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What the Industry Reads First

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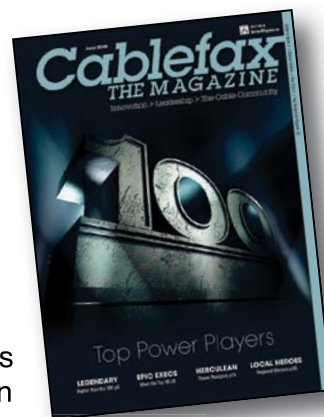
Finally Here: Pai Sets Date for C-Band Auction

The FCC's public auction of the lower 280MHz of the C-band will commence on Dec 8, Commission chmn *Ajit Pai* announced Thursday. That spectrum has long been labeled prime for 5G applications. The 20MHz above the lower 280MHz will be cleared as well and used as a guard band, Pai confirmed in his speech at the Information Technology and Innovation Foundation. Winning bidders in the C-band auction will be required to reimburse satellite operators for their "reasonable relocation costs" under the proposal. As for how much **C-Band Alliance** members and other satellite providers can expect to receive for clearing the spectrum, Ajit Pai has proposed offering them accelerated relocation payments totaling \$9.7bln if they meet deadlines set by the FCC. Satellite operators would receive those payments if they clear the lower 100MHz of the C-band in 46 of the top 50 PEAs by Sept 2021 and the remaining 180MHz by Sept 2023. Should they not commit to meeting the accelerated deadlines, satellite providers will need to clear the band by Sept 30, 2025. Satellite providers must let the Commission know by June 12 if they plan on meeting those deadlines, according to FCC officials. Should enough satellite providers opt-in to the accelerated guidelines, the FCC will allow them to create a committee that will serve in the role of clearing coordinator for the C-band. If not, the FCC will choose its own coordinator. The proposal will be considered at the Commission's Feb 28 open meeting and is poised to move forward following the release of statements of support from Republican FCC commissioners *Michael O'Rielly* and *Brendan Carr*. And while the draft order won't be released for public viewing until Friday, early opinions are mixed on Pai's proposal. Folks like **Verizon** and **Charter** released statements agreeing that moving forward with clearing the spectrum is an important step in America's move towards deploying nationwide 5G. **ACA Connects**, which submitted its own C-band clearing plan to the Commission in partnership with Charter and the **Competitive Carriers Association**, applauded the FCC for moving ahead, and pres/CEO *Matt Polka* tweeted that ACA Connects would work with the commission on "rules that will allow for a smooth transition for #MVPDs, fiber solutions to meet the need, and ensuring no disruption in existing services." The C-Band Alliance is taking a wait-and-see approach when it comes to backing the plan before the release of the draft order, but said in a statement that Pai's announcement "reflects the tireless efforts of many over the past several years to ensure that this critical spectrum comes to market safely, quickly, and efficiently." The plan has also drawn plenty of criticism for the



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amount of dollars that will be directed into the pockets of foreign satellite companies. *Michael Calabrese*, director of the Wireless Future Project at **New America's Open Technology Institute**, called the payments an "excessive windfall" that "will come straight out of taxpayers' pockets." House Commerce chmn *Frank Pallone* (D-NJ) and Rep *Mike Doyle* (D-PA) said the legality of the FCC offering the satellite incentives is "questionable" and will likely result in litigation that will delay the deployment of 5G. Pai knew that he would receive criticism for his decision to pay \$9.7bln to satellite incumbents should they meet the FCC's accelerated milestones, but said this is a case where the Goldilocks principle applies. "Some may say \$9.7bln is too high. Some may say it's too low. I say it's just right—if you are genuinely focused on ensuring that the prompt development of the C-band is needed for American leadership in 5G." He did make it clear that any reports of financial troubles companies within the C-Band Alliance may be experiencing did not affect his decision to arrive at the \$9.7bln figure. "To be clear, I don't favor accelerated relocation payments because they are in the private interest of satellite companies. I favor accelerated relocation payments because they are in the public interest," Pai said. Details on how those dollars will be divided amongst the satellite operators and how much winning bidders can expect to shell out for any relocation costs will be revealed in the draft order.

WWE May Tag Out of DTC Biz: As the streaming wars heat up, it's notable that one of the earliest entrants is contemplating getting out of the business. SVOD **WWE Network** turns six years old on Feb 24. While it crossed the 1mln sub mark 11 months after launch (a mix of paid and free subs), its subscriber numbers haven't grown that much over the years. In 4Q, WWE Network's paid subs decreased 10% to about 1.42mln. During Thursdays' earnings call, **WWE** management announced the company is evaluating strategic alternatives for the direct-to-consumer offering. "We have a lot of options. We can continue on as we are now, with the enhancement of a free tier and a more enhanced paid tier," said chmn/CEO *Vince McMahon*. "Right now, there's no more better time to exercise the selling of our rights to all the majors. And quite frankly, all the majors are really clamoring for our content, so that could be a significant increase in terms of revenue." It doesn't sound like we'll have to wait long to find out, with McMahon noting that WWE would announce a deal in 1Q if it decides to license rights. "That's how far along we are," he said. It sounded like he was speaking primarily of licensing that content to one of the growing number of OTT options vs linear networks. If WWE Network continues on as is, the company will "definitely" consider adding a second revenue stream through advertising, McMahon said. Linear ratings were a bright spot for WWE, with viewership of "SmackDown" increasing 20% in 4Q over the prior year as it transitioned to **Fox** broadcast. "WWE Raw" on **USA** was down 14% in 1Q19, but has been on the upswing, up 5% in December. WWE shares plunged 9% Thurs-



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day, with results at the low-end of guidance—even as 4Q rev increased 18% to a record \$322.8mIn. Not helping matters is an initial 2020 adjusted OIBDA outlook of \$250-\$300mIn, with WWE not factoring in distribution of content in the Middle East and India as well as the fate of WWE Network. “While we expect 2020 will ultimately come in above the guidance range assuming a successful TV deal renewal in India, this is nonetheless a negative surprise and consensus expectations will have to be cut substantially (our existing \$360M expectation is below consensus at ~\$390M and buyside expectations we have heard between \$350M-\$380M),” **Evercore ISI** analysts said. Last week, WWE surprised with the news that *George Barrios* and *Michelle Wilson* were out as co-presidents.

FuboTV Takes the Skies: **Viasat** and **fuboTV** struck a streaming distribution and technology deal that will make fuboTV the first virtual MVPD to live stream at 35,000 feet. The partnership leverages tech standards from the **Streaming Video Alliance** and applies it to in-flight connectivity for the first time. Airlines can now sign up for the service and make fuboTV’s live streaming OTT and VOD programming available to all passengers for free on US flights equipped with Viasat satellite internet. Participating airlines can give their passengers, whether fuboTV subs or not, free access to fubo Sports Network. Current fubo TV subs and passengers that sign up for a free trial in-flight can watch live and VOD content.

ESPN’s Durant Headed to Disney: Congratulations to **ESPN’s Rosalyn Durant**, who’s leaving the net to become svp, operations for Disney Springs, ESPN Wide World of Sports and Waterparks for the Walt Disney World Resort. *Sports Business Daily* first [reported](#) the news. Durant began her career at ESPN in 1998 as an intern in affiliate sales and marketing, before rising to the position of ESPN’s svp, college networks, most recently overseeing the launch of **ACC Network**. In an internal memo to staff, evp of programming and scheduling *Burke Magnus* described Durant as “the ultimate ESPN success story.” “This is a wonderful opportunity for Roz, and a vivid reminder of the growth possibilities we have at TWDC to move in a variety of positions whether at ESPN or other Disney segments,” he wrote. Magnus also said announcements regarding the programming team are coming “in the near future.”

Lionsgate By the Numbers: **Lionsgate** reported fiscal 3Q20 results after the bell Thursday, with revenue of \$998.5mIn beating Wall Street estimates. The quarter saw Lionsgate ink a new agreement with **Comcast** for **Starz**, with the channel [moving](#) to an a la carte format in Xfinity packages next week. Starz ended 2019 with 23.5mIn domestic subs, down from 25.1mIn a year earlier. Add in international and streaming services and Starz’s sub base grew to 28.5mIn from 26.4mIn during the period—19.9mIn of those subs are linear, with the 8.6mIn OTT. Lionsgate reported a quarterly loss of \$91.2mIn for the quarter vs a year-ago profit of \$22.9mIn. Also announced Thursday: STARZPLAY, Starz’s international streaming service, entered into a theatrical output deal in the UK that will see Lionsgate first-run films launch on the service six months after debuting on **Amazon Prime Video** in the territory.

Impeachment Ratings: **Fox News** led broadcast and cable in for total viewers (5.5mIn) and the 25-54 news demo (923K) for the Senate impeachment vote Wednesday (4-5pm). **CBS** was second in total viewers for the hour (2.6mIn), followed by **ABC** (2.2mIn), **MSNBC** (2.1mIn) and **CNN** (1.6mIn). Fox News trounced its cable news rivals in prime, averaging 5mIn total viewers vs MSNBC’s 2.4mIn and CNN’s 1.1mIn.

Feeling Fox: **MoffettNathanson** raised its FY20 revenue growth estimate on **Fox Corp** to +9% from +7% and increased its EBITDA estimate by 6% to \$2.7bIn. It raised its overall price target for the stock by \$2 to \$46. In fiscal 2Q, Fox saw 7% growth in US affiliate fee revenue, driven by higher fees for retrans and cable nets. “We anticipate 2H FY 2020 to show further re-acceleration of affiliate fee growth as many of its larger deals already renewed this year are set to kick in (38% of its cable network revenue base and 50% of its broadcast footprint is renegotiated),” the analysts wrote in a research note.

Distribution: **Pluto TV** and **Vidaa International**, a subsidiary of **Hisense**, teamed up for a multi-year deal to bring Pluto’s content onto Hisense’s new Vidaa platform across the US, Europe and Latin America. Beginning spring 2020, all new Hisense TVs in the US and Mexico will also feature a branded Pluto TV button.

Obituary: Cable marketing pioneer *Lowell Hussey* passed away Monday in Portland, OR. The cause was cancer. Hussey spent many years as chief marketing officer at **Warner Cable**, which became **Warner-Amex Cable Communications** in 1980. He is remembered by many in the industry for his innovative ideas and mentorship. “The family will be honoring Lowell’s life privately and asks that as a tribute, you simply encourage someone, anyone, to dare greatly. That’s what Lowell would want and do,” wrote Hussey’s wife, *Aggie Cooke*.

PROGRAMMER'S PAGE

Jumping in The Soup...

With the Golden Age of TV giving us all guilt trips about the fabulous shows we should be watching but can't physically view without altering the time-space continuum, it's easy to get caught up in the pageantry of it all. We marvel at the artsy seriousness of so much content pushing artistic boundaries and raising the bar of what's possible on the small screen. It's a heady time. But let's face it: We've probably been taking it all a bit too seriously. We don't need more shows. We need more snark. And so that's perhaps why now is the perfect time for **E!** to bring back TV-obsessed snark-fest "The Soup," whose reboot starring rising comedian and actor *Jade Catta-Preta* premieres on Feb. 12. "The pressure is definitely there because there are so many big shoes to fill," she told *CFX*. "But I feel like the most fitting job I could have ever asked for." Indeed, Catta-Preta, who has been "grinding for 12 years" as a stand-up comedian, moved to the states when she was a kid and didn't know any English. "TV became a friend of mine," she said. Now, she can hang out with her best friend every day as she skewers everything on TV—as well as herself—in an updated take on a show that broke the careers of everyone from *Greg Kinnear* to *Joel McHale*. "We want it to be silly and to create an entire universe of these shows," she said, noting that she'll be expanding the Soup universe with sketches and other new segments. "The same way that I poke fun at myself, I'm going to poke fun at the things that I love... I want people to watch and go, 'Aw, Jade.' I want people to feel like they know me." Catta-Preta is also the first woman to host *The Soup* since *Aisha Tyler's* short stint in the early 2000s—and Catta-Preta said she looks forward to modernizing the vibe. "It kind of had this bro-ey feeling, and I want to bring a new spin to it," she said. The Soup's new recipe will be revealed on Feb. 12—and it may just become the new guilty pleasure that makes you feel just a little bit less guilty about the Golden Age of TV. — *Michael Grebb*

Reviews: "Independent Lens: Leftover Women," 10pm, Monday, **PBS**. There's little chance that PBS knew when it scheduled this outstanding short doc that coronavirus would raise curiosity about China to new levels. This fascination with China should deliver more viewers to the film. First, as you might imagine, the title refers to unmarried women in their 20s and 30s. It's a derogatory term. In the film, each of women subjects is highly successful and educated, living in Beijing. The government's one-child policy, now abandoned, has left China with 30 million more men than women. It's now government policy that women should be married in their 20s. This puts pressure on the leftover women. Not that they need more. Their parents and relatives handle the job with the grace of a slap in the face. A scene, 20 minutes into the film, shows a young lawyer, *Qiu Hua Mei*, arriving at her parents' rural home. The guilt trip her parents lay on her is top-shelf quality, making it difficult to watch. On the other hand, adult-children the world over will identify with her. The other fascinating part of the film is its intimacy. Filmmakers *Shosh Shlam* and *Hilla Medalia* take us inside the lives and homes of its three subjects. We can only imagine how the coronavirus has changed things. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (01/27/20-02/02/20)		
Mon-Sun	MC US AA%	MC US AA (000)
FNC	1.062	3,263
ESPN	0.500	1,535
MSNBC	0.485	1,490
HGTV	0.359	1,103
A&E	0.349	1,072
CNN	0.340	1,044
HIST	0.320	984
TBSC	0.310	952
HALL	0.303	930
DISC	0.286	880
TLC	0.278	853
USA	0.269	826
ID	0.250	769
FOOD	0.245	753
TNT	0.232	713
INSP	0.200	614
FX	0.178	545
BRAVO	0.172	528
NICK	0.170	524
ADSM	0.168	515
TVLAND	0.165	507
HMM	0.150	460
LIFE	0.140	431
NAN	0.134	412
GSN	0.126	387
BET	0.123	378
NKJR	0.123	377
DSNY	0.121	372
VH1	0.120	370
DSJR	0.119	364
MTV	0.114	349
ESPN2	0.114	349
HBO	0.113	349
WETV	0.112	343
AMC	0.110	339
SYFY	0.108	331
APL	0.106	325
TRAVEL	0.105	322
FRFM	0.105	322
COM	0.103	316
OWN	0.099	304

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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