

Cablefax Daily™

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What the Industry Reads First

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Rate Rollercoaster: WOW! Acting Early to Combat Rising Programming Costs

Operators large and small continue to contend with rising programming costs. **WOW!** is getting ahead of next year's price increases by implementing a rate increase on out-of-contract video customers in December. "The big difference is that we're taking it in December versus in the first quarter like we did last year," **WOW!** CEO *Teresa Elder* said on the company's 3Q19 earnings call Friday. And with more customers finding reason enough to cut the cord, the company isn't terribly concerned that the move will drive more of them away. Management did not detail how many customers would be impacted or how much rates would rise. "Obviously video is under pressure from a number of other factors and it's not just from rate hike, but we don't expect any different a spike in churn as a result of this," vp, corporate development and investor relations *Lucas Binder* said. The company's 3Q revenues fell 2.1% YOY to \$285.4mln, largely due to a 10.8% decline in video subscription revenue. Elder reiterated that **WOW!** will continue offering a compelling video offering so long as their customers want it. "At the same time, while we are not happy to have declines in the subscription revenues, the mix shift toward HSD is accretive to the business," Elder said. The take rate on the company's HSD product continues to be on the rise with **WOW!**'s 100Mbps plan continuing to be its most popular. Through 2020, **WOW!**'s focus will be on removing legacy boxes from its network. **WOW!** has also continued pushing its Edge-Out projects, which have extended the network to 166.6K homes passed (+14K in the quarter). While Elder would not break out the number of customers that have adopted the company's Whole-Home WiFi product, she said it has significantly helped drive down calls to the care organization as well as truck rolls. "It just plays a key role in helping the whole customer experience as well as our bottom line," Elder said. The employee experience has improved as well, with **WOW!**'s employee voluntary turnover dropping by 5% YOY and Net Promoter Scores staying consistently high. And at a time when more streamers are popping up than ever, **WOW!** has made its platform into a place they can call all live in harmony. Elder said the wheels were set in motion to give streaming services a centralized hub very, very early on, and she believes customers come to **WOW!** for that very reason. "We were the first operator to have 1 gig services in over 95% of our footprint, we had in very early days established a different relationship with **Netflix** to put the content closer to customers so that we routinely are in



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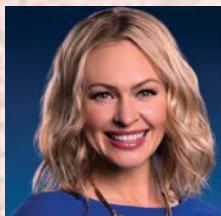


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the top rankings of Netflix ISP viewership, so that it looks much better on our services,” Elder said. “The digitization is just very crystal clear with Netflix.”

Altitude Sports Back on DirecTV: Halloween was anything but spooky for **Altitude Sports** with the RSN scoring a multi-year distribution agreement with **AT&T/DirecTV** Thursday. The deal puts an end to a blackout that began on Aug 31 and restores coverage of the Denver Nuggets, Colorado Avalanche and more to DirecTV customers. AT&T and Altitude thanked local sports fans for their patience while the pair worked out a new agreement, the pair said in a joint statement. Terms of the deal were not disclosed. Altitude remains dark on **Comcast** and **DISH**, but both have told **CFX** that they’re willing to continue negotiations with the RSN. “We know how much Nuggets and Avalanche fans want to watch their teams this season. We’ve provided Altitude with some options to ensure Nuggets and Avalanche fans can enjoy the games on Comcast, but unfortunately Altitude has rejected them,” Comcast said in a statement. “We would like to reach an agreement with Altitude while avoiding driving up costs for our customers. In the meantime, we are applying a partial credit to our customers’ Regional Sports Network Fee.”

Estrella TV Complaint Denied Again: The **FCC** Media Bureau denied **Liberman Broadcasting’s** request that it reconsider an order dismissing the broadcaster’s program carriage complaint against **Comcast**. Liberman filed the complaint in April 2016 after its **Estrella TV** was dropped from Comcast’s lineups in Houston, Denver and Salt Lake City. The Media Bureau dismissed the complaint shortly thereafter, saying Liberman failed to put forth evidence sufficient to establish a prima facie case of program carriage violations and that as a broadcast licensee it doesn’t qualify as “video programming vendor” capable of lobbying program carriage complaints (as a broadcaster, it could instead argue a violation of retrans good faith negotiations). “We conclude that LBI has failed to demonstrate any material error, omission, or reason warranting reconsideration and the mere fact that LBI disagrees with the Bureau’s findings provides no valid basis for reconsideration,” the Bureau said in its decision to deny reconsideration.

California Reps Call For Hearing on Telecommunications As Fires Rage: Reps **Anna Eshoo** (D-CA) and **Mike Thompson** (D-CA) led 23 other representatives from California in sending a letter requesting that the House Communications subcommittee hold a hearing on the role of telecommunications in public safety in response to the recent California wildfires. “Wireless carriers and others have made efforts to aid in response to the emergencies, but our Subcommittee should hear about how all stakeholders have responded and potential actions Congress can take to improve network resiliency during natural disasters,” the reps wrote.

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35187

ESPN, Formula 1 Sign New Deal:

ESPN and **Formula 1** struck a new agreement that will keep F1 races on ESPN and **ABC** through 2022. F1 came back to ESPN in 2018 from **NBC Sports**, and have seen two seasons of double-digit viewership increase. Under the new deal, **ESPN Deportes** will become the exclusive Spanish-language home for the races in the US, beginning in 2020. ESPN will continue to air the races commercial free and will again partner with **Sky Sports** to bring its presentation of F1 racing to American viewers.

Ratings: It's not just women's soccer that's seen a spike in ratings. **ESPN's** audience for the 2019 MLS Cup Playoffs is up 36% YOY ahead of the final airing Nov 10 at 3pm on **ABC**. The four single-elimination playoff matches on ESPN and **ESPN2** delivered an average audience of 388K, up from 286K viewers for seven playoff matches on the same nets in 2018. It's ESPN's most-viewed MLS playoffs since 2012 (392K).

People: Stephen Luczo was appointed to **AT&T's** board, effective immediately. Luczo has held the role of board chmn at **Seagate Technology** since 2002. Prior to that, he served two tenures as CEO/chmn. His election brings the number of seats on AT&T's board to 14. -- **Animal Planet** pres **Susanna Dinnage** is exiting **Discovery** at the end of the year. **Deadline** reports that her departure is part of a restructure that will see the division moved under **Nancy Daniels**, Chief Brand Officer, Discovery & Factual.

Cablefax Dashboard**Tweet Tweet**

Michael Powell

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@repgregwalden is not only a highly effective and well respected policymaker, but he is a personal friend who I have had the pleasure to work closely with for the past two decades. He will be missed in the halls of Congress.



Mike Bettes

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If you have not heard, The Weather Channel won an Emmy recently for its immersive mixed reality storytelling. Of course we had to celebrate.

**Up Ahead**

Nov 4-5: **DC5G**; Arlington, VA

Nov 5: **2019 Interactive Case Competition** at **A+E**; NYC

Nov 8: **WICT SoCal LEA Awards Luncheon**; LA

Nov 14: **WICT Rocky Mountain Tech It Out**; Denver, CO

Nov 21: **Gracies Leadership Awards**; NYC

Dec 5: **Cablefax Most Powerful Women 2019**; NYC

Research

➤ Nearly 60% of consumers have heard of Disney+, while about half have heard of Apple TV+.

➤ 1 in 4 TV consumers say they'll sign up for Disney+, including 15% who say they'll definitely sign up or have already preordered the service. The numbers are smaller for AppleTV+, with 6% saying they're definitely in.

➤ 2/3 of those likely to sign up for any of the new streamers say they'll drop something they'll have today.

(Source: **Hub**)

Quotable

"I think in virtually every job that I've taken I've always felt a pressure to perform and actually add value back to the business. I don't think that changes or I feel any different about that... This introduction to this product is incredibly important. Every job I've come into, it's always been what needs to change, what's something that can add value to the business and how do you focus on doing it well?.. What comes from it comes from it... I have this luxury wonderful luxury in my life where I don't have to work. I work because I want to work. And that's a blessing for me. And I'm here because I want to do this and I want to do what's in front of me right now." -- **AT&T COO John Stankey speaking with CNBC** on his potential to become the next chmn

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