

Cablefax Daily™

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What the Industry Reads First

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Sinclair Situation: The RSN Chess Match Continues

News Thursday that **Sinclair** had reached a deal for **YouTube TV** to carry some of its RSNs resulted in more questions than answers. The facts are YouTube TV will carry 19 of the 21 RSNs, with no deals for **Fox Sports West** and **Prime Ticket**. It's also nixing **YES Network** (Sinclair, a 20% stakeholder, handles distribution of the Yankees net) and it didn't opt in to **Marquee Sports Network**. We don't pretend to have the answers, but we've attempted to break down what it all might mean. **All eyes on Comcast**. Comcast continues to hold out on a deal for Chicago Cubs-Sinclair jv **Marquee Sports Network**. With the Cubs home opener against the Pirates slated for March 30, the clock is ticking. It's hard to read the tea leaves, but one positive sign is that neither Marquee/Sinclair or Comcast have been making any public noise. Marquee hasn't launched any campaigns (at least at this point) aimed at getting Comcast to add the channel, etc. An interesting asterisk here is that Comcast's deal for the Sinclair-owned Fox RSNs is reportedly up soon. June, August and September deadlines have all been batted around in the press. Comcast and Sinclair last publicly announced a retrans deal for broadcast stations in August 2016, so Sinclair may be looking to negotiate the whole enchilada since tying the entire portfolio together has always been its objective. It could also help explain why we haven't seen a Marquee deal yet, and why such a deal might even stretch a bit past opening day. Purely speculation, but if so, a deal that complex takes time. And while the verdict is still out on Sinclair's decision to buy the RSNs, keep in mind the sort of distribution gains it was able to make for **Tennis Channel** by tying it to the broadcast nets. Tennis is in nearly 60mln homes—more than **Fox Sports 2**, **MLB Network** and **NFL Network**, according to March **Nielsen Universe** estimates. When Sinclair bought Tennis for \$350mln in 2016, it had 30mln homes. Of course, we just saw YouTube TV's deal for the Fox RSNs not include Marquee, which gets us to our second point. **YouTube TV is not really an oracle for the overall industry**. Yes, it's interesting that YouTube TV didn't reach deals for Fox Sports West, Prime Ticket, YES and Marquee. But with approximately 2mln paid subs (and the RSN footprint only a sliver of that), it's not the established pay TV player that **Charter**, **AT&T** and **Mediacom** are—all which have reached deals for the Sinclair RSNs, including Marquee. When you look at the RSN deals YouTube did get done, it appears to have focused on the bottom line by leaving out the three largest TV markets in the portfolio—NY, LA and Chicago. Media consultant *Pat Crakes*

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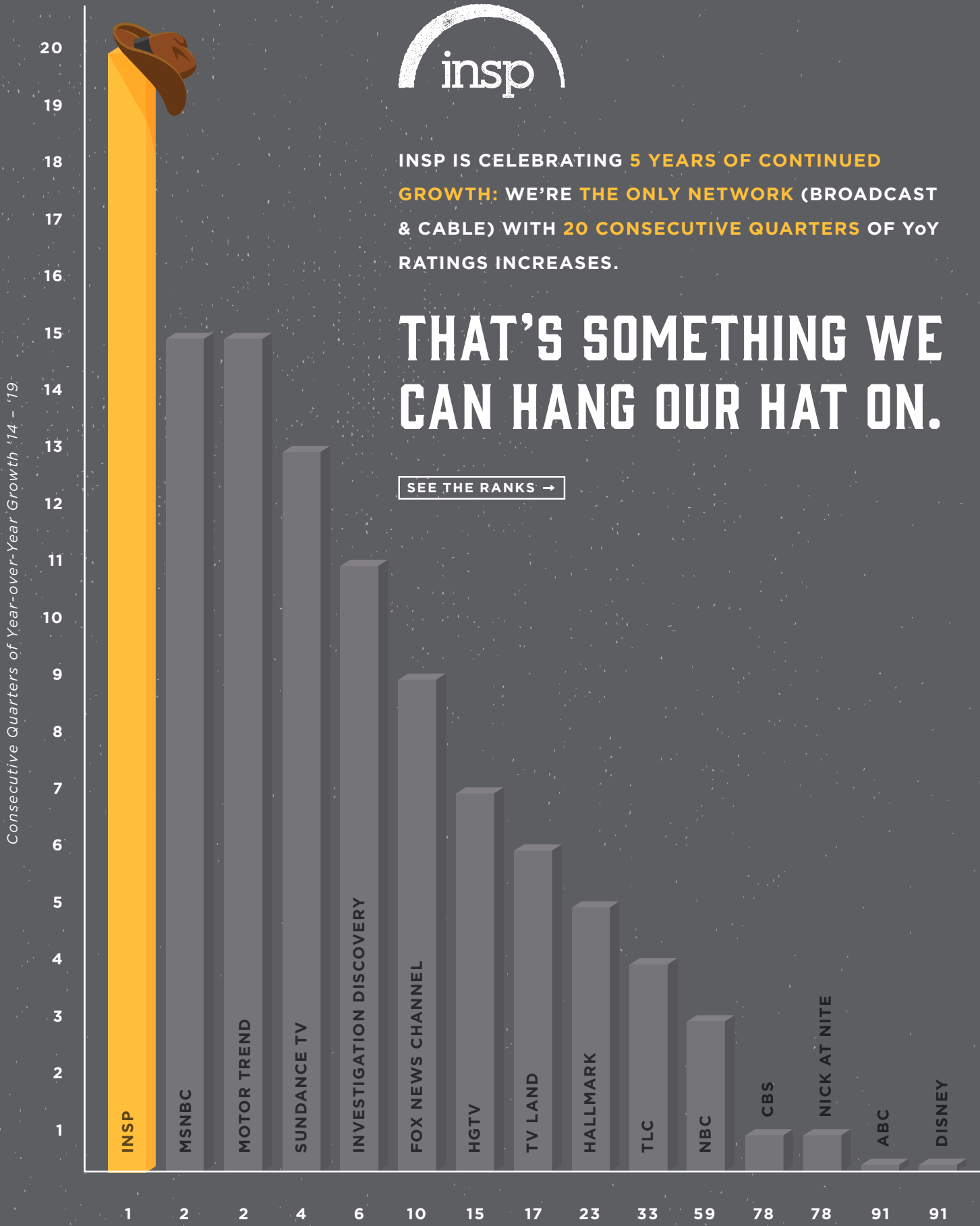
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Ranking

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threw out the idea that YouTube TV may be essentially an experiment by **Google**. “It’s not really clear any of these ad tech/retail guys think this is the right business to be in, but it doesn’t mean they’re not going to experiment,” he told **CFX**. “We pivoted really fast from the idea that the tech guys would take all these sports rights... None of that stuff happened. Outside of some boxing, the only entities that have acquired exclusive US Tier 1 live rights digitally have been established media companies.” **Keep an eye on DISH**. Anyone who has tangoed with *Charlie Ergen* before knows he doesn’t mince words. To see him **walking back** previous remarks that DISH may never carry the Fox RSNs shouldn’t be taken lightly. And just like it’s hard to make too many prognostications on YouTube’s deal, it’s probably an overreach to judge the RSN marketplace on the lack of DISH distribution. Remember, DISH didn’t negotiate with Sinclair as Disney still owned the RSNs. DISH’s decision to drop is tied to the unique situation that it found itself in, and we’ll go out on a limb and suggest it helped DISH’s negotiations for **FX, Nat Geo**, etc. Plus, DISH has always been a bit of an outlier, only carrying YES on **Sling**. **What about those MFNs?** **LightShed Partner’s** analyst *Rich Greenfield* is not a big fan of traditional TV bundle and has certainly been skeptical of the Sinclair RSN model, throwing around the word bankruptcy. His blog on the YouTube TV deal reflects that, but he raised an interesting question: will most-favored nation clauses allow Sinclair’s existing distributors to go back and cherry pick which of the RSNs they carry? “Would appear to set a very scary precedent for future negotiations, especially heading into Sinclair/Diamond’s negotiation with the largest MVPD in the country, Comcast, in September 2020,” he wrote.

WOW! Transitioning to IP-Based Video Services: **WOW!** confirmed during its 4Q19 earnings call Wednesday that it will transform its network to one of all IP-based services. CEO *Teresa Elder* said the transition will drive higher penetration of WOW!’s HSD plans while providing long-term reductions to operating expenses. The company is also hoping customers embracing WOW!’s new streaming options will consider upgrading to faster speeds or whole home WiFi plans. “WOW! benefits from higher margins through the elimination of programming expenses and the annual double-digit cost increases from content providers,” Elder said. “As our embedded base of customers change from linear video to streaming alternatives, we expect to realize operational efficiencies as a result of fewer calls to our care organization and fewer truck rolls for in-home service repairs.” WOW! recently announced partnerships with streamers **YouTube TV, fuboTV, Sling TV** and **Philo** to encourage Charleston, SC, customers to cut the cord. It also launched WOW! tv+, an IP-based option, for customers in Columbus, OH. Elder said that her greatest worry before starting the transition was how WOW!’s traditional pay TV customers would react. “We’re seeing the customer reaction in the marketplace, and we’ve been very pleasantly surprised with just the adoption rates of what we’re

Cablefax: March What’s happening...

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ACA Connects Summit

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State Legislature Round-up

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March 17
Washington DC

seeing already,” she said. “Our continued mitigation is continuing to look at the data and respond to the customers, and so far, that has been treating us quite well.” WOW! doesn’t have a target penetration rate for video as it makes the transition away from traditional pay-TV. Instead, the focus is on building customer relationships led by its HSD services. “We don’t ever sell video without an HSD offering, so 100% of our customers virtually have an HSD offering and then the WOW! tv+ or the OTT would be an additional add-on to those HSD services,” Elder said.

More Cancel From Coronavirus Fears: Following an **FCC** decision to suspend non-critical domestic and international travel, **ACA Connects** announced it is postponing its annual Summit in DC, originally scheduled March 17-19. There is no new date, but ACA Connects said it would announce one as soon as possible. The **Free State Foundation** said it has no plans to delay or change its annual Telecom Policy Conference also in DC on March 10, featuring keynotes from FCC chmn *Ajit Pai* and commissioners *Michael O’Rielly* and *Brendan Carr*. With the amount of coronavirus cases in New York doubling from 11 to 22, **Comcast’s FreeWheel** made the decision to postpone its upfront, titled NowFront, which was originally scheduled for March 12 in NYC. **WarnerMedia** is the latest company to pull out of SXSW in Texas. “As a precaution, WarnerMedia has decided it best not to move forward with activations at SXSW. We look forward to seeing everyone in Austin next year,” the company said in a statement. Its planned sessions included panels for **TBS’s** “Full Frontal with Samantha Bee,” **HBO’s** “Watchmen” and “A Black Lady Sketch Show,” as well as premieres of **TNT’s** “Snowpiercer” and **HBO’s** “We’re Here.” **Apple** and **Netflix** also pulled out of the show. Netflix canceled a panel and five film screenings. Apple dropped three premieres and a talk.

Broadband Adds: The largest cable and telephone providers in the US acquired about 2.5mln net additional broadband internet subs in 2019, according to data from **Leichtman Research Group**. The number is about equal to 2018 gains. Top cable companies added about 3.145mln subs in 2019, compared to about 2.925mln in 2018. **Comcast** saw more net adds in 2019 than in any year since 2007 with 1.407mln, followed by **Charter** with 1.405mln. Telcos saw more net losses in 2019 than in any prior year, with the top wireline phone companies lost about 620K subs, up from a 410K loss in 2018.

Atlantic Broadband Introduces 10G for Businesses: **Atlantic Broadband** announced the launch of 10G fiber service for businesses in Rochester, NY; New Hampshire; southern Maine and western Pennsylvania. Businesses opting into the service will have access to 10G speeds without additional network configuration work. The upgrade will allow for seamless UHD streaming and uploading as well as faster data backups. Additional deployments are planned this spring in the company’s Belmont, New Hampshire, Connecticut, Maryland, Delaware and Florida service areas.

Distribution: Upcoming short-form streamer **Quibi** announced its first partnership in Canada with **Bell**. Bell will be Quibi’s exclusive Canadian marketing partner in the telecommunications category and the first Canadian provider of daily content for the platform. **Bell Media’s CTB News** will produce a daily news program, while sports network **TSN** will produce a daily sports information update. Quibi will launch in Canada on April 6 for CDN \$6.99/month with advertising and CDN \$9.99/month without ads.

Charter Prices \$2.5bln in Debt: **Charter** and its subsidiaries have priced \$2.5bln in aggregate principal amount of notes. The company priced \$1.1bln in senior unsecured notes due in 2030, with an interest at 4.5% and issued at 102.5% principal. It also priced \$2.4bln in senior unsecured notes due 2032, offered subsequent to the 2030 notes, bearing interest at 4.5% and issued at 100% of principal. Charter said proceeds will go to general purposes, which may include refinancing existing 5.25% senior notes due 2022 and 5.125% senior notes due 2023.

Ratings: **Univision’s** “Destino 2020 Presenta: Super Martes” on Super Tuesday from 10pm-11pm pulled in an average of 1.3mln total viewers, reaching 3mln viewers total who tuned-in to all or part of the one-hour broadcast.

Programming: **Science Channel** will premiere two new specials in March. “Titanic: Conspiracy of Failure” airs March 15 at 8:30pm, and “Attila’s Forbidden Tomb” debuts March 22 at 8pm. -- *Chip and Joanna Gaines’* upcoming **Magnolia** network (a jv with **Discovery**) announced its newest original series. “Growing Floret” will follow Floret Flower Farm and its team as they attempt to turn more than 20 acres of chemically damaged land into a self-sustaining, organic flower farm in one year. -- **Comedy Central** ordered 20 additional episodes of “Crank Yankers.” The current season returns March 17 at 10:30pm. -- **HGTV** will feature a special night of double premieres Sunday, kicking off with back-to-back premieres of “Extreme Makeover: Home Edition” at 8pm.

People: **ViacomCBS** named *Kelly Day* COO of ViacomCBS Networks International. She formerly served as pres of Viacom Digital Studios.

PROGRAMMER'S PAGE

'Murdoch Mysteries' 200th Ep Gets an Ovation

In today's cancel culture, it's quite an accomplishment to hit 200 episodes. That's why **Ovation** is making a pretty big deal out of Canadian import "Murdoch Mysteries" reaching the milestone, with ep 200 set to air Saturday at 7pm ET on the net. The ep, titled "Staring Blindly into the Future," brings back some of the "brightest minds you've seen in the series, like Nikola Tesla, Thomas Edison, Marie Curie and Houdini," said Ovation programming and production evp *Scott Woodward*. Fans of the series can expect plenty of easter eggs and running gags, with all these great minds (including Detective William Murdoch) assembled for The James Pendrick Symposium. When Tesla disappears, Murdoch must investigate his fellow innovators. Then the fun begins. It has been about a year since Ovation made the decision to flip the name of the series from "The Artful Detective" to its actual name, Murdoch Mysteries. "It was quite strategic," Woodward said of the title swap. "We really wanted to get more in sync with the Canadian premiere, and it has such notoriety as Murdoch Mysteries, we felt it was the appropriate time to switch back to the real title of the show." The 200th ep debuted in Canada on Jan 13 to good buzz. For Ovation, "Season 13 premiered up in households, up in P25-54, P35+ and over the first three weeks of the run, we're up significantly in 25-54s, which is our core demo," Woodward said. For Ovation, mysteries in general have proven beneficial. It has rolled out a morning mystery block, with recent acquisitions for it including Australian drama "A Place to Call Home" and "Agatha Christie's Partners in Crime." Ovation is still the art network, but "there's a certain amount of art to mysteries," Woodward said. "We have amazing true hard art content, but art covers a really wide swath... And really all of this is the art of storytelling." – *Amy Maclean*

Reviews: "Hunters," streaming, **Amazon Prime Video**. There are many reasons to watch this ambitious series that mixes the Holocaust with life in NYC, in 1977. First, it puts a human face on the Holocaust, which is important. That said, the horrors visited on certain characters make those scenes difficult to watch. And those scenes, which have educational value, are certainly not recommended for family viewing. Among the other highlights of this series is the performance of *Al Pacino*. His transformation into Holocaust survivor/Nazi hunter leader Meyer Offerman is so complete, his accent pitch perfect, ditto his mannerisms, it's difficult to see Pacino inside the character he portrays. Pacino is SO good, it exposes that some of the other actors are, indeed, acting. Still, the ensemble is solid, with *Saul Rubinek*, *Carol Kane* and *Kate Mulvany* among the standouts. Certainly, the violence in the series repluses some viewers. Fair enough, though the Holocaust was a violent creation. Other complaints include the mix of period and modern music and the series' comic-book feel, particularly with some of the characters. Again, we hear you. Still, this is entertaining, educational television that exposes viewers to one of the most horrific episodes in human history. If modern music and comic books are the catalysts for that, so be it. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (02/24/20-03/01/20)		
Mon-Sun	MC US	MC US AA (000)
FNC	0.988	3,036
MSNBC	0.574	1,762
CNN	0.378	1,163
A&E	0.370	1,136
ESPN	0.352	1,083
HGTV	0.351	1,078
HIST	0.343	1,054
TLC	0.339	1,042
TBSC	0.332	1,021
DISC	0.329	1,010
HALL	0.284	874
TNT	0.281	862
USA	0.259	795
FOOD	0.257	789
ID	0.237	729
INSP	0.214	658
BRAVO	0.212	650
NICK	0.186	572
TVLAND	0.169	521
AMC	0.161	495
NAN	0.155	475
ADSM	0.151	465
WETV	0.140	430
HMM	0.139	426
LIFE	0.137	422
GSN	0.135	415
SYFY	0.134	411
FX	0.132	406
DSNY	0.127	390
NKJR	0.124	381
TRAVEL	0.123	377
HBO	0.122	376
ESPN2	0.121	371
CRN	0.120	370
FRFM	0.120	369
VH1	0.120	368
MTV	0.118	363
BET	0.118	362
APL	0.112	345
DSJR	0.108	332
NATGEO	0.106	327

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

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