

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Fight Club: WWE, UFC Combination Adds Twist to Media Rights Talks

**WWE** stock fell by more than two points Monday after the media and wrestling company announced its combination with **UFC** under a new, publicly-listed company. UFC owner **Endeavor** will own a 51% controlling stake in the new company. UFC and WWE expect to deliver an estimated \$50-100 million in annualized run rate cost synergies, and a huge focus of the new ownership will be on building WWE's audience through powerful media rights deals.

Unlocking more value for the company through those rights deals had been a stated focus for WWE CEO *Nick Khan*, who will remain in the position post-combination. On the company's 4Q22 earnings call in February, he noted that any potential buyer had to have more than deep pockets to stand out.

"A partner that understands the media business, that's in the media business, that understands how to further monetize the media business, that certainly understands our product, our intellectual property, what we're doing with it, what can be done with it, media rights both domestically and internationally," Khan said. "We see the international growth opportunity is huge."

At the time, Khan was bullish about the opportunity for WWE to attract more buyers than ever before for its slate of content. **USA Network** currently houses "Monday Night Raw" and **Fox** holds the rights to "Smackdown," and those deals will both be up in 2024. Endeavor CFO *Jason Lublin* spoke specifically to the media rights environment during a press call early Monday, noting En-

deavor's history of success in those negotiations when it comes to UFC and other sports properties as well as the ever-climbing prices of sports rights. In Lublin's eyes, the UFC and WWE are both well-positioned for new and emerging distribution platforms and management is already exploring unique direct-to-consumer possibilities. WWE signed a deal in 2021 with **NBCU** that gives **Peacock** the exclusive rights to the **WWE Network** in the U.S.

"We have highly engaged and global fan bases who are young, diverse and incredibly passionate. We also have full control of all rights," he said. "Unlike our peers, we are the owner and the commissioner and have autonomy to make all operational and competition decisions. And of course our content, unlike our peer set, is year-round."

As for where the UFC's rights sit, it signed a five-year broadcast deal in May 2018 with **ESPN** that includes 42 live events annually split across ESPN's networks and **ESPN+**. Prior to that, **Fox Sports** had been the exclusive home of UFC events since 2011. In the U.K. and Ireland, it has called **BT Sport** its distribution partner since 2013. That will continue on for some time as the pair announced a multi-year extension of their broadcast partnership last year.

Endeavor CEO *Ariel Emanuel* will become CEO of the newly-combined company while *Vince McMahon* will become Executive Chairman. How long McMahon sticks around is to be seen as Khan noted during that earnings call that the WWE co-founder was willing to end his involvement with the wrestling giant should that give shareholders the chance to unlock the most value out of a deal.

When asked on **CNBC's** "Halftime Report" why this was the

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moment to sell the company he helped start, McMahon said it is the right time to do the right thing. “It’s the next evolution of the WWE,” he [said](#). “It makes all the sense in the world for all these synergies that we have and to extract all the value we can out of the marketplace.”

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## FRONTIER DROPS NEWSMAX, FUSE

It was no April Fools’ joke. **Frontier** customers awoke on April 1 to television lineups that no longer include **Newsmax**, **Fuse** and **FM**. The provider’s contracts with the networks expired on March 31. In the case of Newsmax, Frontier is balking at being asked to pay for the conservative news network. “Newsmax TV is demanding that we start paying a fee for programming that has been free and available at no cost on their website and app. We don’t think it is fair for our customers to have to absorb this increase in the costs of programming when it is currently available for free,” Frontier said. **DirectTV** dropped Newsmax in late January, citing similar concerns. It [returned](#) the channel last month, with neither side talking about the financial terms. Newsmax said since it began renewals last year, 99% of operators have renewed, representing about 98% of its subscribers. “Frontier’s decision was clearly political, because they will lose far more money in cancellations and lost business without Newsmax,” the network said in a statement. As for Fuse and sister net FM, Frontier said it decided not to renew after a thorough review that included cost and viewership. It’s pointing customers to the Fuse app for some free content or to Fuse+, which is available for \$1.99/month. “With the announcement that Frontier is moving away from being a video content provider, we look forward to exploring our distribution options with their video partners,” **Fuse Media** said in a statement. Frontier still offers traditional video services, but **YouTube TV** has increasingly become its primary offering for new customers. It just [expanded](#) the partnership so that YouTube TV customers that subscribe to Frontier for internet can now be charged through a single billing option.

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## OPERATORS CHECK IN AFTER WEEKEND’S MASSIVE STORMS

After a series of storms tore a path from Arkansas to New Jersey over the weekend, operators are assessing the damage and stepping up to get people to safety. **Conway Corp.** is located about 30 miles north of where a tornado passed through Little Rock and North Little Rock, Arkansas. It didn’t have its system impacted by the storm, but the company sent an electric crew to help with power restoration in North Little Rock, a spokesperson told **CFX**. The crew was sent out Saturday morning and will remain there for as long as it is needed, and many of Conway’s

employees have joined relief efforts in Little Rock and other areas in the state. “It was a devastating afternoon for our state and it will take some time to clean up and rebuild, but we are definitely seeing the best of the people in our state as they work together to help those most impacted,” the spokesperson said. **Charter** told **CFX** it didn’t see damage from the storms to its key network facilities or Spectrum stores. Some customers were impacted by a loss of power in their homes or businesses, and technicians are working to make necessary repairs in the field. In a series of [tweets](#), **Armstrong** said the storms caused extensive damage to utility poles in its service area, which includes Pennsylvania, New York and Maryland, that left thousands without power as of Monday morning. To help with relief efforts, **Comcast** is opening Xfinity WiFi hotspots for anyone to use for free in the areas of Little Rock, Arkansas, and Covington, Tennessee. They’ll remain available for 14 days.

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## SINCLAIR SWITCHES UP WITH HOLDING COMPANY

**Sinclair** is planning a reorganization that would place the entire company’s structure under a new holding company, Sinclair, Inc. That will become the publicly-traded parent of **Sinclair Broadcast** and its subsidiaries moving forward. The new structure places Sinclair Television Group and **Diamond Sports** under Sinclair Broadcast Group while the **Tennis Channel**, marketing company **Compulse** and private equity and real estate assets will be managed under Sinclair Ventures. In a statement, Sinclair President/CEO *Chris Ripley* said the decision to move the Tennis Channel and the other assets away from the broadcast division was to give them greater visibility, calling some of them buried in their previous home.

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## ROSENWORCEL: LAW DOESN’T LET VMVPDS BE COUNTED AS MVPDS

Broadcasters pushing for the **FCC** to complete its 2014 vMVPD proceeding got some unwelcome news in the form of a recently released letter from FCC Chairwoman *Jessica Rosenworcel* to Sen. *Chuck Grassley* (R-IA). In the missive posted on the FCC’s website Friday, Rosenworcel said that vMVPDs don’t neatly fit the statutory definition of an MVPD and it would take Congress changing the underlying law as well as changes to the underlying copyright policy. “When the Commission last attempted to address this matter, in a notice of proposed rulemaking in 2014, the record revealed significant concerns with the agency asserting jurisdiction over MVPDs in a way that the statutory framework was not designed to support in 1984 or 1992,” she wrote. Rosenworcel acknowl-

edged that broadcasters have been [pushing for a refresh](#) of the 2014 proceeding. “In light of the statutory constraints outlined above, the Media Bureau is carefully reviewing the record as it assesses appropriate next steps,” she wrote. “Finally, in light of the decades-old legal framework governing these matters, please know I would be happy to work with you to update underlying law to better reflect the current marketplace.” Grassley had written the FCC in February regarding concerns Iowa broadcasters have about being cut out of the retransmission consent negotiations process with vMVPDs such as **Hulu + Live TV** and **YouTube TV**.

## 17 MILLION+ SIGN UP FOR ACP

The FCC’s Affordable Connectivity Program has reached another milestone, recording more than 17 million households that have signed up to receive a monthly broadband subsidy. The agency accompanied the update with the introduction of a number of changes and enhancements to the sign-up process, which has been a challenge for both ISPs and households that qualify for the program. The enhancements are largely meant to simplify the application process, hopefully lessening the amount of time it takes households to enroll in the program. Among them are clearer instructions, a reduction in the number of steps in the enrollment process and the simplification of language throughout. The enhancements were developed in consultation with ISPs, digital equity advocates and digital navigators.

## JUDGE DISMISSES CIRCLE CITY SUITS

A federal appeals court dismissed racial discrimination suits filed by **Circle City Broadcasting** against **DISH** and **DirecTV**. “There are no genuine issues of material fact as to whether DISH intentionally discriminated against Circle City in contract negotiations because Circle City is a Black owned business. And there is simply no evidence that race was the ‘but for’ cause that prevented DISH from entering into a contract with Circle City,” the court said in granting DISH’s motion for summary judgment Friday. The judge made a similar determination in granting DirecTV’s motion for summary judgment, writing that “without any evidence—direct or circumstantial—to support a reasonable inference of discriminatory motive, a jury could not find that DirecTV’s contracting decision was based on Circle City being a black owned business.” Circle City was formed in 2019 by *DuJuan McCoy* to buy WISH-TV and WNDY-TV in Indianapolis from **Nexstar** for \$42.5mIn. In separate racial discrimination [lawsuits](#) filed in 2020, Circle City claimed DISH and DirecTV offered it what it believes are only a tiny fraction of the fees the satellite provider paid to Nexstar.

## GRAIN ADDS QUINTILLION

DC-based investment firm **Grain Management** has acquired **Quintillion**, a fiber provider that offers broadband to Northern Alaska. Its network, which includes 1,200 miles of subsea fiber and 500 miles of terrestrial fiber, has the capacity to deliver

gigabit and terabit bandwidth to residents and businesses in its footprint. Grain Management’s portfolio of ISPs also includes **Hunter Communications**, **Conexao Group**, **Summit Broadband** and **Ritter Communications**.

## CISCO GOES FOR LIGHTSPIN

**Cisco** intends to acquire **Lightspin Technologies**, a privately-held cloud security software company based in Tel Aviv, Israel. The company focuses on end-to-end cloud security posture management. Lightspin’s team will join Cisco’s Emerging Technologies & Incubation business at close.

## RATINGS

It was a record-setting championship weekend for **ESPN**, recording the most-viewed women’s college basketball Final Four and championship game on record according to **Nielsen** fast nationals. The two semifinal contests combined to deliver 4.5 million average viewers, a 66% YOY improvement. LSU’s win over Virginia Tech notched 3.4 million viewers and peaked at 5 million, before Iowa’s upset over defending champ South Carolina had 5.5 million viewers—which made it the most-viewed WCBB semifinal game on record—and peaked at 6.6 million. The title bout between LSU and Iowa on **ABC** and ESPN platforms had 9.9 million viewers and peaked at 12.6 million, good for a 103% YOY jump. The Tigers’ win also helped ESPN+ have its most-viewed collegiate event ever for both men’s or women’s sports. – **MLB** Opening Day ratings are continuing to trickle in. **ESPN’s** Opening Night broadcast of the White Sox-Astros on Thursday averaged 1.64 million viewers, up 20% compared to last year’s Opening Night game on **ESPN2** (Braves-Reds). The game peaked at 9pm with 2 million viewers, helping it be the most-viewed program of the day on cable in key people and male demos. For **NESN’s** broadcast of the Orioles-Red Sox, it had household ratings improve 24% and household impressions increase 26% compared to 2022. **Bally Sports** got in on the Opening Day frenzy, with Bally Sports San Diego having its most-watched Opening Day broadcast in its 11-year history for the Padres—up 75% YOY, according to **Nielsen**. The Angels on **Bally Sports West** also had its best Opening Day broadcast in the RSN’s history, notching a 25% improvement YOY. Three other teams—the Rays on **Bally Sports Sun**, the Diamondbacks on **Bally Sports Arizona** and Rangers on **Bally Sports Southwest**—also had YOY growth of over 20%.

## PEOPLE

**Archtop Fiber** added a pair of VPs. Former **Altice USA** SVP, Customer Relations *Kathy Kirchner* is joining as VP, Operations, where she’ll manage the company’s field operations and lead efforts to enhance the customer experience. *John Boolukos* will be the new VP, Business Services. Boolukos began his career in telecom at **MCI**, eventually becoming Area VP for **Verizon Business** in NYC and Regional VP for the Northeast and mid-Atlantic for **Earthlink**.