

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Out Cold: Rogers Recovering from Mass Outage, Customer Credits

Rogers Communications' 3Q22 earnings report Wednesday came as the provider battles with Canadian regulators for the opportunity to merge with **Shaw Communications**.

Canada's **Competition Tribunal**, a body with specializations in economics, business and law that often deals with mergers, kicked off a hearing Monday that is expected to last weeks tied to the combination and the **Canadian Competition Bureau** made it clear that it does not believe a proposed divestiture of Shaw's **Freedom Mobile** business to **Quebecor's Videotron** is enough to mitigate concerns tied to reduced competition. The deal must be approved by the Competition Bureau, the **Canadian Radio-television and Telecommunications Commission** and **Innovation, Science and Economic Development Canada** before it is allowed to close.

Rogers leadership refused to answer questions about the deal during its earnings call in light of the ongoing hearings, but President/CEO *Tony Staffieri* voiced his confidence that the provider will find good news on the other side of this hill.

"We will remain confident in our response to the commissioner and the response of Videotron and Shaw and greatly appreciate the hard work of the tribunal to bring this to a timely conclusion so that this transformational transaction that will increase competition and choice for consumers can close," Staffieri said. "When appropriate, we'll provide further updates on the progress."

Plaguing Rogers' quarterly results was a July 8 outage that blocked more than 10 million customers from accessing either internet or wireless services. The 19-hour outage impacted 911 services, banks, concerts and led to the Canadian Radio-television and Telecommunications Commission to not be able to receive calls. Customers were offered a five-day service credit as an apology from the company—something that was done with the understanding that the lack of revenue would hurt the bottom line to the tune of approximately \$150 million. Rogers' competitors also leapt on the opportunity to take share, and some customers took the bait.

"We were measured in our response and were trying to balance the attention to customer service, holding out customers, dealing with the impact of the outage through that, but also being mindful of the go forward with our margins and being conscious of the economics," CFO *Glenn Brandt* said. "That competition is continuing into the fourth quarter in terms of both companies actively pursuing customers, but we're being careful to hold customers and to compete for them."

Cable service revenue dropped 4% YOY due to impacts from the credits that were partially offset by pricing changes made in the first quarter and growth in the provider's retail internet and video subscriber bases. Rogers added 6,000 internet net customer additions and 7,000 in video during the quarter. Excluding the impact of the credits, cable service revenue would have increased by 2%. Wireless was more insulated from the outage. Total mobile phone net adds reached 221,000 in

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3Q22, up 30,000 from the prior year period. That includes 164,000 postpaid net adds, and total net wireless additions year-to-date are 448,000.

Staffieri said the impact of the outage on churn on its business and enterprise segments as a result of the outage was “very isolated and very specific.” By the back half of 3Q, trends had returned to normal and better churn levels are expected to resume on a consolidated basis in the fourth quarter. Rogers is investing \$20 billion in its network over the next five years to ensure its network is always reliable for its residential and business customers. “Importantly, we have gotten better from what we have learned as we accelerate investments in network resiliency in order to provide always-on connectivity and service to our customers,” Staffieri said.

VH1 MOVES UNDER BET'S MILLS

Paramount CEO *Bob Bakish* is shaking things up again, moving **VH1** under the purview of BET President/CEO *Scott Mills*. It previously had been a part of *Chris McCarthy's* group, which includes **MTV**, **Paramount Network** and **Comedy Central**. VH1 has drawn strong ratings among Black viewers over the years for shows such as “Love & Hip Hop” and “Basketball Wives.” It's also racked up nearly 40 Emmys under the **MTV Entertainment** team, including for “RuPaul's Drag Race.”

A PEEK AT TEGNA

TEGNA earnings calls continue to be on hold due to its pending merger with **Standard General**, but the broadcaster did offer a look into its business Wednesday with its 3Q22 results. Total revenue was a third quarter record, rising 6% YOY to \$803 million thanks to strong growth in political revenue. Political advertising came in at \$93 million, a 28% boost from 2018, the last non-presidential election year. Similar to peers like **Nexstar**, core advertising took a hit due to political displacement, the lack of an Olympics during the summer and impacts from the macroeconomic environment. Good news also hit its subscription division with the report of another third quarter revenue record. Revenue was \$37 million, up 2% YOY, due in large part to rate increases that were partially offset by overall subscriber declines. During the quarter, TEGNA reached a multi-year renewal with **CBS** for station affiliate agreements for 15 markets including D.C., Houston, Tampa and San Diego. It also shook hands with **Fox Corp.** on a renewal for station affiliations in another six markets including Hartford and Harrisburg. The broadcaster also offered updates on initiatives like its 2025 goal of improving BIPOC representation in its content teams and company leadership. From 1Q21 to September 2022, BIPOC representation grew from 27% to 32% in its content teams, from 17% to 23% in content leadership and from 16-20% in company leadership. Folks also relied on TEGNA stations during Hurricane

The WHO and the WHY

CFX's spotlight on recent new hires & promotions



REBEKAH Dopp
EVP OF DISTRIBUTION, STRATEGY AND AFFILIATE RELATIONS
THE CW NETWORK

3 THINGS TO KNOW

- Rebekah was named to The CW Network's executive team at the beginning of the month, where her responsibilities include negotiating and managing the network's distribution and managing affiliate relations with station group partners. She'll report to Nexstar President and Chief Distribution and Strategy Officer Dana Zimmer and President of The CW Network Dennis Miller.
- Previously, she spent 14 years at HBO from 2000-14 as she worked in a handful of roles in affiliate relations. She then moved to CBS and spent two years as SVP Advanced Services before joining Google, where she would become Global Head of DE&I, Brand and Reputation.
- Rebekah is also a Founder and Chair of Exponent, a nonprofit dedicated to advancing gender equality. It was originally created inside of Google as a 20% project, a company initiative that encourages employees to work on side projects or learn skills that have long-term benefits for Google. Now, Exponent has partners that include Abby Wambach, Gloria Steinem and Erika Alexander.

lan to access information tied to the storm's progression. More than 2.2 million people visited WTSP's and First Coast News' digital platforms from Sept. 25-Oct. 2.

LEVIN PUSHES BACK ON DISH MERGER HEADLINE

New Street Research is warning folks not to read too closely into a *Bloomberg* headline that implied **FCC** Chair *Jessica Rosenworcel* had voiced opinions about a potential **DirectTV/DISH** merger. Analyst *Blair Levin* said in a Wednesday note to clients that FCC commissioners, and Rosenworcel in particular, have always been careful about publicly weighing in on the merits of any deal. The article also didn't include the full words she said that informed the headline, making it even more challenging to be assured that she did mean to offer commentary on any potential combination. “It could be that what the Chair said, or was trying to say, was that the market had shifted a lot in the past 20 years but that it still might be too early to allow a DBS consolidation. If so, that implies that she or the FCC has studied the market—as it does with its video competition report—and has a view on the metrics that

would allow the deal to proceed,” Levin said. “We see that as unlikely, as the market has changed a lot since the last report and further, the analysis would be different than the analysis the Commission does in a merger review.”

CURIOSITYSTREAM'S MIXED 3Q22

CuriosityStream took another step in its journey to becoming sustainably profitable in 3Q22. The company recorded \$23.57 million in revenue, up 26% YOY from \$18.71 million. EBITDA fell \$4.25 million, an improvement compared to the \$8.04 million loss in 3Q21. It did, however, have a net loss of \$4.5 million compared to 3Q21's net income of \$830,000. The factual streamer, much like its peers, is working on cost-cutting and is making significant reductions. Its combined advertising, marketing and G&A expenses are down 34%, a \$7.4 million decrease, sequentially. Highlights from the quarter include a larger partnership with **iHeartMedia** for its educational podcast network, the premieres of original series like “Cracking the Code” and “Planet Insect” and the launch of the 100 Days of Curiosity ad campaign.

SPEED (BACK) UP

First it was **Speedvision** [gearing to return as a FAST network](#), but now there's a new car in the race. The former **SPEED** is being relaunched as a **YouTube** channel **SPEEDtube**, bringing shows like “PINKS! Lose the Race,” “Lose Your Ride” and “Drag Race High.” Upcoming programs also include “4x4 Garage,” “BURN-OUT,” as well as new programming involving motorcycle building, race coverage and more. All programming will be free to watch.

RATINGS

The results are in, and data from **Nielsen** shows **Fox News** led broadcast and cable networks in prime for its 2022 midterm election coverage. Led by co-anchors *Bret Baier* and *Martha MacCallum*, FNC averaged 7.42 million viewers P2+, beating the likes of **ABC** (3.31 million), **MSNBC** (3.21 million), **NBC** (3.11 million) and **CBS** (2.56 million). It also led in the A25-54 demo with 1.88 million, followed by **CNN**'s mark of 1.059 million, **NBC**'s 1.058 million and **ABC**'s 900,000. Among cable networks during the 3am-3am slot, **Fox News** had 3.23 million, **MSNBC** had 1.42 million and **CNN** came third with 1.07 million. – **Fox News**' late-night talk show “Gutfeld!” had its highest-rated week since its premiere with more than 2.4 million viewers. The program was third in the 25-54 demo among cable news with 391,000 viewers, also topping broadcast late-night shows on **CBS**, **NBC** and **ABC**.

FCC CHECKING HURRICANE IMPACTS

FCC Chair *Jessica Rosenworcel* announced plans Wednesday for a virtual field [hearing](#) to be held on Nov. 17 on the impact of Hurricanes Fiona and Ian on U.S. communications networks and the related recovery efforts. Stakeholders will be gathered as part of the hearing to discuss what went wrong, lessons that can be taken and used to improve disaster preparations and response and how to enhance coordination between power and communications providers in times of distress.

SIMULMEDIA TEAMS UP WITH COMSCORE

The cross-channel TV advertising company **Simulmedia** is

partnering with **Comscore** to integrate its TV viewership audiences into Simulmedia's TV+ platform. The move enables entertainment marketers to access viewership-based audiences no matter the location they're watching from to better target audiences across streaming programs with better cost efficiency and reduced duplication.

CARRIAGE

Free streamer **Nuestra.TV** has struck deals that will bring its content for Hispanic audiences to both **Roku** and **Fire TV**. The service includes more than 15,000 hours of content and as well as 40+ FAST channels with news, podcasts and general entertainment.

SAMBA TV BUYS DISRUPTTEL

TV technology and omniscreeen ad company **Samba TV** acquired **Disruptel**, an AI and machine learning startup centered on the future of AI and CTV. Disruptel's technology deconstructs on-screen content in real-time, and its machine learning video analysis can identify product placement, logo appearances and integrated advertising. Its technology will integrate within Samba TV's existing AI infrastructure, enabling content recognition technology and non-intrusive ad unit development and expanding capabilities for TV manufacturers and publishers. Samba TV plans on showcasing the new experience for manufacturers at **CES** in Las Vegas come January.

PROGRAMMING

ID is releasing a three-part series “The Tetris Murders” on Dec. 5 at 9pm, available to stream the same day on **discovery+**. It'll revisit what was once thought as a murder-suicide involving one of the Tetris developers *Vladimir Pokhilko* and his wife and son, but new evidence points to there being more to the story.

PEOPLE

Warner Bros. Discovery promoted *Marybeth Strobel* to EVP, Advertising Sales, replacing *Karen Grinthal* who will retire after 25 years with WBD. Strobel will oversee the national sales bundle that includes **Food Network**, **TLC**, **OWN**, **Cooking Channel**, **TBS Entertainment**, **Cartoon Network** and **WB Syndication**, and manage the linear and digital teams in New York, Chicago, Los Angeles, Detroit and Atlanta. She'll report to Chief U.S. Advertising Sales Officer *Jon Steinlauf*. – *Michael Slovin* is the new VP and GM of **Comcast Smart Solutions**, where he'll oversee the integration of Comcast's advanced connectivity options with smart technology partners to allow the delivery of smart tech solutions to clients. Slovin has held a variety of corporate leadership positions at Comcast for the past 15 years, most recently as VP of National Field Sales. – **AMC Networks** CEO *Christina Spade* and *Verizon Business* CEO *Sowmyanarayan Sampath* are among the latest to join the **Paley Center for Media**'s board of trustees. Notable current members of the board include **TelevisaUnivision**'s *Wade Davis*, **NBCU News Group**'s *Cesar Conde*, **Liberty Global**'s *Mike Fries*, **Altice USA**'s *Dexter Goei* and **ESPN**'s *Jimmy Pitaro*.

Think about that for a minute...

Back To The Future

Commentary by Steve Effros

No, I'm not talking about the classic movie. I'm talking about how telecommunications policy is formulated and adopted in this country. Don't worry, however, we'll get back to the questions I asked you to comment on in my column last week about how we deal with the "bigness" of "big tech" going forward. I got a lot of good suggestions and I'd like it if more of you participated in the dialogue (steve@effros.com). Send me your thoughts.

But since the midterm election is now over, despite us not knowing the exact makeup of the next Congress yet, it might be useful to review what it might mean for telecommunications policy. Of course, we don't really know yet which party will have the majority in the Senate, and we probably won't know until December. The House is most likely to switch to a Republican majority, but given who has been elected so far, it's not at all clear that the Republican "leadership" will be able to "lead" its own ranks, let alone the entire House.

So where does that leave us? Well, as one who has had to lobby Congress for many years on behalf of the industry, I would suggest that regardless of who's technically in control of either chamber, we're likely to be in the same position we have long been in regarding successful telecommunications legislation: limbo.

It's always been exceedingly difficult to get major telecommunications policy changes adopted. That's true in Democratic administrations, Republican administrations, "split" Congresses or ones that were allegedly "unified." The reason is pretty simple: telecommunications policy does not lend itself to easy partisan "bumper sticker" politics. As soon as anyone responsible for actually writing legislation and proposing it sits down to do the detailed work, they find out how complicated it really is.

A great example of that is reflected in last week's column. There are both "liberals" and "conservatives" who are calling for "something to be done" about the unrestrained apparent influence of massive social media networks. But those networks are not now regulated as to content except to say they are not liable for what others, not in their control, say. That's a great "First

Amendment" win. An "absolute" position similar to the one many conservatives posit for the Second Amendment. But wait! Many conservatives are calling for federal government control (of all things!) of speech by monitoring and requiring inclusion of certain aspects of the algorithms the social networks use. Like it or not, even if you say the requirements are intended to avoid "bias," that's the government mandating or blocking speech.

The liberal view of that issue is also a very mixed bag. A strong adherence to the First Amendment, but a great concern about intentional misinformation, threats, violent suggestions and the like. So do you really think, whomever is the "majority" in either house, there will be successful legislation tackling a problem like this? I certainly don't. That's why I'm looking for much more structural suggestions (again...send me your thoughts!)

The point here, however, is that as has been the case many times in the past, on broadcast regulation, cable regulation, copyright legislation and the like, it can take years to actually find consensus. The results of a single given election are not likely to change that reality. Again, as an example, it took eleven years of battles and negotiation before a new copyright law was finally adopted in 1976. It was the first major change since 1909. It took another 22 years before the "Digital Millennium Copyright Act (DMCA) was adopted.

If we look back to get a sense of where we are going in the future on telecommunications legislation, there's no reason to think this election will result in any significant change.



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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