

# Cablefax Daily™

Monday — September 23, 2019

What the Industry Reads First

Volume 30 / No. 182

## Done Deal: Tribune/Nexstar Puts Eyes on Cable, Retrans

Nexstar's acquisition of **Tribune Media** made Nexstar the largest owner of local TV stations, but it also brought the company into the cable game. New Nexstar now owns **WGN America** and a 31.3% share in **Food Network**, but CEO *Perry Sook* said the company plans neither to sell the nets nor enter deeper into cable. "Our game plan is to operate the heck out of it," Sook said in a conference call Friday with Wall Street analysts. "We don't really have an appetite to expand our cable portfolio. We're going to operate it as aggressively as we can, but I don't see us in the foreseeable future... adding to our cable portfolio." Sook emphasized Nexstar's commitment to local news, and now Nexstar has 197 local and affiliate stations in 115 markets, reaching 39% of US households. "We've been pretty public about we like the local piece of the media ecosystem. The primary focus of the company will still be local television, but that doesn't mean that because we have these assets, we're going to phone it in. We're going to operate both the radio assets and the cable assets aggressively, until or unless somebody makes us an offer we can't refuse." Of course, you can't talk local news without talking about retrans. Nexstar CFO *Tom Carter* said the company has "good, stable portfolio affiliations" with a cost basis for affiliate fees already known for the foreseeable future. Nexstar now expects \$85mln in net retrans revenue, up from the initial \$65mln. After the close of the deal, the company now projects \$185mln in operating synergies in year one, up from \$165mln. Sook said notification letters to MVPDs about the newly-acquired stations have gone out, and several deals have already been completed. **Fox** and Nexstar have affiliation agreements through 2023, and all **ABC** stations except one have been completed through 2023 (the final comes up for renewal at the end of the year). Sook said deals are done for about half of **CBS** affiliates, and the rest come up for renewal in 2020 and 2021. "On **NBC**, we're in discussions with some of the legacy Nexstar affiliates that expire at the end of the year, which is about half of our NBC affiliate list," said Sook. "We have certainty on cost structure and relationship with the networks going out now for four years, and the rest of the cadence of this is business that will be taken care of in the normal course." Sook said the long-term retrans strategy hasn't changed for the company, and that its substantial number of **CW** affiliates translates to a much higher margin of net retrans dollars for the company. "I think our view remains unchanged that we'll be able to continue to grow the topline double digits and continue to maintain a 50% margin on net retrans, which obviously is a

## CROWN MEDIA HAS MOVED SATELLITES

Hallmark Channel, Hallmark Movies & Mysteries,  
and Hallmark Drama have moved from  
**AMC-11 TX5 to SES-1 TX17 @ 101° West**

**Deadline to move satellites is October 15, 2019**

For assistance 24/7, call 1-800-295-4198, option 4

CrownMedia



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 ● 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

substantial contributor to our net free cash flow going forward,” said Sooks. Nexstar stock closed at \$103.18, up 1.25%.

**Sinclair Warns of Potential AT&T Blackouts:** Sinclair warned **AT&T U-verse, DirecTV** and **AT&T TV Now** subscribers of potential blackouts of 136 TV stations and **Tennis Channel** in 86 markets Friday, arguing that AT&T has been unwilling to negotiate fair-market carriage licenses. This is far from AT&T’s first retrans scuffle. On May 30, the provider lost 17 stations represented by independent broadcast owners, with another three from a different owner going dark on June 10. **Nexstar** also had trouble reaching an agreement with AT&T, leaving those stations blacked out for nearly two months in the summer. The previous retrans agreement between AT&T and Sinclair was originally set to expire in August, but Sinclair offered a five-week extension. That extension remains in effect through Sept 27 at 5pm EDT. “AT&T is the largest MVPD in the country and seems intent on using its tremendous market power to dictate to viewers which programming from other content providers they can receive, even as they continue to acquire content providers and push their own content to viewers,” Sinclair svp/general counsel *David Gibber* said in a statement. “We continue to act in good faith and hope that AT&T will agree to fair terms soon, for the benefit of all, most importantly our viewers.” AT&T did not respond by our deadline.

**FourthWall Reveals Reveal 5:** **FourthWall Media** wants to make TV advertising more like digital advertising, and it’s doing that through Reveal 5. The fifth generation of the company’s analytics platform enables organizations of all sizes to analyze, plan and optimize television advertising, audiences and programming, according to FourthWall. It uses five years of granular viewing data, detailed household characteristics, integrations with digital DMPs and data partners. The company said the product will allow companies to target TV campaigns, eliminate waste and measure outcomes of ad programs. It also said companies can access digital planning and measurement capabilities and insights for TV that wouldn’t usually be possible to implement at scale.

**Keystone State Joins Efforts to Block T-Mobile/Sprint Merger:** Pennsylvania is the latest state to join the lawsuit to block the merger of **T-Mobile** and **Sprint**, bringing the total to 18 states. “The merger between T-Mobile and Sprint would severely undermine competition in the telecommunications sector, which would hurt Pennsylvania consumers by driving up prices, limiting coverage, and diminishing quality,” PA Attorney General *Josh Shapiro* said in a statement.

**BET+ Now Streaming:** The newest + on the OTT block launched Thursday, with **BET+** now available on IOS and **Android** devices as well as **Amazon Fire TV, Prime Video Channels** and **Apple TV** channels. Subs can get a free 7-day trial before the monthly \$9.99 subscription charge kicks in. The jv by **BET Networks** and **Tyler Perry Studios** rolls out



NEW ORLEANS · SEPT 30-OCT 3

*Cablefax is **thrilled** to be the **Official Show Daily***

For the first time ever, in addition to the morning print edition, Cablefax will produce a news-driven **EXPO Show Video Daily** highlighting all the major show developments.

*New Benefits!*

*New Opportunities!*

*New Exposure!*



Ad Space

Olivia Murray is ready to answer all your questions. Contact her at [omurray@accessintel.com](mailto:omurray@accessintel.com)

with more than 1,000 hours of ad-free content, including all 9 eps of original series “First Wives Club.” The first 3 eps of original series “Bigger” are available now with weekly eps being released starting Sept 26. Tyler Perry theatricals and stage plays, including “Meet the Browns,” will join the service in the coming months. Library content includes BET’s “Real Husbands of Hollywood,” VH1’s “Basketball Wives” and TV Land’s “Soul Man.”

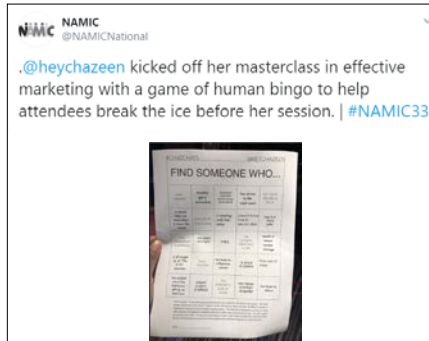
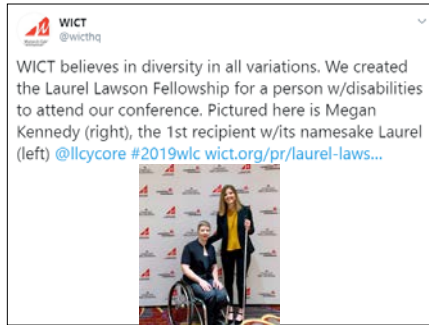
**Consumers Ready to Add More**

**Streamers:** The OTT market is becoming ever more crowded, but not all folks have reached their streaming limits. About 28% of current streamers say they will likely sign up for one of the upcoming streaming services, according to a recent **HarrisX** survey, with 21% saying they will sign up for **Disney+**. **HBO Max** had 11% saying they would likely sign up while **NBC** fell behind with 10% for its Peacock streamer. Content, not cost, is what will drive adoption of the new entrants to the streaming market. 34% of respondents were excited about the library of new movies coming to Disney+, 23% expressed excitement for HBO Max’s originals and 21% said the new TV shows at NBC would draw them in on launch day.

**People:** **605** co-founder/pres *Ben Tatta* is leaving his day-to-day role at the TV measurement firm. He will continue on as a strategic advisor and remain a co-founder of the company. Before starting **605**, Tatta served as pres of **Cablevision** Media Sales.

**Cablefax Dashboard**

**Tweet Tweet**



**Up Ahead**

- Sept 23-26:** [Advertising Week](#); NYC
- Sept 26:** [FCC Open Commission Meeting](#); Washington, DC
- Sept 30:** [CableLabs Envision Vendor Forum](#); Los Angeles
- Oct 15:** [RampUp Chicago](#); Chicago
- Oct 14-17:** [MIPCOM](#); Cannes, France
- Oct 22-24:** [MWC 19](#); Los Angeles

**Research**

- > 93% of Millennials own smartphones, compared to 90% of Gen Xers, 68% of Baby Boomers and 40% of the Silent Generation
- > While social media use of Millennials has stayed about the same since 2012, Gen Xers, Boomers and Silents who use social media have all increased by at least 10%.
- > 84% and 74% of Millennials and Gen Xers, respectively, now report using Facebook.

**(Source: Pew Research Center Article)**

**Quotable**

“One of the reasons this generated so much heat... is because it was viewed as the good guys versus the bad guys, and Google and Facebook were the good guys and Verizon, AT&T and Comcast were the bad guys... there are no white hats in the room anymore, and so a lot of the emotional or moral energy, if you will, behind net neutrality has been drained away.”

-- **Craig Moffet**, *MoffettNathanson* senior research analyst in an interview for C-SPAN’s “[The Communicators](#)” series



**NOV. 4-5**  
**ARLINGTON, VA**



**Build Your 5G ACTION PLAN**

**Take 30% off with**  
**VIP Code: CFX30!**

**Register at [www.DC5G.com](http://www.DC5G.com)**