

Cablefax Daily™

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What the Industry Reads First

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Delayed, Not Out: J.C. Watts Gives Black News Channel Update

With Black News Channel pushing its launch back a second time recently, from Jan 6 to Feb 10, we went straight to chmn/co-founder and former Congressman J.C. Watts to find out more about the delays and what's ahead for the fledgling network. An edited excerpt follows. **The channel has been in the making for more than a decade. You're so close to launch. These delays have had to be frustrating. What's going on?** They are frustrating; however, you keep reminding yourself you want to do it right as opposed to doing it fast. We've waited 10+ years, so we can wait another 30 or 40 days. We've had everything from backordered equipment to trying to get signals to distributors the right way, and trying to get the right personnel. I've gotten to know [Urban One founder and chair] Cathy Hughes over the last 20 years. I held her to high esteem before we started this, and she's held to even higher esteem today because of the way she's done it. The way [BET cofounder] Bob Johnson did it. You just have a greater appreciation for them once you've walked in their shoes. **Is it primarily getting to the point where distributors can get a clear signal?** That's part of it. That's the key, getting a clean signal. But also having redundancy, having a back-up. You don't want just a primary route. **Beyond the launch delays, why do you think it has taken so long for such a network to come into being? In newspapers' heydays, most large cities with significant African American populations had a newspaper serving that audience. Why hasn't it been the same for TV?** I think news is a little more expensive to do than entertainment. You have to ask the honest question, will the marketplace accept us. We found out 10-12 years ago that there was an intensity level for culturally specific news for the African American community, and today it's more intense than it was then. You can look at CNN, Fox News and MSNBC, and see the resurgence of news. You look at the 200 stations that are there, there's nothing for the African American community that is informational or educational in the lineup. The marketplace is ready for us, but you've got to have two things—distribution and capital. At different times along the way we had distribution, but didn't have capital. And we had capital, but didn't have distribution. A little over a year ago, we had distribution and capital that reconciled. Distribution has been somewhat challenging, trying to get the right players to the table. Once Charter agreed to carry us, it put us on the clock and actually made us real. **With distribution deals in place with Charter and Comcast, are there others you're making progress with?** We are. Meeting with advertisers early on, we immediately

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- SCTE•ISBE's President and CEO, Mark Dzuban



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discovered we've got to be where the marketplace is. We will be digital, streaming, OTT, all of the digital platforms, linear, satellite. About 98% of African American Millennials have cell phones and about 68% get their news and information from their device. You've got to be where your market is, and being on those devices makes a big difference. **You look around this week at some of the top stories on CNN, The Washington Post, etc, and they have impeachment, the Royal Family, LSU winning the College Football Championship. What would be the top news stories at BNC?** We would maybe cover the same thing, but we would just want African Americans talking about it because I think they might have some unique tweaks that I think could help create perspective. Usually when you see someone like me or *Donna Brazile* or any other African American who might be on TV talking about current affairs, we're not talking about it in a way that's culturally specific to the African American community. We have a partnership with the National Newspaper Publishers Association, your black newspapers. We think we'll get content from them—they see things in the trenches every day that never gets talked about. We think there's a plethora of analytics and commentary in the Historically Black Colleges & Universities. **Do you have advertisers on board for launch?** Yes. It hurt us a little bit when we pushed out the launch, but the great bulk of our advertisers have stuck with us. I think they understand the challenges expected and unexpected, but more importantly they want a venue to speak to this over trillion-dollar marketplace.

Comcast Offering Debt Relief, Refunds to Overcharged Minnesota Customers: Minnesota AG *Keith Ellison* and **Comcast** have agreed to a settlement that will see the latter issue refunds to 15.6K customers and provide debt relief to 16K more. It puts an end to a lawsuit filed by the AG's office in Dec 2018 which claimed that the company overcharged customers for services and equipment they did not request. It also resolves allegations that Comcast failed to provide customers with prepaid gift cards that were used as an incentive for them to sign long-term contracts. Comcast will send a claim form to all eligible customers and provide a refund check within 60 days following the claims period. Comcast is required to pay out \$1.14mln in refunds and wipe clean the debt for 16K former customers that were charged an early termination fee after downgrading or cancelling their services while locked in a contract. Comcast will pay an additional \$160K to the Minnesota AG's office which can also be used to provide refunds to consumers. The settlement also requires Comcast to change its advertising practices to disclose to its customers the full amount they'll be charged for a service. A similar case was brought against Comcast by the state of Washington. That went to trial with the judge ruling in June that Comcast had violated the Consumer Protection Act more than 445K times for charging consumers for a service protection plan without their consent. The news of the settlement comes less than a week after the Minnesota AG's office settled a similar dispute with **CenturyLink** over the potential overbilling of more than 300K customers in the state.

The logo for Cablefax Daily, featuring the text "Cablefax Daily" in a white, italicized serif font, set against a background of vibrant, multi-colored light streaks in shades of blue, purple, and pink.

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to get in front of small
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Cablefax editors will be covering the show with print editions onsite.

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Investment Community Wary of 'Uncertain' ViacomCBS: MoffettNathanson initiated coverage of ViacomCBS with a "Neutral" and a price target of \$45. The investment firm was most concerned about the uncertainty surrounding what the newly-combined company will do with its investment spending on **Showtime** and **CBS All Access**. The investment community has quickly embraced two strategies when it comes to streaming: the all-in approach of folks like **Disney+** and the non-scripted plays from players like **Discovery** and **Fox**. Those that lie somewhere in the middle aren't as lucky, and MoffettNathanson is worried ViacomCBS will struggle if it has no clear narrative of where it's going. "ViacomCBS has neither the cash flow/buy back dynamics of Discovery or Fox nor the 'go big or go home' plans of **Disney**," MoffettNathanson wrote. "As such, they are saddled with an over-abundance of structurally pressured assets like Showtime and legacy Viacom's cable networks facing an incredibly more competitive market for premium scripted content." MoffettNathanson raised its price targets for Disney and Fox to \$165 and \$44, respectively. -- There's also talk of uncertainty at the top of ViacomCBS with *WSJ* reporting **NBCU** Content Studios vice chmn *George Cheeks* resigned from his role Tuesday in favor of a senior position at **CBS**. Rumor has it the new position will position him as a successor to current CBS chmn/CEO *Joe Ianniello*. It's unclear when Cheeks will step into his new role as he still has a number of months on his contract with NBCU, and Ianniello signed a new contract connected to the merger that will keep him at CBS through 2021.

News Coming to WGN America: Nexstar is launching a live daily three-hour national newscast on cable net **WGN America**. Beginning this summer, "News Nation" will air in primetime from 8pm-11pm ET. A digital team of reporters will also deliver round-the-clock coverage through News Nation's digital properties and the soon-to-be-launched news-nationnow mobile app. Heading News Nation will be *Jennifer Lyons*, who has been promoted to vp, news for WGN America. She most recently served as vp/news director for WGN-TV, Nexstar's local television station in Chicago.

Details Behind Atlantic Broadband's Purchase of Connecticut ISP Revealed: Atlantic Broadband parent company **Cogeco Communications** released its 1Q20 results Wednesday, revealing that Atlantic is paying \$50m (\$5K/sub) to purchase **Thames Valley Communications**. The deal to acquire the Connecticut-based ISP and its 10K customers was announced on Friday, but terms were kept under wraps. The transaction is expected to close within three months.

Most Trusted Brands: Some familiar industry names have been named on **Morning Consult's** first annual Most Trusted Brands list, powered by Brand Intelligence. **Amazon** was the number two most trusted brand in America, with 38.8% of survey respondents indicating they trust the company "a lot." **Google** was No 3 at 37.9%. **The Weather Channel** came in number five on the list with 36.3%. **Nat Geo** debuted at No 20 (32.8%) followed immediately by **Netflix** (32.7%).

Ratings: Tuesday night's **CNN** Democratic Debate brought in 7.3m viewers on the net as well as 4m live stream starts, the biggest CNN debate ever for digital live streaming. The streams translate to an average audience of 467K total viewers, producing a combined total average audience of 7.78m total viewers. -- **WE tv's** series "Love After Lockup: Life After Lockup" earned more than 1.2m total viewers for its Jan 10 episode in L+3. The net saw ratings growth in all key demos in 2019, including increases of 7% among total viewers and 5% among W18-49.

Programming: **WarnerMedia** and **All Elite Wrestling** are expanding their relationship after just a few months. The new deal extends unscripted series "AEW: Dynamite" through 2023, and the parties agreed to launch another night of action, with a second show straight-to-series. Dynamite has delivered high ratings on **TNT**, averaging 1.2m total viewers per ep in L+7. -- **HBO** confirmed its slate of documentaries for the first half of 2020, kicking off with "McMillions" on Feb 3. "Ali & Cavett: The Tale of the Tapes" airs Feb 11, followed by "We Are the Dream: The Kids of the Oakland MLK Oratorical Fest" on Feb 18. **Axios** Season 3 comes back in March, and further premieres continue through June. -- **The Weather Channel** will air the second installment of "2020: Race to Save the Planet" on Feb 1 at 8pm. The special features conversations with 2020 presidential candidates, politicians and scientists with a specific focus on environmental justice.

People: *David Graber* was promoted to svp, cable, SVOD & emerging platform strategy, **Warner Bros**, Domestic Television Distribution. He has been with the company for the past seven years. -- **Liberty Global** named *Severina Pascu* CFO/deputy CEO of **Virgin Media**, effective Feb 1. Pascu currently serves as CEO of **UPC Switzerland**, Liberty Global's Swiss operations. She'll be succeeded by Liberty Global svp, operations *Baptiest Coopmans*.

Honors: **JC2 Ventures** partner/CTO *Yvette Kanouff* will be honored with a Lifetime Achievement Award at the 71st Annual Technology & Engineering Emmy Awards. Before entering the venture capital space, Kanouff headed the \$7bn service provider business at **Cisco**. She has also held senior positions at **Time Warner Cable**, **SeaChange** and **Cablevision**. The event will take place at the NAB Show at the Wynn Encore Hotel and Spa on April 19 in Las Vegas. Other cable players being honored at the event include **Discovery**, **Sling TV**, **Walt Disney Television** and **CableLabs**.

Think about that for a minute...

APIL

Commentary by Steve Effros

When I was President of the Cable Telecommunications Association we initiated the "APIL" Awards: All Politics Is Local. Admittedly, we borrowed the phrase from then Speaker of the House Tip O'Neill, who always reminded us that while all these Congress Folks may now be derided as "Washington" types, they're all reflecting their communities, not DC. I'm the proud owner of one of the big House gavels that Tip used, and signed.



The APIL awards were designed to promote and recognize work done at the local level by system personnel, companies, and, of course, State Associations. I used to travel the country speaking at the State shows, meeting with the local operators, and hopefully helping them analyze and explain their regulatory needs to local, state and federal officials.

Not so much any more. Why? Well, we as an industry have allowed the structure of State Cable Associations to deteriorate to the point where many of them either don't exist, or are just a shadow of their former selves. This happened for a lot of reasons, but the primary one is that consolidation brought one or two dominant players to most states and our biggest national association, the NCTA, has long perceived its role as a "national" one, both as to lobbying on Capitol Hill and at the FCC, not directly interacting with state legislatures.

The consolidation has also diluted the ability of the "national" association to even represent the industry on the national level because the biggest companies now think they can do the job better on their own and have major individual presences in Washington. None of this is good for the industry, I suspect, in the coming few years.

Most observers agree that telecommunications policy on the national level is essentially stalled, as are most other

policy initiatives in a tragically fractured Congress. The result has been predictable; action on telecom policy issues is rapidly moving to the states. The telephone industry, the power and phone cooperatives and the municipal folks have all maintained their associations on the state level. Cable has not. Trouble.

To be sure, the biggest operators in most states have their own Statehouse lobbyists. But there are lots of times broad policy issues get subsumed by the particular business plan of one operator, or their reputation, for whatever reason, reduces their effectiveness at the state level. A well-functioning state association, with both large and small, independent operators represented, may have a much better chance of being heard. But as I noted, lots of state associations are just in name only these days, just as "the action" is moving rapidly toward their home turf.

In the "old days," we used to send expert cable-knowledgeable teachers out to do training at the state level of local General Managers and state association folks. We used to work hard to support the state associations. All of that needs to happen again, soon. Those folks are going to be faced with a lot of local battles including rate regulation and demands for mandatory a la carte (Maine is already trying to do that, and there is effectively no state cable association in Maine!) Needless to say, "net neutrality" is also already on the agenda for a lot of states. After that will come "privacy" rules and "transparency" rules and lots of other things. And all of them will be slightly different, with different power players and a different focus in each state. We're not ready for that. It's time for some rapid rehabilitation of the recognition that All Politics Is Local!

Steve

T:202-630-2099
steve@effros.com

(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



WHO'S IN?

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