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WHAT THE INDUSTRY READS FIRST

No Deal: Sinclair Warns of Potential Blackouts on DISH

Sinclair warned Monday that it is “unlikely” that it will agree to a renewal of its retransmission consent and carriage deal with **DISH** ahead of the August 16 expiration date of their current agreement. Should they fail to reach a new deal ahead of the expiration, 108 broadcast stations would be dropped from DISH’s programming lineup along with **Tennis Channel**.

“We have tried unsuccessfully to reach fair and customary terms with DISH Network for the renegotiation of our retransmission consent,” Sinclair general counsel *David Gibber* said in a statement. “We apologize to our viewers for the inconvenience this may cause although our programming will continue to be available either through other program providers or via over-the-air antenna reception.”

DISH chairman *Charlie Ergen* said during the company’s 2Q21 earnings call Monday that he was disappointed at Sinclair’s announcement given that many programming and carriage renewals come down to the wire. He confirmed that, just like with most of these sorts of deals, money is the point of contention with Sinclair. The satellite provider claimed Sinclair is demanding DISH pay nearly a billion dollars in fees for its channels, a significant increase from what it currently pays.

DISH president/CEO *Erik Carlson* noted during the call that viewership across broadcast networks is on the decline and there are more ways than ever for customers to access those channels without a traditional video package, including **Locast**

and **Paramount+**. The broadcast stations Sinclair expects to be dropped include **ABC, CBS, Fox** and **NBC** affiliates.

Some had hypothesized that Sinclair was using this renewal cycle with DISH to force carriage of its regional sports networks into the final deal. Ergen didn’t confirm or deny those claims, but said it could be difficult to strike a deal involving those networks that was mutually beneficial to DISH and Sinclair.

“Sinclair didn’t own the regional sports networks when those networks came up for renewal, and by the time Sinclair owned it and was able to negotiate, our customers that wanted regional sports had left. There was no way that, in fairness to our customers, we could tax them in a basic package... there was almost nobody that was left who wanted regional sports on our network. They went somewhere else to get them,” he said.

He does support innovation in the RSN space, including on the distribution side. He mentioned Sinclair’s efforts to launch a direct-to-consumer platform with that content as one experiment that’s currently underway. And while he’ll never say never when it comes to the RSNs, Ergen’s priority continues to be striking a deal that will keep the local broadcast stations in his programming lineup. “We don’t have any customers calling us on RSNs today,” he said. “If the local channels were to go down, we would have more than one customer call us the next day and say ‘where is my local channel in this particular market?’”

DISH lost 133,000 satellite subscribers in 2Q21, and while it has experienced significant subscriber losses in the past



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following blackouts with the likes of **Univision** and **HBO**, this time could be different. The company has been steadily dedicating more resources towards its future as a wireless provider, so the damage that could be done by the loss of Sinclair's broadcast networks and Tennis Channel is likely to be less than what it could have been when video services were at the heart of DISH's business model.

"Ordinarily, we'd assume that a blackout with such a critical supplier of broadcast TV signals would be catastrophic, and that a renewal will mean a step-up in costs of as much as \$300M for 2022 (if, as we expect, Sinclair demands carriage of its RSNs as part of the deal). But the calculus is perhaps different for a company in run-off mode," **MoffettNathanson** said in a note.

vMVPD **Sling TV** added 65,000 subscribers, and the service now has a total of 2.44 million customers. DISH reported revenues of \$4.49 billion for the quarter, up from \$3.19 billion in 2Q20.

ROKU ATTRACTING SMBs

Roku is high on advertising halfway through 2021 after seeing major successes during this year's upfronts. During an appearance at an investor conference, CFO *Steve Loudon* announced the streamer has already completed deals with all seven major agency holding companies, an early achievement compared to past years. "42% of the advertisers that participated in the upfronts with Roku had never done so before. So, we're seeing much more focus on the agency holding companies, which are critical stakeholders in the advertising ecosystem, as well as more advertisers, toward streaming," Loudon said. While it has

traditionally seen more activity from large advertisers, Roku has been observing an increased amount of activity from small and medium-sized businesses. They're taking up more of the advertising space for Roku at a rapid pace, and Loudon said the performance-oriented advertising that is common among SMBs is growing at a nearly triple YOY basis. He attributes this shift largely to Roku's acquisition of **dataxu** in 2019, which enabled the company to provide self-serve programmatic buying and planning tools that focus on the SMB space. "What we're seeing is a lot of smaller advertisers we didn't necessarily target with our direct sales force coming over. Some of those are digital-first advertisers, so they're used to advertising on Google and Facebook. What they're finding is very good ROI, given the reach we have and the power of streaming that combines the beauty of the large-screen TV format, but also with all the digital capabilities they're used to," Loudon said.

SONY COMPLETES CRUNCHYROLL BUY

Sony Pictures Entertainment has completed its acquisition of anime-focused streaming service **Crunchyroll** from **AT&T**. The \$1.175 billion cash transaction was first announced in December. AT&T expects to use the proceeds from the deal to support its debt reduction efforts. Crunchyroll currently counts more than 5 million SVOD subscribers and serves 120 million registered users with its AVOD product, mobile games, manga and events merchandise. Sony already owns **Funimation**, a competing anime-centric streaming service.

COLLINS SAYING GOODBYE TO MFM/BCCA

Mary Collins will not be returning to her position as president/CEO of the **Media Financial Management Association/**



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BCCA after her contract ends on September 30. She has served in the role for 19 years, joining after holding high-level roles at **Television Food Network**, **High Speed Access Corp** and **Digital Interactive Video Application (DIVA)**. "Under her leadership, our organization has survived many challenges and difficulties, including industry consolidation, the Great Recession and more recently the COVID-19 global pandemic," chair *Dave Bochenek* said in an email to members. Collins and MFM/BCCA are working together on a transition plan, and the organization's executive committee and board have begun the process of searching for someone to permanently fill the position.

NBC SPORTS REVEALS WHAT'S NEXT

NBC Sports is rebranding its digital and consumer business division, bringing three operational areas under one unit. The unit, dubbed **NBC Sports Next**, combines youth and recreational sports, golf and betting, gaming and emerging media. The youth and recreational operational section is made up of technology platforms like **SportsEngine** and **TeamUnify** that allow youth and recreational athletes, parents, coaches and team administrators to manage their organizations, share schedules, collect payments and more. The golf area fuses **GolfNow**, **TeeOff** and **GolfPass** to connect golfers and golf facilities worldwide. Betting, gaming and emerging media includes **NBC Sports EDGE** and **NBC Sports Predictor**.

SEACHANGE, AWS COLLABORATE ON AI, ML

SeaChange International has expanded its collaboration with **Amazon Web Services** to add enhanced data analytics on top of its cloud-based video delivery platform. SeaChange will now be able to leverage artificial intelligence and machine learning services to develop better understandings of end-user engagement. SeaChange customers will also be able to use machine learning for predictive maintenance, computer vision and predicting customer behaviors.

SYNAMEDIA ADDS CONTENTARMOR TO THE FAMILY

Video software provider **Synamedia** has acquired **ContentArmor**, a developer of forensic watermarking solutions for the media and entertainment industry. The addition will strengthen Synamedia's capabilities through its EverGuard anti-piracy services as well as its abilities to protect the content of movie studios and sports rights holders across both OTT and direct-to-consumer products. ContentArmor CEO *Alain Durand* will join Synamedia's leadership team to guide the company's overall security roadmap.

BARRA TO GIVE OPENING CES KEYNOTE

General Motors chair/CEO *Mary Barra* will deliver the opening keynote address at **CES 2022**. Her keynote, the second to be announced for the upcoming show, will feature insights on how technology and the all-electric era will create opportunities for mobility experiences across the globe. The in-person show returns to Las Vegas Jan 5-8.

TCA NOTEBOOK

Hulu kicked off the **TCA** summer tour Friday with a bang, presenting a panel on the highly anticipated new drama "Dopesick" and announcing a series order for original comedy series "The Fool." The show was inspired by the life of up-and-coming comedian *Chris Estrada*, who will write, star in and executive produce it. Hulu is also expanding its true crime collection with documentary "Dead Asleep" and docuseries "Captive Audience." Other originals to keep an eye out for in the coming season are new comedy series "Only Murders in the Building" with *Steve Martin* and *Martin Short*, limited series "Nine Perfect Strangers" and the second season of "The Great."

PEOPLE

Cara Conte is joining **FETV** as svp, affiliate sales. Conte has more than 25 years in the industry, most recently as svp, national accounts and multichannel distribution at **ION Media Networks**.

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