

# Cablefax Daily™

Thursday — February 21, 2019

What the Industry Reads First

Volume 30 / No. 034

## Spectrum TV Essentials: Charter Goes After Cord-Cutters

Charter took the wraps off a \$14.99/month video package that will be available to internet-only customers next month. Dubbed “Spectrum TV Essentials,” it’s a robust offering with 60+ channels from programmers such as **Discovery**, **Viacom** and **AMC Networks**. Not included are broadcast stations or RSNs, including Charter’s own L.A. nets. That’s intentional—and it’s why this is an OTT service and not an IP managed cable service like **Comcast’s** \$18/month add-on Xfinity Instant TV. An IP managed offering would be subject to federal rules that would require the carriage of broadcast stations, PEG channels, emergency alerts, etc. Since Charter went the OTT route, it could choose to offer TV Essentials outside its footprint, but there doesn’t seem to be any plans to do so. It also meant Charter had to broker new separate agreements with programmers for the service, with Viacom, Discovery, **A+E Networks**, AMC Networks and **Crown Media** among those signing up. There are no nets from sports-heavy **Disney/ESPN** and **Turner**. “As we began to assemble the rights for this new video service, we received great enthusiasm and encouragement from these key programming partners, who share our view and embrace creating an innovative video offering we believe will resonate with our internet customers,” Charter chief *Tom Rutledge* said in a statement. “Notably, Viacom shared its strong belief and research that suggests there is a large untapped opportunity for a low-priced, entertainment-only bundle unencumbered by the high cost of broadcast retransmission consent fees and expensive sports programming.” A Charter spokesperson said the latest offering is seen as being especially attractive to internet-only subscribers who may already use over-the-air antennas or **Locast** to watch local broadcast stations and are looking to supplement that programming. With no news and sports, Spectrum TV Essentials is probably most akin to virtual MVPD **Philo**. And it actually offers a few more channels at a lower price point. Philo is \$16/month for 44 channels. Networks Charter will offer that are not listed online as part of on Philo’s most basic package include **The Weather Channel**, **Outdoor Channel**, **CLEO TV** and **Bloomberg**. Charter also has a few more Discovery and Viacom nets, such as **American Heroes**, **Cooking Channel**, **BET Her** and **Logo**. **Spectrum News** will also be a part of the lineup in NY, L.A., Tampa, Charlotte, Orlando and other markets, while the platform will also be a home for **Spectrum Originals** content starting in May 2019 (Spectrum Originals includes the upcoming *Jessica Alba* “Bad Boys” spinoff “**L.A.’s Finest**”). Charter currently

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offers other video-only add-on packages for internet customers, but they are not OTT offerings. Spectrum TV Choice includes the broadcast networks and then 10 cable channels from a list of about 65 for approximately \$24 a month. Spectrum TV Essentials should be available at the end of March through the Spectrum TV app. In the coming months, Charter plans to introduce a cloud DVR service on the app.

**Sunny With A Chance of Change:** There's a new man in charge at **The Weather Channel**. *Tom O'Brien* has been appointed pres of The Weather Channel, effective immediately, marking the first executive appointment since **Entertainment Studios** acquired Weather in March 2018. O'Brien will also hold the title of evp of **Allen Media**, the parent company of Entertainment Studios. All television and digital operations of the TV network and Weather's streaming service Local Now will fall under O'Brien's purview, though he will work closely with Entertainment Studios Networks pres *Janice Arouh* and report directly to Entertainment studios founder/chmn/CEO *Byron Allen*. He brings plenty of experience to the plate, most recently serving as evp, digital media, and CRO at **Nexstar**. He's also held senior leadership roles at **NBCU**, including as **CNBC's** evp/CRO.

**Kick-Off:** **fuboTV** and **Viacom** formed a carriage agreement that will extend Viacom's portfolio to fubo's live TV streaming service. Viacom's nine core nets (**BET, CMT, Comedy Central, MTV, Nickelodeon, Nick Jr., Paramount Net, TV Land** and **VH1**) will soon be included in fuboTV's base package. An expanded suite will be available in the premiere "fubo Extra" package. The partnership also expands fuboTV's Spanish-language base package with the addition of **Telefe** and **MTV Tr3s**.

**Sports Alliance:** **Yahoo Sports** and **NBC Sports Group** renewed their multifaceted alliance and announced an expansion. The alliance will continue driving experiences around mobile sports with a focus on the Yahoo Sports app, and leveraging the value of the NBC Sports Group including its RSNs and **Golf Channel**. The partnership will include more editorial teamwork between the companies to provide major coverage for the companies' audiences including NFL, NHL, Premier League, Motorsports, golf and horse racing. Fantasy sports will also remain important, with NBC Sports' Rotoworld supplying fantasy news coverage and promotion around Yahoo's fantasy platform. The two companies also said they will be presenting more live sports events. Financial terms were not discussed.

**Keep the Status Quo:** The *Dolan* family's lawsuit against **Altice USA** is headed to trial. The Delaware Court of Chancery ruled to adjourn a temporary restraining order between the two parties at Altice's request, opening the door for a trial. The two have developed a joint agreement approved by the court that will remain in place until a trial

## Cablefax: What's Happening... March

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		Awards	Events
<b>MARCH</b>	<p><b>ACA Summit</b> Cablefax will cover this annual gathering in Washington, DC, where small- and medium sized operators make their voices heard in the halls of Congress and beyond.</p> <p><b>T. Howard Foundation Diversity Awards Dinner</b> After two decades, the Foundation has become a key pipeline for supplying diverse and expert talent in media and entertainment. As we gear up for T. Howard's annual fundraising dinner, we'll look at some of the executives who began as interns and have worked their way up to vital roles within their organizations.</p> <p><b>SXSW Conference &amp; Interactive Festival</b> Cablefax will preview what's happening in Austin at one of the coolest digital conferences around.</p> <p><b>C-SPAN's 40th Anniversary</b> If cable builds a public affairs network, will they come? Forty years after its launch, the answer is a resounding yes. This report will look at not only C-SPAN's origins, but where it's headed.</p>	<p><b>Cablefax People Awards</b> <b>Final Deadline:</b> March 1</p> <p><b>Top Ops Nomination Deadline:</b> March 29</p>	<p><b>ACA Roundtable</b> March 19 DC</p>

in September. Until the lawsuit is resolved, Altice must maintain “status quo” staffing levels at **News 12**, according to a court order filed Feb 13. The order lays out a few circumstances in which Altice could let an employee go: “for actual, bona fide cause or after first obtaining prior permission from the Court.” In a separate action from the same day, the Court scheduled a hearing for April 22 to discuss Altice’s motion to dismiss Dolan family’s claim that Altice has not fulfilled promises in regards to News 12 operations made in its 2016 merger agreement with **Cablevision**.

**Not On Our Watch:** House Commerce chmn *Frank Pallone* (D-NJ) and Consumer Protection and Commerce subcmte chair *Jan Schakowsky* (D-IL) wrote to **Facebook** CEO *Mark Zuckerberg* Tuesday demanding a briefing after a complaint filed with the **FTC** claimed that personal health information of certain users of the social platform who were participating in “closed” groups may have been exposed. “Labeling these groups as closed or anonymous potentially misled Facebook users into joining these groups and revealing more personal information than they otherwise would have,” the letter said. “And Facebook may have failed to properly notify group members that their personal health information may have been accessed by health insurance companies and online bullies, among others.” The pair requested the briefing by March 1.

**Prepared to Launch:** **Google’s** Cloud Services Platform is now available in beta, marking Google’s entry into the world of hybrid clouds. The platform, first announced last July, is built on top of the Google Kubernetes Engine, a managed environment that allows companies to run their applications on their on-premises servers or in the cloud. The CSP also works with Istio to add a proxy in front of the cloud services, encrypting traffic without requiring any code changes.

**Not So Super:** **Marvel** TV series no longer have a home on **Netflix** with the streamer announcing the cancellations of “Jessica Jones” and “The Punisher.” The final season of Jessica Jones will air later in 2019. The news marks the end of a five-year partnership between the two, coming after **Disney’s** exclusive licensing agreement with Netflix came to a close at the end of 2018. The new destination for Marvel series will be Disney+ when it launches later this year, with Disney announcing at least one show is already in development for the platform.

**Diversity Forum:** **NBC News** White House correspondent *Kristen Welker* will deliver the keynote address at the **FCC’s** upcoming symposium on media diversity. The event, slated for March 7 at FCC HQ, is meant to spotlight small women-owned and minority-owned media businesses.

**Sneak Peek:** **DirecTV** is offering a free preview of **Smithsonian Channel** to all of its subscribers from Feb 20-26.

**Ratings:** Helped by the **NBA** and Sunday’s All-Star Game, **TNT** ranked as the second most-watched cable net in prime last week (1.97mln viewers). It was sandwiched between news giants **Fox News** (2.54mln viewers) and **MS-NBC** (1.96mln). Rounding out the top five were **ESPN** (1.41mln) and **HGTV** (1.36mln). -- **WE tv’s** series “Love After Lockup” hit series highs in total viewers and all key demos. The show’s total viewers are up 120% since the Season 2 premiere, and the most recent ep delivered more than 1.4mln viewers. Ep 11 is up 21% from the previous week, and it saw 890K viewers in Adults 25-54, up 24% from the prior week.

**Programming:** **HGTV** is premiering “One of a Kind” on March 19 at 10pm. The eight-episode series stars home renovator and interior designer *Grace Mitchell* as she creates “one of a kind” homes in Fort Worth, TX. -- **Netflix’s** **Formula 1** show will launch on the streaming service March 8. The ten part series “Formula 1: Drive to Survive” dives into the story of the sport and how it’s undergoing a reinvention after the January 2017 takeover by **Liberty Media**. In other **Netflix** news, Season 5 (part two) of “Arrested Development” returns to the streamer on March 15.

**People:** **Turner Sports** promoted *Howard Mittman* to CEO of **Bleacher Report**. Mittman served as CRO and CMO of B/R since August 2017. He will replace current B/R CEO and founder *Dave Finocchio*, who is departing in June. -- **NCTC** named *Pam Gillies* vp, marketing and communications, for the co-op. She comes to the group from **AlphaGraphics**, where she served as vp, marketing. -- Former **Turner** exec *Lisa Chang* has been named chief people officer for **The Coca-Cola Company**. She most recently was svp, chief human resources officer for **AMB Group**. Before joining AMB in 2014, she led HR for **Equifax**, was svp, HR at **Turner Broadcasting** and served as evp, HR for **The Weather Channel Companies**.

**Obituary:** Emmy-award winning producer *Linda Sawyer (Mooney)* passed away suddenly in Santa Monica, CA, on Feb 10 from surgical complications, according to her family. She was 57. Her journalism career included work for networks such as **MTV**, **VH1** and **HBO**. Most recently, she created and hosted the podcast, “Sleuth: True Crime in Real Time.” She is survived her twin daughters, *Niki* and *Nila Sawyer*, her parents *William* and *Elaine Mooney*, her brother, *William S. Mooney*, his wife *Akiko Yamada* and niece, *Abigail*. Her memorial service will take place at the Riverside Memorial Chapel in NYC on March 3.

# Think about that for a minute...

## No Deals

Commentary by Steve Effros



Amazon decided that the political heat created by their announced plan to build an “HQ2” facility in New York City was a bit too much. They abandoned the plan to accept over \$3 billion in tax breaks to bring a promised 25,000 jobs to the city. There’s lots of press at the moment about all this, and Amazon is being painted as the “bad guy.” After all, it’s one of the richest companies in the world and it’s headed by the richest man in the world. With a target like that, it’s hard to miss!

Never mind the fact that the “deal” with all the tax breaks was essentially cut behind closed doors, that there was little, if any, local, on-the-ground work done in the community to get political buy-in. The concerns about effects on housing costs, infrastructure stress and the like took a back seat to the “grand announcement” that Amazon had chosen New York City as well as Northern Virginia to locate “HQ2.” Of course, the fact that their year-long search with lots of publicity never mentioned the idea that it was actually for two locations, not one, and that the potential for 50,000 new hires would actually be only half that wasn’t mentioned either. So the whole process, to say the least, lacked local political nuance.

Northern Virginia got the original nod with an “incentive package” that was essentially one-tenth the size of the one offered in New York. And it should be noted that while the city offered a little over \$3 billion in incentives, other cities offered \$4, \$5 and \$7 billion! Clearly, Amazon cared about location a lot more than “incentives,” and local authorities should have known by now, after lots of studies, that these bidding wars for locating big “revenue generators” in their midst do not usually turn out to be any big deal, other than the cost to the local citizenry.

What fascinates me, though, is that all this anger and noise about the Amazon withdrawal from New York is focused on the “big” “tech” company as though this is the first time a city has hocked future taxes for a highly questionable gain. Why haven’t we been hearing yells and screams about cities and states ponying up incredible amounts of money to build sports stadiums? Do they really think the NFL owners can’t afford to build their own facilities?

Why build a stadium or give billions in tax breaks to a huge, financially flush company but refuse to use tax dollars to build schools, bridges or needed new transportation? The cable industry, for instance, never suggested that the locality pay the company to build an infrastructure that everyone suggests is critical for the growth of any community. Indeed, our big debate was always how much we would have to pay them, in the form of franchise fees and the like, rather than the other way around!

I guess we just didn’t know how to “play the game.” We competed for openly debated franchises. We cross-subsidize, to this day, new services (more on that soon) that benefit the community. And with the exception of Google Fiber, which got “deals” from cities regarding regulations and the like, we never got “paid off” to take the risk of building systems, providing services and adding local employment. Whether the revolt in NYC was good or bad for the city will be debated. That communities should stop offering special tax breaks and “deals” to select companies shouldn’t be an issue any more.

*Steve*

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