

Cablefax Daily™

Friday — February 28, 2020

What the Industry Reads First

Volume 31 / No. 040

Waiting Game: Shentel's Wireless Path Post T-Mobile/Sprint Still Uncertain

While **T-Mobile** and **Sprint** may close as early as April 1, one open-ended question continues to be what happens to Shentel's wireless business post-merger given its position as a Sprint affiliate. "We've only had very preliminary conversations with T-Mobile on our wireless segment's future, and expect those conversations to pick up in substance over the coming weeks," Shentel CEO *Chris French* said during the company's 4Q19 earnings call Thursday. "We cannot comment any more on these discussions at this time, but we'll continue to work on obtaining an outcome that's in the best interest of our shareholders." Assuming T-Mobile/Sprint closes, New T-Mobile has the option to purchase the operating assets of Shentel's Sprint PCS business for 90% of the entire business value. If T-Mobile declines the purchase option, Shentel may elect an option to buy the legacy T-Mobile network and subscribers in its service area and incorporate them into an amended affiliate agreement. A third option would see New T-Mobile sell or decommission the legacy T-Mobile network and customers in the area so Shentel becomes the exclusive provider of the new T-Mobile service in its service area. While initial conversations have started, it could take a while for the things to shake out. The companies have 180 days from merger close to negotiate an addendum to the agreement. If they can't agree on an addendum, New T-Mobile has 60 days to exercise its option to buy Shentel's wireless business. If it declines to buy the business, Shentel has 60 days to exercise its purchase option for T-Mobile subs in the footprint. With an April 1 timeline, that could take a final decision all the way until February 2021—although execs noted that the two could very well negotiate something outside the existing agreement. Another caveat to the timeline, CFO *Jim Volk* said that if there's a brand conversion (ie, T-Mobile decides to use their brand) the various deadlines would accelerate by about 90 days. On the broadband side of the business, Shentel launched its first Glo Fiber FTTH market on Oct 28 in Harrisonburg, VA, with 1723 homes passed at year-end. It ended 2019 with 126 customers, 177 RGUs. Obviously, it's early days, but management is optimistic. "We're seeing a 30% attachment rate for our streaming TV service and a 12% attachment rate for our home phone service, which is consistent with our projections. While still very early, we're also seeing ARPUs consistent with our current cable markets, and based on our first handful of neighborhoods, we're achieving a broadband penetration rate of approximately 15% after 90 days," said COO *Dave Heimbach*. Construction is well underway on Shentel's first four Glo Fiber markets—Har-

**Cablefax Selected by SCTE•ISBE
as Exclusive Partner for the Official Show Daily**

**Featuring Expanded Coverage in
Print, Online & Video Show Dailies**

SCTE•ISBE
CABLE-TEC EXPO®
DENVER, CO » OCTOBER 13-16 2020

Supercharge Your Exposure!

“We were blown away by the passion and imagination Cablefax brought to the SCTE•ISBE Cable-Tec Expo official show daily coverage. In print, online and especially in video, the Cablefax team went above and beyond in capturing the moments that made Expo 2019 a must-attend event. Together we're already imagining the possibilities for new concepts at Expo 2020 in Denver.”

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



Space is selling quickly! Contact Olivia Murray at omurray@accessintel.com or 301.354.2010

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaefter@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

risonburg, Staunton, Front Royal and Winchester, VA. Construction will also begin this year in Lynchburg and Salem, VA. Last week, Shentel received franchise approval for Roanoke, VA. “Together these first seven markets comprise just over 77K target passings,” said Heimbach, noting that the company is sticking with a standard rate card vs promotional pricing for new Glo Fiber customers. Roughly a quarter of subs are taking 1 gig symmetrical broadband with a \$90/month price tag. “I think it really demonstrates the market’s willingness to pay for value provided by someone other than **Comcast**.” Shentel’s also in the process of launching a fixed wireless broadband offering passing 300K rural households in Virginia, West Virginia and Southeast Ohio, using 2.5Ghz of spectrum it purchased. It expects to launch 100Mbps service in the second half of the year. For 4Q, Shentel’s revenue of \$161mln was essentially flat with a 4Q18. Broadband and tower segment growth of \$3.8mln and \$700K were offset by \$4.5mln in lower Sprint roaming revenue from an ongoing dispute with Sprint over resetting the roaming fee (an arbitration hearing is expected to settle the dispute in 2Q). Net income fell to \$13.5mln from \$14.9mln a year ago. Broadband revenue in the quarter grew \$3.8mln, or 8.2%, to \$49.8mln, while wireless revenue decreased \$3.5mln, to \$112.4mln.

YouTube TV Plans to Ditch Fox RSNs: The list of virtual MVPDs carrying **Sinclair’s** regional sports networks continues to decline. **DISH/Sling** dropped the 21 Fox Sports RSNs and **YES Network** in late July. **Fubo TV** followed suit in January and now **YouTube TV** is telling customers that the Fox RSNs and YES will no longer be available beginning Saturday. “Please know that we do not take this decision lightly. We value your membership and will continue to strive to build the best streaming experience possible,” YouTube said in an email to customers. Sinclair spokesman *Ronn Torossian* said YouTube TV was offered the same terms as its competitors. “Unfortunately, they alone decided to drop these channels citing ‘rising costs’ despite our offer to actually lower the fees they pay us,” Torossian said in a statement. “We also offered to continue negotiating under a short-term extension so that their subscribers could continue to watch their favorite hometown teams. They’ve not yet responded to this offer.” Sinclair closed on its \$9.6bln for the 21 networks (and **Fox College Sports**) in late August. -- Sinclair did score a win this week, with **WOW!** agreeing to carry Sinclair-Cubs RSN **Marquee Sports Network**. **WOW!** customers can watch live spring training games starting on March 13.

Discovery Talking to Cable About An Aggregated SVOD: **Discovery** CEO *David Zaslav* is still considering launching a streaming service that would aggregate all of its content in one place. “We believe our aggregate content is very strong on a standalone basis and in addition would be a great complement to the many other scripted and AVOD/SVOD platforms,” Zaslav said on the company’s 4Q19 earnings call. “While being mindful of the balance and importance of the linear pay TV business, we are positioned to create dual-revenue stream direct-to-consumer platforms.” When asked about how

Cablefax: March What’s happening...

EDITORIAL: Amy Maclean • amaclean@accessintel.com
Sara Winegardner • swinegardner@accessintel.com
Mollie Cahillane • mcahillane@accessintel.com
ADVERTISING: Olivia Murray • omurray@accessintel.com
AWARDS: Mary-Lou French • mfrench@accessintel.com

ACA Connects Summit

Cablefax will cover this annual gathering in Washington, DC, where small- and medium sized operators make their voices heard in the halls of Congress and beyond.

State Legislature Round-up

A look at what’s happening at the state regulatory level

Cablefax: The Magazine – March Issue

The Work Culture List

Cablefax’s newest magazine shines a spotlight on companies for their work on continuing education, D&I, employee benefits and more.

Awards

Top Ops
Nomination
Deadline: March 27
www.cablefaxtopops.com

Events

ACA Connects Summit
March 17
Washington DC

Discovery would work to keep its linear distributors happy should it launch such an offering, Zaslav said it's all about being open and bringing them into the conversation. "There's a lot of win-wins here where we can take great content and figure out how to get **Charter, Comcast, Cox, AT&T, Charlie [Ergen]**... to work together to create more value. But the key for us is we have to reach everybody," Zaslav said. "The cable guys aren't going to wake up and find out what we're doing. They're going to be in rooms with us figuring out what we're doing." One particular area of opportunity would be with the cable operators broadband-only customers "that they're only selling **Netflix** to," he added. Zaslav also offered updates on Discovery's upcoming natural history streamer with the **BBC** and the launch of **Magnolia**. The company is deciding whether it would be better to launch the natural history streamer globally as a separate service or if it should be paired together with other Discovery programming. On **Magnolia**, Zaslav said **Chip & Joanna Gaines** are "doing great" ahead of the channel's launch and Discovery has greenlit a number of series the couple is producing. Turning to the uncertainty around the coronavirus's effect on the upcoming Olympics, the company is monitoring the situation, but is continuing to prepare unless the IOC informs them of a change in plans to hold the games. Discovery, which holds a 51% stake in European broadcaster Eurosport, holds Olympics broadcast rights across Europe through 2024.

Comscore Strikes Deal for Comcast TV Data: Nice win for audience measurement company **Comscore**. The analytics company will integrate **Comcast** set-top-box viewing data into its national measurement services. Comscore CEO and chmn **Bill Livek** said the deal will "greatly improve our direct measurement of television households across the US," and called it a "major step" towards more precise measurement and revenue growth.

Univision Sees 4Q Growth After Sale: Just a couple days after **Univision** announced it will sell a majority stake to private investment firm **Searchlight Capital Partners** and former **Viacom** CFO **Wade Davis' ForgeLight**, the company posted a 4Q19 profit thanks to higher revenue and lower expenses. Univision CEO **Vince Sadosky** described Univision as a "re-energized company" during a call with investors Thursday. **Davis** will take over as CEO once the transaction closes (pending **FCC** and **DOJ** approval). "Until then, I'll work to help ensure a smooth transition and continue to build on Univision's momentum and executing on our strategic plan to provide the best and most relevant news, sports and entertainment content to Hispanics and to provide the most robust platform for brands looking to reach this large market," said **Sadosky**. Univision expects 1Q20 to be a "record quarter," according to CFO **Peter Lori**. "We're off to a record start compared to where we've been historically," said **Lori**, largely due to political advertising ahead of the 2020 elections. Univision posted \$94.4mln in earnings, compared with a \$72.7mln loss YOY.

Peak Cord Cutting: Was 2019 the peak of cord cutting? Analysts at **Evercore ISI** seem to think so. The firm is forecasting slight sequential improvement in video losses in 2020, coming off a year where traditional video sub losses accelerated sharply. In 2019, losses jumped by 2.4mln YOY, reaching 6.3mln losses. vMVPD growth was consistent with 2018 at an estimated 2.3mln, reaching total pay TV losses of 4mln, up from 1.7mln in 2018. Evercore found that vMVPD sub trends appear to be showing significant seasonality, particularly linked to the timing of football season. The firm estimated that two-thirds of 2019 vMVPD net adds came in 3Q19, and is predicting similar seasonality in 2020. This year, Evercore predicts the US video industry will lose 3.9mln total video subs, roughly 100K better than 2019, with both traditional and vMVPD performance improving marginally YOY. It predicts higher expected losses in cable (particularly **Comcast**) due to an increasing focus on OTT-based offerings such as **Flex**. As for broadband, the firm predicts faster growth YOY, following a year of 2.6mln net adds, 715K coming in 4Q19 alone.

Charter Starts Community Development Fund: **Charter** launched the Spectrum Community Investment Loan Fund Thursday. It issues loans through community development financial institutions to small businesses whose goods or services help meet core needs in underserved communities within Charter's footprint. During the first half of 2020, the fund will invest \$1mln in New York's **Pursuit Community Finance** and another \$1mln in Texas-based **PeopleFund**. It will invest \$10mln in capital by the end of 2021, making loans up to \$1mln to each community development fund institution. Charter will also provide each one with a separate grant to provide the business with additional training and technical expertise to assist them in establishing business practices for long-term success.

Comcast Ad Monopoly Claims Revived: The 7th Circuit Court of Appeals revived an antitrust lawsuit against **Comcast** in a 141-page ruling. The **Viamedia** suit alleged Comcast controls and excludes third party sales reps from interconnects in some of the most populous DMAs. A federal judge dismissed Viamedia's refusal-to-deal claim, saying Comcast didn't act improperly but instead declined to do business with a rival. The 7th Circuit opinion found that Comcast "used its monopoly power over cooperative interconnects to force its smaller retail cable television competitors to stop doing business with Viamedia, thereby gaining monopoly power over the market for advertising representation services." Further proceedings are remanded to the US District Court for the Northern District of Illinois.

PROGRAMMER'S PAGE

Ancient Times - CuriosityStream Takes Pompeii

It's been more than 70 years since the last grand scale excavations of Pompeii, leaving over two-thirds of the Roman city unexplored. Now, **CuriosityStream** has teamed up with French production company **Gedeon Programmes** and the **Archaeological Park of Pompeii** for documentary "Pompeii: Disaster Street," premiering March 19. CuriosityStream had exclusive access to the dig, which was the first time modern archaeological tools could be used in the ancient city. "We had a great production company there for over 100 days. They captured all the emotions of these archaeologists as they made discovery after discovery," CuriosityStream ep *Steve Burns* told **CFX**. "They captured the uncovering of huge beautiful mosaics, they began to uncover skeletons of people who had died in the eruption, and then the scientists being right there on sight speculating based on the evidence of what happened." The documentary splits time between the actual excavation, and hyper-realistic reenactments. Using photogrammetry, a new technology made from mapping thousands of photos on a wireframe of laser data points, archaeologists were able to recreate exactly what rooms looked like, as everything was exactly preserved. "The laser allowed us to build a set for the first time, it wasn't just a movie set, it was based on the actual archaeology," said Burns. "We created the town as it was and the streets exactly as it was 2,000 years ago. Then they combined that with the actors. It was really exciting. It wasn't just the same old same old Pompeii show, it was really unique." CuriosityStream took an active role, even helping sponsor some of the DNA analysis of discovered bodies. "It was one of our big originals, we took a strong editorial role, but we also had some of the greatest filmmakers in the world," Burns said. Leading up to the doc, CuriosityStream is also releasing an episode of its series "Bright Now" on Pompeii. – *Mollie Cahillane*

Reviews: "Temple," on demand from March 9, **Spectrum Originals**. Many if not most stories start at the beginning. This UK import begins in mid-flight. And its storytelling sometimes makes for a bumpy ride, as the action skips between several characters. At the outset, viewers meet successful London surgeon Daniel Milton (*Mark Strong*). Eventually, we learn his wife (*Catherine McCormack*, Mel Gibson's lover in "Braveheart") is recently deceased. We then skip to criminals planning a heist; then there's a night scene, where two police officers are stopping cars on a country road, conducting a routine check for drivers' licenses. One driver won't stop and is shot. Wounded, the driver calls a friend, who contacts Milton. He rushes from his wife's memorial to operate on the driver. Where he operates is a key to the premise of this gripping series. Again, those who prefer stories that move logically, from point A to B, may find "Temple" vexing. Even into the second ep, you're unsure why Milton practices underground (pun intended) and his connection to the criminal set. In this sense Temple is a mystery within a mystery. Enjoy it. – "Dave" premiere, 10pm, Wednesday, **FXX**. No, not Kevin Kline's "Dave." This is a comedy from *Kevin Hart* loosely based on actor *Lil Dickey's* life. *Larry David* should get royalties from this amusing series. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (02/17/20-02/23/20)		
Mon-Sun	MC US	MC US AA
	AA%	(000)
FNC	0.979	3,010
MSNBC	0.706	2,169
HGTV	0.382	1,175
A&E	0.366	1,125
TLC	0.365	1,122
DISC	0.356	1,093
TBSC	0.325	998
HIST	0.313	962
CNN	0.310	953
ESPN	0.309	950
HALL	0.305	938
USA	0.283	868
FOOD	0.264	810
TNT	0.250	767
ID	0.246	756
BRAVO	0.214	658
INSP	0.195	599
AMC	0.190	583
NICK	0.185	569
HMM	0.179	550
ADSM	0.172	529
FX	0.171	526
TVLAND	0.150	460
NAN	0.148	456
LIFE	0.145	446
WETV	0.144	444
DSNY	0.141	433
BET	0.130	401
GSN	0.128	393
NKJR	0.128	392
SYFY	0.128	392
NATGEO	0.120	370
HLN	0.120	370
TRAVEL	0.120	368
VH1	0.119	365
CRN	0.112	343
DSJR	0.112	343
APL	0.107	330
WGNA	0.105	324
ESPN2	0.104	320
PARA	0.104	319

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



NETWORKING ACCESS MENTORING INVOLVEMENT COMMUNITY



Embrace Diversity.
Embrace Success.

namic.com