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What the Industry Reads First

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Low Risk: Cable Adjusting Business Plans Around Coronavirus

Panic may be rising surrounding the growing number of cases of coronavirus, but **Comcast** isn't too concerned about the effect its spread could have on the company's balance sheet. The MVPD could get a boost as folks choose to stay at home rather than head into the office or go to dinner. "With 70% of our company being cable and broadband and that consumption taking place in the home, we're in a very good set of businesses that actually can see more improvement in our digital service and using your device to transact with our company. It could actually accelerate trends we're already having," Comcast chmn/CEO *Brian Roberts* said at an investor conference Tuesday. "If anything, people appreciate the value of our product even more." Comcast could also see its bottom line bolstered by its international business with **Sky**. That business is also expanding with **Sky Italia** set to launch fixed broadband by mid-2020. "Like the US, if the 'new normal' is a homebound approach—that broadband pipe becomes all the more important in Europe and Sky Q (the X1 of Europe) makes the experience all the richer," **Wells Fargo** said in a note. Turning to the Olympics, Roberts assured investors that **NBCU** has insurance for any expenses it makes, so it should see no losses should the Olympics be canceled. **Discovery**, which owns the European TV rights to the Tokyo Olympics, said last week that it has also taken out insurance to ensure that losses would be kept at a minimum should there be a cancellation. At the same investor conference Tuesday, **AT&T** pres/COO *John Stankey* said the company is starting to see clear impacts from coronavirus when it comes to hardware supplies. "I do expect there will be some impact with handsets, and we're already starting to see that happen," Stankey said, adding there's also potential for smartwatch and tablet shortages. "I think the vendors right now are fairly optimistic that this is contained... not that there's going to be complete stock-outs." Others across the industry are moving quickly to mitigate risks to not only their businesses, but also to employees. A family member of a **Cox** employee located in Rhode Island tested positive for the virus this week and is now at home with mild symptoms. While the employee has also been sent home and is not exhibiting any symptoms, Cox temporarily closed its Rhode Island facility Monday to be deep cleaned and reopened the building Tuesday. "The employee whose family member tested positive is not an employee who interacts directly with customers, but keeping our employees and customers healthy is Cox's top priority," a Cox representative told **CFX**. Through the end of March, all Cox employees have been asked to refrain from international

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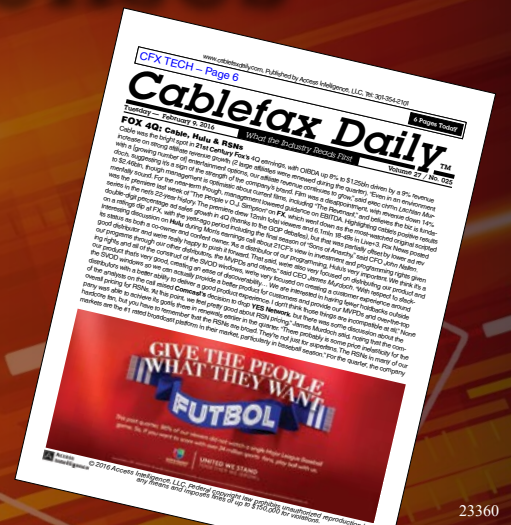
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business travel, limit domestic business travel and large group meetings and observe the CDC-suggested 14-day quarantines if they've traveled to at-risk countries or been around those that have. **Altice USA** has adjusted its business travel policies to avoid putting its employees or customers in harm's way, and **Mediacom** is giving employees the option of canceling any upcoming travel if they have concerns in regards to coronavirus. "We are making sure things like hand sanitizer and disinfectant wipes are readily available in our office locations. We are also acquiring more laptops just in case people need to work from home if there is an outbreak in an area we serve," a Mediacom representative said. **ACA Connects** is also taking necessary precautions ahead of its annual ACA Connects Summit, which is set to take place March 17-19 in Washington, DC. So far, the association has seen one member company and two vendors pull out of the conference, with attendance outpacing last year's. "We are working closely with our hotel partners at the Grand Hyatt, which is actively engaged in providing a clean environment with the best on hand in prevention and immediate care," ACA Connects said in an email to registered attendees. "We are monitoring the situation in Washington on Capitol Hill, the White House, FCC and all federal agencies, and we will inform you immediately of any important updates or changes in our plans."

Hallmark Readies Drama for Upfronts: **Hallmark Drama** is on a roll. Parent **Crown Media** plans to sell the net, which launched in October 2017, as part of its upfront for the first time. And distribution has been steadily rising. **Verizon** rolled out the net on Feb 14 on similar packaging to **Hallmark Movies & Mysteries**, and **Midco** is gearing up to launch it later this month. **Nielsen Universe** estimates show Hallmark Drama gaining 5.3mln from February to March, jumping to more than 25mln homes. A deal with Comcast in October helped push the net into more than 20mln homes, with **Erin McIlvain**, evp content strategy & distribution, telling us "another major MVPD" is set to launch Hallmark Drama in the 2Q-3Q time-frame. She said the net, which launched with 5mln homes, could hit as many as 35-40mln homes by year-end. "We've been working all the **NCTC** members, who I think have really seen value in having Drama, especially as they close out their retrans deals," McIlvain said. "Most distributors are always saying that no one network is going to move the needle, but I do think they recognize the value of the Hallmark brand and there's a pretty big appetite for our content. And several have said it's also a good retention play." On the vMVPD side, Hallmark Drama has carriage on **Philo**, **fubotv** and **Sling**, but is still working on **YouTube TV**, **Hulu** and **AT&T TV Now**.

Big Bundles: **AT&T** pres/COO **John Stankey** is pleased with Monday's nationwide launch of **AT&T TV**, saying Tuesday at an investor conference that "it tracked exactly what we would have expected to see." "One day does not make a quarter, but we had a good day and we're really pleased with what we saw," said Stankey. "We're getting higher attach rates than what we would traditionally get in selling broadband with satellite. We saw higher gross rates than what we would typically

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see, and I think that's driven by the fact that the product is an updated, more feature-rich product." Stankey pointed to the company's ability to bundle AT&T TV, particularly in its fiber footprint, as an early reason for success. Bundling also came up in reference to upcoming streamer **HBO Max**, with Stankey calling the service "a huge opportunity" to raise RPU and incentivize customers into upgrading into higher-value unlimited plans. "The launch of HBO Max and our ability to promote that into the wireless segment will be another driver that we believe will help us in the market," said Stankey.

Nexstar, Charter Get Creative: Nexstar-owned Springfield, MA, station WWLP is returning to **Charter** with a special feed of local news set to launch in the next 30-60 days. The deal for Charter subs in Berkshire County of Western Massachusetts only covers in-state local news, with network programming, sports, etc to continue to come from WNYT, Albany as the county is considered part of the Albany, NY, market. The special feed will offer live newscasts that repeat throughout the day. Politicians have long sought to get in-state news for the market, with the parties reaching the agreement with the assistance of Sens *Ed Markey*, (D-MA) and *Elizabeth Warren* (D-MA), and Rep. *Richard Neal* (D-MA). "We are pleased to have reached this creative agreement with Nexstar to bring their high-quality, local news programming to our subscribers in the Berkshire communities in a way that will not impact our customers' bills," *Tom Montemagno*, Charter's evp, programming acquisition, said in a statement. Nexstar has committed to provide Berkshire-specific weather forecasts in every newscast and to dedicate a journalist to providing regular coverage of the community.

Broadband Mapping Bills Move Through House: The House passed a package of bipartisan broadband mapping bills by unanimous consent Tuesday. The package is the result of an agreement with the Senate to merge the Broadband DATA Act and the MAPS Act to be simultaneously signed into law by the president. The former requires that the **FCC** issue new rules requiring the collection and dissemination of granular broadband availability data while the latter specifies that it is unlawful for someone to willfully, knowingly or recklessly submit inaccurate broadband service data.

Olympic Ad Update: With just under five months to go until the Opening Ceremony, **NBC Sports Group** has sold nearly 90% of its Tokyo Olympic inventory. The company recently surpassed \$1.25bln in national advertising, exceeding the sales total for Rio 2016 and sets a new Olympic record. Additionally, coverage for the 2020 Tokyo Paralympics is sold out. "The momentum for Tokyo 2020 remains strong, but inventory is growing scarce as advertisers continue to value the massive reach of the Games and are eager to align their brands with the biggest media event of the year," said *Dan Lovinger*, evp, ad sales, NBC Sports Group.

TV Providers Lost Almost 5mln Subs in 2019: The largest pay-TV providers in the US lost about 4.915mln net video subs in 2019, up from about 1.585mln in 2018. According to **Leichtman Research Group**, satellite TV services lost about 3.7mln subs in 2019, compared to a net loss of about 2.36mln in 2018. **DirecTV** alone lost 3.19mln subs. The top seven cable companies lost about 1.56mln video subs, up from 920K YOY. **AT&T** had a net loss of about 4.12mln subs across its three pay-TV services, up from 750K in 2018. **Hulu + Live TV**, **Sling TV** and **AT&T TV NOW** added just over 1mln subs, down from its 1.94mln adds in 2018.

Distribution: **Tubi** struck a deal with **Enseo** to launch its entire catalog on Enseo's in-room entertainment platform in over 30K hotel rooms. Tubi is now available nationwide in over 20 hotel and resort brands, with additional hotels launching in the future. -- The New York Yankees, **Amazon Prime Video** and the **YES Network** teamed up to live stream 21 Yanks games in the 2020 season. The first game on Prime Video is scheduled for April 17 at 7pm, when the Bronx Bombers host the Reds. Prime members in the Yankees home-team footprint will have access to all 21 games on Prime Video at no additional cost. They will be simulcasts of games produced by YES for airing on **PIX11** and other partners.

Ratings: **Fox News** came out on top of the ratings last week, coming in at No 1 in both total day and primetime. The net pulled in 1.777mln viewers in total day, compared to **MSNBC's** 981K and **CNN's** 730K. In primetime, the net saw 3.115mln total viewers, ahead of MSNBC's 1.834mln and CNN's 1.169mln. Fox News' first town hall with *Michael Bloomberg* was the most-watched cable news program in its timeslot Monday evening (6:30pm-7:30pm), averaging 2.412mln viewers. -- **ESPN** hit a ratings milestone with "Get Up," marking its 12th straight month of growth. The show finished February up 5% YOY, helping ESPN, become the No 1 cable net from 8-10am among M18-34 and M18-49.

Programming: **AVOD Haystack TV** launched a dedicated streaming channel for Super Tuesday, featuring content from more than 250 local broadcasters covering more than 85% of the major metropolitan areas in the US. The streamer has custom newscasts for viewers, including a dedicated channel to the coronavirus outbreak.

People: **NBCU** upped *Yvonne Davis* and *Jennifer Stefani* to vp, marketing strategy for its content distribution group. Davis will continue to lead content distribution's work with NBCU's owned stations and **Telemundo**, Stefani will continue to lead the group's work with its RSNs.