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WHAT THE INDUSTRY READS FIRST

Big Dreams: Verizon All In on Prepaid Wireless

Verizon is moving ever closer to closing its \$7 billion deal to purchase **Tracfone**, and it has big dreams for what it can do within the prepaid market once the ink dries.

Rather than pressuring Tracfone's customers to purchase Verizon plans, the provider wants to expand the current offerings in the prepaid marketplace so those customers feel completely fulfilled where they are.

"We actually see the opportunity to innovate inside the value segment itself so the customers don't have to move out of the value segment, out of prepaid, to get great value and to get great products in the marketplace," Verizon Consumer group CEO *Ronan Dunne* said at an investor conference Monday. "Yes, we see the opportunity to migrate those who are in Tracfone's base but not on the Verizon network onto the Verizon network and upgrade their network experience, but I think success will be growing the revenues of Tracfone and its portfolio within the value segment rather than an overarching desire to migrate people," he said.

He also said the prepaid customer base is ripe with opportunity and could be a great target for expanding Verizon's fixed wireless access products.

Dunne is more confident than ever that the acquisition will close without any regulatory hangups. Last month, **Public Knowledge**, the **Communications Workers of America** and other consumer protection groups sent a letter to the **FCC** with-

drawing their objections to the acquisition. They had previously expressed fears that the deal would cause significant disruptions to Tracfone customers taking advantage of the Lifeline program. Verizon has now committed to providing service with no additional co-pays to those subscribers for at least three years post-close of the deal. It will also offer a 5G service plan to Lifeline subscribers within six months of the closing.

When asked about the state of competition in the mobile ecosystem since T-Mobile's acquisition of **Sprint**, Dunne said the health of the overall industry has widely improved. He cited the widespread deployment of midband spectrum by providers as well as Verizon's evolution into content partnerships as positive signs. Dunne believes the B2B side of the wireless industry is about to explode with more activity as employers embrace remote workforces, and his Fios broadband business has continued to gain momentum over the last few years.

It's not just the pandemic driving those trends. He credits the recognition of high-quality residential broadband—whether it's delivered through a wireless or wireline product—with more choice in content.

Dunne also fought back against arguments that **T-Mobile** has a significant competitive advantage when it comes to its spectrum holdings, particularly those that benefit its quest to lead in 5G. T-Mobile has long been viewed as the spectrum leader among its peers, and Verizon and **AT&T** have been doing everything they can to add more to their own arsenals. Verizon forked over \$45.45 billion for 3,511 licenses in the FCC's

Corporate Licenses

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C-band auction earlier this year to bolster its own midband portfolio. AT&T put up \$23.41 billion for 1,621 licenses and T-Mobile spent \$9.24 billion on 142 licenses.

“The deep, rich capability of our 4G LTE network is the foundation of circa 75% of customers’ experience every single day. As 5G comes along, it’s about enhancing the capabilities of the network. It’s not selling 5G as a distinct differentiator for 4G,” Dunne said. “The evolution of the product set is broadly consistent with our deployment timeline, which is broadly consistent with the innovation curve that we’re seeing around app development and use cases.”

CHARTER FRUSTRATED WITH CARRIAGE FEES

Charter CFO *Chris Winfrey* isn’t feeling sympathetic to programmers when it comes to carriage negotiations. During an investor conference appearance Monday, he said programmers have continued to be inflexible in their demands of operators. “The programmers have not been able to get out of the prisoner’s dilemma of taking additional rate increases and insisting on forcing multiple channels and cross-bundling requirements that increase the price of the product in a way that customers can’t handle,” Winfrey said. The exec urged programmers to either lower their financial demands or increase flexibility for entities like Charter to package products in a way that allows customers to afford the content and keep their cable package.

BIDEN NOMINATES BEDOYA TO FTC

President Biden is making people moves. He nominated *Alvaro Bedoya* to fill the third and final Democratic commissioner seat at the **FTC**. If confirmed by the Senate, Bedoya will fill the seat left behind by *Rohit Chopra*, who has moved to serve as head

of the **Consumer Financial Protection Bureau**. He’s a law professor at Georgetown University and founded its Center on Privacy & Technology in 2014. Before that, Bedoya served as chief counsel to the Senate Judiciary subcommittee on Privacy, Technology and the Law. Privacy law is his specialty, and the nomination has been celebrated by consumer protection groups as a positive sign for more action against Big Tech platforms.

DISCOVERY SEEING THE LIGHT FOR PREMIUM DTC

It’s been nearly four months since **Discovery** and **Warner-Media** announced their merger, and Discovery CFO *Gunnar Wiedenfels* can’t yet offer details on how the combined company will approach the packaging and pricing of **HBO Max** and **discovery+**. What he can say is that he’s continuing to see enormous value in the customers subscribing to those services’ ad-supported tiers. “For discovery+, the total ARPU is actually higher for an ad-lite subscriber than for a pure subscription subscriber, and I would imagine that others are experiencing similar metrics of performance,” Wiedenfels said during an investor conference appearance Monday. Those subscription tiers will be a huge focus of the combined entity once the \$43 billion merger is completed in mid-2022, but don’t expect to see discovery+ or HBO Max launch a free, ad-supported tier any time soon. “Whether at some point there may be a complete sort of AVOD-only subscription-free product, you know, that remains to be seen,” Wiedenfels said.

VIACOMCBS REVAMPS PARAMOUNT LEADERSHIP

The other shoe dropped at **ViacomCBS** following Friday’s news that *Brian Robbins* is replacing *Jim Gianopulos* as chairman/CEO of **Paramount Pictures**. *David Nevins*, chairman and CEO of

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Showtime Networks, will now have oversight of **Paramount Television Studios** (PTVS). The restructure has the Paramount movie and TV divisions being run separately. As such, Robbins will assume oversight of films produced for Paramount+. Robbins has been head of **Nickelodeon** since 2018. He keeps that role and will continue to be responsible for kids and family content globally for the streaming service. *Nicole Clemens* will continue as PTVS president, reporting directly to Nevins. Nevins and Clemens will continue to serve in their current Paramount+ roles of Chief Content Officer, Scripted Originals, and President of Original Scripted Series, respectively. Gianopulos will serve in an advisory role at Paramount through the end of the year to help ensure a smooth transition. ViacomCBS chief *Bob Bakish* praised Gianopulos as a “towering figure in Hollywood” who established a “revitalized” Paramount.

CARTOONITO MAKES WARNERMEDIA DEBUT

WarnerMedia Kids & Family on Monday launched **Cartoonito**, **HBO Max** and **Cartoon Network**'s preschool programming block. **Nickelodeon**, **Disney**, **PBS** and others have long played in the preschool sandbox, but WarnerMedia and its Cartoon Network brand have largely stayed away. “The impulse was to create a preschool brand that takes into account all the incredible knowledge that we’ve gained over all these years, but also to put a modern and inclusive filter on it,” Warner Bros Head of Kids & Family Programming *Amy Friedman* told reporters Monday after a virtual launch party for Cartoonito. “You know, we’re the last ones to the game, but we get all that wisdom. We get this chance to do a beautiful, meaningful block that includes some of our favorites and lots of new [content].” Cartoonito will be available on Cartoon Network Monday-Friday (6am to 2pm). Upcoming programs include “Batwheels,” which features iconic vehicles from the DC universe, and “Tom and Jerry Time,” an animated series combining the comedic follies of the cat and mouse duo with early learning concepts. Library shows in the lineup include “Care Bears: Unlock the Magic,” “Mo Willems Storytime Shorts!” and “Sesame Street.” Execs emphasized that there’s a learning framework in everything on Cartoonito. While Warner Bros is new to the preschool block, HBO did a deal in 2015 with **Sesame Workshop** and new eps of “Sesame Street” debut on HBO Max before moving to PBS. “You immediately know you’re in a house of good repute when you’re in the neighborhood with Sesame Street and their friends,” said *Tom Ascheim*, Warner’s president of Global Kids, Young Adults and Classics.

FOX PURCHASES TMZ FROM WARNERMEDIA

Fox Entertainment has acquired **TMZ** and all its media properties from **WarnerMedia**. Under the deal, Fox will own and operate all TMZ-branded linear, digital and experiential assets, the sports site TMZ Sports and the “TMZ Sports” program that currently airs on **FS1**. Fox will also own the celebrity tours operated by TMZ in Los Angeles, TMZ.com and TooFab.com. Fox said the acquisition was an opportunity to further market and monetize the brand across its station group as well as on AVOD platform **Tubi**. TMZ founder/managing editor *Harvey Levin* will continue to oversee day-to-day operations for the brand, and will report to Fox Entertainment president, alterna-

tive entertainment and specials *Rob Wade*.

VEXUS FIBER EXPANDS LA NETWORK

Fiber internet service provider **Vexus Fiber** will bring its FTTH network to Lake Charles, Sulphur and Westlake, Louisiana. Vexus will fully fund the build, which will connect more than 40,000 homes and businesses in the towns to its network. The provider plans to fully complete the network within 36 months, with construction to begin in 1Q22.

'COPS' BACK FOR SEASON 33, MOVES TO FOX NATION

SVOD Fox Nation is reviving “COPS,” bringing it back for a 33rd season on Oct 1. The long-running series was canceled last year by **Paramount Network** amid unrest over the death of George Floyd while in police custody. The first four episodes drop on the premiere date, with new installments every Friday. The deal also includes 15 episodes from Season 32 to be available on the streamer. To celebrate the launch, FOX Nation is offering all first responders a one-year free subscription to the service. The SVOD will also donate \$5 to nonprofit Answer the Call this week for every new subscriber, with a maximum donation of \$50,000. The nonprofit provides financial support to the families of NYC first responders killed in the line of duty. A slate of first responder-themed programming also launched on the streamer Monday, including “911: On Scene,” “When Seconds Count,” “Protect and Serve,” and “Answer The Call.”

RATINGS

The Season 2 premiere of **HGTV**'s “Help! I Wrecked My House” at 9pm last Monday delivered a L3 .72 P 25-54, up 41% from prior six-week levels and a .85 L3 rating P2+, both series highs, as well as a 1.60 L3 household rating. With average .96 L3 rating among upscale P25-54, the season debut ranked at the #1 non-news/sports cable premiere among upscale P2+ viewers for the Monday 9-10pm timeslot.

PROGRAMMING

USA Network will premiere live competition series “America’s Big Deal” October 14 at 9pm. The series will allow entrepreneurs from across the U.S. to sell their products on-air to viewers through the One Platform Commerce @NBCU. Each episode features four entrepreneurs. – Six-part series “True Crime Story: Indefensible” will premiere Oct 14 at 11pm ET on **SundanceTV** and **AMC+** and will air new episodes every following Thursday at 10pm ET. – **Disney+** greenlit “High School Musical: The Musical: The Series” for a third season, with production to begin later this year. – Season 3 of “Succession” will premiere on **HBO** Oct 17 at 9pm and will be available to stream on **HBO Max**.

PEOPLE

Chris Drake is joining **Firstlight Media** as svp, global head of revenue. He comes from **Verizon Media**, where he’s most recently served as global vp, media and entertainment. – *Jerry Dow* is joining **MetroNet** as evp and chief marketing officer. He comes from **Suddenlink**, where he most recently served as chief marketing and sales officer. MetroNet also promoted *Kevin Stelmach* to division president of commercial networks. He’s been with the provider for 20 years.