

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Hello October: Comcast-MSG Drop May Not Tell the Future

With **Comcast** losing **MSG Networks** at midnight Thursday and **DISH** losing the **AT&T** RSNs earlier in the evening, it's easy to label the carriage impasses as the beginning of the end for RSNs. But be careful before staking too many predictions on these particular spats.

For starters, Comcast isn't a dominate provider in the NY DMA. The loss of MSG impacts Central and North Jersey, plus a small swath of Connecticut. It's hardly comparable to Comcast dropping an RSN like **MASN** in its DC/Maryland/Virginia markets. The MSG situation is more akin to when Comcast dropped **YES Network** in late 2015 in a carriage dispute that lasted more than a year.

Many felt Comcast was able to go without the network because it only impacted a small number of Yankees fans in the MSO's New Jersey, Connecticut and Pennsylvania markets. At the time, YES negotiations were handled by **21st Century Fox** and once Comcast's carriage renewal came up with Fox, YES was brought back to the lineup. That brings us to one of the issues with MSG. It's a standalone property whose carriage isn't tied to any other channels—kind of like Denver Nuggets, Colorado Avalanche RSN **Altitude Sports**, which has been off Comcast since September 2019. This isn't a tango with **Sinclair** and its 20-some **Bally Sports** RSNs.

And that brings us to DISH, which has been without the Sinclair RSNs since July 2019. DISH has dropped virtually every RSN under the sun, so the loss of **AT&T Sports Net** and the **Root Sports**

RSNs seemed inevitable. **NESN** is the only RSN currently on DISH. That said, there continues to be murmurs that Sinclair may be able to broker a deal for at least some of its RSNs to return to DISH, and we're all still waiting to hear the outcome of negotiations over the Sinclair broadcast stations.

"There's the narrative out there that RSNs are dying. RSNs are not dying so much as they're in the first phase of painfully evolving. RSNs exist for a perfectly good reason and it's not going to change. All of this local inventory has to be monetized. This is the only way to do it, even in an era of streaming," media consultant **Pat Crakes** told **CFX**. "These RSNs aren't going to go away, but at the same time, they have a lot of problems. This value chain kind of relationship between distributor, channel and team isn't going to get broken. The way out is to keep that intact. The problem is, what does that look like?"

Crakes likened RSNs to hothouse flowers. They appeal to 10-15% of an MVPD's sub base, and are going to be the last to make the jump from linear to digital. He believes the path forward is to find that distribution model that keeps the distributor-channel-team value chain in place. That could take the form of a DTC product that cuts the distributor in—ie, charge \$20 a sub and the operator takes a cut. "I wouldn't be shocked if out of these conversations, a couple of these don't involve some ideas like that," he said.

DISH, which lost AT&T SportsNet Rocky Mountain, AT&T SportsNet Pittsburgh and Root Sports Northwest Thursday, is calling for RSNs to offer their content on an a la carte basis, similar to premium channels. The issue there is finding a price point digestible by



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consumers given that the unbundled price of an RSN is much higher than what it is when part of expanded basic.

It sounds like RSNs are viewing DISH as a lost cause. “With DISH dropping our RSNs today, there is only one remaining RSN in the entire country that is carried by DISH,” said AT&T Sports Networks President *Patrick Crumb*. “It is unfortunate that DISH has decided to abandon local MLB, NBA and NHL games, but the vast majority of DISH subscribers will have multiple alternative options for TV and streaming providers that carry our networks and we expect that many will switch from DISH to those providers that value premium local sports content.”

As for Comcast-MSG, if the dispute trickles on past the start of the regular season NBA opener on Oct 20, things may get more heated. As of now, Comcast is sticking to its guns, saying that its viewership data shows almost 95% of subs who received the RSN over the past year didn’t watch more than 10 of the approximately 240 games broadcast and up to 80% of customers didn’t watch any MSG content at all each month in that timeframe.

MSG called out Comcast for raising its regional sports fee by 22% in January to more than \$10/month (Comcast has pledged to adjust the fee for customers impacted by the MSG loss) and claims the operator is looking for terms that it would never accept for its own NBC Sports RSNs. Meanwhile, **LightShed Research** noted that **Verizon** has MSG listed as one of its upcoming contracts that needs to be renewed.

BIG CROWD FOR WICT LEADERSHIP CONFERENCE

When **WICT** made the decision last year to take its annual Leadership Conference virtual because of the pandemic, it was rewarded with a record 843 attendees. While Zoom fatigue might be real, the association’s members seem to be immune. Attendance for the 2021 WICT Leadership Conference, which [kicks off Monday](#), is on track to exceed 800 again, despite remaining a virtual event. “You really have to keep reinventing your online programs so that they don’t feel like more of the same,” said WICT President/CEO *Maria Brennan*. “The way that we’re exciting people is having probably among the most influential cohort of speakers ever convened under the WICT umbrella.” The agenda includes **CNN**’s *Christiane Amanpour*; a trio of **TikTok** execs; *Allyson Felix*, the most decorated woman in US Track and Field history; bestselling author *David Epstein* and many more alongside industry heavyweights such as **Cable One** CEO *Julie Laulis* and **MSNBC** President *Rashida Jones*. There’s also a panel on male allyship featuring **Altice USA** President/CEO *Dexter Goei*, **Charter** CFO *Chris Winfrey*, outgoing **Cox** president/CEO *Pat Esser* and **Urban One** CEO *Alfred Liggins*. “A lot of data has come out recently about the importance of male allyship and how women get to equal quicker when men are part of the solution,” Brennan said. “It’s

good to hear directly from the CEOs because we know that companies that have the best practices have a belief that top-down DEI is a real strategy.” Male allyship is important—but that’s a lot of men in C-suite roles. “We do have some female CEOs and C-suite executives, but this was specifically from a male perspective. Having said that, yes, we’ve made some progress. No, we’re not even close to equal,” she said. “The things we do to help mitigate that is we measure. We go out with the PAR Survey in November and we look for progress and best practices.” This year’s WICT pay equity, advancement and resources survey is all the more important because it will be examining the impact COVID has had on women in the workplace. Speaking of COVID, you won’t find that word or “pandemic” anywhere on the conference schedule. That’s on purpose. “That’s really all we’ve talked about for the last 18 months,” said Brennan, who added that there still will be plenty of references to the pandemic in sessions. “We have to get back to the business of the business. We didn’t want it to be the undercurrent of the 2021 Leadership Conference.”

YOUTUBE TV-NBCU

In what’s generally viewed as a positive sign for an eventual deal, **NBCUniversal** and **YouTube** agreed to a “short extension” Thursday, keeping the portfolio of cable networks and RSNs on the vMVPD service. Things could always go south, but conventional wisdom is that YouTube TV needs NBCU more than Comcast needs YouTube. And if you’re keeping track, Comcast and **Disney** are still working on a renewal.

BLOOMBERG OFF DIRECTV

A less publicized carriage dispute saw **DirectTV**, **DirectTV Stream** and **U-verse** lose **Bloomberg TV** at 12:01am Friday. “We were the first to launch the original Bloomberg Direct financial news service in 1994 and have often enjoyed a productive business relationship in the several years since. Despite several creative attempts, it’s unfortunate we were unable to continue this relationship. We will continue to offer other, often more popular, financial news networks to our customers,” said DirecTV, which also offers **CNBC**, **Fox Business** and **Cheddar**.

OBITUARY

Adelphia founder *John Rigas*, who was sentenced to 15 years in prison for fraud, died on Thursday in Coudersport, Pennsylvania. He was 96. Rigas and his son *Tim* were convicted of conspiracy and fraud in 2004 that resulted in the cable company’s collapse. At the time, Adelphia was the sixth largest cable company in the US. Rigas was granted compassionate leave from prison in 2016 because of his terminal cancer diagnosis. Check out the *NY Times* [obituary](#), which includes quotes from a 2012 interview with Liberty Media Chairman John Malone, who suggested the allegations against Rigas

were blown out of proportion.

PEOPLE

Cox Communications elevated *Jeff Breaux* and *Colleen Langner* to EVPs that will serve as direct reports to incoming President *Mark Greatrex*. Breaux will serve as EVP, **Cox Business**. He joined the B2B division in 2014, leading sales strategy and sales support for the division's Western commercial markets. Langner, a 26-year Cox veteran, will step into Greatrex's former position of EVP/Chief Marketing & Sales Officer.

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Research

- (Source: [Criteo](#))
- > 44% of Americans say that video streaming services have influenced their purchasing decisions in the last 12 months.
 - > 61% say subscription cost is their top consideration for using a video streaming service. 3 in 5 are happy to watch video streaming services with a fully or partially ad-funded subscription.
 - > One-third spend up to 10 hours watching paid content and up to 5 hours watching free content per week.

Up Ahead

- OCTOBER 4-5:** [WICT Leadership Conference](#), Online
- OCTOBER 5-6:** [The Independent Show](#), Online
- OCTOBER 5-8:** [NAMIC 35th Annual Conference](#), Online
- OCTOBER 6:** [Kaitz Virtual Event](#)
- OCTOBER 11-14:** [SCTE Cable-Tec Expo](#), Online
- OCTOBER 20:** [WICT Signature Touchstones Luncheon](#), NYC

Quotable

"We are very strong believers in collaboration. Our goal is to explore how new technologies can enable fans to experience sports with the best in the business, and that is through our own efforts and also through our partnerships. Some examples: the social experience around games, sports betting, in-arena production ideas... We've been innovators and first movers since our early days and that goes back to starting the first 24/7 sports network to developing new technologies like the PylonCam to our amazing Megacast that we do across our sports at ESPN... Technology is our heritage at ESPN and also at the Walt Disney Company and we're going to continue to explore emerging, new technologies."
 - Jimmy Pitaro, Chairman of ESPN and Sports Content, speaking at the [ESPN Edge Conference](#)