

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Full House: Streaming Leads Paramount's Bulging Media Portfolio

Paramount Global aims to position itself to be the jack of all trades of the media business. Throughout the company's 1Q22 earnings call Tuesday, CEO *Bob Bakish* highlighted the company's expansive library of content for all ages and its platforms across theatrical, broadcast, cable and streaming as its biggest strengths. They work hand-in-hand in a way that CFO *Naveen Chopra* believes will allow Paramount Global to grow margins in streaming while avoiding the pitfalls of companies with a sole focus on streaming.

"You see a lot of pure-play streamers that spend billions of dollars a year renting library content. We have that in-house," *Chopra* said. "We are able to not only avoid billions of dollars in rental expense, we've actually now learned that we can use our own library for retention while also getting paid by third-parties for non-exclusive rights."

While analysts and Wall Street have recently begun questioning whether the streaming marketplace is reaching saturation, *Bakish* is of the mind that Paramount Global has tremendous runway ahead in the sector.

"We continue to believe that the TAM [total addressable market] today in streaming is huge and that it will continue to grow, and related to that, we believe the TAM that we target is even larger than most people think because we believe in both pay and free offerings," *Bakish* said. "While there's no question that market sentiment has moved around a little bit,

we continue to think that consumers are only moving in one direction and we're very excited about the potential there."

Direct-to-consumer revenue grew 82% YOY, with subscription revenue rising 95% due to paid sub growth at **Paramount+**. Paramount+ added 6.8 million subscribers globally, bringing Paramount Global's total direct-to-consumer base to more than 62 million subscribers. Driving that increase was the debut of scripted original "1883," the origin story behind **Paramount Network** juggernaut "Yellowstone." *Bakish* said 1883 holds the top spot for acquisition, rising as the top Paramount+ original ever in terms of new domestic subscribers and engagement.

He also revealed plans to launch Paramount+ in the UK and Ireland on June 22. A launch in South Korea is set for June and debuts in European markets like Italy, Germany, France, Switzerland and Austria in the second half of the year. **Sky-Showtime**, a joint streaming venture with **Comcast**, will also begin rolling out in eastern Europe by year-end and coming in 2023 will be Paramount+'s distribution in India through the Viacom18 platform.

Free isn't doing too badly either. **Pluto TV** now claims more than 67.5 million monthly active users globally. The AVOD now touts a total of more than 1,000 global channels and Paramount Global is preparing to showcase its latest and greatest advertising solutions at its May 18 upfront. "Pluto is a pretty advanced connected TV platform and we continue to add features including ad tech features to it like dynamic



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FREE TO ENTER!

ad management and ad load management,” Bakish said. Chopra also said strong user growth and engagement trends are expected to continue to drive monetization.

Other streaming platforms including **Showtime**, **BET+** and **Noggin** dropped 500,000 subs in the quarter, something Bakish attributed to timing of programming availability. He does still believe in the vitality of those niche services targeting specific consumer segments and will look at further integrations of certain services within Paramount+. This summer, subscribers to Showtime will be able to access that content within Paramount+.

“That will set us up because we have the opportunity to do that with other brands as well,” Bakish said. “Serving super fans with a super broad offering, but still offering some à la carte options, we think is the right strategy.”

Total company revenue declined 1% YOY, coming in at \$7.3 billion. TV Media revenue of \$5.6 billion fell 6% YOY from the comparison to **CBS’** broadcast of “Super Bowl LV” in the year ago period, partially offset by higher licensing and affiliate revenues. Excluding the impact of the Super Bowl, advertising revenue in the sector grew 4%. Affiliate and subscription revenue was also up 1% YOY with higher revenues from rate increases and expanded vMVPD distribution offset subscriber declines at MVPDs.

COMCAST DEALT BLOW IN NEXSTAR SUIT

A federal judge has denied **Comcast’s** motion to dismiss or stay **Nexstar’s** breach of contract lawsuit, which claims the cable operator has refused to pay millions in retransmission consent fees. The order, signed by U.S. District Judge *John Koeltl*, didn’t elaborate on the reasons, saying they were ex-

plained at a teleconference held Monday. Nexstar filed the [lawsuit](#) in July after Comcast asked the **FCC** to find that the broadcaster is in violation of the 39% national audience cap because it has de facto control of NY station **WPIX** through a Local Marketing Agreement with **Mission Broadcasting**. If the court wouldn’t dismiss the suit, Comcast argued it should at least hold off on the case until the FCC issues a ruling so that it didn’t risk a decision inconsistent with the federal agency. The FCC Media Bureau recently said it is investigating Comcast’s claims. Judge Koeltl obviously didn’t agree. Nexstar filed a similar lawsuit against **Charter** in August in Delaware court that alleges the MVPD has failed to pay retrans fees tied to the dispute over WPIX. Last month, Charter [filed](#) its own informal complaint against Nexstar at the FCC. Comcast and Charter have asked the FCC to declare that Nexstar is in violation of the 39% cap as well as the **Tribune** order that required it to divest WPIX.

LTD FACES FINE FOR TALKING TO COX DURING RDOF

The **FCC** has proposed a \$100,000 forfeiture against **LTD Broadband** “for repeatedly engaging in prohibited communications of its bidding and bidding strategies” during the Rural Digital Opportunity Fund (RDOF) Phase I Auction with **Cox Communications** and for its failure to “timely report” such prohibited communications. The Las Vegas-based wireless internet service provider was the single largest winner of funds in the auction, snagging \$1.3 billion to provide service in 15 states. LTD hired investment agent **RJM & Company** to help raise capital. The FCC said LTD “took none of the ‘appropriate steps’ that the Commission advised Auction 904 applicants

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take to prevent third parties from becoming a ‘conduit for prohibited communications to other applicants, which would violate the rule.’” The proposed forfeiture contains several redacted portions, but it appears RJM managing partner *Richard Moyer* sent several emails and made phone calls to Cox during the auction quiet period, according to the FCC. “Despite having separate conversations with both Commission officials and Cox’s counsel about the communications, LTD failed to report the potential violation to the Commission. Subsequently, this matter was referred to the Enforcement Bureau on May 3, 2021.” LTD has faced its share of issues following the auction, ranging from critics doubtful of its abilities to meet RDOF obligations to struggling to demonstrate eligible telecommunications carrier status in some states. Meanwhile, the FCC announced Tuesday that it’s ready to dole out another \$200 million in RDOF money for deployments in 26 states and the Northern Mariana Islands. **Cable One**, **Cebridge Telecom** and **Qwest** are among companies receiving funding in this ninth round of funding since July 2021. The Commission also announced a number of [defaulted bids](#), making the census blocks in those defaulted bids potentially eligible for other funding programs.

DISH EMBRACES SAMSUNG FOR 5G O-RAN

DISH selected **Samsung** as a partner for the deployment of 5G Open Radio Access Network solutions across the company’s wireless network. The multi-year agreement will see the two entities work together to deploy Samsung’s virtualized RAN solutions and radio units in markets across the U.S. The Samsung radios utilized will also support DISH’s Frequency Division Duplex and Time Division Duplex spectrum bands. DISH has been testing its 5G network using the Samsung Galaxy S22 and plans to continue using Samsung phones as a reference platform throughout the network deployment process.

ROKU’S NEWFRONT NEWS

Roku unveiled new advertising solutions, a collaboration with **Microsoft** and a full slate of originals at its Newfront in NYC on Tuesday. Roku now has a program for retailers to pair shoppable ads with Roku Pay to streamline selling products directly from on-screen ads. Additionally, it is working together with Microsoft to explore how streaming and linear TV advertising impacts online searches. On programming, Roku renewed “Die Harter,” “Most Dangerous Game: New York,” “Children Ruin Everything” and “Chrissy’s Court” and greenlit “Weird: The Al Yankovic Story,” “The Great American Baking Show” and more. Roku also teamed up with production company **Hello Sunshine** to integrate brands into 12 short-form films across a variety of genres. Roku will be bringing back “Roku Recommends,” a weekly entertainment show highlighting content on the platform, for a second season in Sept. As of 1Q22, Roku has 61.3 million active accounts.

HISPANIC FEDERATION, NBCU START INITIATIVE

Comcast NBCUniversal and the Hispanic Federation launched the Latino Digital Equity Centers Initiative to bolster workforce development and digital training programs in the Latino community. Twenty Latino-led and serving non-profit organizations in the U.S. will receive grants totaling \$635,000 to give access to digital

skills learning in Latino communities. The Hispanic Federation will also create the Latino Center of Digital Skills Excellence, a long-term capability center that’ll provide digital workforce development for Latinos. The center will be available to all workforce development agencies in the U.S. and Puerto Rico.

COMCAST LAUNCHES AD SOLUTION

Comcast Technology Solutions created a national linear addressable ad solution for customers and technology partners. Linear Rights Metadata Management (LRM) uses SCTE 224, an event schedule notification interface standard, to provide integrated workflows, enabling ad decisioning for tailored household TV advertising. LRM gives the signaling and advanced metadata required for addressability in ad breaks and takes the metadata of ad assets, normalizes it into SCTE 224 format and stores it in the cloud.

AT THE COMMISSION

The **FCC** is seeking comment on a Second Further Notice of Proposed Rulemaking on whether reforms are necessary to offer the industry regulatory certainty in regard to pole attachments. The rulemaking has a particular focus on the allocation of costs for pole attachments. Comments are due on or before June 27 and reply comments are due July 27.

RATINGS

The first round of the 2022 NBA Playoffs was the most-watched on **ESPN** since 2014, according to **Nielsen**, and is the third-most watched first round on ESPN ever. The eight games broadcast averaged 3.35 million viewers, up 28% from 2021. **ABC** garnered 7.71 million viewers for Game 1 of the Western Conference Semifinals between Golden State and Memphis and peaked at 10.2 million viewers at 6:15pm. Game 1 of the Eastern Conference semis between Milwaukee and Boston on ABC checked in at 5.37 million viewers, peaking with 7.15 million at 3:30pm.

PROGRAMMING

HBO renewed “Game Theory with *Bomani Jones*” for a second season. The show—which features Jones giving his takes on the crossing of sports and culture with sketches and deep dives—wrapped up its first season on **HBO Max** last month. – “Pause with *Sam Jay*” returns for its second season May 20 at 11pm on **HBO Max**. – “*Sharon Osbourne: To Hell & Back*,” a documentary about her music and television career, will premiere on **Fox Nation** in September. The four-part program will also discuss her exit from **CBS**’ “The Talk” and the fallout from it. – Former **CNN** and **Fox News** anchor *Greta Van Susteren* will host **Newsmax**’s debate featuring top candidates for the GOP nomination for Pennsylvania’s open U.S. Senate seat. The event will begin Wednesday at 8pm ET from Grove City College in Pittsburgh.

PEOPLE

Charter promoted *Justin Colwell* to EVP, Connectivity Technology. He will oversee the design and development of Charter’s network architecture. The former **CableLabs** VP, Access Network Technologies will report to Chief Product and Technology Officer *Rich DiGeronimo*.