

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

New Plan: El Rey to Shutter Network at End of Year

Filmmaker *Robert Rodriguez's* English-language, Latino-infused cable network **El Rey** will cease operations on Dec 31. The news comes after **Univision** announced last month that it had exited its minority position in the network and production studio created by Rodriguez and **FactoryMade Ventures**.

El Rey has steadily lost linear distribution over the past year, with **AT&T** dropping the channel in January and **Charter** removing it in September. Its carriage dropped from about 33mln homes in November 2019 to around 13mln as of last month, according to **Nielsen** data.

It sounds like this may not be the end of El Rey though. When Univision announced it was cutting ties, Rodriguez said the company was excited about its next phase under new ownership, and FactoryMade CEO *John Fogelman* said he was excited to see what the company will achieve in its next chapter. No word on what the next iteration may be, but it seems quite possible for El Rey pivot to the streaming space. That seems especially promising given Rodriguez's success on the streamers, including directing last week's episode of **Disney+**'s "The Mandalorian" and **Netflix** moving the release of his "We Can Be Heroes" (sequel to "The Adventures of Sharkboy and Lavagirl") up to Dec 25 from Jan 1.

El Rey was one of the first minority-supported channels **Comcast** launched as a condition of its 2011 merger with **NBCUniversal**. The others were **REVOLT**, **Aspire** and **Baby-**

First Americas. The idea was that a carriage agreement with Comcast would give the independent networks a distribution shot in the arm.

Some of those programmers have complained that the relationship didn't expand over the years. Rodriguez told **Cablefax** last year that El Rey was grateful for the opportunity Comcast gave it as its first distributor, but since then, other MVPDs outmatched Comcast in support. **REVOLT** founder *Sean Combs* had lobbed similar complaints in a statement about *Byron Allen's* racial discrimination suit against Comcast. But there seems to be some winds of change blowing at Comcast. Not only did it settle the litigation with Allen by agreeing to launch several of his channels, but it struck a new pact with **REVOLT** that expanded the net into new markets and moved it to the Digital Starter package in HD.

El Rey launched in December 2013, with Rodriguez describing it as a mainstream network that Hispanics could go to and say, "Wow. I'm the hero of the show. I'm the director. I'm the writer. I'm the producer." His goal was not to be another Univision or **Telemundo**. After four years as El Rey's president and gm, *Daniel Tibbets* stepped down in February to pursue some new business development opportunities, but stayed on as a consultant to produce 120 hours of original content this past summer and help with the overall business direction. El Rey features a range of feature films and TV series, including "Lucha Underground" (pro wrestling) and geek fandom show "El Rey Nation."

"When El Rey was first launched by Robert Rodriguez, he did it

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in conjunction with the biggest and most prominent Latino civil rights organizations and Latino elected officials at the national level... They had all been part of the fight to get more Latino networks on the air," said *Maria Cardona*, a political strategist who hosts *El Rey's* political talker "Maria." "When Robert created *El Rey*, he wanted it to be a foundation where Latinos stories were being told, the kind of Latino stories that had not found a voice on national television up until that point. The kind of Latino stories that were never front and center, but that the biggest and fastest growing community in the United States, was living every day."

SIMINGTON CONFIRMED BY SENATE

NTIA senior advisor *Nathan Simington's* nomination to a Republican **FCC** seat was confirmed by the Senate Tuesday in a 49-46 party line vote. He will take over the seat left behind by commish *Michael O'Rielly*, whose term ends at the end of the year. Simington was immediately congratulated by two of his soon-to-be colleagues, chmn *Ajit Pai* and commish *Brendan Carr*. "It has been the greatest honor of my professional life to serve at the FCC, and I am confident that Nathan too will enjoy the challenges and rewards of the job," Pai said. "And with his experience at the NTIA and in the private sector, Nathan is well-positioned to hit the ground running." It's unclear whether O'Rielly will make an appearance at the Commission's Thursday meeting. His term was set to end either in January or when a new commissioner was confirmed, and he has already shed his @mikeofcc Twitter handle.

A TALE OF TWO STREAMERS

NBCU's Peacock and **AT&T's HBO Max** arrived on the streaming scene within two months of each other, and each have found success in their lanes. On the subscriber number front, AT&T

CEO *John Stankey* said at an investor conference Tuesday that SVOD HBO Max will sit at approximately 12.6mln customers come Wednesday. The SVOD has seen a 36% rise in number of viewer engagement over the last 30 days due to the popularity of new content like "The Undoing" and "The Flight Attendant." AVOD Peacock has hit 26mln signups according to CEO *Jeff Shell*, an increase of 4mln from the company's last update in October. Shell, speaking at the same conference, said he expects that number to continue to rise at a healthy pace in 2021 with "The Office" arriving in January and the Tokyo Olympics still set to take place in July. His primary measurements for success are signups, how many are regular users and how often regular users are signing in. "On the metrics for Peacock on each of those three, we're above our business plan despite not having the Olympics or any of our original programming," Shell said. AT&T is still on track to launch its ad-supported HBO Max offering next year, and while Stankey didn't go into detail about how it would differ from the SVOD option, he did offer more information on what consumers should expect. "We should think about it as you can broaden the content that's available, some of which may be exposed to advertising, and you can put both together where you can buy down a particular retail price for the end user that's more affordable to enjoy the experience," Stankey said. "I think that's a good place to be in a consumer choice perspective going forward."

C-BAND AUCTION FINALLY BEGINS

The **FCC** kicked off its C-band spectrum auction Tuesday, making available 280MHz of midband spectrum in the 3.7-3.98GHz band. The licenses are being issued in 20MHz blocks across

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406 partial economic areas. Some 120MHz is scheduled to become available in December 2021, while the rest will be freed up by December 2023. This is the FCC's largest spectrum auction to date, and **Verizon** is widely expected to be the most aggressive bidder as it, **AT&T** and possibly even **DISH** try to catch up to **T-Mobile** and its large swath of 5G spectrum. **Evercore ISI** believes that Verizon is targeting at least 100MHz nationwide. Assuming the auction goes for approximately \$0.50/MHz-Pop, that would indicate around \$16bln in spending for the mobile operator. "It should be noted that even if they do win that much (or more) spectrum, they will still be far behind T-Mobile chronologically," **MoffettNathanson** said in a note. "Given the expected auction timeline and spectrum clearing deadlines, Verizon and other buyers will not be able to access even the first tranche of C-Band spectrum for 12-18 months after the auction is completed. By contrast, T-Mobile will have deployed 5G on their 2.5GHz band to an area covering 100 million people by the end of this year, and will have full coverage of 200 million POPs by the end of next year." Cable is also participating, with **Charter** and **Comcast** bidding as part of a 50/50 JV.

MAJOR NIELSEN OVERHAUL

Nielsen is completely revamping the way it measures video. Launching in 2022, Nielsen ONE will be a cross-media solution that will enable publishers and marketers to transact on a single metric across linear and digital. First available beginning Q422, Nielsen plans to fully transition the industry to cross-media metrics by Fall 2024. The tool will show marketers total video consumption across all platforms and mediums, regardless of platform or device. Given the move embraces streaming, investors are pleased, with Nielsen shares jumping up nearly 2% to \$17.52, the highest since February.

TO STREAM OR NOT TO STREAM

Speaking on **CNBC's** "Squawk Alley" Tuesday, **WarnerMedia** studios and networks group chairman/CEO **Ann Sarnoff** said the company is trying to create a win/win/win where the filmmakers and talent get to see their movie on the big screen while enjoying the additional economics that come from HBO Max. **Jeff Shell** said **NBCUniversal** is sticking by the PVOD model that it adopted during the pandemic. "I think that theatrical will continue to thrive, and that more windows will collapse so that there's more ways to see things at home. More money will be made by everyone in the movie business, and it's better for consumers," Shell said. **ViacomCBS** has deployed a range of tactics, including delaying some films and turning to streaming. After a short PVOD run, "SpongeBob: Sponge on the Run" will be exclusive to Paramount+. "I think coming out of the pandemic, you have a more multifaceted film business, and you have shorter theatrical windows—which is different than saying I think the theatrical business goes away," CEO **Bob Bakish** said Tuesday at an investor conference.

DISH COMPLETES 5G FIELD VALIDATION

DISH announced Tuesday it has successfully integrated and validated end-to-end 5G connections using the industry's first

O-RAN compliant FDD radio, which was developed by **MTI**. The field validation took place through DISH's fully-virtualized standalone 5G core network in Cheyenne, Wyoming. DISH has also reached an agreement with MTI for Open RAN radio units to help support its nationwide network deployment.

BAKISH STILL BULLISH ON STREAMING

Look for **ViacomCBS** to hold an investor day in early 2021 to discuss its streaming plans for **Paramount+** as well as plans for distribution and original content. CEO **Bob Bakish**, speaking at an investor conference Tuesday, pledged that the company would keep leaning in aggressively on streaming. And while it will discontinue some of its smaller streaming operations, like MTV Hits and Comedy Central Now, to focus on Paramount+, Bakish said **Noggin** and **BET+** would continue on. "We believe there's a place for a number of streaming services to be successful... This is why we believe in a differentiated approach, complementary approach," he said. "And in fact, we do have differentiated with valuable assets," including linear networks. He reiterated that sports will be a big part of Paramount+, adding that March Madness should be a big driver of growth for the service. As for AVOD **Pluto**, it's on track to reach more than 30mln monthly active users by month's end, up from 12mln when ViacomCBS bought it at the end of 2018. Globally, monthly actives are on target to hit 40mln.

VIACOMCBS, AWS EXPAND STRATEGIC AGREEMENT

ViacomCBS is making **AWS** the preferred cloud provider for the company's global broadcast media operations. ViacomCBS will migrate operations for its entire broadcast footprint, nearly 425 linear TV channels and 40 global data and media centers, into the cloud. The aim is to help ViacomCBS spin up new channels faster, dynamically assemble live content and optimize delivery over any distribution channel.

DISTRIBUTION

Charter is adding the 24/7 **Accuweather TV Network** in January for Spectrum TV Select and higher video tier subs across all Charter markets. – **Pluto TV** is expanding into Brazil. The service is launching on **Android TV**, **Samsung TV Plus**, **Roku**, **Chromecast** and **Apple TV**. Pluto TV is now in 24 countries. – **Fox News Audio's** catalog of over 80 podcasts are now available to stream on Amazon Music.

RATINGS

Fox News was the most-watched cable news net in prime in total viewers for the week of Nov 30-Dec 6, but **MSNBC** beat out the net in total day. In total day, MSNBC pulled in 1.344mln viewers, followed by Fox News with 1.287mln, slightly beating **CNN** with 1.234mln. In prime, Fox News earned 2.706mln, followed by **ESPN** with 2.549mln, MSNBC with 2.251mln and CNN with 1.891mln.

EDITOR'S NOTE

Don't miss your chance to submit your entries for the **Cablefax** Program Awards, honoring the best programming in particular content niches across 30 genres and platforms! Entries are due by Friday.