

Cablefax Daily™

Friday — July 19, 2019

What the Industry Reads First

Volume 30 / No. 137

Round & Round: The Complicated Merry-Go-Round of Retransmission Consent

After years of trying to explain retransmission consent to customers, there are signs MVPDs are making some progress. “While many of us have a low opinion of cable television providers, this outrage is more properly directed at the greedy broadcasters,” read a [letter](#) from reader *Jerome Schindler* that was published in *The Columbus Dispatch* Thursday. The author noted that his cable bill includes a “substantial ‘broadcast coverage surcharge’” that includes the fees the cable company pays local stations to retransmit their signals. Assuming Schindler’s not somehow affiliated with the industry (we tried unsuccessfully to reach him), it’s a sign of some progress. Heavy emphasis on the word “some.” It’s not just the temperatures breaking records right now. With five more months to go, TV blackouts are on their way to a historic high. Retrans reform group **American TV Alliance** said there have been 213 blackouts so far this year, tying the one-year record set in 2017. Most recently, **AT&T/DirectTV** has made headlines with the loss of **Nexstar** stations, the threatened loss of **CBS** O&Os and several stations from independent station groups that went down at the end of May. But it’s been fighting the retrans battle longer than that, with DirecTV losing seven **Northwest** stations in 10 cities on Feb 22 that remain off today. Just as MVPDs are highlighting the fees they pay for stations, broadcasters encourage viewers to seek money from distributors. “At the very least, those of you who have chosen to stay with DirecTV through this ordeal deserve the \$50 per month credit for twelve months they have offered many of you. Those of you have not received your credit should call them today for yours,” Northwest pres/CEO *Brian Brady* wrote in a missive Friday. **DISH**’s loss this week of **Meredith** stations in 12 markets is the latest skirmish, with each side blaming the other. As the FCC considers whether Nexstar should be allowed to proceed with its \$4bn deal to acquire **Tribune**, DISH continues to argue the consolidation will cause retrans fees to rise, a cost that will be passed on to consumers. Just this week, DISH filed comments at the FCC rebutting statements on the retrans impact filed by Nexstar from NERA Economic Consulting’s *Jeffrey Eisenach*, who had filed comments rebutting DISH’s consultants’ analysis. And round and round it goes... MVPDs have hoped for years for a silver bullet from Congress, with optimism renewed as Reps *Anna Eshoo* (D-CA) and *Steve Scalise* (R-LA) prepare to introduce legislation aimed at blackouts soon. But regulatory intervention runs its risks, not to mention both members of Con-

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gress have unsuccessfully introduced retrans-focused legislation in the past. That brings us back to that Columbus Dispatch reader's letter referencing the broadcast surcharge. Lawmakers have complained about such fees, saying advertised prices are "misleading." **Consumer Reports** launched a campaign to go after cable surcharges last summer outside Comcast's Philly HQ, presenting a petition with 100K signatures calling on cable to eliminate the fees. And round and round it goes...

Analysts React to Netflix's Rocky 2Q: Netflix's 2Q earnings report Wednesday may not have been all that everyone hoped it would, but analysts quickly worked to calm those that would see it as a sign that the streaming giant was preparing to fall. "It truly feels like the miss was due to the price increase(s) and content slate," **Wolfe Research's Marci Ryvicker** said in a note, adding that the price increase is now behind Netflix and the upcoming content slate looks "breathtaking." "We get staying on the sidelines for now. But we fundamentally believe NFLX is a streaming winner in the long-run." **Barclays** pointed out that 2Q is historically Netflix's weakest. In the last four years, the company has missed guidance four times with three of those occurrences coming in 2Q. "We believe the next three quarters will probably make it tough to make a pricing power argument but if the company is able to add more subs this year than last year and into Q1'20, there would be no credible bear case left in the story, in our view," Barclays argued. The paid subscriber miss (Netflix reported a growth of 2.7mln, missing its 5mln forecast) is still enough to shake even the most ardent Netflix fans, especially as it faces changes in the competitive landscape with **Disney** and **WarnerMedia** launching their streaming plays within the coming months. "The acknowledgement that the price increase hurt subscriber growth in the quarter also brings into question Netflix's ultimate pricing power," **MoffettNathanson** said in its research note. "As more studios pull content from Netflix, the platform moves from being a digital video store in the cloud with unlimited versions of all your favorite shows to a premium cable network on steroids"

HBO Max Sets Content Team: **WarnerMedia** unveiled what it's calling the "content dream team" for upcoming streaming service **HBO Max**, with *Sarah Aubrey* to serve as its leader. As head of original content, she'll report in to HBO Max chief content officer/**TNT, TBS, truTV** pres *Kevin Reilly*. Under Aubrey will be *Joey Chavez* (evp, original drama), *Jessie Henderson* (evp, original feature films), *Jeniffer Kim* (svp, international originals), *Suzanna Makkos* (evp, original comedy and animation) and *Jennifer O'Connell* (evp, original non-fiction and kids). While they'll keep the originals side up and running, the business operations and strategy group (also reporting to Reilly) will be responsible for driving deals and managing the overall programming mix. That team will be composed of *Eric Besner* (svp, business development and strategy), *Sandra Dewey* (pres, business operations and production), *Meredith*

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Gertler (evp, program strategy and planning) and *Michael Quigley* (evp of content acquisitions and strategy). WarnerMedia expects that between HBO Max originals, its library and acquired programming, the streaming service will offer more than 10K hours of content upon its premiere in the spring.

Disney Entrusts Connolly with Media Sales, Distribution: Disney is combining the company's media sales and channel distribution into one organization under *Justin Connolly*. Connolly, now named pres, media distribution, will report to Disney direct-to-consumer and international segment chmn *Kevin Mayer*. He'll continue to oversee all aspects of distribution, affiliate marketing and affiliate-related business operations for the Disney/ESPN media networks, while adding to his purview global app distribution deals for the company's DTC streaming services. In an effort to ensure effective media distribution strategies around the world, Connolly also will have final approval on all content sales agreements for a host of Disney properties, including Pixar Animation Studios, FX Productions, ABC Entertainment, etc.

Verizon Expands 5G Lineup with MiFi M1000: Verizon unveiled another 5G-enabled device Thursday and this time it's a hotspot. The Inseego MiFi M1000, when connected to Verizon's 5G ultra wideband network, is expected to offer the bandwidth and download speeds needed for applications including 4K/8K streaming, VR and AR. The announcement comes as the carrier launched its 5G ultra wideband mobility service in St Paul, MN. It's the fifth of more than 30 cities Verizon plans to launch 5G mobility services in by the end of the year.

New Venture for BTIG TMT Team: Analysts *Rich Greenfield*, *Walter Piecyk* and *Brandon Ross* are exiting financial services firm BTIG after nearly a decade to launch a new tech, media and telecom venture. BTIG said it would be strategically partnering on the business. The new venture will look at TMT portfolio companies, both public and private, and offer thematic research.

Verizon Fios Goes After Streamers: Verizon Fios broadband customers can sign up for YouTube TV July 18-Aug 15 and get a free month of the service. Verizon Wireless customers can get a free month by signing up between Aug 1-Oct 31. Verizon first announced that it would be reselling YouTube TV back in April.

Electronic Sub Notice Rules Get Greenlight: The FCC's November order allowing cable operators to provide certain notices to subscribers via email instead of by paper is now in effect. The Federal Register published OMB's approval of the changes in its July 18 issue.

Charter Ups Support for NAMIC Leadership Training: Charter is serving as the visionary sponsor of NAMIC's Executive Leadership Development Program Class XIX. Charter has been a longtime participant in the program, with its executives comprising 15% of ELDP's alumni since the program's inception. The nomination deadline for this year's program (beginning Oct 7) is Aug 16.

Programming: ESPN2 is scheduled to televise its first "WNBA All-Star Team Selection Special" on Tuesday at 9:30pm. -- Comedy Central will premiere the 23rd season of "South Park" Sept 25. Episodes will be available on Hulu and South Park Studios the day after they air. -- HBO brings together *Danny McBride*, *John Goodman*, *Edi Patterson* and *Adam Devine* in new comedy series, "The Righteous Gemstones," premiering Aug 18. -- It's a good time for "Mad About You" fans with Spectrum Originals making all 164 episodes of the original series available for free on-demand for Spectrum subscribers beginning August 1. The episodes will arrive ahead of a new Spectrum Originals limited series set for late 2019 that will reunite stars *Paul Reiser* and *Helen Hunt*. -- CNN is taking humans "Beyond Earth" in an animated 4K VR journey designed to take viewers across the solar system. Beyond Earth is available on CNN.com, CNN's mobile app, the CNN Facebook page and on Oculus headsets.

People: Fox News has upped *Jason Ehrich* to the newly-created position of evp, audience development and strategic partnerships, effective immediately. Ehrich, who first joined the network as a viewer services writer in 1998, most recently served as evp, marketing, on-air promotions, audience development and social media. -- NPACT gm *John Ford* is stepping down from the trade association's top position. Ford made the decision due to the potential for conflicts of interest to his roles as head of programming for Justice Network and Quest Network, which Tegna purchased in May for \$77mln. NPACT head of policy and development *Michelle Van Kempen* will serve as interim gm.

Interactive Case Competition Returns for Ninth Year: Time's running out to sponsor the 2019 Interactive Case Competition. Applications are due July 31. The annual MBA competition, produced and hosted by industry vet *Craig Leddy*, features Columbia, NYU, Drexel, MIT, Georgetown, Pace and Carnegie Mellon grad students competing on strategy and marketing plans aimed at the TV and broadband industry. The event has recruited more than 250 students, providing opportunities for internships and jobs.

PROGRAMMER'S PAGE

Tackling 'The UnXplained' With History

Information has never been more accessible, and yet, there still seems to be an endless number of unsolved mysteries in our world. Examining those happenings is at the heart of **History's** "The UnXplained" (premiering Friday at 10pm). The series is a dream for ep *Kevin Burns*, who had always wanted to create his own version of unsolved mystery series "In Search Of." "For a while, I tried to secure the rights, and then found out History was already doing a new version with *Zachary Quinto*," Burns told **Cablefax**. "But when I saw the new series on History, I thought there was still room for another approach, something closer to my memory of the classic version." And while he originally developed the series with an unseen narrator in mind, working on an episode of "Ancient Aliens" with *William Shatner* made Burns rethink the idea. He immediately asked Shatner to host. The answer was an immediate yes. "He's a voracious reader and had a lot of suggestions for stories we could tell," Burns said. "He has become much more than a narrator/host—he is a true creative partner." Burns worked closely with fellow ep *Rob O'Brien* to develop a list of topics and stories to explore. If it was smart, factually-based and genuinely strange, it made the final cut. "If someone claims to be healed by a voodoo doctor, we don't judge," Burns said. "We let the facts of the story speak for themselves." Burns believes that all of his shows (including other History series "The Curse of Oak Island" and Ancient Aliens) fit into the "infotainment" category. Being a curious person in awe of the world, Burns likes to encourage that same inquisitive nature in others. "Why do identical twins often feel each other's pain? Does prayer work? How can someone suddenly know how to play the piano after recovering from a serious head injury? If you cannot answer those questions easily—and want to know the answers—then this show will try and satisfy you." – *Sara Winegardner*

Reviews: "Years and Years," 9pm, Monday, **HBO**. We're living during television's golden age. Part of the gold, though, is that content providers (doesn't "cable operators" sound quaint?) offer a large swath of entertainment on demand. So, grab the remote, head to **HBO Go** and catch up with this excellent limited series. Monday will be ep 5, so a relatively quick weekend binge—taking time out for "Big Little Lies" Sunday night—and you're set. Often we urge viewers to plunge into series wherever. Not here. The whole—a sci-fi-tinged tale about the Lyons, an ordinary, large English family—is greater than its parts. "Years" starts in 2019, but quickly and cleverly, moves ahead. Years' strength is its depiction of how global politics play havoc with a family. Technology also has an amusing, though, at times, ominous, role in this look at the entropic state of life 10-15 years from now. -- "Mum," streaming from July 25, **BritBox**. Speaking of ordinary British families, this extremely dry but funny series, in its third and final season, is a hit in Britain. It centers on Cathy (*Lesley Manville*), a 60-something widow, and Michael (the wonderful *Peter Mullan*). The two have kept their love secret. Michael, though, has loved Cathy from afar for decades. Will their secret come out in this final season? – *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (7/8/19-7/14/19)		
Mon-Sun	MC US	MC US AA (000)
FNC	0.746	2,278
ESPN	0.553	1,691
MSNBC	0.503	1,536
HGTV	0.414	1,265
TLC	0.368	1,123
USA	0.345	1,053
A&E	0.328	1,003
TBS	0.318	973
ID	0.302	924
HIST	0.284	867
NICK	0.275	841
HALL	0.271	827
DISC	0.267	816
CNN	0.265	808
FOOD	0.257	785
INSP	0.240	732
BRAVO	0.211	643
HMM	0.207	632
TVLAND	0.206	628
NAN	0.202	617
FX	0.202	616
TNT	0.194	592
ADSM	0.193	588
FRFM	0.185	565
APL	0.166	507
LIFE	0.162	494
AMC	0.157	480
VH1	0.154	470
PARA	0.152	463
SYFY	0.149	455
WETV	0.147	448
MTV	0.143	438
TRAVEL	0.139	426
DSNYL	0.137	419
HBO	0.137	417
DSJR	0.135	413
GSN	0.130	398
NKJR	0.130	396
NATGEO	0.123	375
LMN	0.116	356
OWN	0.116	355

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

**CONGRATULATIONS
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