

# Cablefax Daily™

Tuesday — July 9, 2019

What the Industry Reads First

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## In the Sky: Discussing Pay as You Go Satellite Service Orby TV

Yes, there are various vMVPD services out there for those that want to cut the cord, but what about those who don't have great broadband? Enter **Orby TV**, a [pay-as-you-go satellite offering](#) for the contiguous US that costs \$40/month for a lineup of channels that includes content from **Turner, Viacom, AMC Networks** and others. An extra \$10/month gets subscribers additional networks, including **BBC World News, History en Espanol** and **DIY**. As with most low-cost bundles, sports and news are lacking—though Orby does have **CNN** as well as **TBS** and **TNT**. Helping keep costs low is the lack of broadcast carriage, with Orby instead relying on a digital antenna to offer local signals where available. While there's no contract for customers, there are start-up costs. An Orby receiver is \$100, while a receiver with DVR is \$200. Then there's installation, which starts at \$85 for self-install to \$150 for a professional installation via **MasTec**. Former **Starz** chief revenue officer *Michael Thornton* is heading up Orby TV as CEO. He's joined by a small roster of other familiar names, including ex-**ION Media** exec *Mark Barrington*, who serves as CTO, and former **DirectTV** exec *Jeff Burrow*, who is heading sales and distribution. We recently chatted up Thornton about Orby TV's business plans. An excerpted interview follows.

**What makes you believe there's a market for Orby?** There's a large part of the market that has been underserved. It's somewhat comparable to when mobile phones entered the pre-paid market in the early 2000s. For two-thirds of the population, a contract where you pay for the phone over time worked great. But there was a third of the population that needed the flexibility and ability to come into the market at a lower cost and to have that flexibility of month-to-month service. We decided to go after people that either didn't have broadband or didn't want expensive broadband, but were looking for a cost-effective array of networks that they could get at a \$40 or \$50 price point. **Over the years, satellite acquisition costs have been pretty high. So how do the economics work, particularly when you may be going after bad debt customers?**

While we are using traditional satellite technology, advances in the cloud and smart phones make it very viable so that we can outsource to third parties a number of our functions. And like the pre-paid cell phone market, you pay for the equipment and the installation upfront—either all at once or in a financing situation. So, we're not investing in the same way that the traditional participants are investing in the customer. We don't need them to be a consistent customer for two years to get our investment back. **In terms of programmers, you're missing Disney, NBCU, Fox Corp and CBS/Showtime. How**



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# CONGRATULATIONS



**SARAH KATT**

Vice President of Video Strategy  
and Network Operations

And All The Other **2019 Cynopsis Top Women in Media Honorees.**



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**has it been negotiating with content companies?** In general, the response has been very positive from programmers. Everybody can see where the business is going, and programmers want to have as many eyeballs as possible and they believe we're going after a largely underserved market. In terms of the programmers we don't have, we're open to adding additional networks. Obviously for us, the main focus is keeping the price at a very reasonable level. We have had conversations with most, if not all, of the ones you mentioned, and are open to having further conversations. **How are you marketing Orby TV?** We put the signal up on the satellite earlier this year [on **Eutelsat**] and started marketing nationally early spring. We're in all of the **Best Buy** stores and a select number of **Target** stores. We also have a small and growing reseller network, and you can buy it OrbyTV.com. We have done very targeted marketing in the digital space—Facebook, Instagram and search—as well as some broadcast television advertising across the country. **Why have a self-install kit? It seems dangerous, and your website notes that professional installation is strongly recommended.** Believe it or not, there are some people, whether they are former installers or extremely handy people, that want to do it themselves. We have caveats on the website. And it is a pretty small faction of people, but it was something that was requested from the early days of our launch. **We hear so much right now about the digital divide. Are you using that as talking point for Orby?** We are very conscious of the fact we are zigging while other people are zagging. There are a lot of participants out there that are looking to figure out how to reach millennials and how to create OTT offerings. But we believe there is a large portion of the audience that just wants good TV for reasonable price, with the flexibility to come in and out of that. We know we're not for everybody, but we feel these people have been largely underserved.

**Nexstar Dismisses Lawsuit Against DirecTV:** Nexstar and AT&T/DirecTV's retrans blackout continued on Monday, but a federal lawsuit between the two has been dismissed. At least for now. Nexstar filed notice Monday that it was voluntarily dismissing a breach of contract suit it had brought against DirecTV in May that centered on an unlaunched station fee—part of their just-expired retrans contract. The broadcaster did not return a request for comment. DirecTV had agreed to the unlaunched station fee for not being required to immediately launch Nexstar station **WHAG** (aka **WDVM**) in Hagerstown, MD, which lost its **NBC** affiliation on July 1, 2016. Nexstar sued after DirecTV argued that it was not required to pay the fee because the station lost its NBC affiliation. As for the retrans blackout that began July 4, it has drawn the attention of *Sen Richard Blumenthal* (D-CT). He sent a letter to AT&T CEO *Randall Stephenson* and Nexstar pres/CEO *Perry Sook* saying that while he is taking no definitive position to support either side, the “current denial of service to Connecticut families is unfair and unnecessary.” He urged the two to negotiate in good faith and come to an agreement that would immediately see carriage resume through at least Aug 2. He also wants CT customers to receive a refund for the loss of WTNH and WCTX. DirecTV and AT&T U-verse lost 120 Nexstar stations in 97 markets at 12:01am on July 4. AT&T has complained that Nexstar wants higher payments for stations, including for assets it hopes to acquire from **Tribune** pending regulatory approval. Nexstar said it has offered of an unconditional extension of the existing distribution agreement for 30 days to restore the blacked-out programming to viewers and allow the parties to reach a new agreement.

**NY PSC Not Extending Charter Comment Period:** Comments were due Monday to the **NY PSC** on a settlement agreement reached with **Charter** over network expansion conditions related to its merger with **Time Warner Cable**. The PSC received public comments on July 5 and July 8 requesting a 90-day extension to submit comments, but denied the re-

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quests. Most of the requests had similar language, declaring, “The public has not been fully notified and more time needs to be given so they are aware that there is a platform available for them to voice their concerns. I believe Spectrum should not be allowed to stay in New York for their actions in the state.” The NY PSC said the public was notified approximately seven weeks prior to the deadline and more than 100 comments have been filed in the proceeding since the notice’s May 15 issuance (including from two of the individuals requesting the extension). No word yet on when the NY PSC will vote on approving the settlement. Charter filed its own comment Monday. The initial settlement allows it to meet buildout requirements by expanding service to no more than 9,400 addresses that are scheduled to get or already have access to another wired provider because of a grant from the new NY Broadband Program. In its comments Monday, Charter said it now expects network buildout overlapping wireline grantees to be “substantially” less than 9400. The proposed settlement requires Charter to bring service to 145K new homes and businesses by Sept 30, 2021.

**Soccer Ratings Sizzle:** Congrats to the **US Women’s National Team**, who won the 2019 World Cup with a 2-0 defeat over the Netherlands. Also, congratulations to **Fox Sports**, who pulled in an average 1.29 overnight rating on Fox, **FS1** and **FS2**, up 1% from the 2015 final and 20% higher than last year’s Men’s final. The 11am game on Sunday is the best metered market rating for a US Soccer telecast since the 2015 FIFA Women’s World Cup final, which aired in prime-time. On **Telemundo**, the matchup became the most-watched Women’s World Cup ever in Spanish, bringing in an average of 1.6mln viewers, up 22% from the 2015 final. Telemundo Deportes set the Spanish-language record for the most-watched FIFA Women’s World Cup ever with an average of 301K viewers, up 27% over the full 2015 tournament. The ladies also pulled in an average of 6.9mln out-of-home viewers, according to **Tunity Analytics** analysis based on usage of its free app. This is the second most-viewed OOH soccer game of 2019, behind the USA vs. England semi-final game with 8.54mln average (however, that game was at 3pm). It also outperformed the 2018 men’s final, which averaged 4.98mln OOH viewers. The game delivered 59% A25-54 and skewed 76% male. Over on the men’s side, **Univision** pulled in a 1.4 rating among A18-49 in primetime with the Mexico-U.S. Gold Cup Final, averaging 3.413mln viewers. Back on Telemundo, the Copa America final between Brazil and Peru averaged a total audience delivery of 3.1mln viewers, the most-watched final of that tournament since 2007 and tripling the 2015 final.

**Univision Rebranding Multi-Platform Sports Media:** On July 20, **Univision** will relaunch its multi-platform sports media brand and cable sports network **Univision Deportes** as “**TUDN**.” The net aims to bring together more soccer than ever before and air top sports programming, talent and production capabilities in the US and Mexico with a partnership with **Grupo Television**. The net’s tagline “Vivimos Tu Pasión,” translates to “We Live Your Passion.”

**i24NEWS Now Covering National News:** **Altice USA**-owned **i24NEWS** is expanding its coverage in the US to include national news stories and a greater focus on live coverage. Altice says the expansion into national news was made possible through the completion of its **Cheddar** acquisition in June. The domestic coverage will be delivered by the Cheddar anchor team with additional reporting coming from Cheddar’s DC bureau chief *JD Durkin* and reporter *Megan Pratz*. Support will come from the i24NEWS team including DC-based reporters *Shayna Estulin* and *Dan Raviv*.

**Cinémoi Available through Comcast:** **Cinémoi** scored carriage on **Comcast’s** Xfinity X1 and Xfinity Flex platforms, where it can be added for \$2.99/month. Cinémoi also has struck distribution deals with **Verizon Fios**, **Frontier** and **Sling TV**.

**Shaw Signs Multi-Year Extension on TiVo IP Deal:** **Shaw** agreed to a multi-year extension of its deal with **TiVo** for the latter’s i-Guide and its IP license, while expanding its Rovi patent portfolio IP license to also cover the TiVo patent portfolio. With the new agreement, Shaw will see greater access to TiVo’s next-gen IP offerings for use across all platforms.

**People:** **Liberty Media** is shaking up its management. CFO *Mark Carleton* retired and has become a senior adviser, focused on several of Liberty’s key portfolio companies. *Brian Wendling*, controller since 2011, has added the additional role of principal financial officer. Liberty’s general counsel and chief legal officer *Rich Baer* added the title of chief administrative officer, and *Courtnee Chung*, head of the company’s investor relations group will assume the title of chief portfolio officer. All roles will report to Liberty pres/CEO *Greg Maffei*. -- **Showtime** named *Michael Engleman* its new CMO, as well as marketing oversight of **Pop TV** and **Smithsonian Channel**. He’ll be taking over for *Don Buckley*. Engleman most recently served as CMO for **TBS** and **TNT**. -- **Disney** and **ESPN Media Networks** tapped *Ryan Blood* as vp, affiliate sales. He’ll lead the sales team overseeing national distribution accounts including **AT&T**, **DISH** and **Hulu**. He comes over from **Verizon**, where he served as director of content strategy and programming acquisitions for Fios TV, media services and wireless. -- *Brandon Heiner* joined **USTelecom** as svp, government affairs. He comes over to the national broadband group after eight years at **CenturyLink**, where he served as the director of federal legislative affairs. -- **Univision** tapped *Roxanna Flores* as its svp, HR, local media. She most recently served as **Fortune Magazine’s** chief people officer.