

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

To the Max: DirecTV, Newsmax Still Talking Amid the Drama

Even as some members of Congress probe DirecTV’s removal of Newsmax, the two sides haven’t walked away from the negotiating table.

“We are having conversations, but so far, they haven’t moved off of their position. But we have had some discussions in the past week,” Newsmax Media CEO Chris Ruddy told CFX.

The positions here are well known at this point. DirecTV doesn’t want to go from paying nothing for the conservative-leaning news channel to paying what it says amounts to “tens of millions” in licensing fees. Newsmax has described the price as a \$1/sub annual fee. Since no one is letting us see the term sheets, it’s worth noting that it’s typical for contracts to include escalators for subsequent years, which could help explain the differing characterizations. Newsmax believes there is more than economics at play, arguing that DirecTV is silencing conservative media, with the channel drop following One America News’ removal in April.

While it’s obvious by the number of GOP lawmakers backing Newsmax that this isn’t over, Ruddy wants to make one thing clear: Newsmax doesn’t need DirecTV to survive. “Newsmax will grow. We will grow as a result of this, even if we don’t get back on DirecTV,” he said. “We’re already seeing a lot more interest in Newsmax across the board. We’re seeing a lot of people rallying to us and signing our online petition and calling the 800 number.”

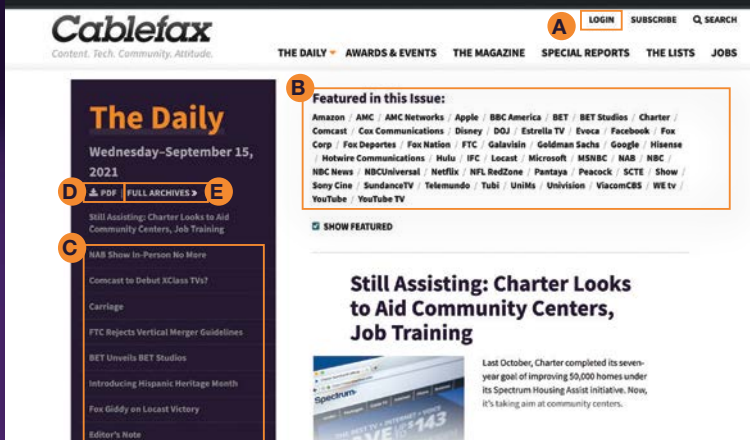
He acknowledged that Newsmax has “a bunch” of renewals coming up, with new deals already in place with NCTC, Verizon

Fios and DISH. The channel also has carriage on Comcast, Charter, Altice USA, Mediacom and many others. “We had 12 million subscribers last year to renew and we renewed close to everybody,” Ruddy said, estimating it lost about 100,000 subscribers from smaller ops, such as Breezeline, that didn’t renew. On the flip side, he said nearly 70 new smaller operators started taking the channel through the NCTC deal.

Newsmax has said no pay TV provider will pay a cent for the channel until it shuts down its free, OTT simulcast stream later this year. No timeline for that yet, but Ruddy said there are still plans to launch a “Newsmax Two” streamer. “It will be a news and information channel with headline news. It’s not going to be like a traditional cable with documentaries and other programs,” he said. “We’re planning on sometime this year launching that. It would be for FAST systems and broadcast, but it’s not going to have the shows we have on Newsmax.”

Newsmax’s removal from DirecTV (when did we start calling this ‘deplatforming?’) got some attention during Tuesday’s Senate Commerce confirmation hearing for Gigi Sohn. While Sen Ted Cruz (R-TX) and some of his colleagues have painted the channel drop as ideological, it’s worth noting that Sohn’s comments are focused on the larger issue of independent programmers and media consolidation. “I think the FCC, because we’ve been so busy working on broadband, sometimes these important media consolidation issues kind of get pushed by the wayside. I think this is an opportunity—the deplatforming of Newsmax—to look at some of the practices around bundling and Most-Favored Nation clauses.”

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DirecTV said it has a long history of supporting independent programmers. “We were the first pay TV operator to provide Newsmax with distribution and more recently were the first to add the conservative 24/7 news network, The First,” the provider said. Ruddy’s not buying that The First, which was added after the Newsmax drop, is any sort of substitution for his channel. “DirecTV replaced it with a simulcast video podcast channel that has no news gathering,” he said.

The two continue to take swings at each other. Newsmax released a letter from Jewish leaders, including Rabbi Arthur Schneier of the Park East Synagogue and former U.S. Ambassador to Israel David Friedman, who said they were troubled by the removal of “the nation’s 4th highest-rated cable news network, and a stalwart ally of Israel.” DirecTV responded Tuesday, reiterating its argument that the dispute is financial, not ideological. It also slammed Newsmax for using its platforms for its arguments. “Each day, the news outlet is publishing nearly two dozen blogs on its website and dozens of posts on its main social handle, creating targeted content for its commentators, leveraging its network of contributors and dedicating significant airtime each hour to our business dispute. In our view these efforts are obscuring facts in pursuit of Newsmax’s own commercial interests, not elucidating the news,” it said.

Meanwhile, Newsmax thinks the spat will get its day in Washington. “We believe that there are very strong discussions right now in Congress for hearings, and they’re deciding which committee is going to handle this,” he said.

DIAMOND SPORTS GROUP MISSING INTEREST PAYMENT

Diamond Sports Group is moving closer to bankruptcy, electing to enter into the 30-day grace period for approximately \$140 million cash interest payments that were scheduled to be paid Wednesday. The payments were tied to its 6.625% Senior Unsecured Notes due 2027, 5.375% 2L Senior Secured Notes due 2026, and 5.375% 3L Senior Secured Notes due 2026. Diamond intends to use the next 30 days to move forward on discussions with creditors and other stakeholders on potential strategic alternatives and deleveraging transactions. S&P Global views the missed interest payments as a default and has lowered its issuer credit ratings on **Diamond Sports Holdings LLC** and its subsidiary Diamond Sports Group to “D” from “CCC”.

AMC NETWORKS HOMECOMING FOR NEW CEO KRISTIN DOLAN

Jim Dolan is passing the **AMC Networks** CEO torch to his wife *Kristin Dolan* effective Feb. 27. She’s led data analytics and mea-

The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



JENNIFER Rogers
EVP, CONSUMER/CORPORATE MARKETING OF U.S. NETWORKS
TELEVISION

3 THINGS TO KNOW

- Jennifer was elevated from SVP, Consumer and Corporate Marketing to her new position that’ll have her manage the strategic development, creation, production and execution of all corporate and consumer campaigns for TU’s U.S. networks. She’ll report to President of U.S. Networks Ignacio Meyer and work out of Miami.
- She’s been at the company for more than 13 years, originally joining as VP, Creative Services. Before that, Jennifer was Director, Sales, Marketing and Production for NBCUniversal, where she helped guide the creation and implementation of client sponsorships for in-show integrations.
- Other focuses in her new role will be on data-driven inventory management, the production of market-leading creative and increased collaboration with TU’s partners in Mexico. Jennifer holds a bachelor’s degree from the University of Pennsylvania and participated in The WICT Network’s Senior Executive Summit at Stanford University in 2021.

surement firm **605** since founding it in 2016 and served as COO of **Cablevision** before it was bought by **Altice USA** in 2016 “Kristin is a proven executive and operational leader with a track record driving organizational change, a history managing subscription-based businesses, and a deep understanding of audience engagement and advertising. These are areas of critical importance as we transform our company and monetize our high-quality content,” said Jim Dolan, who took over as AMCN’s Interim Chairman in December following *Christina Spade*’s sudden exit after three months in the job. Dolan was only set to serve until March 6 or when a replacement was named. Rumblings of Kristin Dolan’s possible appointment were noted by *The Wall Street Journal*, who said the AMCN board member has been a steady presence within the company. It’s familiar ground with Kristin beginning her career at the company, then known as Rainbow Media Holdings, in 1989 in affiliate marketing and distribution. “It’s a privilege to join a company with a long legacy of engaging audiences with excellent storytelling and world-class brands,” she said in a statement. “It’s also where I started my career in the industry. I look forward to bringing my broad experience—across programming, cable operations, and most recently, utilizing data to reimagine television

advertising—to leverage AMC Networks’ strong assets, drive the next phase of the company’s growth, and build shareholder value in the coming years.” She joins after a heavy round of cost-cutting that’s included layoffs and programming as the company hasn’t found the profit it expected in streaming.

FCC SPECTRUM AGENDA WOULD SET THE TONE INTERNATIONALLY

The **FCC** is still waiting on Congress to approve a long-term renewal of the agency’s spectrum auction authority, and **CTIA** Assistant VP, Policy *Doug Brake* believes legislation would not only create a much-needed spectrum agenda for the nation, but also send an important message that the U.S. wants to be an international leader when it comes to making spectrum available for innovation. “We have later this year the World Radio Conference with the ITU, and that is a whole other separate complicated conversation around international spectrum, but to have the U.S. not just clearly identify bands, but also clearly prioritize auction spectrum going into those conversations is absolutely critical,” he said at a webinar hosted by Georgetown’s Center for Business and Public Policy Wednesday. Brake said the 5G race with China is still raging on, but the United States is not as far behind as some had feared. The U.S. is leading in terms of investment, funneling more than four times the amount of dollars that China is into 5G deployment, and in 5G availability. Where there is a difference is in the speed at which the FCC is making licensed midband spectrum available to wireless network operators. “China has already assigned nearly twice the midband compared to the United States as licensed spectrum for wireless operators, and that includes some parts of the lower 3 and 4 GHz bands folks are talking about here in the U.S., but China is also considering making the entire 6 GHz band available for commercial wireless operations,” he said. “So together, assuming they go through with 6 GHz, which I think they’re still studying, still considering, that would make for over 1600 MHz of key 5G midband spectrum available in China.”

COMCAST’S TAKE ON SPECTRUM ONE GOOD FOR SUB GROWTH

Comcast has introduced an offer that offers broadband and mobile together for \$50/month, a move that seemingly mimics **Charter’s** Spectrum One pricing. The offers aren’t identical. Comcast’s promotion is only available to new customers and is limited to speeds of 200 Mbps, but **New Street Research** believes it will give Comcast the same boost to broadband subs experienced by Charter since Spectrum One’s introduction in October. “Given these limits, we expect less of a benefit to broadband subs for Comcast than Charter, but this is still a step in the right direction,” the firm said in a note to clients. “Comcast’s offer should be more profitable, given that it is more limited. We aren’t surprised that Comcast is taking a more conservative approach - they tend to be more focused on preserving near-term margins, while Charter

tends to be more focused on driving long-term penetration.”

NBC SPORTS EXTENDS TOUR DE FRANCE RIGHTS

The Tour de France will stay on **NBC Sports** and **Peacock** in the U.S. through 2029 following an agreement with the Amaury Sport Organization. Peacock will become the exclusive destination for the event starting in 2024, broadcasting each stage from start to finish. Certain stages will also simulcast live on NBC. The Tour de France has been with **Comcast/NBC Sports** since 2001.

VIAMEDIA INKS NEW PARTNERSHIPS

Viamedia is growing its ad sales representation with 11 new service provider partnerships, pushing the total amount to more than 70 MVPDs covering 65 DMAs. Those new partners include **Adams Cable, ATC Broadband, College Cable, HolstonConnect, Norwood Light Electric & Broadband, Oklahoma Electric Cooperative, Pioneer Telephone Cooperative, Ralls Technologies** and **Sandhill Telephone Cooperative**. Viamedia offers full-service partnerships that come with immediate deployment of sales tools, training, research, automation and marketing.

FIBER FRENZY

WOW! completed its fiber edge-out and added its first customers in Headland, Alabama. Residents can now sign up for WOW!’s services that feature symmetrical internet speeds of up to 5 Gbps, unlimited data and no annual contracts. New customers can also receive free professional installation, Visa Rewards gift cards and a subscription to **HBO Max** (depending on the customer’s speed tier). – **Breezeline** wrapped up construction of a 150-mile fiber broadband network that will serve over 1,400 homes and businesses in Mathews, Caroline, Lancaster and Middlesex Counties in Virginia. The \$7.2 million project was funded through a \$4.2 million grant from the Department of Housing and Community Development and \$1.5 million from the counties. Breezeline contributed the remaining \$1.5 million.

FLUFFY RATINGS WIN

“Puppy Bowl XIX” on Sunday garnered over 13.2 million viewers across **Animal Planet, Discovery Channel, TBS, HBO Max** and **discovery+**, the largest audience for the event in five years. It was the top non-sports cable telecast of the day among P25-54, P18-49 and P18-34. A replay is available on HBO Max and discovery+.

PEOPLE

Paul Curran is joining **Cox Media, Cox Communication’s** ad sales division, on Feb. 27 as SVP/GM. He most recently served as EVP, TV for **Cox Media Group**, overseeing programming, operations and sales for brands in nine markets.

Think about that for a minute...

Employing New Skills

Commentary by Steve Effros

It used to be so simple. The “cable business” entailed two essential skills: first was the building an infrastructure. We needed, and still have some of the best engineers in the field who know how to design and build a “cable,” now called a “broadband” plant. That’s the wires, coaxial or fiber, the amplifiers, the earth station receivers, the headends and all the other stuff necessary to get video and other signals distributed to homes around the community.

The other skill was designing, negotiating, packaging, selling and billing for a “bundled” package of video product that we all called “cable television.” To be sure, using the same name for different things, the infrastructure and one type of product delivered via that infrastructure has caused headaches these days, but that’s part of what I keep trying to do: untangle that mess.

So when I mentioned last week that I had finally given up my “cable subscription” there were some snarky comments about my finally “cutting the cord.” But that couldn’t be farther from the truth. I’m just using that cord, the cable system cord, the broadband system cord, in a different way; I now stream my video data from multiple sources instead of buying it all in one package as was the case with the “cable subscription.” Got that?

And, oh, by the way, the cost of the delivery through the system of the subscriptions for the video and data products is, if anything, more expensive than the bundled package I started out with. There is a difference, however, in my ability to choose which parts of that old bundle I value and want more of, so I’m not complaining.

But as I noted a few weeks ago, the economics of how this new streaming service approach is going to work is still up in the air. The original idea of ad free subscriptions is giving way to the pressure of the cost incurred by the programmers and the subsequent inevitable increases in consumer prices. Don’t say we didn’t warn you!

The new ad supported tier now being introduced has its own problems. The movie-heavy product folks want to see isn’t really designed for constant advertising interruptions and it is, to say the least, jarring when it happens. Now maybe that’s intended, to encourage folks to move up to the ad-free tier that costs more, but you’re not making any long term friends if that’s really what you’re doing. Bad idea.

So a new skill that has to be added to the mix is knowing how and when to insert those ads. I still say someone should try at least a grouped “intermission” approach rather than the sudden breaks in the action. We’ll see how that all plays out, but you have to hire some new folks who know how to do it!

Another skill in serious need is knowledge of how to untangle all the data devices now attached to the consumer end of the broadband pipe we provide. To say that it’s getting more and more confusing would be an understatement. I witnessed this first-hand the other day when the power company had to do some repairs around here. They cut the power (after warning us) for about half an hour. My generator, which powers half the house, the “important stuff,” kicked in and everything was fine. But the WiFi devices on one side of the house only worked with old data addresses when the power kicked back on for the other side of the house! Chaos ensued.

I know how to go around and “reboot” certain devices and leave others alone. How many of your customers would know?

You become a hero, and definitely retain customers in a competitive environment if you’ve hired folks with that skill set.



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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