

Cablefax Daily™

Thursday — January 2, 2020

What the Industry Reads First

Volume 31 / No. 001

Tick Tock: Carriage Talks Continue as Deadlines Approach

As we went to press Tuesday, there were still plenty of operators and programmers/broadcasters working toward a midnight deadline for carriage renewals. **Fox News/Fox Sports** and **NCTC** was the most high-profile showdown, but others include **DirectTV-Hearst** as well as **Altice USA-TEGNA** and **Mediacom-Nexstar**. It wasn't all pins and needles. Comcast wrapped up agreements with TEGNA and Nexstar, avoiding any potential blackouts. Last week, Comcast and **Starz** reached a renewal avoiding a Dec 31 showdown. Under the new agreement, the Starz flagship premium channel, as well as the **Starz Encore** suite of channels—including Encore, Encore Westerns, Encore Black, and Encore Action—and related VOD content will continue to be available to Xfinity customers. Eventually, the content will proceed down a “path for an orderly transition to an a la carte business,” the two said, though Starz is expected to stay in its current packages through the final season of “Power,” which debuts next month. NCTC members could lose Fox News, **FS1**, **FS2** and **Fox Business** come Jan 1. Several co-op members continued Tuesday to tweet concerns about the rate increase Fox is seeking. Some NCTC members are getting deals done for Fox owned & operated stations ahead of a Dec 31 deadline. The co-op has said Fox would not allow it to negotiate retrans collectively for the O&Os. If Fox News does go dark at midnight, it probably will not go gentle into that good night given its loyal fan base. The net averaged 2.5mln viewers in 2019—the most in its 23-year history—and celebrated its fourth year as the most-watched basic cable net. Fox has launched KeepFoxNewsandSports.com, declaring that it has offered NCTC members a short-term extension but that NCTC “directed its members not to talk with Fox.” NCTC pres/CEO *Rich Fickle* told **CFX** Friday that Fox is actually the one that has taken a stand and no longer wants to negotiate. When it comes to broadcast retransmission consent, 2019 already has produced a record number of blackouts. **The American TV Alliance**, a group that includes several operators who want retrans reform, says 2019 has seen at least 276 blackouts—breaking the previous annual record of 213. Will there be new ones when the calendar flips to 2020? On Sunday, **Hearst** began some messaging for **AT&T's** DirecTV customers. “While we hope to conclude our negotiations before December 31st, so as not to deprive any of

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Sincerely,



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our respective viewers and customers of our programming, we want to advise our viewers and customers that the possibility of non-renewal of our current agreement exists,” the broadcaster said. AT&T said it was “disappointed to see Hearst Television put our customers into the middle of what ought to remain a private business matter.” TEGNA’s notices to Altice’s **Suddenlink** and **Optimum** customers were stronger, declaring the operator “has refused to reach a fair, market-based agreement with us” and warning of a midnight black-out. There were no signs of Nexstar blackout warnings in Mediacom markets by Tuesday afternoon. It’s not clear if that’s a sign a deal could be close or if the broadcaster was too busy negotiating with Comcast to get around to it. Stay tuned...

Cox Wants in on Effective Competition: The petitions are piling up at the **FCC** following the agency’s October decision to grant **Charter’s** petition for effective competition in 32 Massachusetts communities and Kauai, HI, based on the availability of OTT service **AT&T TV Now**. **Cox** has asked the FCC to make the same determination for Holland, MA, which is adjacent to and near several of the Massachusetts franchise areas subject to the Charter order. **Comcast** has asked for similar treatment for 84 rate-regulated Massachusetts franchise areas in its footprint. The FCC’s October ruling found that AT&T TV Now passes the local exchange carrier test, which requires an LEC affiliate (in this case, AT&T) to offer a comparable video programming service by any means other than DTH satellite in areas that substantially overlap a cable system’s franchise area. If an area is found to be without effective competition, local government can regulate basic cable rates and equipment rates. Most of the country already has been presumed to have effective competition due to a change in FCC rules in 2015.

Report Says Kroenke CEO Retiring: *Jim Martin*, CEO of **Altitude Sports** owner **Kroenke Sports & Entertainment**, is retiring, *The Denver Post* reports, citing an unnamed source. Altitude lost carriage on **Comcast**, **DirectTV** and **DISH** in August. It returned to DirecTV in October, but remains dark with the other two distributors.

Comcast Eyeing Xumo Streaming Buy: **Comcast** is in talks to acquire AVOD service **Xumo**, according to a *WSJ* report. There is no information yet on financial terms of that deal. The Xumo acquisition would beef up Comcast’s streaming portfolio as it prepares for the April launch of **Peacock**, which will be primarily ad-supported. Comcast strengthened its relationship with Xumo in August by integrating the service onto its X1 platform, giving the streamer its largest pay TV partnership. Comcast executives have been optimistic on the



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opportunity that's available in the AVOD space, particularly with the ever-increasing number of SVOD services hitting the market. "We think we've got a pretty special opportunity when you think about the relatively underserved segment of premium content ad-supported," Comcast senior evp/CFO *Mike Cavanagh* said at a recent investor conference. "80% of folks would be looking for something that has a reasonable amount of ads embedded in the product with premium content." One look at **Pluto TV's** growth is enough evidence to prove that AVOD is on the rise. **Viacom** announced Pluto had 20mln domestic monthly users during its Q419 earnings call, a 70% increase since the top of 2019.

Maine a la Carte Law Paused: A federal court granted a preliminary injunction, temporarily halting a Maine law requiring cable operators to allow subs to purchase programming on an a la carte basis. **Comcast, C-SPAN, Viacom** and **A+E Networks** are among those challenging the law. In a ruling filed Dec 20, the court said the factors for a preliminary injunction—including suffering irreparable harm, the balance of hardships, and the public interest—weigh in the plaintiffs' favor. "At this initial stage, I cannot conclude that the State has carried its burden of showing that [the law] will, in fact, be likely to reduce prices and increase affordable access to cable," wrote US District Judge *Nancy Torresen*. She concluded the plaintiffs are likely to succeed on their First Amendment claim, but said plaintiffs have not convinced her that implementation of the law would likely result in a reduction of content and said the law is likely not preempted by the Cable Act.

NFL Says Show Me the Money: With rising programming costs top of mind these days, here's something to sweat. **CNBC's Jabari Young** reports that the **NFL** is looking to raise TV broadcast fees on multi-year deals next year, long before its current agreement with network partners ends in 2022. Buoyed by rising ratings, network officials expect the NFL to begin discussions to renegotiate its contracts with **FOX, CBS, NBC** and **ESPN** early next year, with a framework for new agreements in place by 2021, **CNBC** reported, citing a person familiar with the deals.

Call Block Report: Comments on the effectiveness of call blocking tools and the impact of **FCC** actions on illegal calls are due to the agency's Consumer & Governmental Affairs Bureau on Jan 29. Reply comments are due Feb 28. The Bureau is composing its first staff report on call blocking. Meanwhile, President *Trump* signed into law Tuesday the bipartisan anti-robocall bill known as the TRACED Act.

Distribution: CBS All Access is now available on **LG** Smart TVs 2018 or newer. Customers are able to sign up via the LG App Store.

VideoAmp Adds TiVo: **VideoAmp** and **TiVo** struck a new partnership to include TiVo's set-top boxes and DVRs in its TV viewership data pool, extending VideoAmp's reach to cover 25mln devices in 19mln US households. VideoAmp uses commingled TV viewership data to map households to privacy-protected digital identity and advertising exposure data to model a cross-screen audience that it says brings transparency, liquidity and accountability to the media and marketing ecosystems.

Ratings: ESPN's MegaCast presentation of Ohio State vs. Clemson on Saturday drew 21.2mln, the most-watched CFP Semifinal not played on New Year's Day and up 9% from last year's similarly scheduled game. -- **Univision/TUDN's** simulcast Sunday of the second leg of the LMX Apertura Final featuring América vs. Monterrey averaged 3.3mln total viewers and 1.8mln 18-49s, making it the highest-rated LMX Apertura contest since 2016. It also ranks as the No 1 club soccer match in 2019 on any network, regardless of language.

Programming: ESPN and **ABC** will televise 31 regular season matches during **Major League Soccer's** 25th season, kicking off March 1. **ESPN** and **ESPN2** will have 21 matches, and **ABC** with the remaining 10, the broadcast net's first time televising MLS since 2008. **ESPN Deportes** will air the Spanish-language telecasts of all 31 matches. **ESPN** has been the home of MLS since the league's inaugural season in 1996, and **ESPN+** is returning as the exclusive home of MLS Live, which airs all of the league's 345 out-of-market games. -- **EPIX** greenlit a 10-episode drama series based on *Stephen King's* short story "Jerusalem's Lot," expected to premiere in Fall 2020. -- **BET+** picked up "The Family Business" for Season 2, set to launch in 2020.

People: Erin Contreras was promoted to vp, Total Rewards for **WOW!**. In her new role, Contreras will lead the company's Total Rewards team in driving success and meeting operational goals. She joined **WOW!** in June 2018, most recently serving as senior director of benefits and HR systems. -- **Brian Florko** was named svp, media for **Reflect**, leading its team focused on out-of-home advertising and sponsorships. He most recently sold advertising for **Spectrum Reach** and **Time Warner Cable**.