

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Hey Big Spender: Political Ad Buys Show No Signs of Slowing Down

Political ad spending for 2020 was ginormous—and it can only go up from here. Even without *Michael Bloomberg* as a candidate. That's the current thinking at least. Political spending topped \$8.5bln this year, including \$1.8bln just for the presidential race, *Ad Age* reported Monday, citing **Kantar** data. That's well ahead of the \$7bln forecast Kantar projected in July.

"For '24, there's no reason to believe spending won't continue to increase," said **Gray Television** co-CEO/pres *Pat Laplatney* during a presentation for the **Media Institute** Monday. "When you think about '24, it's a good bet that there will be somebody named *Trump* running for president—the question is whether it's the president, *Don Jr* or *Ivanka*. Regardless of which one runs, the GOP is likely to be more splintered than ever." There's some who hope that a "fresh face" will emerge for Republicans that could spur big spending, plus there are Trump loyalists who may explore runs in Congress, statehouses, and so forth, he said. Adding to the 2024 spending spree will be 33 Senate seats up for grabs.

In the meantime, 2022 also looks to be a profitable year. Not only will the GOP be looking to flip the House, but there are 36 gubernatorial races as well as several contentious Senate races.

To give you a sense of how bountiful the political harvest was this year, consider this: Gray TV's total non-political core revenue in October was approximately \$82mln. Political rev-

enue for the same month totaled \$175mln. Gains were seen on the cable side as well. **Comcast's Effectv** saw its 2020 revenue grown 59% over the 2016 Presidential cycle and 11% over the 2018 mid-term, when it recorded the largest political ad spend ever. Effectv told **CFX** cable grew its share of the overall ad spending pie and took in over \$1bln, while Effectv captured a 30%+ share of the TV dollars spent in its footprint for the category. Looking at 3Q numbers, **Charter** reported ad sales rev increased 16.8% YOY to \$460mln. Without political, rev would have been down 11.2% YOY.

Like others, Gray saw the spending begin earlier than ever before in the 2020 cycle. In 2016, the first orders for the Iowa Caucus began in November 2015. For 2020, the first (small) order came in February 2019 for *Tom Steyer* and then increased in earnest in August 2019, Laplatney said. Then there were those highly contentious races, like *Susan Collins* re-election bid in Maine. Spending for her race began a full year before the general election, Laplatney said.

And the spending isn't over with Georgia voters headed to the polls in January for two run-off elections for the Senate. Projections for the two runoff are starting around \$200mln, Laplatney said. "Prior to the election, the amount of money spent on broadcast TV for those two seats was roughly \$127mln," he noted. "The expectation is there is going to be a lot more than \$127mln spent in a roughly two-month window... There's some out there calling for these two races to attract more than \$1bln in spending. Personally, I struggle with that

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number—but then again, it’s 2020. Anything can happen”

The 2024 cycle could be especially interesting depending on how much broadcasters’ NextGen TV standard has taken hold. “There will be a large number of markets that will be lit up by 2024. There’s a number today. What NextGen or 3.0 offers is better targeting, and then there’s also ‘click to donate’ types of functions,” said Laplatney. “I think there will be markets where ATSC will matter in 2024. There’s still work to be done, but I think over a four-year window I think you’re going to see that become a factor.”

Gray expects to roll out NextGen TV in its Charlotte, NC, market next year, but the majority of its stations will come on a “little later.” “We’re fully committed to 3.0 as a company. It’s the future of our industry. It will give us competitive advantages we’ve never had before,” Laplatney said.

ALTICE USA ANNOUNCES \$2.5BLN BUYBACK

Just a few days after giving up on its \$8.4bln bid for **Cogeco**, **Altice USA** is repurchasing \$2.5bln in shares. Altice stock jumped by 8.55%, closing at \$35.03. The company said it has commenced a Dutch auction tender to repurchase the shares at a price not to exceed \$36 and not less than \$32.25 each. The offer will be open until Dec 21 and is contingent on the completion of its sale of 49.99% of its **Lightpath** fiber enterprise business. The move means the company is increasing its buyback target for full year 2020 from \$2.5bln to \$5bln. It repurchased about \$660mln of its shares between Oct 1 and Nov 20. **New Street Research** said in a note that while it expected about \$3.1bln in share repurchases after Altice’s 3Q earnings, the announcement was higher than expected.

“Though the share repurchases are a consolation for Altice having ended its bid for Cogeco, they speak to management’s confidence in a business that has remained resilient through the pandemic and which will continue to take meaningful share even as the pandemic effects recede,” the note reads. The firm raised its target price for Altice by 30%, up to \$42.

COMCAST EXPANDS BLACK NEWS CHANNEL

Looks like **Black News Channel** has picked up some more distribution with **Comcast**, launching across all Xfinity markets. Comcast was a partner for BNC’s initial launch in February, but it only offered the channel in select markets initially. Charter, another one of BNC’s launch partners, expanded BNC’s carriage to its entire footprint earlier this fall.

FCC ORDER ON DISH DESIGNATED ENTITIES

The **FCC** made it official Monday, releasing an order on remand finding that **SNR Wireless LicenseCo** and **Northstar Wireless** are controlled de facto by **DISH** and thus ineligible for the **\$3.3bln in AWS-3 bidding credits** they sought. Because SNR and Northstar defaulted on 197 licenses—including licenses in New York, Boston, and Chicago—they paid the full price for the remaining spectrum they won in the 2015 AWS-3 auction and therefore do not owe the Commission the additional \$3.3bln that they bid in the auction, the FCC said. SNR and Northstar are subject to additional default payments that may become due when the defaulted licenses are auctioned in the future.

CHANNEL RETIERING

Altice USA is moving **UPTv** and **Aspire TV** from its Residential Optimum Select, Economy, Value, and Preferred levels of service to the Optimum Premier level of service effective Dec

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16. Customers who want to retain the channels will need to subscribe to the Premier package.

COMCAST EXPANDS 1.2 TB CAP

Come January, all of Comcast's residential internet customers will have a 1.2 Terabyte data cap. The operator is expanding the cap into its Northeast markets, which includes DC, Massachusetts and Virginia, for the first time. Comcast stressed that only about 5% of customers use more than 1.2TB of data in a month. Those who use more than 1.2 and aren't on an unlimited plan will automatically receive additional 50GB blocks for \$10 each, with a maximum overage charge of \$100. Comcast is offering complimentary credits to offset potential overages for January through March to help customers adjust to the caps.

HOW POPULAR IS OTT?

New research from Parks Associates found that 61% of US broadband households subscribe to two or more OTT services as of 3Q20, up from 48% the previous year. When it comes to three or more, 45% subscribe and 31% subscribe to four or more. Additionally, 95% of US OTT subscribers subscribe to at least one of the big three services (Netflix, Amazon Prime Video and Hulu).

HALLMARK MOVIES NOW HITS SUB MILESTONE

Crown Media Family Networks' SVOD service Hallmark Movies Now surpassed the 1mln subscriber milestone, driven by its annual holiday programming event "Movies & Mistletoe." As the streamer wraps up 2020, it will launch Season 7 of "When Calls the Heart" on the service, with the first three episodes premiering New Year's Day.

AMAZON REMOVING HBO, REPORT

HBO will no longer be available on Amazon Channels after the current deal expires next year, according to a report from CNBC. The move comes as part of the agreement to put HBO Max on Amazon's Fire TV platforms. WarnerMedia

would eventually like HBO Max to be the entry point into all its products, therefore allowing a direct relationships with customers in order to gain information for targeted advertising ahead of the AVOD tier of HBO Max slated to launch next year.

DISH AND MAVENIR

DISH tapped Mavenir's cloud-based carrier message solution to deliver cloud-native voice, data and messaging services software for its nationwide 5G network. The company will use AI and chatbots for virtual customer support.

FCC CONVENING QUANTUM INTERNET FORUM

The FCC is hosting a Quantum Internet Forum on Dec 15. The preliminary agenda includes panels focusing on the theory and applications of quantum internet, as well as challenges, opportunities and roadmaps and the global landscape, funding and workforce needs. The forum will be webcast.

RATINGS

A record 62mln households tuned into Netflix's series "The Queen's Gambit," making it the streamer's biggest scripted limited series to date. - Fast-growing Newsmax TV might be the No 4 cable news channel based on last week's Nielsen numbers. In the 7pm hour last Thursday, Newsmax pulled in 1.102mln viewers, behind CNN's 2.378mln, MSNBC's 2.244mln and Fox News' 2.045mln.

DISTRIBUTION

AMC Networks streaming bundle AMC+ launched on The Roku Channel, reaching an estimated 54mln people in Q3.

PEOPLE

Walt Disney Television CFO & pres of business operations Ravi Ahuja is choosing to exit the company following a major restructuring at Disney. The former CFO of Fox Networks Group took the position after the acquisition by Disney. He'll stay on as a consultant until the company finds a new head of operations and finance.

We are so proud of our industry and the many ways companies are responding to the pandemic. Free internet, fresh content, employee safety and much more.

The Cablefax Editorial Team is reporting on vital industry updates every day. We want to hear from you so please reach out to share your news and stories.

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Amy Maclean, Editorial Director, amaclean@accessintel.com or 301.354.1760

The Collapse of Theatrical Windows?: With theaters shuttering, will day-and-date releases become a thing? Universal Pictures is the first out of the gate, announcing "Trolls World Tour" will be available April 10 for a rental. Other in-release movie titles are set to be available as soon as this Friday. The movies will be Comcast, Sky and a "broad range of on-demand partners." Titles to be made available include "The Man" and "Emma" with a suggested retail price of \$19.99 in the US.

For Now: Providers Set Aside Disputes During Coronavirus Outbreak

As they face the common enemy that is the coronavirus pandemic, Cox Media Group and DISH have set aside their retrans dispute for now so that DISH can resume its carriage of 10 CMG stations in New York, Oregon, Washington, Arizona, Louisiana, California, Mississippi and Idaho. No word on how long the truce will last.

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Friday — March 13, 2020 What the Industry Reads First Volume 31 / No. 050

New Normal: Companies Roll Out Contingency Plans in Face of Covid-19

With a growing number of students and employees working from home, it's mission critical for the nation's broadband providers during the Covid-19 pandemic. Operators big and small are up-ending their day-to-day operations to ensure

Wednesday — March 18, 2020 What the Industry Reads First

Covering Covid-19: Content Companies Step Up Efforts

Programmers are shuffling schedules to respond to the coronavirus crisis. The Weather Channel is airing live programming at 50 minutes past the hour to share educational content with students due to school closures. Topics include why thunder happens, how rainbows form. Pledge During the Covid-19 Crisis. Topics include why thunder happens, how rainbows form. scheduled for Friday at 2pm.

From the Commission: Another 116 broadband and telephone service providers have taken the FCC's Keep Americans Connected Pledge, agreeing to take specific steps to keep Americans connected for 60 days. Some notable names taking the pledge include Hotwire Communications, Mid