

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Wanna Bet?: fuboTV on COVID, ESPN and Sports Wagering

Many thought the COVID-19 pandemic and the lack of sports content spelled doom for sports-centric services like **fuboTV**, but CEO *David Gandler* believes it did quite the opposite. He said at an investor conference Wednesday the shutdown of live sports was a prime opportunity to put the company motto to the test.

“Our motto at fubo is come for the sports, stay for the entertainment. What that really means is we acquire customers by leveraging our sports programming because there is pent-up demand, and we retain our users because we’re able to surface... the right entertainment,” Gandler said. “Those are the types of things we were focused on, but we never knew if that was actually working.”

He said that while it is true that the vMVPD struggled to acquire customers when stay-at-home orders were in place, fuboTV was able to retain a large portion of its subscriber base. It also saw viewing hours increase, with Gandler estimating the current figure at 145 hours/month for each user. It previously sat around the 120 hours/month mark.

“This gave us an opportunity to continue to play with our guides, to look at our machine learning algorithms and to get people to watch more, which also led to a better advertising conversion,” he said.

Live sports are back in action, and Gandler took a look back at the company’s “gamechanging” decision to drop the **Turner** networks in July in order to add **Disney** networks and **ESPN** to

its base lineup. “We knew what the opportunity was when we made that switch, but we didn’t understand at the time how important it would be,” Gandler said. Where fuboTV has seen the greatest impact thus far is in its customer reactivation rates, which saw a “very significant increase YOY.”

Moving into 2021, fuboTV is focused on the integration of its Balto Sports acquisition and, eventually, sports wagering into its platform. “What this is going to allow us to do is launch a game in the first half of the year... this game allows us to draw more funnel, more audience, allows us to finetune the backend,” Gandler said.

While he argued that nobody should think of fuboTV as a wagering company at this point in time, Gandler said he’s certain they will have the option in the future to dive even deeper in to that world. He’ll have more details to offer up during the company’s next quarterly earnings call.

### NATPE: MVPDS WELCOME

In a world where cordcutting is grabbing a lot of headlines, **NATPE** is actually refocusing on MVPDs. Those who have attended NATPE’s big conference in Miami over the years have seen plenty of sessions on streaming, broadcast and syndication. Traditional (and virtual) MVPDs haven’t been as big of a part of the mix, but the National Association of Television Program Executives is hoping to change that by creating a soon-to-be-name MVPD committee along with special MVPD-focused keynotes during NATPE Virtual Miami (Jan 19-21). “MVPDs play a key role in the ecosystem, not just for traditional television when it comes

to linear TV and video on demand, but also when it comes to international expansion. A lot of the new SVOD apps are growing internationally” with third-party distribution agreements with operators around the world, NATPE MVPD committee chair and **TV5 MONDE USA** COO *Patrice Courtaban* told **CFX**. “Even though we’re doing a lot on streaming and OTT and there’s a lot happening there, we want to make sure we address this important part of the industry. Today in the US, in terms of video subscription revenue, MVPDs alone are like three times the revenue of all the streaming subscriptions.” The audience NATPE hopes to hit includes all types of MVPDs, from **Comcast SlingTV**, but more importantly incorporates all entities that are doing business with MVPDs—cable networks, broadcast networks, content distributors and SVOD apps. A free kickoff event is planned for Dec 15, featuring **Verizon** Consumer Group Chief Content Officer *Erin McPherson*, **Liberty Latin America** Chief Programming Officer *Stephane David* and **Virgin Media, Liberty** Global Head of Programming *David Bouchier*. Courtaban noted that with companies like **Charter** starting its own programming business via Spectrum Originals “there is not a clear defined border anymore.”

**FOX NEWS TO LAUNCH WEATHER SERVICE**

**Fox News Media** is launching an ad-supported streaming weather service in 3Q21. The platform will make its debut with the Fox Weather app and will be accompanied by an integrated website and streaming service with local, regional and national updates along with live programming. Current Fox TV Stations COO, news & operations *Sharri Berg* will take on the additional role of pres, Fox Weather. She’ll report to Fox News CEO *Suzanne Scott* and will relinquish her role as

evp, news operations for **Fox News Channel**.

**CHEDDAR APP GOING AWAY**

The **Cheddar/News 12** apps will be removed for download from the **Roku, Amazon Fire TV, and iOS** stores as of Dec 31. Customers who already have these applications on their devices will be able to keep them with service continuing as normal. Cheddar will still be available on the Roku Channel and Amazon News app, but it’s moving away from offering a standalone app. In the case of Roku specifically, the app was part of its paid subscription service, and as a business, Cheddar is more focused on expanding distribution of its free, accessible news content. Cheddar’s free content is available on the Amazon News app, which is on several streaming platforms, including **Pluto, Vizio Smartcast, Samsung TV+, YouTubeTV, Sling, Hulu, fuboTV, Philo** and more.

**AMC NETWORKS LAUNCHES NEW AVODS**

**AMC Networks** is launching two AVOD channels on **Samsung TV+**. **AMC Presents** dives into **AMC** shows like “The Walking Dead” and “Into the Badlands,” as well as movies, unscripted originals and more. The company said the channel offers access to fan favorites and content viewers may have missed. **Absolute Reality by WE tv** puts reality TV shows all in one place, with content from shows like “Bridezillas” and “Joan & Melissa.” Both channels are available beginning Wednesday and are pre-installed on all 2016-2020 Samsung Smart TVs, and available for download on select Galaxy devices. AMC Networks said additional channels are planned for Samsung TV Plus in 2021.

**HOUSE REAFFIRMS SUPPORT FOR MEDIA DIVERSITY**

The House passed a resolution from Rep *Val Demmings* (D-FL) Wednesday that reaffirms the House’s commitment to media diver-



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sity. The House has also pledged to work with media entities and diverse stakeholders to develop solutions to eliminate barriers to media diversity. The resolution received strong bipartisan support with lawmakers from both sides of the aisle calling for more action to ensure local media outlets reflect their communities.

#### UMC REBRANDING TO ALLBLK IN JANUARY

**UMC**, the streaming service created in 2014 by **BET** founder *Bob Johnson* focusing on Black TV and film, will be rebranded as **ALLBLK** in January. The streamer will debut a new look and ramp up production on a slate of originals including previously announced titles like legal drama “Lace” and sitcom “Partners in Rhyme.” Additionally, the content lineup will continue to include tentpole originals like “Double Cross, A House Divided.” ALLBLK will replace UMC references across all apps, channels and platforms in the US during the first full week of January.

#### COMCAST BUSINESS FINISHES VA BUILDOUT

**Comcast Business** completed construction in Virginia on an expansion of the company’s fiber-optic network. The company now serves an additional 2800 businesses in Bell Creek, Harrisonburg, Henrico, Richmond and parts of Northern Virginia including Ashburn, Dulles, Leesburg, Lynchburg, Manassas, Sterling and Tyson’s Corner.

#### CBS ALL ACCESS ADDS UPDATES

**CBS All Access** is adding new product features for families and more **Nickelodeon** and **Nick Jr.** library programming ahead of its upcoming rebrand to **Paramount+**. The new features allow the creation of up to six profiles per account (profiles previously were not an option), with the addition of a “kids mode” that can limit content based on content ratings. The streamer also added nearly 800 more episodes of children’s programming. All children’s programming is available commercial free.

#### NEWSMAX’S BIG WIN

**Newsmax** is crowing after scoring its first-ever ratings win over **Fox News**. Monday night’s “Greg Kelly Reports” beat out Fox’s “The Story with Martha MacCallum” with 229K viewers vs the 203K MacCallum averaged. Newsmax CEO *Christopher Ruddy* said Kelly had a coverage rating of .51 compared to MacCallum’s .27. “Newsmax has seen continuous and consistent ratings growth on MVPDs and OTT for the past 18 months. It will only continue,” he said.

#### WYANDOTTE TAPS COMMSCOPE FOR CONNECTIVITY

The city of Wyandotte, Michigan, has partnered with **CommScope** to accelerate its digital transformation by delivering high-capacity, low-latency connectivity to nearly 25K residents. CommScope will enable nearly 13K homes and more than 700 commercial buildings to have access to a new network with up to 10Gbps of internet, IP video and smart home services.

#### DISTRIBUTION

**Allen Media Group**’s new over-the-air broadcast television net **TheGrio.TV** will expand its distribution to 11 **Fox** O&O station subchannels on Jan 15. The 11 markets are NY, L.A., Chicago, Philadelphia, Dallas, San Francisco, Houston, Atlanta, Phoenix, Minneapolis and Orlando. Those markets represent 29.6% of general market households and 36.3% of African American

households, according to Allen Media Group. TheGrio.TV will feature African American-focused content including movies, talk shows, game shows, concerts, news and lifestyle content.

– **JBS Jewish Broadcasting Service** and **Comcast** have struck a deal to make the net available to X1 customers. JBS is also available on Xfinity Stream’s web and mobile apps for out-of-home viewing. Through this expansion, JBS is now available to more than 70mln homes. – **Law&Crime** is launching on **Blue Ridge Communications** in the provider’s Blue Ridge Basic+ package. With this carriage deal, Law&Crime will be available in more than 23mln households.

#### RATINGS

“Monday Night Football” on **ESPN** and **ABC** pulled in 14.2mln viewers, the program’s highest viewership since Week 2 (Sept 21). This marks the third consecutive week of YOY increases, and the franchise is now averaging 11.46mln viewers per game this season. – In other **ESPN** ratings news, the surprise BYU-Coastal Carolina college football game pulled in a live audience of 1.212mln viewers on **ESPNU** on Saturday, making it the most-viewed game on ESPNU since 2015, and the fifth-most viewed game on ESPNU of all time. – **Hallmark Channel** ranks as the No 1 entertainment cable network to-date among households, W18+, W25-54 and total viewers. Highlights include Saturday’s premiere of “Christmas in Evergreen: Bells are Ringing” (2.6 HH rating, 417K W25-54; 2.5mln total viewers). Over at sibling **Hallmark Movies & Mysteries**, the debut of “Time for Us to Come Home for Christmas” ranked as the net’s most-watched original movie premiere in 2020 to-date among key demos (2.4 HH rating, 235K W25-54, and 1.9mln total viewers).

#### CHARTER’S SMALL BUSINESS LOANS

**Charter**’s Spectrum Community Investment Loan Fund has committed to invest \$1mln in the National Asian American Coalition Community Development Financial Institution, which will provide low-interest loans to small businesses in Charter’s California service area. Charter’s made a \$20mln commitment to support small businesses whose goods and services help meet core needs in financially underserved communities within its 41-state footprint.

#### PROGRAMMING

**HBO** renewed docu-comedy series “How To with John Wilson” for Season 2. The first season debuted Oct 23. – L.A.’s official New Year’s Eve dance and music party Grand Park’s NYELA will be nationally broadcast and streamed for the first time. Viewers can tune in on Dec 31 beginning at 11pm on **Fuse**, or stream on Grand Park’s digital channels.

#### PEOPLE

**Mattel** appointed *Jonathan Anshell* as evp, chief legal officer, effective Jan 1. Anshell currently serves as evp/general counsel at **ViacomCBS**. He’s the latest media exec to join Mattel, following former **Discovery** veteran *Catherine Frymark*’s appointment to evp, corporate communications in November. – **Fox News Channel** tapped *Tom Lowell* as evp, managing editor of news. He’ll oversee all daytime editorial and news resources. He’s been at the network since 2003, most recently as vp and managing editor of news.

# Think about that for a minute...

## Around We Go!

Commentary by Steve Effros

A little history; in 1938 the Hollywood producers were sued for violating the antitrust laws. The names should be familiar. The "Big Five" were Paramount, Metro-Goldwyn-Mayer (MGM), Warner Bros., 20th Century Fox, and RKO Pictures. Also sued were the "Little Three:" Universal Pictures, Columbia Pictures, and United Artists. While ownership has changed a lot since then, almost all of those names are still associated with video production and distribution today.

It's that "production and distribution" which caught the eye of the Justice Department. The "producers" had so much power, owning the production, filming, talent and distribution through their own theatres that they were considered oligopolists. A judicial consent decree limiting what they could do was established in 1940. By 1942 the producers, Paramount et. al., were accused of violating the conditions of the consent decree. After lots of legal wrangling, in 1948 the Supreme Court ruled against the producers and they were required to either sell off their distribution business or stop producing the films, they couldn't control both. The "Paramount Decrees" have been famous in antitrust law ever since.

In case you're already ahead of me wondering how it is that today, with announcements like WarnerMedia's (AT&T) decision to release all their new films to both theatres and their own distribution platform, HBO Max, hang on. In 2020 the Justice Department ended the prohibition on owning both the exclusive production and distribution of movies. Their logic: it was "unlikely that the remaining defendants can reinstate their cartel." Little did they know!

So now we get to what's going on today. Granted, COVID and the resulting impossibility of local movie theatres to operate safely has had a major accelerating effect. However anyone who has been watching the Netflix phenomenon knows that a shift has been taking place as movies are produced and displayed exclusively via streaming services.

The advent of the big online aggregators: Netflix, Amazon Prime, Apple and the like, all of which now not only act

as distributors, but also produce their own programming, along with the specific corporate producers like Discovery Plus, Disney Plus, HBO Max, etc.. with their own exclusive libraries, result in what appears to be a renewal of the "old" vertically integrated production/distribution system. Will it last?

Well, if I could answer that question I'd know which stock to buy, or sell! I don't. The questions you have to ask, however, are obvious. There are business plan questions, like whether WarnerMedia's decision to release films "day and date" to theatres and HBO Max, at least for the next year, is a smart move. Clearly the Hollywood production community hates it. They make more money with theatre distribution. However also, clearly, it's intended to give a major boost to the rollout of HBO Max. Will it work?

But at the same time there's this other question that keeps bothering me; why isn't this another instance of significant vertical integration, and why won't some of the Hollywood folks do what they did in 1938; get DOJ to bring yet another antitrust action and start a new "Paramount Case?"

What are the odds? I think there will be lots of hand wringing and serious consideration by a Biden Justice Department. Will they pull the trigger? Don't know, but I wouldn't be surprised. The consolidation of production and distribution, even though it is among more companies, is becoming obvious. Also, some of those companies are absurdly wealthy and large. A very big target. Are we about to go another round? Stay tuned.



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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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