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WHAT THE INDUSTRY READS FIRST

Game Plan: MSG Networks Still Working Out DTC Position

While **Sinclair** is planning to launch a **Bally Sports** direct-to-consumer product in the first half of 2022, **MSG Networks** is still weighing its options.

“Direct-to-consumer is a developing market opportunity for us and for the RSN industry in general. We believe DTC will be incremental to our business and not a replacement for distribution through our current partnerships,” **MSG Networks** president/CEO *Andrea Greenberg* said during **MSG Entertainment’s** 4Q21 earnings call Monday.

She acknowledged that traditional pay TV subscribers have declined, but said MSG Networks still reaches a “substantial” 5.5 million homes through MVPD partnerships in the region. MSG is looking at how it can use DTC to reach the millions of homes in the region that don’t subscribe to video. “We believe there are a number of ways we can do this, all of which we are currently and actively exploring,” Greenberg said. “We could potentially collaborate with our existing distributors to serve broadband-only customers throughout our market. We could offer a pure DTC product ourselves; we could offer a DTC product through a third party; or we could license certain of our content to other market participants.”

This is the first earnings call since MSG Entertainment completed its acquisition of MSG Networks in early July, recombining the businesses in an all-stock transaction. “Our acquisition of MSG Networks created a company with greater

scale and revenue diversity as well as enhanced financial flexibility,” MSG Entertainment president *Andy Lustgarten* said during the earnings call.

The RSN business can help boost the company’s live event business, which includes Madison Square Garden, Radio City Music Hall and Hulu Theater, though management was optimistic that concerts will be ramping up in September. MSG also feel buoyed by operating largely in NYC, which has strong vaccination rates and policies. “Fiscal 2022 is currently pacing ahead of fiscal 2020, which as you may recall, was slated to be a record bookings year for our company prior to the onset of the pandemic,” Lustgarten said.

The New York State Gaming Commission is currently considering applications from companies to enter the mobile sports wagering in February. While MSG Entertainment isn’t among the applicants (partly because it wouldn’t be able to put Knicks and Rangers games on its platform), it sees itself as a beneficiary. “We believe there’s one company best suited to help and work with them, and that’s us. We blended the market. We always had a great opportunity between our relationship with [Knicks and Rangers owner] MSG Sports and the teams, our fixed asset here at the arena, Tao for hospitality... But then with the addition of MSG Network, we’re able to add linear and digital online content,” Lustgarten said. “We can blanket the market in a way no other company can and be partner for whoever wins, may it be four [operators] or more.”

As for the reunion of MSG Networks and MSG Entertain-

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ment, management said it should result in tax savings as well as approximately \$10 million in annual savings, primarily related to public company costs. Lustgarten added that it should enhance the ability to optimize capital structure and lower interest payments, noting MSG Entertainment plans to explore refinancing its term loan with an interest rate of 7% and \$647 million outstanding as of June 30.

Shares of MSG Entertainment shot up 16% Monday to close at \$72.55. For 4Q21, MSG Networks generated total revenues of \$166.1 million, an increase of 9% as compared with the prior year quarter. Affiliation fee revenue decreased \$9.7 million, primarily due to the impact of a decrease in subscribers of approximately 7%. Overall, the company posted a net loss of \$117.8 million vs net income of \$126.6 million a year ago. Revenue soared to \$99.8 million vs \$9 million in 4Q20.

NBCU DECLARES MEASUREMENT INDEPENDENCE

A top **NBCUniversal** data executive called for an industry-wide shift in ad measurement Monday. In a blog post, *Kelly Abcarian*, evp, measurement & impact, advertising and partnerships, called on colleagues to “declare measurement independence, and build solutions that will serve all consumers, advertisers, publishers and platforms for the next century.” Abcarian proposed a comprehensive, interoperable measurement of the consumer experience as a solution. “We’re in the process of assembling a full suite of interoperable measurement solutions that are as advanced, diverse, easy-to-use and multi-platform as the ways people watch content. And we’ll share more updates on the steps we’re taking in the next few weeks,” Abcarian wrote. NBCU sent RFPs to 50 measurement companies on August 2, with the application process ending at 5pm

ET Monday. In assessing its potential partners, NBCU will look at measurement capabilities including audience verification, cross-platform audience measurement, incrementality measurement, multi-touch attribution measurement and a guaranteed business outcome for KPIs across the full funnel. Among the recipients of the letter is **Nielsen**, which this month requested an accreditation hiatus for its National TV ratings service with the **Media Ratings Council**. “We remain confident in our current measurement solutions and look toward a media future that is underpinned by measurement advancements that follow the consumer cross-platform journey and keep pace with the rapid advancements in technology,” a Nielsen spokesperson told **CFX**.

MID-AMERICA CABLE SHOW GOES VIRTUAL

In light of the rise in the Delta variant, the **Mid-America Cable Show** decided to nix plans to hold a gathering in-person in Omaha Sept 15-16. The regional association is instead moving its schedule to a series of online webinars, beginning Sept 15. Webinar panels will continue on various dates through Nov 10.

HENRI BRINGS RAIN TO NORTHEAST

Hurricane Henri drenched the northeast U.S. over the weekend, but the punch it packed wasn’t enough to deal much, if any, damage to the cable networks serving the area’s residents. **Comcast** reported no impact from the storm on its networks Monday. **Altice USA** had inspected generators, ensured its field teams were on standby and was in communication with local authorities ahead of the storm’s arrival to ensure it was ready for anything. At the end of the day, the largest problem for NYC residents has been the flash flooding caused by the immense rainfall. “Altice USA has been monitoring Tropical Storm Henri for the past week and

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Contact: Ellen Kamhi at ekamhi@accessintel.com or 917-626-5574

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is continuing to monitor the forecast for any additional rainfall as flooding continues to affect the greater New York metropolitan area,” an Altice USA spokesperson told **CFX**. “Due to the storm’s trajectory, Tropical Storm Henri passed through the area with minimal impact on our operators and customers’ services.” **Cox** also said that Henri had far less of an impact than it expected. It is currently working to restore services to customers impacted, which were primarily in coastal communities.

CABLE GOES GREENER THAN EVER

Consumers saved \$2.2 billion in energy costs in 2020, thanks to efforts by the cable industry and energy efficiency advocates. The agreement led by the **Consumer Technology Association**, **NCTA**, and **CableLabs** has cut energy use by more than half in the U.S. since its establishment eight years ago, and saved consumers a grand total of \$9.2 billion. That was accelerated in 2020 thanks to more rigorous efficiency levels that are, on average, 20% more efficient than prior targets. Nearly 97% of all new set-tops purchased by the voluntary agreement participants in 2020 met those new efficiency levels. Participants include **Altice USA**, **AT&T**, **Charter**, **Comcast**, **Cox**, **DISH**, **Frontier**, **Verizon**, **CommScope** and **Technicolor**. Last March, the signatories extended the voluntary agreement term with a fourth tier of energy efficiency levels that will become applicable in 2023. Those new commitments will keep the total energy used by set-top boxes on the decline through the end of 2025.

CARRIAGE

Global factual media company **Curiosity Inc** and streaming platform **fuboTV** are entering a multi-year distribution partnership. As part of the deal, Curiosity Inc’s linear **Curiosity Channel** launched on fuboTV’s Extra package Monday for U.S. subscribers. The **Curiosity Stream** VOD service will roll out for fuboTV viewers in the U.S. and Canada in the coming weeks. Some Curiosity originals coming to the service include biography series “Beyond the Spotlight,” football docuseries “4th and Forever” and more.

ACAC BOARD ELECTIONS

Tom Larsen, svp, government & public relations at **Mediacom** and *Drew Petersen*, svp of corporate affairs at **TDS**, were elected to one-year terms on **ACA Connects**’ board. **BOYCOM Vision’s** *Patricia Jo Boyers* and **Cable One’s** *Mike Bowker* continue to serve as chair and vice chair, respectively. **Buckeye Broadband** president/gm *Geoff Shook* is replacing **Block Communications** evp *Diana Block*, and *Dave Heimbach*, president/COO of **MetroNet**, is passing the torch to **Shentel** evp/COO *Edward McKay*. Joining the board are *Marie Censoplano*, general counsel/svp, content acquisition at **Vyve**; *Matt Dosch*, evp/COO, **Comporium**; *John Gdovin*, evp/ chief administrative officer at **RCN/Grande/Wave** (otherwise known as **Astound**); president/CEO of **Vexus Fiber** *Jim Gleason*; **GCI** deputy general counsel *Dave Hymas* and *Kristin Johnson*, co-founder/CEO at **Hotwire**. Those six members will serve three-year terms.

APPLE TV+ ON T-MOBILE DIME

New and current **T-Mobile** Magenta, Magenta MAX, Magenta 55+, Magenta Military, Magenta First Responders, **Sprint**

Unlimited Plus, Sprint Premium and small T-Mobile for Business customers are eligible for a free year of SVOD Apple TV+ courtesy of the provider. The promotion starts Wednesday and has to be redeemed before July 31, 2022.

PROGRAMMING

U.S. news networks have been working overtime to evacuate associates from Afghanistan in light of Taliban attacks in the country. **Fox News Media** sent an internal memo Sunday saying it has successfully evacuated 24 people from Kabul including former freelance associates, an Afghan colleague from a regional media company and their respective families. **CNN’s** *Brian Stelter* tweeted Sunday that the network quietly assisted 10 Afghan colleagues in leaving the country in prior days. Meanwhile, **CNN Business’s** *Oliver Darcy* wrote in his “Reliable Sources” newsletter last Thursday that spokespeople for **CBS News** and **NBC News** told him their reporters had exited Afghanistan, as well. – **ESPN** is kicking off its 2021-22 college football season coverage with nearly 60 games in week one. The schedule features teams from all 10 FBS conferences and games will be set across 10 ESPN platforms including **ABC**, **ESPN**, **ESPN2**, **ESPNU**, **SEC Network**, **ACC Network**, **Big 12 Now on ESPN+**, **ESPN3**, **ESPN+**, **SEC Network+** and **ESPN Radio**. The season coverage starts Saturday at 3:30pm ET on ESPN with Hawai’i at UCLA. – *Rachel Maddow* isn’t going anywhere for a while. While there’d been buzz over that the host might be looking for new pastures, news broke over the weekend that she’s signed a multi-year deal with **MSNBC**.

OBITUARY

Nick Davatzes, **A+E Networks** president/CEO from 1983-2005, passed away in his Wilton, CT, home Saturday. He was 79. “Nick was an extraordinary person and leader, and one of the true giants of the cable industry. He launched **A&E** and **The History Channel**, two of the most successful brands in television. Nick believed in the power of media not only to brighten people’s lives, but also to inform and enrich communities,” said A+E Networks Group president/chairman *Paul Bucciari*. “He leaves a tremendous legacy of support for education and the humanities. Nick is at the heart of everything that is A+E Networks and was the soul of our organization. All of us owe a great debt to Nick and he will be sorely missed.” A U.S. Marine Corps veteran, Davatzes was an advocate for veterans and military families and was the recipient of the Marine Corps Historical Foundation Heritage Award. He was inducted into the Broadcasting & Cable Hall of Fame in 1999 and honored by the Cable Television Public Affairs Association in 1996 with its annual President’s Award for his commitment to public outreach and educational initiatives.

PEOPLE

Mediacom promoted corporate management team members *Glenn Goldsmith*, *Jenna Guarino* and *Randy Brown*. Goldsmith, now group vp, programming, started at the operator in 1998 as an intern in the finance department. Guarino, newly-dubbed vp, compliance and legal affairs, joined Mediacom in 2010 as an intern in the legal department. Brown, an industry vet of more than 40 years, now serves as vp, field operations. He started at Mediacom in 1979.