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What the Industry Reads First

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2018 Ratings: News Keeps Shining, While Kids Programming Falls

With 2018 almost in the books, it looks like **Fox News** will once again walk away with the crown for top cable net in both prime and total day when it comes to P2+. It'll be the net's third consecutive year it has nabbed both honors—with Fox News still going strong despite sometimes being in the news itself (right now, there's an ad-boycott effort against *Tucker Carlson's* show following his comments on immigration; last year, there was the loss of top-rated host *Bill O'Reilly* following harassment allegations). Through Dec 17, Fox News has averaged 2.47mln viewers in prime, ahead of **ESPN's** 1.86mln, according to **Nielsen** data based on coverage area ratings within each cable net's universe. Fox easily held onto the top spot in total day with 1.44mln viewers, with **MSNBC** runner-up at 995K. In a time of declining ratings, Fox News has held on to its audience. For Dec 26, 2016-Dec 17, 2017, it averaged 2.42mln viewers prime—with this year's average even up a little. MSNBC hasn't been able to overtake Fox, but it is picking up new viewers, with its P2+ viewership average for the same periods jumping to 1.81mln in prime from 1.63mln a year ago. **CNN's** P2+ prime viewership is down, with the net averaging 992K so far this year vs 1.06mln at the same point last year. Yet the net said 2018 still goes down as its third highest prime time in 10 years. As news rises, kids programming continues to fall. Now not only is Fox News surpassing **Nick** again as the top cable net in total day, but MSNBC is pushing the kids net out of second place (995K vs 872K). It's the first time MSNBC has ranked second across all of cable in P2+ total day, with the net moving up in the annual rankings (M-Su, 6am-6am/P2+) every year since 2013. **Bernstein Research's** analysis finds that the kids' cable nets have been down 20% or worse for 57 of the past 58 weeks. "Nickelodeon, the most important of the kids' cable networks, declined 19% this week, just the 6th week in 2018 that the decline wasn't 20% or worse. QTD, it's down 22%. YTD, it's down 24%," said a Bernstein research note Monday. The story is similar across other kids' nets, **Cartoon** has averaged 474K total viewers in total day this year vs 671K through Dec 17, 2017. **Nick Jr** fell to 284K from 373K, and **Nick** is down from 1.12mln last year. **MoffettNathanson's** research found that Nickelodeon, **Adult Swim** and **Cartoon Network** experienced the largest absolute declines among cable nets in November, losing between 60K and 105K viewers.

Charter's Side: A day after news of **Charter's** settlement with the NY AG following a 2017 lawsuit that claimed it

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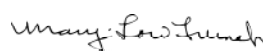
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Here's To A Successful 2019!

Sincerely,



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was misleading customers over internet speeds, the MSO posted a [blog](#) titled “Delivering on High Speed Broadband for New York.” While the NY AG puts the settlement at \$174.2mln, Charter said the dollar figure appears nowhere in the actual settlement (it does acknowledge the \$62.5mln it plans to pay out in refunds). “Simply put, the headline-seeking rhetoric that accompanied disclosure of the settlement does not reflect how Charter acts as a company, the products and services we deliver, how we treat our customers or the substance of the settlement itself,” Charter said. The blog post, citing the most recent **FCC** report available, highlighted figures showing how it delivers over 111% of advertised download speeds and it delivers those speeds more consistently than any other ISP in country at 104% of advertised download speed. “We recently agreed to a settlement with the New York State Attorney General to resolve allegations against Time Warner Cable about TWC practices, not Charter practices, which predated Charter’s acquisition of that company. Importantly, after more than three years of investigation and litigation, the Attorney General’s office failed to uncover any evidence of fraudulent or otherwise unlawful behavior by Time Warner Cable,” Charter said. “Charter is proud of our investments and improvements in New York and across the country that enable great broadband experiences for our customers.”

Stream Queens: When consumers are choosing the right streaming service for them, the most influential factor is cost (53%) followed by their interests being aligned with the content offered (31%). According to a new survey from **Brightcove**, 58% of respondents stream content at least once a week via a smart TV or external streaming device, 51% on a mobile device and 50% on a computer or laptop. TV still beats out other options like mobile and computers when it comes to consuming regularly scheduled news (68%), regular season sports (69%), breaking news (54%), special sports events (66%), concerts (53%) and fashion shows (45%). A major reason behind that could be the advertisements and technical issues that go hand in hand with live streaming experiences. Too many ads (37%) and poor image or video quality (35%) were the top reasons why viewers had abandoned a live stream, followed immediately by buffering (33%) and the live stream crashing (32%). -- When it comes to the holidays, one thing is more important than family time or heading out for a round of caroling. 72% of “serious watchers” (those who watch 10 or more episodes a week and view content from multiple sources) have admitted to postponing a holiday tradition specifically so they could watch a TV show or event during the holidays. Another 38% have delayed speaking to a family member on the phone or video chat in order to watch their favorite series, according to a survey from **LG**. Even meal time has been affected, with 60% planning a holiday meal around a TV program this year.

To The Cloud: Charter has invested in **Blade**, a tech company that has developed a high-performance PC

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WHERE WE'LL BE

- 1/8/19 CES in Vegas (Jan. 8 - 11)
- 1/22/19 NAPTE in Miami (Jan. 22 - 24)
- 1/28/19 ReelScreen Summit in New Orleans (Jan. 28 - 31)
- 1/29/19 TCA in Los Angeles (Jan. 29 - Feb. 13)
- 2/25/19 NCTC Winter Conference in Atlanta (Feb. 25 - 26)
- 3/8/19 SXSW Interactive in Austin (March 8-12)
- 3/19/19 CFX Roundtable at ACA
- 3/19/19 ACA Summit in DC (March 19-21)

based entirely in the cloud. The investment will support Blade's reach and expansion into the US, and the combination of the cloud processing power with Charter's networks will hopefully result in a new entertainment platform.

Child Safety: Sens Ed Markey (D-MA), Richard Blumenthal (D-CT) and Tom Udall (D-NM) urged the **FTC** to investigate new evidence that **Google** is in violation of the Children's Online Privacy Protection Act. The senators claim the company is engaging in unfair and deceptive practices in the Family section of the Google Play app store. In a letter to the FTC, they claimed Google is showcasing children's apps that "share users' persistent identifiers with third parties in an unencrypted manner," includes content and advertising that is unsuitable for children and that certain apps are sharing kid's personal information without parental consent. "The FTC is statutorily obliged to enforce COPPA and protect American consumers from unfair and deceptive practices," the letter read. "We have brought to your attention a number of pressing concerns that call into question Google's compliance with existing laws, and we encourage you to initiate an investigation into the aforementioned concerns as soon as possible."

Come Together: The **CBRS Alliance** and the **Alliance for Telecommunications Industry Solutions** signed a deal to cooperate and advance the use of the Citizens Broadband Radio Service spectrum band. That will include tackling technical challenges and business opportunities for OnGo technology. They'll also partner on legal and regulatory compliance topics as well as interworking between their solutions, including the International Mobile Subscriber Identity, Home Network Identity, priority services and radio access networks.

Oath No More: Less than two years after its introduction, **Verizon** is officially killing the **Oath** name. On Jan 8, Oath will officially become **Verizon Media Group**, "representing [Oath's] strong alignment as a core pillar of Verizon's business." The change was first mentioned in November when the company revealed a new operating structure surrounding 5G, focused on three areas: consumer, business and Verizon Media Group/ Oath. Oath hadn't quite been the success Verizon hoped for. The company spent nearly \$10bln to acquire **Yahoo** and **AOL**, but Oath revenue declined 6.9% in Q3, and last week took a \$4.6bln charge on its goodwill balance. With the company most recently assessed at \$4.8bln, the writeoff showed Verizon valued Oath at just \$200mln. However Oath CEO *Guru Gowrappan* emphasized positive recent developments, such as the launch of its unified ad platforms and a new multipurpose Yahoo app.

5G AT&T: **AT&T** said it will be the only company in the US to offer a mobile 5G device over a commercial, standards-based mobile 5G network starting Dec 21. The mobile network is live in parts of 12 cities, including Atlanta, Dallas, Houston and New Orleans. In the first half of 2019 AT&T plans to deploy mobile 5G in seven additional cities. The company says early adopters will get a free **Netgear** Nighthawk 5G mobile hotspot that will let customers access AT&T's 5G infrastructure. In the initial offer, "select businesses and consumers" will get the hotspot for free for at least 90 days. In the spring, customers can get the Nighthawk for \$499 upfront and 15GB of data for \$70 a month.

Super Streamer: The comic-based **DC Universe** subscription service is available on **Amazon Fire TV**. The service includes original live-action and animated series as well as classic shows and films and digital comic books. DC Universe is available for \$7.99/month or \$74.99 annually.

Artsy Altice: **Altice USA** and upcoming Manhattan arts center **The Shed** partnered in a \$25mln deal. Altice will be the non-profit's exclusive connectivity partner, supplying the org with fiber network and infrastructure to connect people to cultural experiences through technology. The Shed opens in Manhattan's west side next spring.

To the Dog Pound: **DOGTV** is tapping **Amagi** to manage its global broadcast operations. **DOGTV**'s global footprint includes the US, South Korea, Latin America and Europe as well as its DTC app.

Ratings: **WE tv's** "Love After Lockup" continues to see success, with the second episode in Season Two showing week-to-week growth. The episode, airing Dec 14, drew 756K total viewers in L+3 (+16%), a series high for the show.

Programming: **CuriosityStream** will wrap up the year with "Top Science Stories of 2018," premiering Thursday. The program dives into advances in specific fields of study that influence how people see the universe. -- Production has begun on "Cleo Speaks," a series meant to highlight the personal stories and voices of influential women of color. Cleo Speaks will premiere on **TV One's** new net **CLEO TV** in February. -- "Billions" fans have a bit of a wait for the new episodes. The hit show is coming back to **Showtime** for Season 4 on March 17 at 9pm.

People: **You.i TV** tapped *Simon Leadlay* to lead the company's global pay-TV business development efforts. He's been with the company since September, and previously served as director of pay TV business for **Accedo.tv**.

Think about that for a minute...

Flipping

Commentary by Steve Effros

OK, so it's close to the end of the year, and since the holidays are upon us, I will switch the normal progression and wish you all very "Happy Holidays" at the beginning, not the end of my column today. It only seems appropriate, since there is a lot of "flipping" going on these days, and you're never quite sure who is going to say what, when, and whether political and policy positions today make any sense tomorrow. That's especially true in our sphere of telecommunications.

While I will delve more specifically into the traditional prognostications for the new year in the next column, the last for the year, today I thought it might be interesting to step a little farther back and look at the long-range picture and all the possible "flipping" that I see potentially happening in the next couple of years. We'll get into the details of all this in the months to come, presumably, but for now consider these omens:

The "Pro Net Neutrality" crew might find itself in a very awkward position. They are arguing now that a new administration can't simply come in and change all the hard-fought policy gains they made under the last administration. You will recall that for close to twenty years there was little support for "Title II" regulation of broadband, then the Wheeler FCC reversed all that, then the Pai FCC reverted back to the original position. The court cases now being heard about that switch and switch back are deep in the weeds of arguments about whether administrative regulations can just shift back and forth like that. But wait! With all the recent Republican changes in pollution rules, health care rules, climate change rules and the like, those same folks are likely to "flip" to the "change is good" side should the Democrats gain control of the levers



of power again in 2020! They better be careful about what they write in those legal briefs now, because they may flip to the other side in a few years!

And then there's going to be all sorts of debate about antitrust and "big" companies. I've engaged in a lot of that on this page, and I have to admit that it's not an easy subject. But looking at history, it doesn't really appear that the "big" folks, especially in the telecommunications marketplace, have a great or long lasting record (think IBM.) Consider these numbers Axios published recently;

Verizon just took a \$4.6 billion write-down on Oath, it's combination of Yahoo and AOL (they bought AOL for \$4.4 billion.) And that's after a \$482 million write-down Yahoo had taken on its acquisition of Tumblr. And speaking of AOL, of course, we all know about the 2003 Time Warner write-down of \$45.5 billion on that "Internet Giant" of the time.

So is that an indication of things to come? Don't know. But consider that Comcast just spent \$30 billion on NBCUniversal and AT&T spent \$85 billion on Time Warner and you get the sense that a lot of folks are holding their breath that history doesn't repeat itself! I have no idea whether it will or it won't, but I do know that our automatic assumptions that the "big" always get bigger and that "they" always win is just not true. Maybe we should just let them get so big they trip over their own management. The bigger they are..., but then again, there's Google, Apple, Amazon and Facebook. Stay tuned!

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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