

Cablefax Daily™

Tuesday — December 3, 2019

What the Industry Reads First

Volume 30 / No. 231

Cutting the Cord: MA Utility Makes Good on Pledge to End Video Service

What's it like for a gm on the day his company stops offering video service? "It's been quiet compared to what we thought," Braintree Electric Light Department (BELD) gm *Bill Bottiggi* told *Cablefax* around lunch time Monday. "Today is sort of the critical day. We had quite the volume of people coming in and returning their equipment. That doesn't mean they're leaving us. It just means they are giving us back the cable TV equipment." The utility began shutting off video channels at 8am ET Monday, removing groups of channels from its HFC network in batches to make certain the change had no negative impact to internet service. By noon, most of the channels were off, with the exception of over-the-air broadcast stations, though they also will go dark. When BELD, an NCTC member, announced its plans in mid-September to terminate video on Dec 2, it had about 2100 video customers. As of Saturday, Bottiggi estimated there were still about 660 customers who hadn't told BELD what they planned to do. He estimates about 40% are staying with BELD for internet and plan to stream video, another 40% are switching to **Comcast** and **Verizon** and 20% were unsure. BELD sent direct mail, robocalls, posted on social media, held streaming demos in its lobby and more to give customers notice of the change. "No one has really said yet that we didn't tell them," Bottiggi said. "We offered to go out and help customers switch to streaming. Hold their hands and install a streaming stick or show them how to use a smart TV if they've never done that." The company even bought about 1000 **Roku** devices that it's selling at cost (it's also selling digital antennas at cost) to assist impacted customers. "We don't want to be in the Roku sales stick business forever. We just want to help them get through the transition," the gm said. As for the 660 question mark customers, Bottiggi figures they either are staying with BELD or have made an appointment with the competition and are waiting until the last minute to return equipment. "Or somehow they don't know what we're doing and they're going to come home from work tonight and find out their TV isn't working. There can't be a lot of that given all the effort we've put into letting them know," he said. Of the 2100 video customers, there were about 175 who only took video service from BELD. Those customers were often elderly, with BELD encouraging them to switch to Comcast and Verizon, though some did take internet via the utility, Bottiggi said. BELD isn't the only operator terminating video because of

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mounting programming costs. Montana's **3 Rivers Communications** stopped delivering video on Oct 31. Bottiggi estimated BELD had been losing about two dozen cable TV customers a month, while gaining 6-10 HSD customers a month as people switch to streaming video. The utility launched a [marketing campaign](#) dubbed "KO Cable" that offers streaming tips, including what streamers feature Bruins and Red Sox channel **NESN**. In the end, the publicity around the transition may have helped BELD gain some internet customers, the gm said. BELD offers 100Mbps/30Mbps service for \$39.95/month and a 200/30Mbps tier for \$59.95/month. It also has 400/30Mbps for \$79.95 and 1000/30Mbps for \$99.95. "We could do this for another year or two with death by a thousand cuts, or we could just pull the plug," Bottiggi said. "I talked to my board and they're comfortable with the way we're doing it."

Cord Cutting Ahead: Speaking of cord-cutting, 40% of today's pay TV universe is at risk, according to an analysis by **MoffettNathanson** based on its work with **Altman Vilandrie & Company**. In a research note issued Monday, the firm said it thinks regular sports and news viewers represent about 85% of the current pay TV sub base, yet it believes sports viewers are the most entrenched pay TV subs. "We see the 60% of subscribers who regularly watch sports as the potential floor for the pay TV ecosystem, as long as the major sports leagues' rights remain exclusive to the pay TV bundle," the firm said in the note summing up its recent Cord-Cutting Summit. "That leaves 40% of today's pay TV universe at risk." While there is hope that **AT&T's** sub losses will level off in mid-2020, MoffettNathanson said the unknown is whether cable's shift to profitable subs will accelerate their sub losses in 2020, particularly as operators launch products like **Comcast's** Flex that make cord cutting easier.

Charter Launches Sports Pack: Charter rolled out a \$5/month sports package across most of its footprint in mid-November. Most of the networks in the package are continuing to be carried in their current tiers of service, but there are a few that will only be available through the add-on package. Effective Dec 30, **MLB Strike Zone**, **NFL RedZone** and **Outdoor Channel** will be removed from Digi Tier 2/Spectrum TV Gold, Spectrum Select or Sports View and will be only be available via Spectrum TV Sports Pack. Other channels in the add-on package include **ESPN Goal Line/Bases Loaded**, **ESPNNews**, **ESPN College Extra**, **Golf Channel**, **MAV TV**, **NFL Network**, **NHL Network**, **Olympic Channel** and **Tennis Channel**.

Advertising Across the Pond: It's not just advertising in the US that's growing. Advertising media company **GroupM** estimates that UK advertising will grow 7.8% in 2019, up to £22bln. This will be the sixth consecutive year of mid-to-high single-digit growth. Since 2013, the UK's advertising sector has expanded by more than half, up 55%. The UK is now the world's fourth largest market, and if growth trends continue within five years the UK

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could match Japan and become the third largest. GroupM predicts 6.7% growth in 2020 to £24bln. The majority of the growth comes from digital advertising, with GroupM forecasting digital pure-play media will end 2019 15% higher than 2018 levels, with the second half of 2019 growing at a faster pace than the first half. Growth is still expected to continue in 2020, rising by +11%. The company says that in 2020, digital advertising will account for two-thirds of all media it tracks in the UK. Traditional TV advertising will remain flat in 2020, even though it's down by 2.3% this year. GroupM expects it to rebound closer to flat next year and in subsequent periods.

Save the T-Band: FCC chmn *Ajit Pai* on Monday called on Congress to repeal the mandate to auction T-Band spectrum, which is used by public safety licensees. In 2012, Congress passed legislation requiring the FCC to reallocate and auction the T-Band in 2021, but Pai said the agency has concluded moving forward isn't viable. "Relocation costs for public safety licensees would likely far exceed any potential auction revenue, making it impossible to fund the relocation and comply with the mandate. The Government Accountability Office has agreed—reporting to Congress that the T-Band mandate is unworkable and could deprive first responders of their current ability to communicate by radio," Pai said, announcing that the FCC is suspending processing of applications for T-Band licenses, including renewals. Frequent Pai critic *Ed Markey* (D-MA) actually sees eye-to-eye with the chairman on this issue, commending Pai for joining him and others in asking Congress to protect the T-band. Markey is among the Democratic senators sponsoring the Don't Break Up the T-Band Act.

Charter Offers Senior Secured Notes: Charter and its subsidiaries announced its intention to offer senior secured fixed rate notes due 2030. The notes are part of the same series of 4.75% senior unsecured \$1.35bln notes issued Oct 1 and the \$500mln from Oct 24. The company says it intends to use the net proceeds for related fees and expenses and for general corporate purposes, including potential buybacks of Class A common stock of Charter or common units of Charter Communications Holdings, as well as repaying debt, which may include all or some of the issuers' 3.579% senior secured notes due 2020.

Remember the Open Internet Debate?: Some industry folks have noticed that a *NY Times* series critically analyzing the internet doesn't really delve into ISP open internet misconduct. One of those folks is **AT&T** exec *Jim Cicconi*, who penned a whole blog post on the topic Monday. "As intervening events in the last few years have dramatically exposed how the internet is being used, misused and manipulated by a variety of internet players, ISP-centric arguments have quickly become yesterday's policy story," the exec writes [here](#).

Sourcepoint Launches OTT Compliance Solution: Sourcepoint, a compliance platform for the digital advertising ecosystem, launched an OTT compliance solution to capture and transmit consumer privacy preference signals from OTT and CTV environments. The company says the OTT support allows streaming media companies to capture privacy preferences to comply with global regulations including GDPR and CCPA, and it supports platforms including **Roku**, **Amazon Fire TV** and other smart TVs.

Deployed Dogs: DOGTV teamed up with **Dogs on Deployment** for #GivingTuesday and throughout the month of December. The national non-profit provides an online network for military service members to search for volunteers who are willing to board their pets during their owner's service commitments and provides financial resources for military members to give care to their pets during times of need. For this month, DOGTV will give \$10 to Dogs on Deployment for every new subscription beginning Tuesday. DOGTV's OTT service costs \$9.99 a month, and the channel is also available on **Comcast**, **DirecTV**, **DISH**, **RCN** and **Cox**.

Programming: "Doctor Who" returns for Season 12 on **BBC America** on Jan 1 at 8pm. Subsequent eps will air Sundays at 8pm beginning Jan 5. The net is also hosting a nation-wide Doctor Who fan screening event on Jan 5, bringing the second episode of the new season to over 600 cinema screens across the country. After the episode, audiences will view a live Q+A with stars *Jodie Whittaker*, *Tosin Cole* and *Mandip Gill* from **The Paley Center for Media** in NYC. -- **AccuWeather** launched new programming series "Weather Heroes," which will run nationally through the month of December. The show highlights acts of kindness and bravery in the face of dangerous weather, including *Larry "The Good Cop" DePrimo* who gave shoes to a NYC homeless man, and a nurse who helped save 20 babies in NICU during Superstorm Sandy.

People: **Showtime Networks** promoted *Austin O'Malia* to vp, awards and corporate affairs. -- **Comcast's** advertising sales division **Effectv** (formerly Comcast Spotlight) tapped *Keri Reisbeck* as its first HR lead for the newly rebranded company, effective immediately. She formerly led HR for Comcast Spotlight's sales markets division. In her role as vp, HR for Effectv she will report to *Sandy Gunn*, svp, HR for **Comcast Advertising**.