers to take the \$8.99/month online offering if they wanted to continue to receive the programming. This time, it's the programmer (owned by a distributor) pushing people online. HBO has launched the site KeepMyHBO.com to provide customers with alternative options, including routing them to **HBO Now**, a \$14.99 a month streaming service. DISH subscribers have also lost access to **HBO Go**, the on demand service for pay TV HBO subscribers. The expired pact between DISH and HBO was signed in 2015, the same year HBO Now launched. DISH's view is that AT&T is looking for traditional distributors to subsidize HBO as AT&T makes it available on its platforms, with slashed prices and free HBO for wireless subs. "This is the exact anticompetitive behavior that critics of the AT&T-Time Warner merger warned us about. Every pay-TV company should be concerned," LeCuyer said in a statement. Others say there's reason to worry about DISH, which has had blackouts in the past with **Fox News**, **CBS**, **Nickelodeon** and even some of HBO's **Turner** siblings. The satellite operator is currently embroiled in a months-long battle with **Univision**, dropping the flagship channel at the end of June after the two were unable to come to terms. HBO noted the flare-ups, stating "DISH is making it extremely difficult, responding to our good faith attempts with unreasonable terms. Past behavior shows that removing services from their customers is becoming all too common a negotiating tactic for them."

Hangin' Tough: **AMC Network's** acquisition of **RLJ Entertainment** came to a close Thursday after the latter's shareholders approved the deal at a Halloween meeting. AMCN will acquire all the common stocks of RLJE not owned by **BET** co-founder *Bob Johnson* or currently owned by AMCN for \$59mln in cash. AMCN now owns 83% of the company. The addition of nearly 1mln subscribers from RLJE's **Acorn TV** and **UMC** more than doubles its stake in DTC services, giving it a larger presence than any other basic cable programming group, AMCN CEO *Josh Sapan* said on the company's Q3 earnings call Thursday. The deal comes as AMCN saw 3Q net revenues rise 7.5% to \$697mln while operating income increased 7.3% to \$165mln. While some have worried that the decreased dominance of "The Walking Dead" would lead to troubles for AMC, **MoffettNathanson** isn't pushing the panic button yet. "The company has proven adept at keeping operation profits stable due to the growth of distribution revenues and cost management," it said in a research note. "In this light, the true tipping point for the stock and the business model would be any signs of erosion in the company's ability to grow distribution revenues as they would lost the counterbalancing offset to the falling advertising revenues." **Bernstein's Todd Juenger** agreed that the revenue coming in from the company's US networks "continues to hang in better than expected." Shares closed up 3% Thursday.

Speeding Ahead: **CableLabs** showed off its latest data on the state of US broadband Thursday, showing that giga-

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bit service was available to 63% of households as of last June. It's a massive jump from December 2016, when only 4% of households received gigabit speeds. That push can be attributed to the active deployment by cable broadband providers of DOCSIS 3.1 amongst other things, and is only positioned to continue with the latest DOCSIS specification, Full Duplex DOCSIS. That has the potential to push 10 gig speeds of symmetric broadband capacity over the coax portion of the network. It's not just the introduction of gigabit speeds to more households that was promising. Fixed terrestrial broadband service (25Mbps/3Mbps) is available to 125mln US housing units, with cable broadband service being available in 92% of those.

Ratings: Multiple versions of **ESPN's** "SportsCenter" are continuing to see viewership gains. "SportsCenter with Scott Van Pelt" has seen a 13% rise YOY in viewership for the Monday night editions following "ESPN Monday Night Football." It's also seen a 10% rise in viewership in the A18-49 demographic for that timeslot. The 6pm edition of the show with *Kevin Negandhi* and *Sage Steele* saw its eighth consecutive month of YOY growth during October, and is up 4% overall for the year. The expanded 90-minute noon "SportsCenter" on Mondays is up 11% YOY.

Disaster Response: FCC chmn *Ajit Pai* named members of the new Disaster Response and Recovery Working Group of the Broadband Deployment Advisory Committee (BDAC). **FirstNet** NC state point of contact *Red Grasso* will chair the group. **Wireless Infrastructure Association** pres/CEO (and former FCC commish) *Jonathan Adelstein* will serve as vice-chair. The group is responsible for recommending measures that can improve the resiliency of broadband infrastructure before, after and during a disaster. Members of the group include utilities, municipalities and providers, such as **Charter** and **Verizon**.

Veteran Hires: **Comcast NBCU** plans to hire an additional 11K veterans, military spouses and National Guard and Reserve members by the end of 2021. That builds on its previous commitment made in 2015, which was to hire 10K members of the military community by the end of 2017. Comcast NBCU has been ramping up its efforts to support the military community over the past several months, expanding its Internet Essentials program in August to offer eligibility to low-income veterans and becoming a founding partner of the **US Chamber of Commerce Foundation's** Hiring 100,000 Military Spouses campaign. It's also partnered with the **Elizabeth Dole Foundation** and the **PsychArmor Institute** to support the creation of digital skills training videos and supplementary materials.

fubo Strategizes: **fuboTV** is bringing *Hannah Brown* on board as its first chief strategy officer. Effectively immediately, Brown will report into co-founder/CEO *David Gandler*. She most recently served as svp, corporate development at **Relevant Sports Group**, executing and delivering development opportunities through mergers, acquisitions and organic development. She's also a 10-year veteran of **Sky** and was an early **fuboTV** investor.

Disney Deals: Writer/producer *Travis Braun* has signed an overall deal to develop and produce animated and live-action content across **Disney Channel**, **Disney XD**, **Disney Junior** and Disney's upcoming DTC service. Braun currently acts as the creator and co-executive producer on the upcoming Disney Channel series "Fast Layne" and Disney Junior's "T.O.T.S.," each coming in 2019.

Distribution: **Boomerang** is hopping on to **VRV** as the fandom-focused platform's latest partner, joining **Crunchyroll**, **Rooster Teeth**, **Shudder** and more. The Boomerang channel will be available to VRV subscribers on Nov 13.

Programming: **NBC News** and **Universal Kids** teamed up for "NBC News for Universal Kids," a daily newscast that will engage 6-12-year-olds in current events. *Savannah Sellers*, co-host of "Stay Tuned" and an NBC News and **MSBNC** correspondent, hosts the show. It airs weekdays at 6pm on Universal Kids. -- **FOX Sports Southeast** will televise the first football game played at SunTrust Park in Atlanta, Nov 17 at 3pm when **Jacksonville State University** kicks off against **Kennesaw State University**. -- **BET** licensed "Carl Weber's The Family Business," based on the author's novels, for an eight-part drama. The first episode debuts on Nov 13, 9pm. -- **Showtime** announced it is continuing the "Penny Dreadful" saga with "Penny Dreadful: City of Angels" with production to begin in 2019. -- **Disney/ABC Television** is once again celebrating the most wonderful time of the year with the "25 Days of Christmas" programming event. **ABC**, **Freeform**, **Disney XD** and **Disney Junior** will all air holiday-themed programming starting on Dec 1. This year's event will include the premieres of original films "No Sleep 'Til Christmas" and "Life-Size 2" on Freeform. -- Master car builder *Chad Hiltz* (AKA "Bad Chad") will showcase his creations in the new year on **Discovery Channel**. Premiering Jan 1 at 10pm, "Bad Chad Customs" will follow he and his team as they turn junkyard metal into award-winning vehicles. -- "The Brady Bunch" cast is reuniting after nearly 15 years for **HGTV's** "A Very Brady Renovation," premiering in Sept 2019. After HGTV experts like *Jonathan* and *Drew Scott* renovate their LA home, the cast will embark on a walkthrough.

PROGRAMMER'S PAGE

'Deadwax' Delivers as Shudder's First Short-Form

Shudder, AMC Networks' streaming service dedicated to suspense and horror, scores big with "Deadwax," its first original scripted short-form series, premiering Nov 15. The eight-episode thriller was created and directed by filmmaker, sound designer and electronic musician *Graham Reznick*. "I've had the idea for a couple years now. I just wanted to do something involving vinyl and music and sound," Reznick told **Cablefax**. "I really love to explore sound design and do something of my own that used sound and music as the real focus of the narrative, and take advantage of the more subtle and subconscious things you could do with sound. The idea that sound could do things to your brain that you're not aware of." The show follows Etta, played by *Hannah Gross* ("Mindhunter"), who is hired to find the only existing print of a record that kills anyone who listens to it. Sound plays a huge role in the series. "People say you write the movie three times, on paper, on set and in the editing room. My most favorite part is seeing everything come together, especially something that's so music-oriented. I tried in every episode to have at least one sequence that was more than the sum of its parts, where if you took any element away it wouldn't be the same thing," Reznick said. "I realized I could break it out easily into eight little mini-acts, almost like chapters. It's almost like tracks on an album." The eight episodes only run roughly about two hours long, and Reznick explained it was shot almost in the same way an indie feature would be. "I'm very proud of it. I think people are going to dig it, especially if they're into horror or music in general. We had a really great cast and crew," he said. The first episode definitely matches Reznick's assessment. With surprising twists, excellent writing and acting, stunning visuals and audio, *Deadwax* finds a way to keep "spooky season" alive post-Halloween. — *Mollie Cahillane*

Reviews: "Give Us This Day?" 10pm, Thursday, **AT&T Audience**. This doc from brothers *Jeff and Michael Zimbalist* is very difficult viewing. It's also an investment of two hours. For those viewers who want to see a slice of life normally not presented in the media, "Give Us" is well worth the time. It's a film that you won't forget. Reminiscent of the best moments in **HBO's** "The Wire," the Zimbalists tell the stories of six people who live or work in an impoverished stretch of East St. Louis, Illinois, the city with the ignominious distinction of having the highest homicide rate in the country. Making it more compelling is that three of the six personalities profiled are police officers, including the chief and a former LAPD officer working hard to change his philosophy. -- "Ray Donovan," 9pm, Sunday, **Showtime**. The issue sometimes with long-running series is keeping things fresh. Judging from the excellent Season 6 premiere last Sunday, "Ray Donovan" will have little trouble on that account. Nearly everything about the series and its main character has changed. Ray's (*Liev Schreiber*) still a no-nonsense fixer, but he's broke, suicidal, paunchy, a widower and living in NY. Should viewers want to pick up the story this Sunday with ep 2, fine, but we recommend watching the season's opening ep beforehand. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (10/22/18-10/28/18)		
Mon-Sun	MC US	MC US AA
	AA%	(000)
FNC	0.837	2,557
ESPN	0.738	2,253
MSNBC	0.491	1,500
HALL	0.440	1,344
USA	0.415	1,268
HGTV	0.349	1,065
CNN	0.329	1,006
TBSC	0.321	980
HIST	0.296	903
A&E	0.281	859
DISC	0.278	850
FOOD	0.277	847
AMC	0.276	842
TNT	0.272	830
ID	0.257	785
TLC	0.255	778
ADSM	0.228	696
NICK	0.225	686
NAN	0.210	642
FRFM	0.203	620
TVLAND	0.188	574
HMM	0.187	570
DSNY	0.182	555
INSP	0.182	555
VH1	0.182	555
FX	0.178	544
DSJR	0.168	514
BRVO	0.159	485
CRN	0.157	480
LIFE	0.150	457
SYFY	0.149	455
MTV	0.148	453
NATGEO	0.145	443
NFL	0.140	428
OWN	0.134	408
NKJR	0.130	398
GSN	0.127	389
APL	0.120	367
TRAVEL	0.119	363
FOXDP	0.113	344
FXX	0.112	342

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



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