

Cablefax Daily™

Wednesday — April 3, 2019

What the Industry Reads First

Volume 30 / No. 063

Nexstar Update: As Merger Looms, Broadcaster Swats Back at Complaint

At our deadline Tuesday, **Nexstar** and **Tribune's** responses to those requesting regulators deny their \$4.1bln marriage still hadn't hit the **FCC's** electronic filing system. But Nexstar's answer to a retransmission complaint filed last month might offer some glimpse of how the broadcaster plans to defend the union. "The Commission's role is not to engage in substantive oversight of any particular negotiation; rather it is to ensure that the marketplace negotiations are competitive and that, under the totality of the circumstances, the parties engaged in good faith negotiations," Nexstar wrote. While it's speaking specifically to rural electric co-op **HolstonConnect's** allegations that it didn't negotiate in good faith, Nexstar could just as well be speaking to merger opponents who have argued Tribune will give it increased leverage in retrans negotiations, with its footprint growing to 216 O&Os in 118 markets. A common rebuttal in merger cases is to accuse parties of seeking remedies that exceed the scope of the combination of assets. It's a claim that FCC chmn **Ajit Pai** is sympathetic to, having voted as a commissioner against an order approving **Charter's** acquisition of **Time Warner Cable** and **Bright House** because he felt the conditions put on it were meant to "micromanage the Internet economy." Retrans is obviously a hot topic in this pending merger, with Nexstar estimating that the deal should bring in at least an additional \$75mln in retrans consent fees. As for the HolstonConnect complaint filed last month, the co-op claims Nexstar failed to negotiate in good faith by providing a single unilateral offer and demanding outrageous rates while tying carriage to other channels. Nexstar slammed the complaint, saying HolstonConnect's rep failed to engage for "months at a time" and expected an opening rate that was the same as an ending rate for another operator. If any party did violate the FCC's good faith negotiating rules, it was the co-op, Nexstar concluded. "The complaint is nothing more than a commonplace disagreement between Nexstar and HolstonConnect as to whether Nexstar will permit HolstonConnect to carry ... only the Big 4 programming stream for one station, and the rates which HolstonConnect will pay for its retransmission consent rights," the broadcaster said in urging the FCC to dismiss the complaint. Nexstar contends it initiated negotiations with HolstonConnect on Sept 7, 2018, but it took 87 days for the co-op's representative to engage in negotiations. It also denies that it made a unilateral demand, saying it responded with counterproposals. As for HolstonConnect's claim that Nexstar is demanding it carry multiple unwanted channels, the broadcaster said it's in full compliance of FCC rules by requiring

Cablefax

Leaders Retreat

April 29-30, 2019
Ocean Reef Club, Key Largo

Extremely Limited. Don't Wait Any Longer to Get Your Seat at the Table.

www.cablefax.com/event/CLR19



PAUL GLIST

Partner

Davis Wright Tremaine

The Cablefax Leaders Retreat fosters off-the-record executive discussions that simply can't be had anywhere else. But don't just take our word for it...

“Cablefax has succeeded in creating a unique forum for leaders in the cable, OTT and programming industry to candidly discuss the industry's future and the technology, business, investment, marketing, programming, and political paths to take us there.”

Sponsored By:



Industry Partners:



The company you keep is almost as important as the company you work with. If you aren't talking with Bob Gold for PR and Marketing what are you missing?



Univision Communications ADVOCACY AWARD	Verizon BOARD DIVERSITY	Bob Gold & Associates COMMUNITY CONNECTION
Hulu CONTINUING EDUCATION	Comcast NBCUniversal DIVERSITY & INCLUSION	Talmetrix EMPLOYEE ENGAGEMENT PARTNER
Univision Communications EMPLOYEE INVESTMENT	Clinton Brown III Altice USA EMPLOYEE SPIRIT HERO	Cox Communications ENVIRONMENTAL HERO
Discovery Inc. HEALTH CHAMPION	Adria Alpert Romm Discovery Inc. HR PROFESSIONAL OF THE YEAR	ESPN INTERN INNOVATOR
Tracy Barash and Valerie Immele Turner MENTORING CHAMPIONS	AT&T MENTORSHIP	AMC Networks NEW VOICES
Hulu PARENT FRIENDLY	Comcast NBCUniversal PRIDE AWARD	Netflix RECRUITING
Cable ONE RETENTION	RIDE TV SPANNING THE GENERATIONS	NCTI TRAINING/EDUCATION PARTNER
Philo UNIQUE BENEFITS	Charter VETERANS SUPPORT	Mediacom YOUNG SCHOLARS

Congratulations to all winners!



**BOB GOLD
& ASSOCIATES**



REQUEST A FREE CONSULTATION

310.320.2010
www.bobgoldpr.com/consult
bob@bobgoldpr.com

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 ● Senior 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 ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@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

that HolstonConnect carry all of the programming streams broadcast by a single station (ie, Knoxville, TN, **ABC** affiliate **WATE** also broadcasts secondary streams affiliated with **GetTV, Laff** and **Cozi**).

News in Like a Lion in March: **MSNBC** held on its claim that “The Rachel Maddow Show” was the #1 cable news program for 25-54s in 1Q, but **Fox News** dominated virtually every other category. Fox’s “Hannity” beat out Maddow in total viewers (3.12mln vs 3.06mln), while the MSNBC show had a slight edge in the so-called “news demo” of 25-54s (549K vs 547K). Fox News celebrated its 69th consecutive quarter as the most-watched cable news net in both today day and prime, even as its competitors saw viewership gains. Fox News averaged 2.45mln total viewers in prime (-1% vs a year ago), while MSNBC’s total viewership of 1.92mln is up 3% and **CNN’s** 1.06mln is up 7% over 1Q18. Fox News was No 1 in total day (1.4mln, -3% YOY), followed by MSNBC (1.09mln, +8%) and CNN (715K, flat). Meanwhile, an ad boycott didn’t hurt “Tucker Carlson Tonight” last month. For the first time in show history, Carlson had the most-watched cable news program among 25-54s for the month of March (537K vs 533K for Hannity and 509K for Maddow). – For 1Q, **ESPN** was the third most-watched cable net in prime, behind Fox News and MSNBC. It averaged 1.62mln viewers. Rounding out the top 5 were **HGTV** (1.3mln) and **TBS** (1.25mln). -- Fox News’ “State of the Union” coverage was the #1 non-sports cable telecast for 1Q, with 11.3mln viewers. ESPN took the top spot with coverage of the College Football Championship averaging 24.7mln. Cracking the quarter’s 10 most-watched telecasts was Saturday’s **NCAA** basketball tourney coverage of Purdue vs Virginia on **TBS** (10.5mln). The most-watched non sports or news telecast for 1Q went to the Season 9 midseason premiere of **AMC’s** “The Walking Dead” (5.02mln). -- “The Daily Show with *Trevor Noah*” on **Comedy Central** recorded historic growth among M18-34 in Q1, averaging a .39 rating, a 13% increase over the previous quarter. This is the largest jump in the history of the series under Noah.

Closing the Deal: Another day, more M&A. **Hargray Communications** revealed it has closed its acquisition of **USA Communications’s** Alabama assets. Those assets serve the areas surrounding Pell City, and grow Hargray’s presence in the southeastern US. Over the next few months, Hargray is planning on spending more to grow USA Communications’s network in the area to offer next-gen products and services to its business and residential customers. Customers won’t notice any immediate changes as Hargray will slowly integrate its network and billing systems over the next few months.

Magic 8-Ball Says: **MoffettNathanson** analysts predict **Disney+** will be able to launch to 7.1mln subs in its first year and should grow to nearly 24mln by the end of FY2022. More details on the DTC service, including pricing and originals at launch, are expected at Disney’s April 11 investor day. “One of the biggest questions that we hope to get answered is how quickly Disney will be able to make Disney+ and **Hulu** the exclusive homes to this valuable library

THE FAXIES

RECOGNIZING EXCELLENCE IN PR, MARKETING & CONTENT

In 2019, The FAXIES have expanded to include content & design. The FAXIES mission to find the best of the best regardless of where it originated or how consumers watch it.

PR & Marketing Categories

- Early Bird Deadline: April 12
- Deadline: April 26

Content & Design Categories

(Formerly the Program & Trailer Awards)

- Early Bird Deadline: June 14
- Deadline: June 21



Take advantage of the early bird pricing to save \$275 per entry!
www.TheFAXIES.com

content as its older deals expire,” the analysts said in a new research note.

In the Courts: A lawsuit seeking class action status claims **AT&T** misled investors on **DirectTV Now** growth trends. The suit, filed in **US District Court for the Southern District of NY**, claims the registration statement for the 1.185bln new shares issues to former **Time Warner** stockholders “touted false and misleading financial results, trends, and metrics and omitted material facts.” “By the time of the Acquisition, AT&T’s reported “Net Additions” growth trend was already reversing into a severe “Net Loss,” the lawsuit claims.

DISH Spot: We’ve come a long way from those **DISH** commercials portraying cable as a greedy pig... The newest campaign from **DISH** and **The Richards Group** is more touchy-feely, expanding on the tagline, “DISH-Tuned In To You.” Titled “Why We Do What We Do,” the newest spot emphasizes why an employee loves his job and how the company provides a superior customer viewing experience. It also shows off the five **J.D. Power** awards **DISH** won last year, including No 1 overall in customer satisfaction among TV providers.

Ethical Ads: The **Advertising Research Foundation (ARF)** adopted a new code of conduct governing ethical research and related data collection by member companies. It addresses industry conduct related to research participants, internal and external clients, the profession and the public. ARF will enforce it through a cooperative industry system, the “Chain of Trust.” It will enable members who commit to the code to display an ARF logo on correspondence and marketing materials. Some responsibilities for general member conduct include that research participants be engaged voluntarily (with no misleading or deceptive practices), that members provide honest statements of work and contract agreements and that members avoid using any harassment or misleading recruitment or sampling techniques.

Spectrum Strategy: **CTIA** released its recommendations for a National Spectrum Strategy. They include creating a five-year schedule of auctions for high-, mid- and low-band spectrum, recommitting to free-market approaches, and modernizing govt policies and procedures to ensure optimal use of spectrum. “A National Spectrum Strategy that gives the wireless industry more room to innovate will ensure we win the global 5G race and create a long-term spectrum stimulus that will grow our economy and create millions of new jobs,” CTIA pres/CEO *Meredith Attwell Baker* said in a statement.

Binge Time: It’s time to stock up on snacks. **Comcast** will hold its seventh annual Xfinity Watchathon Week from April 8-14, giving viewers access to thousands of free movies and shows including **HBO’s** “Game of Thrones” and **Showtime’s** “Billions.” The event will also give customers access to almost two dozen SVODs including **Acorn TV**, **True Royalty** and **CuriosityStream**. Over the last six years, the Watchathon Weeks have driven more than 340mln hours of on-demand viewing over the last six years from over 70 networks and SVOD services.

Cord-Cutter Marketing: **Philo** is looking for more subs, launching a **Living Social** and **Groupon** deal for one free month of service (44 channels for \$16/month or 57 channels for \$20). According to the deal websites, more than 5K subscriptions had been purchased as of Tuesday afternoon.

A Little Help From a Friend: **AMC Networks** is tapping **Arris** to provide the foundation for its future satellite distribution architecture. AMC will utilize Arris’s ME-7000 and DSR-7400 video compression and transcoding solutions. Arris Professional Services is now working closely with AMC to design, integrate and install the new technology framework.

Coming to the Podium: **Charter** CEO/chmn *Tom Rutledge* will be the featured speaker during the **SCTE** Leadership Institute at Tuck Executive Education at Dartmouth. He’ll participate in a fireside chat with Charter evp *Tom Adams* as well as a Q&A session with attendees. SCTE-ISBE-Tuck will be held May 5-10 on the Dartmouth College campus.

Ratings: **FX’s** vampire comedy “What We Do in the Shadows” ranked in the top 10 of 44 primetime cable comedy series debuts since 2017 in L+3, with the highest three-day lift of any premiere in the net’s history. The premiere saw 1.4mln total viewers and 656K A18-49 in L+3, scoring 2mln total viewers after two encores and VOD streaming through March 31. -- **HGTV** saw more than 5.1mln total viewers on March 25 due to strong performances from “Home Town” and “One of a Kind.” Home Town saw a .83 L+3 rating among P25-53 and One of a Kind saw .68 L+3 rating in the same demo.

Programming: **Tennis Channel** and the **Citi Open** tennis tournament in DC renewed their multimedia partnership through 2023. The agreement will allow the net to remain the TV and digital home of the annual men’s and women’s event. -- **WWE** is holding its first-ever women’s main event at Wrestlemania on Sunday at 7pm. Raw women’s champ *Ronda Rousey*, SmackDown women’s champ *Charlotte Flair* and *Becky Lynch* will face off in a “Winner Takes All” match for both the Raw and SmackDown Women’s Championship titles. -- **NBC Sports Philadelphia** is offering fans another way to watch the **Philadelphia 76ers** take on the **Atlanta Hawks** this Wednesday. Starting at 7:30pm on NBC Sports Philadelphia+, it will feature betting-focused live coverage with betting-related commentary and analysis in real time. -- **USA** renewed “Miz & Mrs” for Season 2.