

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Good Doctor: Liberty's Malone Prescribes Cheap Debt as Opportunity

With inflation at historic levels, it's a good time for a checkup with the good doctor—Dr John Malone, who's legendary for his financial wizardry, complicated corporate structures and mega media deals. His diagnosis? Inflation is likely to last at least a couple years. "I don't see any end in sight until policy changes take place at the federal level, in both monetary and fiscal policies," Malone said during *Liberty Media's* Investor Day presentation Thursday.

In an inflationary environment, the Liberty Media chairman's strategy is to take advantage of cheap debt to make sure the balance sheet is long and fixed so he's ready for opportunities that are ahead. Malone characterized inflation as a serious concern that will continue globally as long as the fiscal and monetary stimulus continues. He added that he recently had to approve a fertilizer budget that was up 300% largely based on the increase of natural gas.

It's not just plant food that's on the upswing. Wage expectations are also a lot higher, Malone noted. "Even in my own personal businesses, we're debating whether we should go with an across the board 4-5% budget and then mid-year increment. And so this cost pressure is finding its way through the system, and we are still in a very artificial environment," he said. "When you look at very high valuations, people are using very low interest rates to discount future years, particularly in tech companies that still have substantial market pricing

power ahead of them. I don't see any other place for money to go right now but into the equity market."

Liberty's cable investments include **Charter** and **GCI**, with the leaders of both companies on hand for the in-person and virtual Investor Day, which featured several "Squid Game" bumpers in between sessions. (The **Netflix** series' familiar music would play and a voice would boom out: "Attention the next game will begin shortly. Please follow the IR team's instructions and swiftly make your way towards the game hall.") While a slowdown in 3Q21 broadband adds spooked some investors, Charter CEO *Tom Rutledge* reminded them that cable is a long-term business.

"We are now in the strangest, lowest churn environment I've ever seen in my entire business lifetime, in that, people are just not moving. So there's less activity," he said. "Our view is that life turns to more normal activity levels, and that transaction volume increases in that kind of growth rates that we've been experiencing return. I think that our ability to continue to execute through time is demonstrated, and our ability to manage competition through time is demonstrated. I think that the value proposition over the long run is what it was."

Liberty CEO *Greg Maffei* added that there was a "conflagration" with the broadband slowdown, every negative potential regulatory threat, etc crystallized into stock prices. "It does feel like this is a normal cycle cable goes through, and then it'll show its strength and the prices will react and rise again," he said.

Of course, you can't have a Liberty Investor Day without talking about its three tracking stocks –Liberty SiriusXM Group, Formula

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One Group and Braves Group. The trackers let the company issue stock to reflect the performance of particular groups vs the business as a whole. “We’ve always viewed them as transitory. They’re helpful; they give us flexibility,” Maffei said, though he acknowledged that are challenges around them. “Will we always have the tracking stocks? I’ll do what my chairman does and shrug. But I think they’re working well for us now.”

### NBCU KEEPS PREMIER LEAGUE

**The Premier League** will be staying put on **NBCU**, which snagged a six-year extension that makes it the exclusive U.S. home of the soccer league through 2028. Various reports put the price tag at about \$2.6 to \$2.7 billion—meaning the annual payout soars to about \$433 million from the current \$150 million. During a press conference Thursday, a reporter asked about the rationale of paying three times more for the games. “I would say that’s not accurate,” **NBC Sports** chairman *Pete Bevacqua* said, without providing more details. “Certainly, the value has gone up, the price has gone up. And that’s because the property has proven itself to be incredibly valuable in the U.S. We had a range of a rights fee that we felt comfortable committing... This has fallen in that range.” As of last week, there were nine different entities that came to the table when the initial bids were due, “so we knew we had our hands full,” said NBC Sports Programming President *Jon Miller*. Competition for the rights was fierce with **ESPN**, **CBS** and **Fox** all in the running, and **WarnerMedia** came in with a surprise bid, [according to SBJ](#). Bevacqua said Premier League was identified as a key priority early on (sorry, **NHL**) given its performance across the entire portfolio, including **Peacock**, broadcast (including **Telemundo**) and cable networks. Games that are exclusive to MVPD partners through the cable nets will remain exclusive and not stream on Peacock, company brass told reporters. The deal comes as **NBCSN** is winding down at year-end, with **USA Network** set to take on more sports. NBC Sports execs gave **Apple TV’s** “Ted Lasso” a shoutout, noting the series got its start as a viral marketing campaign for NBCU’s first season of the Premier League in 2013. “Now we’re excited to see that Ted Lasso and the Premier League have come to an agreement, where you’re going to start to see Premier League marks in the third season of Ted Lasso. For us, it’s those kinds of things that help grow fan engagement...and that all translates into viewership and success,” said Miller. NBC Sports is home of 489 of the 500 most-watched live Premier League matches in US TV history, with games averaging 609,000 viewers this season.

### ROSENWORCEL TALKS VIDEO MARKETPLACE REVIEW

Acting **FCC** Chair *Jessica Rosenworcel* promised Sen *Amy Klobuchar* (D-MN) during her **Senate Commerce** nomination hearing Wednesday that she would investigate independent programmers’ access to distributors. She thinks the first step is opening a new

proceeding to gather additional information on the state of negotiations between those entities today. “I think that moving ahead in this environment would require us to open a new proceeding and also ask questions that reflect the moment we’re in where watching is not just a function of linear programming, but for many households, it’s also using streaming services,” Rosenworcel said during a press conference Thursday following the Commission’s open meeting. Also on the Commission’s to-do list is to seek comment on the logistics tied to transitioning the Emergency Broadband Benefit program to the permanent Affordable Connectivity Program. The program will offer qualifying participants a \$30/month subsidy for home broadband, and Rosenworcel is confident that EBB beneficiaries will be smoothly transitioned to the Affordable Connectivity Program. “The law specifically provides for a transition period of 60 days that under all circumstances ensures that they continue to get funding that they’ve received under the Emergency Broadband Benefit before they might be transitioned to a new program going forward,” she said. “But we are mindful of the need for consistency when it comes to this connectivity and that’s going to be front of mind as we assess the implementation of this new law.” Rosenworcel is keeping a close eye on the **FAA’s** opposition to the deployment of C-band spectrum for 5G services. The issue has drawn the attention of FCC Commissioner *Nathan Simington*, and he and Rosenworcel have been discussing whether a rulemaking should be considered to update receiver standards in an effort to prevent similar situations in the future. Stay tuned for next steps.

### MALONE ON CNBC

*John Malone’s* most media centric remarks Thursday came during his annual [interview](#) on **CNBC’s** “Squawk on the Street,” where he told *David Faber* he’d like to see **CNN** “evolve back to the kind of journalism that it started with” and “actually have journalists, which would be unique and refreshing.” Malone said it would be a “coward’s way out” to sell CNN or spin it off. “I do believe that good journalism could have a role in this future portfolio that Discovery, Time Warner is going to represent,” said Malone. **Liberty Media** is a major shareholder in Discovery. Malone chided Faber that he should be asking him why he didn’t invest more heavily in Big Tech companies like **Google**, **Facebook** or **Amazon**. “Why did [I] stay with the old, these old businesses [I was] in? I plead guilty to that,” he said, adding he tried to buy **Netflix** from *Reed Hastings* when the stock was \$8, but he wouldn’t sell it. “Damn that bad luck.” Malone’s other musings included a comparison of today’s equity markets to the bubble in the late 90s. “It’s all about growth. This is a land rush,” he said, bringing up car company Rivian that has a \$130 billion market cap even though it has virtually no sales.

### FCC MOVES FORWARD ON SPECTRUM INCENTIVE

The **FCC** approved a proposal during its open meeting Thursday for an enhanced competition incentive program that would en-

courage licensees to offer opportunities for smaller carriers and Tribal Nations to acquire spectrum through leases, partitions and disaggregation. Transactions that qualify for the program would facilitate spectrum use by entities unaffiliated with the licensee where the licensee designates at least 50% of the licensed spectrum to an assignee or a lessee. All parties participating in the transaction will receive a five-year extension of the license's terms, a one-year extension of construction deadlines for parties in a partition and/or disaggregation and alternate construction requirements for partition and disaggregation in rural-focused transactions. The agency is also seeking comment on alternative construction benchmarks for wireless radio service licensees to promote spectrum use and voluntary mechanisms and incentives that could promote spectrum sharing.

### NATALE OUT AS ROGERS CEO

Tough times continue for our friends up north. *Joe Natale* stepped down as President/CEO of **Rogers Communications** Tuesday, with *Tony Staffieri* taking over the role in an interim capacity. Staffieri has spent the last nine years as Rogers' CFO, previously holding senior positions at **Bell Canada Enterprises**, **Celestica International** and **PricewaterhouseCoopers**. The announcement comes after a somewhat tumultuous time for the company's leadership. In October, former Rogers chairman *Edward Rogers* was removed from his role and commented that he intended to remove the majority of the company's independent directors. He also reportedly was looking to push Natale out of the CEO seat. Eight Rogers directors responded with a statement of their "unequivocal support" for Natale, including Edward Rogers' mother and sisters. The board has already begun searching for a permanent CEO, with Staffieri a candidate. Rogers said its pending \$16 billion purchase of **Shaw** is still moving forward as scheduled, and the **Canadian Radio-Television and Telecommunications Commission** is holding a hearing on the merger on Monday.

### VMVPDS ARE ONLY PROVIDERS GAINING VIDEO SUBS

The largest pay-TV providers, representing approximately 93% of the market, lost 650,000 net video subscribers in 3Q21. That's way up from the pro forma net loss of about 90,000 in 3Q21, according to **Leichtman Research Group's** latest study. The top pay-TV providers now account for about 77 million subscribers with the top seven cable companies having 41.9 million video subscribers. **Comcast** had the most losses with 407,000 subscribers followed by **Charter's** 121,000, leaving the two companies with 18.5 million and 15.9 million video subscribers, respectively. Other traditional pay-TV services including **DISH**, **DirectTV** and **Fios** have more than 27.5 million subs while the top publicly reporting vMVPDs have 7.5 million subs. The vMVPDs actually added 680,000 subscribers in the quarter compared to drops of 700,000 at the top cable companies and 635,000 at the other traditional pay-TV providers. **Hulu + Live TV** added the most with 300,000 followed by **fubo TV** with 262,884 and **Sling TV** with 117,000 subs.

### NBCU PLANS NEW PEACOCK AD TYPES

**NBCUniversal Advertising & Partnerships** is gearing up

to add two new ad opportunities to Peacock in the coming months. The first, Pod Bounce, condenses the first ad break to allow advertisers to put more content in front of consumers. Highlight Ads allow brand sponsorships to stand out during key in-content moments. NBCU continues to work with **DV360**, **OneView**, **The Trade Desk** and **Yahoo!** to bring more flexibility and functionalities to its marketing partners.

### MSG TAPS CAESARS FOR SPORTS BETTING

**MSG Sports** and **MSG Entertainment** struck a multi-year marketing partnership with **Caesars Sportsbook**, making the latter an official sports betting partner of the New York Knicks, New York Rangers, Madison Square Garden Arena and **MSG Networks**. Caesars Sportsbook will launch a new content series on MSG Networks and on social media channels that will integrate betting odds and other features of the sportsbook. That will include the launch of a 20-part programming marathon that will bring back "Four Courses with JB Smoove," an interview series that highlights conversations with athletes and celebrities. It will also gain digital media exposure across MSG Sports and MSG Entertainment platforms.

### DEMS BRING BACK ONLINE PRIVACY ACT

Reps *Anna Eshoo* (D-CA) and *Zoe Lofgren* (D-CA) reintroduced the Online Privacy Act Thursday, legislation that would place limits on companies collecting and using user data. It would also establish a Digital Privacy Agency dedicated to the enforcement of privacy laws and authorize state privacy authorities and state attorneys general to enforce the legislation. Under the Online Privacy Act's provisions, all Americans would have the right to access, correct or delete their data and data companies would be limited on how much data they can collect and how they can use it.

### BOOST MOBILE DEBUTS 'CARRIER CRUSHER'

**Boost Mobile** unveiled an annual plan Thursday that will give customers 12 months of unlimited talk and text plus 1GB of data for \$100/year. The plan is the headliner of a larger group of "Carrier Crusher" options the mobile carrier plans to launch throughout the holiday season. Others introduced Thursday include a \$20/month plan with unlimited talk and text plus 15GB of data that's billed annually and a \$15/month plan with unlimited talk, text and 2GB of data.

### CARRIAGE

**Crown Media Family Networks** and **NCTC** reached a multi-year renewal of their carriage agreement for **Hallmark Channel**, **Hallmark Movies & Mysteries** and **Hallmark Drama**. The deal also allows viewers to access **Hallmark TV**, a streaming platform that allows authenticated cable subscribers unlimited access to the company's linear channels.

### PROGRAMMING

"UFC Fight Night: Vieira vs. Tate" is airing live Saturday exclusively on **ESPN+**. The preliminaries begin at 3pm ET while the main card begins at 6pm ET. – **AMC+** acquired western drama "That Dirty Black Bag." It will make its exclusive U.S., Canadian and Australian premieres on the streaming service in March/April 2022.

# PROGRAMMER'S PAGE

## 'Kendra Sells Hollywood' In Real Estate Adventure

The pandemic pushed so many to rethink their career paths and step out of their comfort zones to move to a new home or discover a new passion. Former "The Girls Next Door" star *Kendra Wilkinson* was in the same boat. The personality threw herself into the world of real estate, and her journey as an agent at top brokerage **Douglas Elliman** is chronicled in "Kendra Sells Hollywood." Wilkinson is still early in her real estate career, and her celebrity status hasn't given her any sort of leg up on her competition. If anything, the additional attention has made her more afraid of failure. "You know, there's so many shows out there about established real estate agents and how fancy they are, but I am not there yet. I am starting fresh, starting raw and it's 100% real," she said. "To be honest, it's really scary with all the eyes on me starting it and even going through my fair share of mistakes." There is still a comfort Wilkinson has with the camera, having been on and off television for nearly two decades. So while her nerves and inexperience are evident in each episode, it's all purely tied to her experience testing out a new career and way to provide for her family. That only makes the series feel more authentic, according to **Bodega Pictures** Co-Founder/Chief Creative Officer *Josh Ackerman*. "Kendra and, thankfully, the team that she's a part of now has really, really just let us stand back and document it, and I would say it's a huge plus, because Kendra's just unafraid of letting everybody know what she's feeling, when she's feeling it whether that's good, bad, indifferent," he said. "I don't know that you get that all the time with somebody that's just put in front of the camera for the first time." The series premiered on **Discovery+** on Wednesday. — *Sara Winegardner*

### REVIEWS

"Dalgleish," 2 new episodes weekly, streaming, **Acorn TV**. Fans of British detective series might suspect we're mistaken saying "new episodes" of "Dalgleish." True, an earlier version of the series based on *R.D. James's* bestsellers bowed decades ago, first with *Roy Marsden* as the no-nonsense detective chief inspector, later commander, and then *Martin Shaw*. From the UK's Channel V, this iteration stars *Bertie Carvel* as the poetry-writing, Jaguar-driving crime solver and, quite simply, it's terrific. With stories based in different parts of Britain in the 1970s, each case is 2 eps long, with Acorn TV offering a new installment weekly. Not only is the writing good, if a bit spare, the production values, particularly the locations, are strong. Like its lead character, the series revels in silent strength, relying on what's not said as a key part of each story. — "Frontline: Shots Fired," Tuesday, check listings for time, **PBS**. This well-reported short doc is the first collaboration of local journalists with Frontline's Local Journalism Initiative. Unlike Dalgleish, the stories of police shootings it chronicles, with members of *The Salt Lake Tribune*, are real. Many of them covered with police body cam footage. The central question it raises is whether or not a spate of police shootings in UT were justified. This report won't necessarily end the debate, though it raises important questions. — *Seth Arenstein*

BASIC CABLE P2+ PRIME RANKINGS* (11/8/21-11/14/21)		
MON-SUN	MC US AA%	MC US AA (000)
<b>ESPN</b>	<b>1.177</b>	<b>3665</b>
<b>FNC</b>	<b>0.760</b>	<b>2368</b>
<b>HALL</b>	<b>0.417</b>	<b>1298</b>
<b>MSNBC</b>	<b>0.356</b>	<b>1110</b>
<b>TBSC</b>	<b>0.277</b>	<b>862</b>
<b>TLC</b>	<b>0.274</b>	<b>853</b>
<b>PARA</b>	<b>0.265</b>	<b>825</b>
<b>HGTV</b>	<b>0.263</b>	<b>820</b>
<b>INSP</b>	<b>0.239</b>	<b>745</b>
<b>FOOD</b>	<b>0.228</b>	<b>710</b>
<b>DISC</b>	<b>0.214</b>	<b>666</b>
<b>CNN</b>	<b>0.199</b>	<b>619</b>
<b>HMM</b>	<b>0.193</b>	<b>600</b>
<b>HIST</b>	<b>0.185</b>	<b>577</b>
<b>USA</b>	<b>0.185</b>	<b>576</b>
<b>LIFE</b>	<b>0.178</b>	<b>554</b>
<b>ID</b>	<b>0.174</b>	<b>543</b>
<b>TNT</b>	<b>0.153</b>	<b>476</b>
<b>A&amp;E</b>	<b>0.152</b>	<b>475</b>
<b>TVLAND</b>	<b>0.151</b>	<b>471</b>
<b>NFL</b>	<b>0.149</b>	<b>466</b>
<b>FX</b>	<b>0.134</b>	<b>418</b>
<b>BRAVO</b>	<b>0.130</b>	<b>405</b>
<b>WETV</b>	<b>0.130</b>	<b>404</b>
<b>AMC</b>	<b>0.120</b>	<b>374</b>
<b>GSN</b>	<b>0.112</b>	<b>347</b>
<b>FRFM</b>	<b>0.109</b>	<b>339</b>
<b>NICK</b>	<b>0.102</b>	<b>319</b>
<b>NAN</b>	<b>0.102</b>	<b>318</b>
<b>ESPN2</b>	<b>0.102</b>	<b>316</b>
<b>TRAVEL</b>	<b>0.098</b>	<b>304</b>
<b>SYFY</b>	<b>0.097</b>	<b>302</b>
<b>ADSM</b>	<b>0.094</b>	<b>293</b>
<b>APL</b>	<b>0.093</b>	<b>290</b>

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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