

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Election Day: CEOs Get a Pass on Political Prognosticating (For Now)

Something funny happened on the way to Election Day. Third quarter earnings calls took place and CEOs received almost no questions about the outcome or potential for new regulation.

Sure, it could be because of the pandemic taking precedent or because everyone is burnt out on political talk (or net neutrality chatter). More likely, it's because it's just assumed a change in administration will result in a change in regulatory philosophy. That was on full display last month when the **FCC** tackled a relatively small part of the Restoring Internet Freedom Order (the DC Circuit remand) that had Democrats reopening old net neutrality wounds and blaming a host of broadband issues on the lack of Title II regulation.

Altice USA CEO *Dexter Goei*, one of the few leaders to field a question last week on the possibility of a Democratic FCC, cautioned against overthinking and advised a wait-and-see approach. "You can take a snippet of rhetoric from some debate six months ago and go crazy about it," he said. "You just basically understand that the process of anything to do with something that could be overregulation relative to our sector is going to take a very, very long time to enact as we saw last time. And whether or not any type of FCC administration is going to want to act on it is something else altogether."

New Street Research analysts—whose jobs are essentially to overthink things—posit that a Biden win increases the odds of a telecom bill that resolves broadband classification, though

they believe it's still an "uphill challenge." As a refresher, cable has long advocated for a legislative fix that would ensure protection against blocking, throttling, etc. without tacking on the regulatory burdens of Title II.

From an FCC perspective, New Street told clients not to expect much change if *Trump* wins, other than increasing the small odds of a national wholesale 5G network being deployed to use 5G spectrum. "A *Biden* win would lead to reclassification as Title II carriers (but not price regulation or mandatory unbundling), a slightly greater emphasis on unlicensed spectrum, marginal help for new entrants/challengers and an FCC and Congress more likely to address the related demands for greater assistance to close the adoption digital divide with the need to resolve the unstable funding base for universal service," said the New Street note.

Perhaps the most immediate impact we'll see involves the fate of FCC commissioner nominee *Nathan Simington*. Senate Commerce is set to hold a nomination hearing on the Republican Nov 10. If Biden wins, the prevailing thought is the hearing will be canceled. The next FCC open meeting is slated for Nov 18, which could offer some insights on the commissioner's plans post-inauguration. *Pai* has repeatedly declined to comment on whether he may step down. As of now, the only thing known is that *Mike O'Rielly* will leave by year-end given that his term has expired.

If Trump doesn't win re-election, could we see him make a run at owning his own news network—something heavily specu-

CFX Cablefax
PROGRAM AWARDS

RECOGNIZING OUTSTANDING NICHE
CONTENT ON EVERY PLATFORM

Cablefax's Program Awards is continuing its long tradition of honoring the best programming in a particular content niche, regardless of where the content originated or how consumers watch it.

Enter Today at www.CablefaxProgramAwards.com

QUESTIONS: Mary-Lou French at
mfrench@accessintel.com

First Deadline: Nov. 30
Final Deadline: Dec. 11 (late fees apply)

Shorts Animals/Nature

African American Reality Competition Music/Musical Live Event Coverage Food Competition Remote Production Live Virtual Event News Children's PSA Awards Local Night Game Show Social Justice Documentary Limited Series

Family-Friendly Home Instructional Competition Lifestyle Horror/Suspense LGBTQ+ Focused Religious

Pets Drama Comedy

Travel Educational Reality

lated on in the weeks before the 2016 election? While there's no news to report here, **Fox Corp** CEO *Lachlan Murdoch* fielded such a question during Tuesday's 1Q earnings and basically said, 'bring it.' "We love competition," he said. "I would say the only difference today vs some years ago is our audience has grown. We see our competition as no longer only cable news providers, but also the traditional broadcast networks."

FNC LIFTS FOX CORP TO 1Q21 PROFIT

Fox Corp relied on **Fox News** and a payment from **Disney** to grow its profits despite the impacts of the COVID-19 pandemic in 1Q21. The company reported \$2.72bln in revenues, a 2% increase YOY. That's partially because Fox received a \$462mln cash payment from Disney tied to the latter's buy of Fox assets in 2019. Ad revenue company-wide fell 7%, but its cable networks division posted an 18% increase due to higher pricing and stronger ratings at Fox News. Fox Corp executive chmn/CEO *Lachlan Murdoch* believes the audience Fox News has accumulated will stick around after the election, but will choose to engage in other Fox content. "As we enter a more normal news cycle, which has to happen eventually, that appetite for news will shift back to an appetite for great American pastimes of watching football and watching baseball and watching 'The Masked Singer' or 'I Can See Your Voice,' he said during Tuesday's earnings call. "We look forward to that shift."

FOX SAYS NO THANKS ON SUNDAY TICKET

Lachlan Murdoch wouldn't dive into the details of Fox's negotiations with the **NFL**, but said the league and the **MLB** remain top priorities. Rumors circulated this week that **DirectTV** could lose its rights to the **NFL Sunday Ticket** package when its

deal with the league expires in 2022, but don't expect Fox to be interested. "Sunday Ticket is a tremendous consumer offering. It doesn't work, I think, without a subscription, under anything other than a subscription model," Murdoch said. "So it's not really something that we would consider or have the business model to monetize." What Fox is interested in is sports betting, and wagering on **Fox Bet** exploded during COVID-19 while stay-at-home orders were in place. "While sports was on hiatus, gaming was growing strongly, and as sports came back, sports wagering grew tremendously," Murdoch said. "If you look at the trajectory of where that industry is going and particularly as states incrementally or consecutively open up to wagering, this business remains a larger and larger opportunity for us." Fox has a 10-year option to acquire 18.5% of **FanDuel**, and while Murdoch said analysts shouldn't expect Fox to exercise that option in the near future, it is an option the company believes to have tremendous value.

TUBI TAKING OFF

Tubi has averaged an approximate 100% increase YOY in total viewing time since being acquired by **Fox**. In September alone, the service clocked 220mln hours viewed. *Lachlan Murdoch* said that is in part because of the more than 40 Fox titles that are now available on the platform. "We are including Tubi in all of our ad sales discussions," Murdoch said. "The leading Fox Entertainment programs that feed Tubi are in important synergy that we will continue to capitalize on with new and returning shows."

MACQUARIE, GCM TO ACQUIRE ALASKA COMMS

Alaska Communications has entered into a definitive agreement to be acquired by **Macquarie Capital** and **GCM Gros-**



Congratulate the 2020 Most Powerful Women Honorees!

Being part of this annual list is the best way to reach the leaders whose decisions will determine the shape of our business for years to come.

www.CablefaxWomen.com

Ad Space Close: Nov. 11

Save the Date:
Dec. 4

Most Powerful Women Magazine
Release & Virtual Celebration Event

AD SPACE IS SELLING QUICKLY!

Mike Farina at
mfarina@accessintel.com

Albert Nassour at
anassour@accessintel.com

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | Publisher, Cablefax and Synopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com | Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Assoc Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com | VP, Sales: Mike Farina, 203.218.6480, mfarina@accessintel.com | Exec Director, Strategic Partnerships: Albert Nassour, 917.545.3129, anassour@accessintel.com | Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com | Prod. Mgr: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: \$1,749.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

venor in an all-cash transaction valued at \$300mln. Under the terms of the deal, an affiliate of Macquarie and GCM will acquire all outstanding shares of Alaska Communications common stock for \$3/share in cash. The transaction, which will result in Alaska Communications becoming a privately-held company, is expected to close in the second half of 2021.

AT&T TRYING TO SELL MINORITY STAKE IN DIRECTV

AT&T is engaging in conversations with private equity firms, including **Apollo Management**, to sell a large minority stake in its **DirectTV**, **AT&T Now** and **U-verse** businesses, according to a **CNBC report**. Under the terms of the proposed deal, AT&T would keep its majority economic ownership of the businesses and maintain ownership of U-verse's infrastructure assets. The deal does not include DirectTV's Latin American business. Final bids are due in early December.

ANOTHER RSN DROP FOR YOUTUBE TV

It isn't just the **Sinclair** RSNs missing from **YouTube TV**'s lineup. The vMVPD removed Boston-based **NESN** at the end of October. "In light of their recent 30% price increase to subscribers, we are dismayed at YouTube TV's decision to take programming such as NESN's Red Sox, Bruins and college sports coverage away from their customers," NESN said in a statement. YouTube TV lost the Sinclair-owned Fox RSNS at the end of September.

SPECTRUM RAISING BROADBAND PRICES

Charter's Spectrum is raising the price of its broadband service by \$5/month starting in December, according to an internal document obtained by *Stop the Cap*. Charter plans to raise the base internet price for all customers except those still subscribed to a bundle that includes traditional pay TV. Customers subscribed to higher speed tiers or have grandfathered **Time Warner Cable** packages that don't include traditional cable can also expect the increase. Customers will be notified of the change on their November bills. **New Street Research** viewed the price increase as positive for three reasons, including that it suggests management is very confident about the state of the business and Charter's competitive position.

COMCAST, WALMART DEVELOPING SMART TV DEAL

Comcast Corp and **Walmart** are in talks to develop and distribute smart TVs, according to a *WSJ* report. Under the terms the companies are discussing, Walmart would promote TVs running Comcast software and would get a share of recurring revenue from Comcast in return. A third party would manufacture the TV sets. Walmart has an existing partnership with **Roku** to sell smart TVs under the store's Onn brand.

FREE PREVIEWS AT DISH

DISH is offering up several nets for a month-long, free preview in November. **DIY Network** and **Cooking Channel** (part of America's Top 200 package) are free through Nov 30. **Hallmark Movies & Mysteries** and **UPtv** (part of Top 200 or Heartland Pack) are also free through the end of the month.

AUDIO DESCRIPTION CHANGES AHEAD

The **FCC** will soon update which five non-broadcast nets

are subject to audio description rules. Current rules require MVPDs that serve 50K or more subs to provide video described programming on each of the top five national non-broadcast networks that they carry (87.5 hours per calendar year). The nets that currently must meet this obligation are **USA**, **TBS**, **History**, **HGTV** and **Discovery Channel**. The list of top five nets is updated at three-year intervals to account for changes in ratings, with the latest update to occur on July 1 based on 2019-20 Nielsen ratings. The top 10 nets for that period are **Fox News**, **MSNBC**, **CNN**, **ESPN**, **TLC**, HGTV, **Hallmark**, History, TBS and Discovery. Nets with a lot of live programming are usually exempted by the FCC, meaning we might see TLC and Hallmark join the list.

VIAMEDIA RESPONDS TO COMCAST

Viamedia filed a brief opposing **Comcast**'s September 2020 petition to the US Supreme Court that seeks to stop Viamedia's antitrust lawsuit against it from moving forward. Comcast submitted its petition following the February decision by the US Court of Appeals for the Seventh Circuit reinstating Viamedia's suit, which accuses Comcast of leveraging control over its "interconnect" advertising marketplace to force rival telecoms to boycott Viamedia's ad coordination services in Northern Illinois. The case was thrown out in 2018, before being reinstated. It is set to go to a jury trial next year. "For decades, the universally beneficial industry practice has been to include all sellers of advertising in the regional cable TV Interconnects," Viamedia said in a statement. "Comcast upended this practice when it kicked Viamedia and Viamedia's cable operator partners out of Interconnects that Comcast manages."

RATINGS

Monday Night Football roared on **ESPN**, becoming the most-watched Week 8 Game on MNF since 2015. The broadcast of the Bucs-Giants match-up drew more than 11.7mln viewers, up 17% YOY. – **Disney+**'s Season 2 of "The Mandalorian" was watched by 1.04mln households, according to data from **Samba TV**. The Oct 30 launch marks a 73% jump over the first season of the Star Wars series. – The Season 2 premiere of "Fixer to Fabulous" on **HGTV** pulled in a 60% increase in ratings YOY in P25-54. The Oct 27 episode saw a 0.54 L+3 rating, and a 0.65 in W25-54, a 51% YOY jump. – **Hallmark Channel**'s "Countdown to Christmas" programming event is cable's top destination for the second consecutive week. The premiere of "Royal Holiday" on Oct 31 and "On the 12th Date of Christmas" on Nov 1 helped rank the net as the No 1 entertainment cable net of the week in total day and primetime among HH, W25-54, W18+ and total viewers. Royal Holiday pulled in 3.1mln total viewers, and On the 12th Date of Christmas saw 2.8mln total viewers.

HONORS AND AWARDS

The fifth annual Multicultural Media Correspondents event will honor *Dick Parsons*, the former CEO of **Time Warner**. Taking place virtually on Nov 11, the event will also recognize *Lisa Ling*, Senator *Marco Rubio*, Senator *Jacky Rosen*, *Maria Hinojosa*, *Nikole Hannah-Jones* and **Detavio Samuels**.