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What the Industry Reads First

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Niche Streamers: AMC Networks Eyes International SVOD Expansion

AMC Networks' British-focused streamer **Acorn TV** has hit the 1mln sub mark in the US and Canada, with AMCN CEO *Josh Sapan* declaring that the company is just getting started. "For the past several years we've been developing a group of SVOD services with a strategy and approach that is radically different than the larger services that you're familiar with," he said at Thursday's **Goldman Sachs** investor conference. AMC Networks has four SVOD services: **Acorn TV**, **Shudder**, **Sundance Now** and **Urban Movie Channel**. Combined, the four have nearly 2mln subs, primarily in the US. By end-of-year, aggregate subs will exceed 2mln and generate about \$100mln in revenue, Sapan predicted. "Looking out three to five years, we expect those services to generate in the range of half a billion dollars in annual revenue and have an aggregate subscriber base at least two to three times larger than it is today. For a company of our size and scale, meaningful, but very achievable targets," he said. AMC Nets isn't trying to compete with what Sapan calls "whole house general entertainment," like **Netflix**, **Amazon**, **Disney+**, etc. "Because our offerings are designed to superserve a specific segment of the population in contrast to other services which are designed to service every person in the household. Ours have an economic profile that is really in a different league than these other offerings," he said. Where would these increased sub numbers for such niche streamers come from? International. "Our thinking when we went into these areas was them being global and translating through culture and in some way through language," Sapan said, referencing **AMC's** "The Walking Dead's" global appeal. "The proliferation of broadband homes has been rapid globally and will continue to be, so that market gets richer and richer." Sapan says that by end-of-year 2020, the four aggregate SVODs will be profitable, and pointed out that Acorn TV already is. The streamer has been around since 2011, but AMC took control in 2018 through a deal with **RLJ Entertainment** after being a minority stakeholder. "We continue to transition from a cable company to a content-centric company by doing a few key things," he said. "Increasingly owning and controlling our own content, distributing that content on multiple platforms to maximize its value, including our linear channels, selling it to third parties where it makes sense, and now increasingly putting it on our own SVOD services." Sapan also took the opportunity to weigh in on pricing, noting that recent announcements across industry have been surprising (specifically pointing out lower-than-expected prices for **Disney+** and **Apple TV+**). Acorn went up by a dollar in April to now cost \$5.99 a month,

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but Sapan said that the streamer grew subs that very month. “It serves a relatively affluent audience. We are not out to win a share battle that ignores price, we’re out to run services that people really have high regard for,” he said.

Verizon 5G Doesn’t Need Midband Spectrum to Succeed: Verizon’s early 5G launches have drawn criticism for its reliance on mmWave spectrum and the small areas that are able to access the network, but CEO *Hans Vestberg* is far from shaken. It’s all par for the course when you’re exploring the capabilities of a new technology. “There’s a lot more to be brought out of it,” he said at an investor conference Thursday. “It’s actually meeting our expectations, and we are gradually increasing our footprint every day. We’re so early in the cycle. We were first in the world with 5G Home, we were first with 5G smartphones, so of course we are in the beginning of it and seeing the evolution of the technology is actually very encouraging.” Vestberg didn’t offer any specifics on when consumers will see the network go nationwide. Verizon is currently aiming to deploy in parts of 30 cities by the end of the year and revealed Thursday that 5G will go live in parts of NYC on Sept 26. That will bring its mobile 5G service to a total of 11 cities thus far. “We’re not set on when and how... but don’t assume that we will not have national coverage,” Vestberg said. “We will have it and we are working on it daily right now.” Verizon has been gung-ho about its strategy, which relies on mmWave spectrum. And while it has far more of that than its competitors, where it falls behind is in ownership of midband spectrum. Vestberg is still confident that the network can rely on mmWave and doesn’t want to resort to buying more midband spectrum unless absolutely necessary. “I always say that I don’t start with spectrum. I start with the data growth behind the network and then I have different solutions for it,” he said, counting densifying the network as a way Verizon has avoided buying new spectrum in the past. “We have all of the spectrum we need to have national coverage and do the mmWave, so there’s no doubt about that to launch a really good experience for our customers... Of course, C-band is an interesting spectrum, but it’s not up for grabs at the moment, so I guess we’ll work with the assets we have and we’re happy with those.”

Digesting a DirecTV Divestiture: A *WSJ* report that **AT&T** is indeed exploring ways to shave off **DirectTV** garnered plenty of reactions, most centering around whether a **DISH-DirecTV** union could receive the government’s blessing. **New Street Research** analysts firmly believe there aren’t regulatory hurdles. “This isn’t 2002. 93% of household have dozens of choices among pay-tv providers, and I am sure the companies can dream up a fix for the 7%,” analyst *Jonathan Chaplin* wrote in a note titled “Get ‘Er Done.” Rather than regulatory conflicts, he sees structural problems—such as DISH and AT&T both needing cash out of the deal. **Moody’s**, on the other hand, believes a DISH-DirecTV combo is highly unlikely due to regulatory constraints and the difficulty in financing such a purchase. With about 5% of the US having no wireline broadband provider and thus limited access to virtual MVPDs, DBS is often the only providers in town, Moody’s said.

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“Unless one of the two players is facing deep distress (like Sirius and XM radio might have been before they merged), a merger of the only two national providers would likely face significant national and state regulatory hurdles,” the ratings firm said. However, it thinks the two could figure out a way to work together via a joint venture combining their back office, while leaving two competitors intact.

Nexstar-Tribune Deal's Done: Say hello to America's largest broadcaster, with **Nexstar** completing its \$4.1bn acquisition of **Tribune**. In addition to more than 200 broadcast stations, the new Nexstar owns **WGN America**, a 31.3% ownership stake in **Food Network** and equity holdings in several digital media businesses. Based on due diligence, Nexstar now expects to hit \$185mln in operating synergies in the first year, up from \$160mln. Three Tribune senior managers have joined the Nexstar team, with *Dana Zimmer* serving as evp, chief distribution and strategy officer. *Sean Compton* is evp, WGN America, WGN Radio and dir, content acquisition, while *Gary Weitman* will serve as chief communications officer. Nexstar's 21 station divestitures required by the **DOJ** also have closed for a total of approx. \$1.33bln.

Big Shakeups at NBCU: There's another round of restructuring at **NBCU** following **E!** pres *Adam Stotsky's* exit earlier this month. In a memo to staff, pres of lifestyle nets *Frances Berwick* laid out the division of Stotsky's responsibilities. *Jen Neal*, former evp for E! marketing and live events, was promoted to gm, E! news, live events and lifestyle digital. She'll oversee the news operations and manage digital assets across **Bravo**, **E!**, **Oxygen** and **Universal Kids**. *Ellen Stone*, evp marketing for Bravo, Oxygen and Universal Kids is taking on the same responsibilities for E!. *Jennifer Geisser*, svp communications, for the three lifestyle nets is adding E! to her purview, earning a promotion to svp, communications and talent relations for the lifestyle networks. Bravo and E!'s developments have been combined, handing *Rachel Smith* a promotion from svp Bravo development to evp, development, Bravo and E!. *Rod Aissa*, evp, programming and development, Oxygen is taking over production for E! with a new title evp, original programming, Oxygen and E! production. All will report to Berwick. Finally, *Val Boreland*, currently evp, content strategy for the Entertainment Networks is expanding her role to evp, content strategy, entertainment & lifestyle group. She will lead the program scheduling and acquisition teams across all six channels in the group, and will co-report to Berwick and *Chris McCumber*, pres of the entertainment nets. The Hollywood trades report the changes are expected to result in layoffs of less than 5% of staff across the groups.

Associations Go After Google: **Google** is in the crosshairs of **NCTA** and lobbying association brethren **CTIA** and **US Telecom**. The trio sent a letter Thursday to Commerce, Homeland Security and Judiciary committees expressing concern about a new internet browser protocol that Google intends to implement. “Google is beginning to implement encrypted Domain Name System lookups into its Chrome browser and Android operating system through a new protocol for wireline and wireless service, known as DNS over HTTPS. If not coordinated with others in the internet ecosystem, this could interfere on a mass scale with critical internet functions, as well as raise data competition issues,” the groups said. They argue that the new protocol threatens consumers because it could interfere with various internet features, such as parental controls, IoT management and connecting users to the nearest content delivery networks. They also are fretting the collection of “the majority of worldwide DNS data by a single, global internet company.”

Comcast Launching DAZN: Sports streaming service **DAZN** inked its first major US distribution deal, with **Comcast** launching it via its internet streaming hub Xfinity Flex. It will be available over the internet to Xfinity X1 customers this fall. DAZN offers an annual pass for \$99.99, and a monthly option at \$19.99.

Kaitz Dinner Closes Out Diversity Week: **Aspire TV's** *Chris Spencer* may have initially pronounced Kaitz as “cats,” but that didn't stop him from developing a rapport with the audience at the 36th annual Kaitz Dinner in NYC Wednesday night. The **New York City Gay Men's Chorus** opened the event with a moving performance, followed by remarks from **The Walter Kaitz Foundation's** executive director *Michelle Ray*. “The concept of inclusion is really simple, isn't it? The practice of inclusion is really much harder, however. True inclusion requires a thoughtful, vigorous and disciplined exercise to develop strategies to ensure that we live up to our goals in business, society, and really in life,” Ray reflected. **City Year**, an **AmeriCorps** organization partnered with **Comcast NBCU**, was honored with the Diversity Advocate Award, and Comcast NBCU received the Diversity Champion Award. “You know our industry plays a special role in the work of inclusion and diversity and we have an obligation to always be better,” said *Dave Watson*, pres/CEO of **Comcast Cable**. **NCTA** pres/CEO *Michael Powell* really brought down the house. In an emotional speech, Powell reflected on America's history of slavery and racism and the work that still needs to be done. “To be a true diversity warrior requires more than chanting the values of pluralism while sitting in air conditioned offices,” he said. “It requires we stand against the suffocating heat of racism, stand against hostility towards the LGBTQ community, stand against the oppression of women, and stand for the fundamental equality of all, giving true meaning to our founding ideals. I am personally honored to be part of an industry committed to making America a more perfect union.” In all, the event raised over \$1.4mln.

PROGRAMMER'S PAGE

TV with a Conscious

Socially conscious television isn't a new thing. But in today's amped political climate, the season's new crop of shows crank up the volume on thought-provoking fodder. Take "Watchman," HBO's upcoming series based on the *Alan Moore* graphic novel that takes place in an alt society where masked vigilante law enforcers are treated as outlaws and hunted by a group of white supremacists. "One of amazing things about the original Watchman is you don't know what is actual history and what is alt history," said showrunner *David Lindelof* at the recent **Television Critics Assn** tour. Lindelof noted the cast and crew were very aware of the ways the story's threads tie into today's culture while they were filming. "What in 2019 is the equivalent of the nuclear standoff between the Americans and the Russians? It's race and the police," Lindelof opined. "There are no easy answers and grandiose solutions... In a traditional superhero movie, superheroes fight the aliens. There's no defeating white supremacy. It's not going away." HBO has a spate of newcomers fraught with social conscience. A co-production with the **BBC**, "His Dark Materials," rises as a series based on the *Philip Pullman* books after a 2007 film adaptation spawned backlash in the UK from those who perceived it as an attack on organized religion. At TCA, co-exec producer *Jane Tranter* said, "One of the great things about 'His Dark Materials' is the conversations about religion. Philip Pullman in these books is not attacking belief, he's not attacking faith, he's not attacking the Church per se. He's attacking control." AMC's "The Terror: Infamy" weaves mythical ghost horror stories into a narrative about the Japanese internment camps during World War II. *George Takei* stars in this season and also served as a special consultant sharing his own experience being interned as a child along with his family. He minced no words talking with reporters at TCA about his interest in the script: "My mission in life personally is to raise the awareness of this chapter ... so that Americans are mindful of this history and, we hope, that events like what's happening in our name, in the name of America, on the southern border can be stopped," Takei said. — *Cathy Applefeld Olson*

Reviews: "Alfred Pennyworth," 9pm, Sunday, **EPIX**. This is the penultimate ep of a solid 10-part series about millionaire Batman's (nee Bruce Wayne) butler Alfred. Forget the tall, understated, white-haired gent of the 1960s television series (the late *Alan Napier*). This Alfred is a tough, cockney in his 20s, fresh out of Britain's SAS. His skills as a spy and assassin are so advanced that two radical political parties recruit him. The parties want to overthrow the established order; one is fascist, the other socialist. *Jack Bannon* is an excellent Alfred and the plot is a good spy saga. Smartly, there's almost nothing that connects this Alfred to what he later will become. Alfred's father, though, is a butler and Bruce Wayne's parents are present. -- "Rosehaven," Season 3, streaming, **Sundance Now**. This Aussie import has found a loyal niche, as it should. After a day of leaning in at work, this comedy, centered on two people who work at a small real estate firm in rural Tasmania, is lean back TV. The comedic chemistry between *Luke McGregor* and *Celia Pacquola*, who are buds in real life, is a joy. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (9/9/19-9/15/19)		
Mon-Sun	MC US	MC US AA (000)
ESPN	0.773	2,374
FNC	0.742	2,279
MSNBC	0.464	1,425
HGTV	0.438	1,345
NFL	0.414	1,273
USA	0.349	1,073
TLC	0.333	1,023
HALL	0.300	922
HISTORY	0.293	901
ID	0.288	885
TBS	0.249	766
CNN	0.238	731
FOOD	0.235	723
A&E	0.235	723
DISC	0.232	714
NICK	0.220	676
ADSM	0.199	612
HMM	0.199	611
TVLAND	0.189	581
TNT	0.188	579
INSP	0.186	571
BRAVO	0.183	563
LIFE	0.170	524
NAN	0.166	509
NBCS	0.158	485
AMC	0.152	466
FX	0.145	444
ANIMAL	0.141	433
DSNY	0.139	426
VH1	0.139	426
CRN	0.135	416
MTV	0.133	407
WETV	0.131	403
FRFM	0.128	394
TRAVEL	0.126	388
NATGEO	0.122	375
DSJR	0.121	371
GSN	0.119	366
NKJR	0.118	364
SYFY	0.117	359
OWN	0.114	349

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



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