

# Cablefax Daily™

Friday — February 1, 2019

What the Industry Reads First

Volume 30 / No. 021

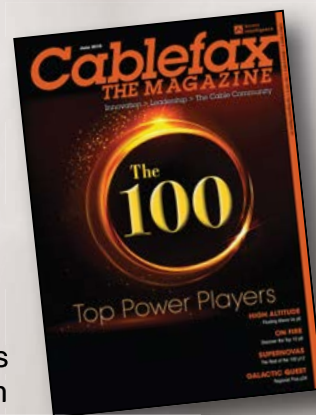
## New Triple Play: Charter Looks to Build a Better Bundle

In addition to showcasing strong results, Charter's 4Q earnings call Thursday offered a window into the MSO's strategy to build a new bundle. This is somewhat familiar territory for chief *Tom Rutledge*, who helped create what became the industry standard of a \$90 discounted, triple-play offering while at **Cablevision**. Mobile is a key part of the new Charter plan. Spectrum's double and triple play packaging changed so much in September that the salesforce had to be retrained. "That process took through October to take hold and our sales effectiveness will continue to improve," Rutledge said during the company's earnings call. The September packaging changes mean voice is \$9.99/month with no change once a customer rolls off a promo. Mobile replaces it as the third product in the triple-play bundle, with CFO *Chris Winfrey* predicting it will be a driver for connectivity sales similar to wireline over the past decade. Spectrum Mobile added 110K lines in 4Q with new cable customers signing on and Charter upselling existing customers, bringing its base to 134K. December was the first time Charter allowed customers to begin to transfer their existing handsets to Spectrum Mobile from other service providers at some stores. Rutledge said the Bring Your Own Device program would expand in the coming months to include a broader set of devices and to even allow customers to make the switch without having to visit a retail location. The triple-play change-up meant Charter lost 83K residential voice customers in 4Q vs a gain of 23K a year ago. Though ultimately, management doesn't expect it to be a hit to economics. Could Charter's Bring Your Own Device extend to video? It already is happening given Charter's availability on **Apple TV** and the Spectrum app's popularity on **Roku**. "We're going to allow it to change as the market dictates and try to make our products work best on every device that we provide," Rutledge said. He said there's still "significant opportunities" for providing CPE devices to consumers and integrating all their service consistently, but the company understands the desire by some to bring their own devices. "We're open to being a supermarket of video services, however those services develop," the CEO said, adding that video usage is actually going up. Residential video subs declined by 36K in the quarter, in line with what Wall Street expected (and further evidence following **AT&T's** results that cable is taking share from satellite). **CAPEX IMPRESS:** Charter surprised by providing guidance of roughly \$7bln for capital spending in 2019—down from \$9bln in 2018. The drop is attributed to the integration of **Time Warner Cable** and **Bright**



## Who Deserves to Rank Among Cablefax's Annual Top Power Players?

The Cablefax 100 salutes the most influential executives whose leadership continues to take the industry to new heights. We will rank the top professionals in the media, cable & broadband industry and publish the list in the June edition of Cablefax: The Magazine.

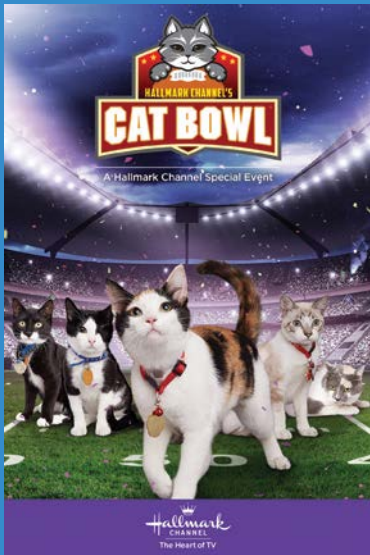


**It's free to enter - but you must submit your entries by February 1!**

Enter at [www.Cablefax100.com](http://www.Cablefax100.com) | Questions: Mary-Lou French at [mfrench@accessintel.com](mailto:mfrench@accessintel.com)

HALLMARK CHANNEL'S  
**ADOPTION**  
*Ever After*

**TOGETHER WE CAN  
EMPTY THE SHELTERS**



**CAT BOWL**  
FEBRUARY 2 10pm/9c



**KITTEN BOWL VI**  
FEBRUARY 3 2pm/1c



**AMERICAN RESCUE DOG SHOW**  
FEBRUARY 17 & 18 8pm/7c



**9TH ANNUAL EVENT**  
COMING IN OCTOBER

Together with leading animal rescue and welfare groups, **Hallmark Channel's Adoption Ever After** initiative aims to inspire people to adopt shelter animals and give every pet a forever home.



Save a life, enrich your own life, adopt a pet!  
To learn more, visit [hallmarkchannel.com/adoption-ever-after](http://hallmarkchannel.com/adoption-ever-after)

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

**House** being largely complete (including the transition to all digital) as well as CPE spend per home dropping, customers installing their own equipment and increased reliability of plant. “Most models didn’t see capital spending getting as low as \$7B for another three years, if at all,” **MoffettNathanson** analysts said. “Falling capital intensity has been a foundational plank of our bullish thesis on Cable, but even we didn’t expect anything like this.” The firm thinks Charter’s stock is way too cheap, putting a \$470 price target on it. Shares skyrocketed Thursday, closing up 14% to \$331.05.

**BROADBAND PLAN:** Can’t end without mentioning broadband, which saw net additions of 289K, ahead of analyst estimates. Internet should be helped by the completion of the DOCSIS 3.1 upgrade throughout its footprint. **Macquarie Research** said HSD net adds were the most promising metric, reflecting YOY acceleration and the ability of Charter’s network to meet rapidly rising data consumption. The analysts model 1Q net internet adds of 328K.

**District Showdown:** The net neutrality debate will ramp up again Friday as [oral arguments](#) begin in the case challenging the **FCC’s** deregulation of the broadband industry under Title II. Arguments are set to begin at 9:30am at the US Court of Appeals for the DC Circuit with the audio being livestreamed on the court’s website. They come more than a year after FCC chmn *Ajit Pai* argued that broadband is not a telecommunications service, but an information service. Opponents of the rollback have remained confident in their case leading into Friday’s arguments. “**Free Press** and our fellow petitioners have a rock-solid legal case against the FCC’s repeal of the net neutrality rules. Chairman Pai failed to assemble a shred of credible evidence against classifying internet-access providers as common carriers under the law,” Free Press policy director *Matt Wood* said in a statement ahead of a press conference held Wednesday. Digital rights group **Fight for the Future** said that it’s just a matter of time before net neutrality comes back with a vengeance. The group also has called on Congress to conduct an investigation into FCC chmn *Ajit Pai*’s actions while at the agency’s helm. Friday won’t be the end of Title II talks. House Energy and Commerce chmn *Frank Pallone Jr* (D-NJ) and House Communications subcmte chmn *Mike Doyle* (D-PA) announced the House Communications and Tech subcmte will hold a hearing on the FCC’s repeal on Feb 7 at 11am. “An open internet has been vital to the growth of the internet, especially for consumers, entrepreneurs and free speech,” Pallone and Doyle said in a statement. “This hearing will be an important opportunity to hear what the repeal of net neutrality means for the American people, and what has happened since the FCC’s repeal went into effect.”

**Movers and Shakers:** With the launch of **WarnerMedia’s** streaming service coming soon, the company continues to make some executive moves. *Sarah Aubrey* was named head of original content for the DTC service, overseeing all original series and feature films. She previously served as evp of original programming for **TNT**. Additionally, *Brett Weitz*

*Announcing the Launch of the*

**Cablefax**  
**PEOPLE**  
**AWARDS**

In 2019, we are enhancing the focus of our awards and recognition programs to make them more efficient and impactful.

**Categories include:** *Top Lawyers, Sales Hall of Fame, People to Watch* and other individual categories.

The Cablefax People Honorees will be recognized at **The Celebration of Leadership Gala** on **June 6** at the Yale Club in **New York**.

**Deadline:** March 1, 2019 | **Final Deadline:** March 8, 2019

Enter at [www.cablefaxpeople.com](http://www.cablefaxpeople.com)

is being promoted to gm of **TBS** and **TNT**. He will oversee all scripted and unscripted programming, as well as manage the networks' scheduling, marketing and business affairs. Weitz's prior role was evp of programming for **TBS**.

**Fuse's Debt:** Following **Fuse Media** missing a \$12.5mln interest payment on Jan 1, the company has been in active discussion with lenders to address its balance sheet. "As an outgrowth of these discussions, we have secured a forbearance agreement from the lender group that provides additional time for us to negotiate the best path forward based on the progress that has been made to date," the company said Thursday. "Our goal is to strengthen our long-term financial position in ways that further our mission to provide entertainment to America's underserved multicultural youth." Fuse declined to elaborate on what options it may pursue. The timing of the missed payment doesn't appear tied to the loss of distribution on **Comcast** and **Verizon**, which occurred at about the same time. **Nielsen's** February Universe estimates show Fuse lost approximately 7.2mln in a one-month period, or 12% of subscribers, putting it in an estimated 53.2mln homes.

**Parks and Comcast:** *Amy Poehler* and **Comcast** partnered up for a year-long Xfinity ad campaign starring the actor, producer and director. "Simple, Easy Awesome – starring Amy Poehler" will put a spotlight on the brand's product benefits. The two launch spots, "Potpurri" and "Make Yourself At Home," will premiere on mass media Feb 4. The partnership also includes product integration into the X1 platform by saying things like "Amy is Awesome" and "Everything Amy Poehler" into the voice remote to be taken to a curated collection of Poehler content and a message from her. -- In related X1 voice news, the platform is ready for the big game on Sunday. Customers can say "Tom Brady vs Jared Goff," "**Patriots vs Rams**" and other similar commands to get the latest stats on the teams or players. "Super Bowl" or "**NFL**" directs to pre-game news and postgame highlights, and "X1 Sports app" tracks real-time game stats on the same screen.

**TCA Notebook:** **Showtime** ran through its upcoming programming slate at **TCA** Thursday, announcing *Bryan Cranston* is onboard to star and executive produce the upcoming limited series "Your Honor." It'll join a lineup stacked with old favorites with "The Chi" making its Season 2 premiere on April 7 and "Shameless" being renewed for a 10th season, making it the longest running series ever on Showtime. The network is bringing in some of the old to mix with the new, ordering eight episodes of a sequel to "The L Word" 15 years after the original series premiered. Showtime also announced that the upcoming 8th season of "Homeland" and 5th season of "The Affair" will be the conclusion of both series.

**Sports Center:** **Turner Sports** agreed to a multi-year, cross-platform partnership with **The Alliance of American Football** that includes live event coverage across **TNT** and **B/R Live**. **TNT** will exclusively air one Alliance regular season game and one playoff game each season through the length of the deal with additional games becoming available weekly through **B/R Live**. **TNT's** coverage will begin with the **Salt Lake Stallions** taking on the **Birmingham Iron** on Feb 16 at 2pm while **B/R Live** will kick things off on Feb 23 with the **Arizona Hotshots** vs Salt Lake at 3pm. -- **NextVR** and the **NHL** are teaming up to bring fans virtual reality experiences and digital highlights from **NHL** events. The first to come from the deal is out now, capturing moments from the 2019 **Honda** **NHL** All-Star Game. The content is available for free to fans on a new **NHL** channel within the **NextVR** app on nearly all existing **VR** platforms.

**Virginia Powerhouse:** **Shentel** launched 1 Gig internet in its Virginia market Thursday as part of its PowerHouse packages. The revamped offerings are designed to support **OTT** users and homes with many devices.

**Programming:** **ESPN** will commemorate Black History Month with a variety of content, including a televised special, a music video with artist *Aloe Blacc*, and other content across print, digital and television platforms. "Unapologetic: The Black Female Athlete" airs Feb 24 at 10pm on **ESPN2**. Beginning Friday, films, features and related content will be available on demand, and the February issue of "ESPN the Magazine" will feature a cover story of one of **NBA's** most prominent players. -- **MTV** will premiere "Game of Clones" on Feb 21, 9pm. The net's most eligible reality stars will be given the opportunity to date seven "clones" of their celebrity crush. The show will use a series of compatibility tests, dates and more to force the reality stars to find their match among the celeb lookalikes. -- **TNT** is celebrating the 300th episode of "Supernatural" with a fan-favorite marathon. The net curated the top 25 fan-favorite episodes, which will air Feb 4-7.

**People:** *Kevin Brockman*, evp of global communications for **Disney/ABC**, will leave the company after the **21st Century Fox** deal closes. The 22-year Disney vet's position will be eliminated following the restructuring, but Brockman will stay in his role through the transition. -- **Nickelodeon** named *Rob Bagshaw* as evp, unscripted content. Bagshaw comes over to the newly-formed role from serving as ep on "If I Could Tell You Just One Thing," an upcoming **YouTube** series and **E!'s** upcoming "The Funny Dance Show."

**Editor's Note:** Friday, Feb 1, is the deadline for **Cablefax**100 nominations. It's free to enter, but [nominations](#) for our annual ranking of power players must be submitted by the end of the day.

# PROGRAMMER'S PAGE

## Journey on the Soul Train

Jesse Collins has been instrumental in transforming the **BET Awards**, but if you ask him about the first awards show he ever attended, he'll tell you it was the Soul Train Awards. "[Soul Train creator] *Don Cornelius* really was someone I idolized. When I got the opportunity to produce the BET Awards, I just in my head said, 'What would Don do?'" Collins told **Cablefax**. Now he gets an entire series to explore that question with **BET's** "American Soul" (premieres Feb 5, 9pm). He serves as executive producer of the series along with Don's son *Tony Cornelius*. It's written by *Devon Gregory* and *Jonathan Prince*, with Prince ("American Dreams") pitching the idea. The series blends fact and fiction, diving deeper than *Cornelius* trying to book acts weekly. "The idea was 'let's show what life was like in Los Angeles in 1971, what the African American experience was,'" Collins explained. "We're able to tell that with the dancers, and Don and the other people Don has to deal with. It's great because you have the anchor of Don and the show, it allows you to grab on to certain things that are factual, like *Gladys Knight* performing on the first episode that was shot in L.A." Ah, yes, the music. It's a huge part of *American Soul*, with *Kelly Rowland* guest starring as *Knight*. A performance is featured in each episode, fueled by star power. *Bobby Brown* plays *Rufus Thomas*, *Wayne Brady* guests as *Little Richard* and so on. "The music has to serve a couple of purposes. It's great when it drives story, and it's great when it can take you to place of nostalgia. You remember the fashion, the sound..." said Collins, who was ep for *BET's* "New Edition Story" and "The Bobby Brown Story." "Babyface is producing all those performances. I think when people hear *Kelly's* rendition of 'Midnight Train to Georgia,' it's just amazing." Those reinvented classics are the extra hook that's good for the *American Soul*. — *Amy Maclean*

**Reviews:** "Song of Parkland," premiere, 7pm, Thursday, **HBO**. Has it been one year since a gunman descended upon *Marjory Stoneman Douglas HS* and killed 17 teachers and students? Last Feb. 14, drama teacher *Melody Herzfeld* was rehearsing her students for children's musical, "Yo, Vikings!" when the gunman entered. She rushed her charges into a tech closet near the stage, possibly saving 65 young lives. The show must go on, and it does. Some of her students, though, also are among those leading the protests that resulted in "The March for Our Lives" across the country. The 29-minute film is an emotional tribute to youth and includes a triumphant ending. Will *Herzfeld's* young students make a difference on gun violence? Time will tell. — "American Soul," series premiere, 9pm, Tuesday, **BET**. The small touches in this series about *Don Cornelius* and "Soul Train" are outstanding. They begin with a quote from an unlikely source, philosopher *Friedrich Nietzsche*: "Without music, life would be a mistake." From that you know the music should be good. It is. Ditto the dancing. Then there are the vintage costumes, classic cars and the wigs. Important too is how *America's* social and cultural context are woven into the series. This context makes *Cornelius's* elevation of *Soul Train* more impressive. *Sinqua Walls's* portrayal of *Cornelius* is impressive, too. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (01/21/19-01/27/19)		
Mon-Sun	MC US AA%	MC US AA (000)
FNC	0.773	2,360
MSNBC	0.658	2,011
CNN	0.440	1,344
HGTV	0.440	1,343
TNT	0.432	1,319
HIST	0.410	1,254
USA	0.383	1,170
ID	0.379	1,159
HALL	0.379	1,158
DISC	0.366	1,118
A&E	0.366	1,118
TBSC	0.352	1,076
ESPN	0.328	1,003
FOOD	0.321	981
TLC	0.314	959
NICK	0.246	752
TVLAND	0.215	655
LIFE	0.212	648
INSP	0.206	629
ADSM	0.202	618
FX	0.200	611
BRAVO	0.195	596
NAN	0.193	590
SYFY	0.193	589
HMM	0.186	568
DSNY	0.179	546
CRN	0.170	518
AMC	0.168	513
DSJR	0.167	509
WETV	0.158	482
TRAVEL	0.155	475
NKJR	0.152	465
GSN	0.147	448
APL	0.146	446
ESPN2	0.144	440
MTV	0.144	439
NATGEO	0.143	437
PARA	0.138	422
HBO	0.136	416
FRFM	0.136	414
VH1	0.133	405

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

**Don't miss this opportunity to get in front of small and mid-sized operators!**

Find out the myriad ways Cablefax can help you maximize exposure before, during and after WEC 2019 in Atlanta Feb. 25-26. Contact Olivia Murray at [omurray@accessintel.com](mailto:omurray@accessintel.com)