

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Live from Las Vegas: DISH Shows Off its Wireless Wares at Analyst Day

DISH has just over a month to switch on its wireless network and serve 20% of the U.S. population if it wants to meet its **FCC**-mandated June 14 deadline. Leadership is confident that the company is ready to give it the green light.

DISH Chairman *Charlie Ergen* said during the company's analyst day iTuesday that the final piece of the foundation of the network is in place, and there's no doubt that it will be able to achieve its first of many FCC milestones. Those attending the event in Las Vegas were given an opportunity to test the network themselves and Project Genesis representatives were on-hand to help them get connected. DISH launched Project Genesis on a commercial basis in Vegas last week.

Ergen characterized this moment as monumental and transformational for DISH, and he is more than confident that investors will be cheering once they see the potential impact of the O-RAN network the wireless operator has been building.

"We faced a similar challenge in 1995 when we launched our first satellite... as I sat in China and the satellite launch went successfully, I knew we'd be a Fortune 500 company," he said. "I feel very confident as I stand on this stage today that we have everything that we need to become a Fortune 100 company."

DISH EVP, Network Development *Dave Mayo* proudly proclaimed that "what happens in Vegas is not going to stay in Vegas." The focus now has been on attacking densely-populated areas as they're the most capital-efficient to build out to and

yield approximately 60 POPS per square mile.

No details were offered by our deadline on pricing or plan types, but we do know that DISH will be making a major push on the wireless front in the back half of the year. Launching this fall will also be a new postpaid phone experience: **Boost Infinite**. DISH is taking Boost out of the prepaid market and shifting it to create the new offering, and EVP, Retail Wireless *Steve Stokols* said DISH will leverage Boost's brand recognition to quickly win subscribers. "If we just do what the existing incumbents are and the benchmarks, we think it's reasonable to get 30-40 million subscribers," he said. "We can cross-sell and upsell and take a page out of the cable provider playbook to drive low acquisition costs."

Ergen acknowledged there is still a lot of work ahead before the operator could potentially win that Fortune 100 crown. That includes meeting several years' worth of coverage commitments and monetizing the foundational elements of DISH and turning them into cash flow.

"Every incumbent network in the world today is high cost. They work pretty well, but they're high cost, hard to maintain and they have a ton of legacy that's going to be hard to rip out," he said. "You've heard me say it many times. We are building a **Netflix** in a **Blockbuster** world."

AD REVENUE, TUBI BOOST FOX

Strong performances in advertising set the tone for **Fox Corp.** in FY 3Q22, helped by AVOD **Tubi** as well as **Fox News'** coverage of the conflict in Ukraine. The company recorded a 20% increase



THE CABLEFAX CAFE

After reading what dishes the Cablefax 100 can whip up, our bucket list includes a potluck with the industry's finest.

STARTERS

- Cheese & Crackers - A+E Networks' **Rob Sharenow**
- Chicken & Sausage Gumbo - Cox's **Joiava Philpott**
- Smoked Salmon - Cable One's **Mike Bowker**
- Chipotle Black Bean Chili - Warner Bros. Discovery's **Channing Dungey**
- Toast - Allen Media's **Byron Allen**

MAIN COURSE

- Linguini with White Clam Sauce - Paramount's **Bob Bakish**
- Chicken & Dumplings - Boycom's **Patti Boyers**
- Arroz Imperial con Tostones - Disney's **Rita Ferro**
- Eggplant Parmigiana - Cox's **Sujata Gosalia**
- Paella - Comcast's **Marcien Jenckes**

DESSERT

- Heath Bar Vanilla Custard - FOX's **Eric Shanks**
- Lemon Cookies - Altice USA's **Kristin Malaspina**

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in cable network ad revenue compared to the year prior, driven by pricing and higher ratings offset by breaking news coverage. Other revenues went up 23% thanks to sports sublicensing and **Fox Nation** subscriptions, which has more than tripled in the past 18 months. Television ad revenue saw a \$54 million bump mainly due to strength in pricing and higher ratings, but it's also been assisted by Tubi's growth. The platform's total view time increased 50% and renewed its distribution deal with **Amazon** and signed a custom agreement for **Samsung** Smart TVs. However, when asked about the possibility of sublicensing sports media rights to digital platforms, CEO *Lachlan Murdoch* said rights will remain on linear platforms. "We think that our key rights deserve the ability to stay on our broadcast and cable networks exclusively," he said. "This is very important to us. It both gives our league partners the most breadth and reach that they can achieve in viewership for their fans, but also it's really key to our distribution strategy." Murdoch broke the news of *Tom Brady* joining **Fox Sports** as lead **NFL** analyst when he retires from football, whenever that may be. Fox added an incremental NFL game on Christmas Day this year after last year's Christmas game had over 28 million viewers. The launch of the **USFL** has brought in nearly 20 million TV viewers through three weeks and games on **Fox** and **NBC** average 1.5 million. Fox does anticipate increased investment in its digital platforms, but Murdoch said the company is acting carefully and deliberately when it comes to putting more money into Tubi. "We think it's important that this early life cycle of advertising video on demand services to maintain the highest sort of quality viewer experience," Murdoch said. "We're pleased with where that is, but really would be up to us to increase that ad load and drive revenue and bring it back to profitability." Television EBITDA dropped 74% to \$35 million compared to 2021, which Fox attributes to increased investment in Tubi, higher programming rights amortization and production costs at Fox Sports and an estimated \$30 million write-down of select scripted programming at Fox Entertainment.

NEXSTAR EYES ATSC 3.0 OPPORTUNITY

Nexstar's first quarter was recordbreaking, bringing in revenues of \$1.21 billion. That's an 8.6% increase thanks to increases in core and political advertising, distribution, digital and other revenue sources. Distribution revenue was up 7.5% YOY to \$667.9 million, and stability and improvement in subscriber trends is occurring due to growth in the vMVPD space. More than half of Nexstar's subscriber base will be impacted by renewals by the end of the year. Political ad revenue of \$23.7 million was up 338.9% YOY. The next frontier for the broadcaster is ATSC 3.0 and unlocking more value in its spectrum portfolio. Nexstar aims to cover half of all U.S. TV households with an ATSC 3.0 signal by the end of the year, and its leadership is excited about the revenue opportunities and technological upgrades that will come once NEXTGEN TV is more ubiquitous. Chairman/CEO *Perry Sook* said the recent **NAB Show**

left broadcasters with plenty to think about, including the use of an ATSC 3.0 network signal to improve and correct GPS signals. That could have a major impact for delivery services, driverless vehicles, drones or any other service or product that requires position awareness and precision. "We think that over time, probably end of this decade, that total revenue from monetization of and ancillary uses of our spectrum could rival current distribution revenue," Sook said. Approximately 75% of Nexstar's total net revenue is derived from distribution revenue, he added, so getting a similar win out of its spectrum portfolio would be major.

KAGAN SEES CABLE KEEPING BROADBAND LEAD

Kagan, the media research unit of **S&P Global Market Intelligence**, forecasts that U.S. residential broadband subscriptions should top 122 million by year-end. And everybody—cable, telcos, wireless, satellite—thinks they can grab market share. "There is simply not enough subscribers to accommodate the growth ambitions of each segment," said Kagan, which estimates cable will limit market share loss amid increasing competition with 61.9% of the market through 2026. "Cable operators are on track to reach \$63.71 billion in revenue from broadband in 2022. The projected 7% growth over 2021 is strong but not as hot as annual growth rates of 11% in 2020 or 13% in 2021 when COVID-19 fueled demand for home broadband speed. Over the next five years, we forecast a steady average annual growth rate of 5.2%, driven mostly by an increased focus on expanding cable network passings, which provides cable operators new customers over the near to medium term," said an S&P Global Market Intelligence report. Telcos, on the other hand, are forecasted to dip below 25% market share by 2026. Kagan believes fixed wireless networks will help wireless-only homes grow from 8% to 12.6% of broadband subs by 2026, while it expects satellite to remain niche and hold at 1%.

GOOD KIND OF 'EMERGENCY' AT FETV

It's been about two years since independent network **Family Entertainment Television** made the shift from 100% direct response advertising to a mix with national advertisers such as **Walgreens**, **SC Johnson** and **Merck**. Therefore, this year marks its second of upfront presentations, which are taking place in one-on-one virtual chats. It's got plenty to brag about to clients, with April FETV's best-month ever in prime with 18-49s (17K) and 25-54s (20K). Plus it just delivered its largest 18-49 and 25-54 audiences in prime ever. Helping viewership is FETV's new acquisition, "Emergency!," the 1970s drama series based on a medical and rescue unit of the Los Angeles County Fire Department. For the week ending May 1, *Emergency* provided the 10pm-12am time period its best-ever with Households (161K), Total Audience (201K), Total Adults (198K), Total Men (82K), Adults 18-49 (35K), Women 18-49 (15K), Men 18-49 (20K), Adults 25-54 (43K), Women 25-54 (15K) and Men 25-54 (28K). Of course, FETV isn't the only network airing classic TV or even *Emergency*. It strives to set itself apart by airing shows

in the way they were originally intended to air. “Some of the other networks cut scenes in order to chop down the time and put in more commercial time. We don’t do that,” Karen Bressner, FETV’s EVP of National Sales, told **CFX**. “And sometimes when you have a network that’s airing classic TV, if you’re owned by a larger corporation—**Universal, Sony, Viacom**—there’s a little bit of pressure to put the shows on your air that you own. We don’t have that. We buy them from wherever we need to, to get the best shows on the air.” FETV is in about 41 million homes (stay tune; that number is expected to grow shortly) and features a mix of classic TV, including “Perry Mason,” “Matlock” and “The Lone Ranger.”

NETFLIX WANTS AVOD TIER IN 4Q22

Netflix’s ad-supported tier could be coming sooner than expected. According to the [NYT](#), the company sent a letter to employees indicating that the actual goal would be to bring the lower-cost tier to life in 4Q22. That’s also when efforts to combat account and password sharing will shift into high gear. During the company’s 1Q22 earnings call, co-CEO *Reed Hastings* said the streamer was considering the introduction of an ad-supported option, but made it sound very much like the team was in the early stages of development at best. “That’s something we’re looking at now,” he said. “We’re trying to figure it out over the next year or two, but think of us as quite open to offering even lower prices with advertising as a consumer choice.”

ESHOO BREATHING NEW LIFE INTO CALM ACT

Rep. *Anna Eshoo* (D-CA) is teaming up with Senator *Sheldon Whitehouse* (D-RI) in her latest effort to combat excessively loud television commercials. The duo introduced the Commercial Advertisement Loudness Mitigation (CALM) Modernization Act, an update to the 2010 CALM Act that would extend the law’s prohibition’s to streaming services. It would also give the **FCC** more authority to investigate and enforce violations of the CALM Act by broadcast, cable and satellite TV providers and require a study to be conducted analyzing the effectiveness of the CALM Act.

NCTC CONNECTIVITY EXCHANGE REVEALED

NCTC launched a new program that will allow its member operators to compete and win bids to provide network services to national brands as well as large-scale RFPs. Called Connectivity Exchange, the fully automated platform walks providers through the entire process from quotes to billing and support. NCTC partnered with **Connectbase** (formerly known as Connected2Fiber) and **Neustar** for the platform’s launch.

NTIA CRAFTS TRIBAL BROADBAND TOOLKIT

NTIA released a free broadband planning resource Tuesday for Tribal communities. The [Tribal Broadband Planning Toolkit](#) walks users through seven steps that are typically used to create a tribal broadband plan. Those include steps like assembling a team, exploring data and measuring current broadband availability and preparing a budget. The toolkit includes an Excel-based template that users can use to build out their plan, using the accompanying worksheets as a guide.

ASTOUND STRENGTHENS BOND WITH NETCRACKER

Astound Broadband is expanding its partnership with **Net-**

cracker to bring the latter’s revenue management solutions to some of Astound’s more recent acquisitions. **RCN, Grande** and **Wave** have already been using Netcracker’s billing and charging capabilities, and those will now be extended to **Harris Broadband** and the service areas Astound acquired from **WOW!** in November.

RATINGS

The **T-Nets**’ coverage of the 2022 Stanley Cup Playoffs is up 46% through Sunday compared to similar cable-televized windows in 2021. Saturday’s triple-header averaged 917,000 viewers on **TNT**, with Game 3 of the Pittsburgh Penguins and New York Rangers’ series leading with an average of 1.3 million viewers. Additionally, female viewership for playoff games on TNT and TBS is up 71% from last year.

CARRIAGE

DirectTV is now carrying **Marquee Sports Network** nationwide, making all programming available except for regular-season Chicago Cubs and Chicago Sky games where out-of-market. Pre- and post-game studio coverage will be available, as well as “Cubs Classic,” “Icons of the Ivy” and more. The net is part of DirectTV’s sports pack, which costs \$13.99/month. – **Discovery+** is now available in the U.S. as a premium subscription on the **Roku Channel**. Users can subscribe to the ad-free tier for \$6.99/month or the ad-supported version for \$4.99/month.

OBITUARY

Doug McCormick, a cable veteran who rose to CEO of **Life-time TV Networks** and launched **Lifetime Movie Network**, passed away Monday after a 17-year battle with a rare form of cancer. He was 72. McCormick, who would later become the Chairman and CEO of **iVillage**, is credited with helping transform Lifetime into “Television for Women.” “Once we articulated that, it became really kind of a rallying cry. No one else had done...,” he said in a 2014 [oral history](#) for the **Cable Center**. McCormick, a member of the **Cable TV Pioneers**, later joined VC firm **Rho Capital**. A [funeral mass](#) is scheduled for Thursday in NYC.

PEOPLE

Mike Angus was appointed EVP, U.S. Distribution at **TelevisaUnivision**. He’ll lead distribution of the company’s broadcast and cable networks, the new **VIX** platform and other related content to network distribution partners. Angus joins from **Sinclair** where he oversaw distribution of **Bally Sports** regional networks and other Sinclair stations as SVP, Distribution and Network Relations. – **Segra** named *Ed Aaronson* as CRO. Aaronson was previously VP of **Cox Business** Arizona and has over 30 years of telecommunication experience. – *Charissa Gilmore* was promoted to SVP of Corporate Communications for **Disney General Entertainment**, where she’s responsible for external and internal corporate communications strategies and execution across business operations that support the organization’s portfolio. – *Tim Buckman* has joined **Amazon Prime Video** as Head of PR for **NFL** Programming. Buckman was previously VP, Integrated Communications for the defunct **Black News Channel**. He previously spent several years at **NBCUniversal** and **Comcast Spectacor**.