

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Getting Through: Zaslav Wants Programmers, MVPDs To Get Closer

Broadband growth was largely depressed in 3Q22 after a number of record breaking quarters, and programmers like **Warner Bros. Discovery** are seeing this moment as an opportunity to strike new deals that could make internet packages more attractive to consumers.

"We still believe in the cable bundle... we've modeled that it's going to continue to decline in a meaningful way. But when you have all the sports on this platform, I think it's going to be sturdier than people think," WBD CEO *David Zaslav* said during an appearance at **RBC's 2022 Global TIMT Conference**. "And I think we have a very good hand when we talk to distributors because we've got a lot to offer them." Opportunities to work together include partnerships similar to those that companies like **Verizon** have done in the past where a broadband subscription could come with a better deal on Warner Bros. Discovery's ad-lite products. "The fact that the distributors have run out of growth is a good thing for us because it means maybe we can figure out how to grow together," he said.

That opportunity comes as the industry is grappling with challenges tied to inflation and a deflating ad marketplace. Zaslav described advertising as being weaker than it was during COVID, calling the whole Christmas season a "pretty big miss." Conversations with clients and agencies have revealed that some decisions to withhold spending have been informed by fear and a lack of information on how bad the macroeco-

nomic situation actually is.

"I can't predict what will happen, but we're in the process of really restructuring the cost structure of our company, the efficiency of our company, how we operate in this new environment, and we're going to make our numbers if things get a little bit better," he said. "We're still trying to do our \$12 billion for next year, and we've said things don't have to get really good for us to make that number, but it's going to be hard if it stays this soft for next year."

The reworking of the company comes as Warner Bros. Discovery's engineering teams are hard at work marrying **discovery+** and **HBO Max** ahead of the launch of a combined streaming service this spring. On the programming side, energy has been refocused on HBO Max's original series while library content that was underperforming is being shopped around. Zaslav's content strategy has come under scrutiny in recent months, but he's pulling back the curtain on Discovery's merger with WarnerMedia to give consumers and analysts a better idea of the beast he had to manage. "Last year, HBO spent almost \$7 billion on content and lost \$3 billion on content. I don't know if I've ever seen anything like that," he quipped. "There was a lot that was unexpectedly worse than we thought. But to me, I don't want to buy a company that's really well run [because] it's hard to make it better."

The company's approach to sports content could be next in line to get a retuning. **Turner Sports'** current **NBA** broadcast rights deal expires at the close of the 2024-25 season, and



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Zaslav isn't sure that Warner Bros. Discovery needs to maintain that partnership as it stands today. If a renewal is struck, expect it to look very different as leadership looks at the best way to monetize the sport across linear, streaming and digital.

"You're not reaching people on their devices and there isn't a clear place to go to for that content... HBO Max itself reaches 100 million homes. You can put the NBA on HBO Max, throw in **Bleacher Report's** House of Highlights, all of our production and that could be a hell of a good hand," he said. "I'd like to do a deal with the NBA, but it has to be a deal for the future."

CONGRESS PRESSED ON FCC SPECTRUM AUTHORITY

A group of 25 public interest groups, schools and libraries are asking Congress to renew the **FCC's** spectrum auction authority in a way that allows the agency to distribute licenses in an equitable way. The Commission's spectrum auction authority has been under threat all year with lawmakers granting the FCC a short-term extension that allows it to auction spectrum until Dec. 16. Now, the groups are asking for a renewal or further extension that does not prioritize exclusive-use licensed spectrum over unlicensed or shared spectrum models. The groups, which include **Public Knowledge** and the **Open Technology Institute at New America**, argue that limiting the auction authority to the provision of licensed midband spectrum for exclusive use would be shortsighted, choke innovation in private 5G networks and ensure underserved communities don't receive the service they need. "It would gift spectrum to a highly concentrated industry whose neglect of tribal lands and rural communities is only now being remedied by the widespread deployment of CBRS shared spectrum," the letter

read. "Indeed, failing to provide more mid-band spectrum for CBRS-like sharing and for next generation WiFi would further entrench incumbents by eliminating spectrum access for the incumbent carriers' most successful competitors."

VIAMEDIA ENTERS AD SALES PARTNERSHIP

Pennsylvania-based **Adams Cable Service** has chosen **Viamedia** to manage ad sales in the Eastern and Northeastern parts of the state. Adams Cable will utilize Viamedia's ad platform to help with the needs of local, regional and national DMA-based advertisers. Viamedia's solution includes full-service representation for ad inventory, operational execution and advanced capabilities.

RATINGS

Fox News reclaimed the top spot in prime viewership for the week. Helped by coverage of the 2022 midterm elections, it averaged 3.24 million viewers P2+. **ESPN** followed in second with 2.29 million, with **MSNBC** coming third at 1.7 million. **Paramount** cracked the top five on the heels of the Season 5 premiere of "Yellowstone," checking in at No. 4 with 1.48 million. **Hallmark Channel** rounded the prime top five with 1.22 million. For total day, Fox News had 1.91 million, with MSNBC (986,000), ESPN (818,000), **CNN** (767,000) and Hallmark Channel (670,000) following. – Sunday's Formula 1 Brazilian Grand Prix on **ABC** reeled in 1.4 million viewers, helping it become the third-largest F1 TV audience in the U.S. in 2022. With that, F1 races are averaging 1.2 million viewers across **ESPN**, **ESPN2** and **ABC**, good for a 29% YOY increase. The final reason of the season begins Sunday on ESPN2 and **ESPN+** at 7:55am. – The latest season of **HGTV's** "Love It or List It" has drawn more than 18 million total viewers since its

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Sept. 5 premiere. It averaged a 0.54 L+3 rating among P25-54 and a 0.76 L+3 rating with W25-54, and on **HGTV Go**, the show has been the most-watched series since this season's debut.

– The weather is getting cooler, but the ratings are still hot for **Hallmark Channel**. Its "Countdown to Christmas" event helped it be the most-watched entertainment cable network in 4Q to-date among households, total viewers, viewers 18+ and W18+. Movies "In Merry Measure" and "The Royal Nanny" were the most-watched programs of the day on Friday and Saturday, respectively, among total viewers, households and W18+. So far to-date this holiday season, Countdown to Christmas and **Hallmark Movies & Mysteries'** "Miracles of Christmas" have reached almost 18 million unduplicated viewers.

CARRIAGE

Livestream shopping channels **QVC** and **HSN** launched on **The Roku Channel** Tuesday as their parent company **Qurate Retail Group** looks to expand to new platforms. The two will combine to provide approximately 40 hours of programming per day, showcasing brands and products presented by various celebrity guests. Shows include QVC's "In the Kitchen with David" and HSN's "Gotta See G by Giuliana Rancic." The move boosts Roku Channel's 300+ FAST channel lineup that reaches an estimated 80 million households as of Q421. – **NBCUniversal** and **Roku** are growing their partnership to expand The Roku Channel's news lineup. Starting today, users can access four Spanish-language regional news channels: **Noticias Telemundo California**, **Noticias Telemundo Florida**, **Noticias Telemundo Noreste** and **Noticias Telemundo Texas**. Additionally, FAST channels including "Dateline 24/7," "TODAY All Day" and "Sky News International" will roll out on Roku Channel in early 2023.

FIBER FRENZY

Clearwave Fiber is nearing completion of another step in its goal to bring internet to over 500,000 homes and businesses by the end of 2026. The company announced it's almost finished with a multimillion-dollar network expansion to serve more than 5,000 businesses in Peachtree Corners, Georgia, with construction set to complete in December. Once wrapped up, customers will have access to multi-gigabit symmetrical speeds.

HOLIDAY ROOMS AT HILTON

Hallmark Channel and Hilton Hotels have teamed to let guests stay in suites that are custom-designed for the channel's "Countdown to Christmas" programming event. For a limited time, three Hilton Hotels & Resorts across the U.S. will adorn rooms with holiday décor to provide an immersive experience. A "Cozy Christmas" suite will be available at the Hilton Chicago, as will a "SoCal Christmas" suite at the San Diego Bayfront location and a "Glam Christmas" suite at the Hilton Las Vegas at Resorts World.

ON THE CIRCUIT

Lots happening in the Sunshine State this week. **Strong Women's Alliance** is hosting an event Wednesday in Orlando saluting **Comcast's Rick Lin**, **The Cable Center's Camilla Formica**, **MODco Media's Lynette Fine**, former **ACA Connects** CEO **Matt Polka**, **EarthX TV's Raj Singh** and more. The awards

are set for Orlando, but a Facebook [livestream](#) is planned. The Florida Internet & Television's sixth [FITCon](#) gets underway Thursday at Loews Sapphire Falls Resort at Universal.

DOING GOOD

Comcast awarded \$75,000 in grants and 100 laptops to Veterans Leadership Program in honor of National Veterans & Military Families Month. The Pennsylvania-based non-profit helps veterans find housing and with career development as well as wellness and support services. Veterans Leadership Program will use the grants to create a mobile computer bank to support the work of service coordinators assisting veterans experiencing homelessness and a rural computer bank to serve the state's more remote areas.

PROGRAMMING

HBO comedy special "Atsuko Okatsuka: The Intruder" debuts Dec. 10 at 10pm on the network and will be available to stream on **HBO Max**. – **National Geographic** documentary "The Territory" premieres on the linear network on Dec. 1 at 10pm. The film, centered on the fight of Brazil's indigenous Uru-Eu-Wau-Wau people against deforestation, comes to **Disney+** the next day. – **INSP** greenlit a fourth season for "Ultimate Cowboy Showdown." It will be an "All-Stars" edition and feature top contestants from the first three seasons. – While it doesn't have the broadcast rights to the 2022 World Cup, **ESPN** will still have English- and Spanish-language coverage from Qatar from Thursday until Dec. 18. "ESPN FC" will have daily segments available on **ESPN+** to coincide with "Futbol Américas" hosted by *Herculez Gomez* and *Sebastian Salazar*. *Sam Borden* will report from the U.S. Men's National Team camp as will former USMNT player *Taylor Twellman*, who will help with updates and previews for "SportsCenter." For **ESPN Deportes**, it'll have over 270 hours of news and information on linear as well as "Fútbol Picante," which will be available exclusively on ESPN+. – Four new movies have been given the OK by **Lifetime** as part of the network's "Ripped From the Headlines" series. "How to Murder Your Husband" will debut Jan. 14 at 8pm, followed a week later by "Bad Behind Bars: Jodi Arias" on Jan. 21 at 8pm. "Sherri Papini: I Kidnapped Myself" will premiere Jan. 28 at 8pm and "Gwen Shamblin: Starving for Salvation" will round out the new movies Feb. 4 at 8pm.

PEOPLE

Comcast Business SVP, HR *Andy Topping* joined the board of **C2HR**. He's been with the MVPD since 2003 and also serves as Vice Chairman of the board for the **T. Howard Foundation** and as a trustee for Philadelphia's Springside Chestnut Hill Academy. – To help with its growing customer base, **Quickplay** hired *Peter Cooper* as Senior Director, Customer Success, and *Chris Mitchell* as Senior Director, Infrastructure and Operations. Both were with the company already until 2016 before they moved to **AT&T** and will now help with optimizing the ability of customers to leverage the scalability, flexibility and performance of Quickplay's platform. Cooper was most recently part of the **DirectTV** product management and development team, while Mitchell was Senior Director–Technology, Software Engineering for DirectTV.