

# Cablefax Daily™

Wednesday — June 5, 2019

What the Industry Reads First

Volume 30 / No. 107

## Outer Space: Pluto TV Expands Carriage with Cox Contour Deal

Viacom is executing on its plan to continue growing Pluto TV's reach, announcing Tuesday that the AVOD service will soon be launching on Cox Contour. The Pluto TV app will be available to both Contour and Contour Stream Player customers through the deal. It's not the first MVPD deal for Pluto. The streamer is already carried by Comcast on its newly-released Xfinity Flex platform. Viacom CEO *Bob Bakish* also told attendees of the Credit Suisse 21st Annual Communications Conference that a carriage deal for Pluto with a third MVPD will be announced in the coming weeks. And when it comes to making some of Viacom's library available for free on Pluto, Bakish isn't worried about it having a negative impact on carriage negotiations with MVPDs. Instead, he sees it as a platform through which to broaden relationships with distributors, giving them more options to reach broadband-only homes. He pointed to Viacom's multi-year carriage dispute with Suddenlink that began in 2014, saying Viacom channels were finally restored because the content mattered to the Suddenlink subscriber base. "Dexter Goei, who's the CEO of Altice [USA] that owns Suddenlink, has been publicly quoted on numerous occasions saying that the addition of Viacom product to their bundle improved connect rates by 10% and time spent with the video bundle by over 10%," Bakish said. "Our brands matter." Bakish has previously called Pluto the cornerstone of Viacom's DTC strategy, and perhaps the most valuable asset Pluto can offer is data on its monthly users. "It's an opportunity for Viacom to create a platform," Bakish said. "It's a platform for us to have tens of millions of direct relationships with consumers all around the world." It's also another platform for IP owners to place their content. Pluto touted 130 suppliers when Viacom first stepped up to purchase the platform. As of last month, the count has since risen to 150 with recent additions including BBC, MLS and 14 channels from Viacom itself. Viacom is also moving ahead on its plans to make Pluto a global force, with Bakish revealing that it will soon be unveiling more options for Spanish-speaking viewers. Pluto Latino, a service aimed at Hispanic audiences in the US, will launch on July 1. Pluto is also setting its sights on Latin America, with Bakish anticipating an expansion into the region at the start of 2020. As for other countries, Pluto is already live in the UK, Germany, Austria and Switzerland. Along with his other plans for the business, Bakish sees Pluto as a strong base upon which to build a substantial ad business. "We're pleased with the early traction we've seen on monetization and know today that over half of the inventory is unsold, so there's tremendous upside there," Bakish ex-

## Who Are The Most Influential Minorities and Powerful Women?



Cablefax is accepting nominations for the Most Powerful Women & Most Influential Minorities. It's free to enter both of these prestigious programs!

**Two Amazing Programs—One Easy Nomination Form!**

**[www.cablefax.com/awards](http://www.cablefax.com/awards)**

**Deadline: June 7**

Questions? Mary-Lou French at [mfrench@accessintel.com](mailto:mfrench@accessintel.com)

Sponsorship Opportunities: Olivia Murray at [omurray@accessintel.com](mailto:omurray@accessintel.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: \$1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

plained. As for Pluto's potential to bring in profits, Bakish is aiming sky high. "We see this as a billion dollar opportunity in the not too distant future," Bakish said. "You take monthly active users times 12 and then you look at monetization rates... You start putting that math together and you very quickly get to a very significant business... The only thing you have to believe for that to be right is that we can monetize this inventory."

**Dollars & Cents:** When **NAB** chief *Gordon Smith* suggested that broadcast stations are responsible for about 12 cents of a pay TV customers' bill during Tuesday's **House Communications** subcommittee hearing on STELAR, he had fellow witness and **Boycom** pres/vice chair *Patricia Jo Boyers*' attention. "I want that deal," said Boyers, who serves as vice chair of **ACA Connects**. Boycom's 3K subs in Poplar Bluff, MO, instead pay \$12.16 a month for retransmitted broadcast stations, she said. **AT&T** has about 23mln more subs than Boycom, but even with that reach, it doesn't get those type of rates, AT&T Mobility and Entertainment svp content and programming *Robert Thun* told members. "What we've hit is a wall. Consumers aren't willing to pay any more," Thun said. *Rep Anna Eshoo* (D-CA) who is working on legislation with *Steve Scalise* to address the video market, seems to feel the pain of rising retrans fees. She asked Smith if broadcasters were looking at a new model. "This is not sustainable," she said. "It's not defensible. It keeps going up, up, up." Smith said retrans is one of the ways broadcasters support localism, adding there are alternatives for consumers who want that content. "I'm the only one up here offering everything for free if you don't want to pay [for subscription TV,]" he said. STELAR was created to allow satellite operators to import important broadcast distant signals in some markets, but it also has a provision that requires broadcasters and MVPDs to negotiate retrans in good faith. Smith argued it's time to let the legislation sunset with satellite technologically able to offer local signals now. He dismissed the notion that it would be detrimental to lose the retrans provision, saying that the **FCC** has only found one good faith violation and it was against an MVPD. However, *Rep Tony Cardenas* (D-CA) noted that broadcaster **Sinclair** paid \$9.5mln to settle an FCC investigation that included allegations of violating retrans good faith rules. Speaking of good faith violations, **C-Spire** filed a retrans complaint this week against **Gray Television**, claiming it is violating the good faith rule by declaring it will only permit the operator to carry **WLOX's** **CBS** multicast stream in Diamondhead, MS, if it also negotiates for and carries **WWL**, the New Orleans CBS affiliate owned by **Tegna**. "At issue is whether CBS can force the citizens of Diamondhead to pay for two CBS signals, one of which is of little to no interest to the local community, simply so that citizens can receive the in-state, local and significantly viewed station," C-Spire told the FCC in its petition filed Monday. WLOX was recently deemed "local" to Diamondhead by the FCC Media Bureau in response to a market modification request.

**And the Ruling Goes To:** **TiVo** scored the latest point in its ongoing patent battle with **Comcast** as an Interna-

Reach your target audience **TODAY** at the Independent Show

**Ignite**  
The Independent Show

July 28-31, 2019  
**Chicago**

Presented by NCTC & ACA Connects

Need help driving traffic to your booth or securing meetings? Looking to promote the launch of a new product?

Cablefax Daily: Special print distribution before and at the show in pub bins as well as electronic distribution to c-suite level paid subscribers.

**SECURE YOUR AD SPACE TODAY!**

For rates and more information about other advertising opportunities contact: Olivia Murray at omurray@accessintel.com or 301-354-2010

**tional Trade Commission** administrative law judge reached a favorable determination that the X1 platform infringes patents held by **Rovi**, a TiVo company. It's the second time the ITC has backed TiVo with it issuing a final ruling in November 2017 that Comcast was in violation of two Rovi patents due to an X1 feature allowing for remote recording. The ITC kicked up another a third investigation into Comcast for allegedly being in violation of six patents with the X1 Sports App, multi-room DVR capabilities and its set-top box integrations. Comcast did not respond by our deadline.

**STELAR, Part 2:** The **Senate Commerce Communications** subcmte will take up the STELAR torch Wednesday, with **NCTA** pres/CEO *Michael Powell* set to testify at its hearing on the video marketplace. Expect him to be less focused on retransmission consent than **ACA Connects** vice chair *Patricia Jo Boyers* and more interested in emphasizing the robust competition in the video marketplace. NCTA's called for some changes to retrans over the years, but has been more restrained (its largest member is **Comcast**, which both pays and receives retrans fees). In prepared testimony, Powell stresses the need for regulation to match today's marketplace—not the video world of the 1992 Cable Act. "At some point, policymakers have to recognize that fair competition can only be advanced when obligations are appropriately matched to the free-wheeling competitive bazaar of today, and not the mythology of a world from almost 30 years ago," Powell said. He will be joined at the witness table by **NAB** pres/CEO *Gordon Smith*, **Nielsen** CEO *David Kenny* and **Free Press** pres/CEO *Craig Aaron*.

**Niche Sports: FloSports** secured a \$47mIn Series C funding round, primarily led by current investor **Discovery**. Funding also came from other existing FloSports investors **Causeway Media Partners**, **Fertitta Capital**, **DCM Ventures**, **WWE** and **Bertelsmann Digital Media Investments**. The newest round of funding brings FloSports to \$75mIn raised, and follows a first quarter in which the OTT service grew both subscribers and annual recurring revenue by more than 50% YOY. The service first launched in 2009 and has broadcast rights to more than 4K events across 25 sports, and a library of more than 2K hours of on-demand content. "FloSports aligns nicely with Discovery's global direct-to-consumer strategy and provides us with opportunities to apply learnings to our own [over-the-top] products," said *Bruce Campbell*, chief development, distribution and legal officer for Discovery, in a statement.

**Shopaholics Unite: Catalina Marketing** and **Samba TV** partnered up to integrate shopper behavioral data and video viewership insights, with the intention of encompassing tens of millions of households and billions of data points. The analytics tools aim to improve media buyng and selling across all marketing channels, including in-store, digital, mobile OTT and linear TV.

**Next-Gen: MTV Studios** and **Quibi** are teaming up to reinvent franchises "Punk'd" and "Singled Out." The reimagnations will be available exclusively on Quibi, *Jeffrey Katzenberg's* new digital venture, and will feature 20 new episodes under 10 minutes long. The reboot announcement comes less than two weeks before MTV Studios launches "MTV's The Real World" on **Facebook Watch**, reviving the original reality program from 1992.

**Ratings: BBC America's** "Killing Eve" continues breaking records with its second season, delivering the highest season-over-season growth of any returning TV drama in the US in the last three years. The series grew 87% in total viewers and 78% in the A25-54 demo from Season One in **Nielsen** L+7 ratings. Season Two averaged 1.8mIn viewers each episode, including 754K A25-54 and 562K A18-49.

**Programming: ESPN** tapped *Jimmy Platt* as its new "Monday Night Football" director," replacing *Chip Dean*, who moved into a new role in January. Platt has been with ESPN for nine years, and has directed football since he joined. -- **Nickelodeon** renewed four series for its preschool TV portfolio. "PAW Patrol," "Bubble Guppies," "Abby Cadabby" and "Butterbean's Cafe" are all returning for new seasons. -- **AT&T Audience Network** is bringing back "Mr. Mercedes" for Season 3. The series premieres Sept 10 at 10pm for 10 one-hour episodes. -- "Bridezillas" is headed back to **WE tv** for the second half of Season 12 on June 14 at 10pm. The net also picked up "Marriage Boot Camp: Hip Hop Edition" for a Season 2, returning in early 2020. The spin-off series premiered earlier this year and averaged 1.3mIn viewers throughout the first season. -- **Disney XD** ordered a Season 3 of animated series "Marvel's Spider-Man" for a spring 2020 premiere. -- A TV movie based on **Cartoon Network** series "We Bare Bears" is in production with creator *Daniel Chong* attached as an ep. He'll also serve as an ep on a spinoff series, which is currently in development at Cartoon Network Studios. -- **Travel Channel** renewed "Paranormal Caught on Camera" for an additional 26 episodes.

**People: SpotX** has named *Dr Neal Richter* its first chief scientist. Richter will head the company's new Salt Lake City office, home to the advertising and monetization platform's research and development teams. Richter has also been elected chairperson of the **IAB** Tech Lab and most recently served as CTO at **Rakuten Marketing**.