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What the Industry Reads First

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No Deal: AMC Networks Files AT&T Carriage Complaint

AMC Networks has filed an **FCC** complaint against **AT&T** claiming that the latter has put forth “discriminatory” terms in talks to renew their carriage agreement. Specifically, AMCN claims that AT&T is attempting to cause severe harm to cable nets **AMC** and **AMC+** for the benefit of AT&T’s similarly situated networks, **TNT** and **HBO**. “This instant action requires AT&T to be held to its word that the Commission can use its regulatory powers—in this case, the program carriage rules—to address AT&T’s discriminatory and anticompetitive use of the disproportionate bargaining power that it now has as a result of the AT&T-Time Warner merger to unlawfully disadvantage a programming competitor,” AMCN said in the complaint. The first part of the document deals with the money AT&T has devoted to HBO’s programming content since it acquired the net, clearly establishing it as a competitor in the “ongoing war for content.” In 2019, AT&T spent \$14.2bln on original content while HBO expanded its production of original content by 50% to 150 hours to the tune of about \$1.5bln. AMCN also says AT&T is attempting to treat it differently from the terms AT&T is willing to accept for its own networks. “AT&T’s 2020 10-K notes that both HBO and TNT’s ‘license agreements with its distributors are typically multi-year arrangements that provide for annual service fee increases,’” AMCN said. The programmer is also fighting back against online distribution restrictions AT&T is apparently trying to force into the pair’s carriage agreement. Meanwhile, HBO content is accessible on **Hulu** and TNT programming, including that from current seasons, and can be found on **Amazon Prime**. “While there was a time while online competition was developing when MVPDs commonly attempted to prevent programmers from agreeing to distribute their content via online-based services, such attempts have been largely abandoned by other MVPDs since the Commission and the Department of Justice made quite clear that such behavior is anticompetitive,” AMCN said. AT&T fought back against AMC’s complaint, calling it without merit. “We treat all programmers fairly and will continue to work with AMC Networks to provide its content at a price that is reasonable to our customers,” an AT&T spokesperson said. “But the cost to provide that programming should reflect [the fact] that AMC Networks’ shows have been declining in popularity as compared to their peers for several years.”

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Kara Mullaley
Community Broadband
Market Development
Manager, Corning



With over 20 years in telecommunications supporting network operators in the deployment of broadband worldwide, she is a subject matter expert on best practices for fiber deployment, architecture, and solutions to address tough deployment challenges. Her focus is to ensure operators invest wisely to meet today’s rising bandwidth and tomorrow’s emerging application demands. She has delivered technical sessions at various FTTx conferences and has also been published in several trade publications.

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WarnerMedia Lays Off More Amid Restructuring: WarnerMedia has reportedly completed a wave of layoffs that affected approximately 600 staffers. Warner Bros confirmed that three senior leaders are leaving the studio as part of the company's ongoing realignment—Warner Bros pres, worldwide theatrical distribution & home entertainment *Rob Sanders*; pres, worldwide television distribution *Jeff Schlesinger* and CFO/evp, Warner Bros Entertainment *Kim Williams*. The additional layoffs come only three days after WarnerMedia CEO *Jason Kilar* announced the exits of WarnerMedia Entertainment and DTC chmn *Bob Greenblatt* and HBO Max chief content officer/pres, TNT, TBS and truTV *Kevin Reilly*. Also departing is evp, corporate marketing and communications *Keith Cocozza*. Warner Bros chair/CEO *Ann Sarnoff* will lead a newly-formed Studios and Networks Group to include HBO, HBO Max, TNT, TBS and truTV. HBO pres programming *Casey Bloys* is set to take over as head of original content for HBO Max as well as the Turner cable nets.

GCI, Liberty Broadband Strike Merger Deal: Liberty Broadband is acquiring GCI Liberty in a stock-for-stock merger. "This process was driven by independent special committees of Liberty Broadband and GCI Liberty, and *John Malone* and I fully endorse the combination," *Greg Maffei*, Liberty Broadband and GCI Liberty pres/CEO, said in a statement. "The transaction is financially attractive and beneficial for both companies." Liberty Broadband's largest asset currently is its 25% stake in Charter and subsidiary Skyhook. GCI Liberty claims GCI Holdings and non-controlling interests in Liberty Broadband, Charter and LendingTree. Under the terms of the deal, each holder of GCI Liberty shares will receive 0.588 shares of Liberty Broadband stock when the deal closes in the first half of 2021. John Malone will remain chmn of Liberty Broadband and control 49% of the combined company's vote. Maffei and GCI CEO *Ron Duncan* will also maintain their positions following the merger.

Univision Ad Revenue Drops 40%: Univision lost \$27.3mln in 2Q20, compared with a \$92mln income in the same quarter in 2019. Revenue declined 24% to 531mln. The biggest factor was a 40% decline in advertising revenue, down to \$210mln, compared to \$347.2mln. On an earnings call Monday, CEO *Vince Sadusky* said that the company hopes "to have turned a corner from the worst of the pandemic's economic impact," and pointed to the return of live sports, particularly soccer, as a positive incentive for advertisers. Sadusky said advertisers are "fully engaged," and if he had to estimate, about 90% of the network's traditional upfront advertisers are participating. Sadusky also said that 3Q ad trends are "meaningfully better" than 2Q, with each month since March seeing improving trends. In 3Q20, the company is predicting the quarter pacing down 15-20%, but predicting a record for political advertising this year. When asked about exploring Univision's DTC business, Sadusky deferred to answer

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until the majority stake sale to an investor group led by former **Viacom** CFO *Wade Davis* closes. “That’s something *Wade* has been very involved with at **Viacom** and he has a playbook,” said *Sadusky*. Ratings were a bright spot for the company, with **Univision’s** flagship broadcast net finishing No 1 among US TV viewers A18-34 in any language for 10 consecutive weeks.

DoD Agrees to Free Midterm Spectrum: The federal government is letting go of some of its spectrum, offering to free up 100 MHz of midband spectrum to the **FCC** by Dec 2021. The White House and officials from the Department of Defense said Monday that spectrum located in the 3.45-3.55GHz band, which is currently being used for radar applications, could be freed up for spectrum sharing with commercial 5G applications without harming national security or military uses. The federal government plans to team with industry partners to determine how sharing will occur in that swath of spectrum. “This is a key milestone in securing United States leadership in 5G,” FCC chmn *Ajit Pai* said in a statement. “Together with the spectrum being made available for 5G in the C-band as well as the 3.5GHz band, we are now on track to have a 530-megahertz swath of mid-band spectrum available for 5G from 3.45 to 3.98GHz.” He added that the Commission is ready to move quickly to adopt service rules for the 3.45GHz band and hold an auction as quickly as possible.

Disney Rebrands: Disney Television Studios is rebranding its three studios: **20th Century Fox Television**, **Fox 21 TV Studios** and **ABC Studios/ABC Signature**. ABC Studios and subsidiary ABC Signature are merging into one studio, titled ABC Signature. Fox 21 Television Studios is becoming **Touchstone Television**, and 20th Century Fox Television is now **20th Television**. The changes are effective immediately, with new logos and motion end cards that viewers will see on the screen by the end of the year. No layoffs are expected as a result of the changes. The removal of “Fox” from studio names was part of the deal between Disney and **21st Century Fox**, and the Touchstone name makes a return after it was retired in 2007.

Charter Launches Unlimited Plus: **Charter** is introducing a new monthly service plan for its Spectrum Mobile customers. Unlimited Plus is designed for customers who regularly use large amounts of cellular data to stream high-definition video outside the home. The plan includes 30GB of full-speed data and HD-quality video at \$55/month for 4G and 5G.

Ratings: **ESPN’s** PGA Championship coverage is cable’s most-watched in 10 years. Sunday’s final round coverage averaged 1.965mln viewers, up 60% over **TNT’s** final-round telecast from 2019. The telecast peaked at 2.4mln viewers. Across all four rounds, the net averaged 1.659mln viewers, up 35% YOY. Viewership among A18-34 was up 76% YOY, and the most-viewed championship on cable in the demo since 2009. -- **Univision’s TUDN** scored record ratings with the return of UEFA Champions League. The telecast of FC Barcelona vs Napoli on Saturday averaged 1.1mln total viewers, the most-watched Round of 16 match in league history on any US network, regardless of language. The match peaked with 1.14mln during the 4:30-5pm time slot.

Distribution: Cinedigm’s The Bob Ross Channel launched on the **Xumo** streaming TV service as a free, AVOD linear channel. With the Xumo launch, the channel is now available in an additional 45mln households.

Programming: Peacock made several programming announcements, including a new late-night block. It will have two weekly series anchored by *Amber Ruffin* and *Larry Wilmore*, set to launch in September. The streamer also ordered eight episodes of comedy series “MacGruber,” based on the SNL parody sketch. -- **HBO** is teaming up with *Judd Apatow* and **Rise Films** for a two-part documentary on comedian *George Carlin*. He headlined 14 HBO comedy specials, and passed away in 2008. -- Season 3 of “Buried in the Backyard” returns to **Oxygen** on Sept 3 at 8pm.

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