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WHAT THE INDUSTRY READS FIRST

Pros & Cons: Paramount CTO's AI Excitement is Coupled with Challenges

Artificial intelligence has left its stamp on nearly every facet of the streaming industry over the past year, but that doesn't mean the technology isn't bringing forth its fair share of challenges. And when you combine AI's rapid rise with growing concerns about the public's trust in it, companies are trying to get ahead of future roadblocks so they can continue to maximize its benefits.

Paramount EVP/CTO/Head of Multiplatform Operations **Phil Wiser** was on hand for a keynote fireside chat during **NAB Show's** Streaming Summit on Monday with Streaming Summit Conference Chairman **Dan Rayburn**. He acknowledged AI will fundamentally change the way Paramount makes content, but it's still "another very interesting tool." Paramount uses AI for tasks such as summarizing show or movie scripts, but when it comes to actually writing a script, it's still well behind what a room of writers could accomplish.

"You have to be very sensible about what it can create from scratch and how to use it," Wiser said, adding that he sees AI having a positive impact on marketing too. "The two big investments as a media company are the content and marketing, and marketing is based on derivative works, which AI is really good at. Take this image and turn it into a video, or take this video, cut it down to a section that's 30 seconds, and has these characteristics."

Paramount, along with other programmers, has been using AI

to optimize content recommendations for users for its custom carousels on platforms like **Paramount+**. It's also starting to use it more for generating artwork promoting shows or in other general advertisements. Wiser still sees AI on a five-to-10-year journey for mass adoption, and he compared the tech to the introduction of the internet in that only time will tell before it alters how folks operate and manage systems.

There's plenty of excitement about AI, but there's plenty of trepidation, too. Deepfakes are becoming common ways for misinformation to be spread, and it's led to the general public's trust in AI to decrease unless guardrails are put in place whether by companies or by the government. Rayburn brought up the use of Dolby Vision as a video industry standard, and Wiser thinks that could be a model to take and use for AI.

"I think we have to try to do that, and we're talking with others about it," Wiser said. "I think it's worthwhile for all of us to go and figure out what we can do to develop trust. It's not going to be purely technical. It's going to require something beyond this technology."

Not many folks in the crowd would disagree with Wiser's take on AI's current and future impacts, which is why Rayburn knew an AI-specific track would be a welcome addition to this year's Streaming Summit. To him, it's not about marveling at the technology's mystique—he wants to showcase its real uses and be realistic about how much it really will change the industry.

"AI is important, however, what's important is actually seeing

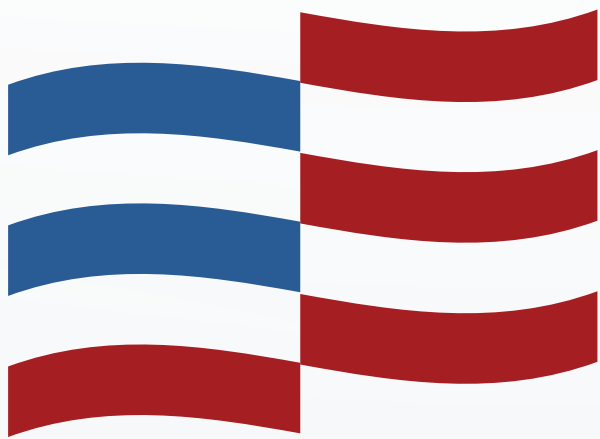


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the practical use cases for AI,” Rayburn said. “AI is not a product. AI is not a service. AI is a technology, it’s part of a larger platform. For any of the vendors on the show floor right now saying they’re selling AI, you are wrong ... The most important thing is we have to be realistic of what’s going on in the market.”

By being realistic, Rayburn pointed to other trends that were deemed revolutionary but never lived up to the hype. That included peer-to-peer networking, multicasting, a supposed all-in-one Apple TV and most recently blockchain technology and edge computing.

“But the problem with all those things is that [they didn’t] help to solve business problems,” he added.

DIRECTV TO APPEAL NEXSTAR RULING ON ANTITRUST CASE

DirecTV has informed the U.S. District Court for the Southern District of New York that it plans to appeal the court’s March 20 decision granting **Nexstar**’s motion to dismiss the pay TV’s antitrust challenge. It will appeal the case to the Second Circuit. DirecTV filed its lawsuit in March 2023, claiming that Nexstar violates federal antitrust law by engaging in an illegal conspiracy with **Mission Broadcasting** and **White Knight** to manipulate, raise and fix prices of retransmission consent fees. The lower court said DirecTV’s injuries are too indirect and speculative to confer antitrust standing. A day after the ruling, the FCC found that Nexstar and Mission apparently willfully and repeatedly violated several Commission rules, including its 39% national audience cap, through their WPIX transactions. The agency proposed a more than \$1.2 million forfeiture against Nexstar and a more than \$600,000 fine for Mission. The broadcasters have until April 30 to pay or appeal the proposed forfeitures.

MEASURED APPROACH AT NAB

NAB Show Streaming Summit Conference Chairman *Dan Rayburn* didn’t pull any punches during his welcome keynote Monday. While Rayburn opened the Summit with an overview of the latest figures pertaining to profitability, subscriber growth and viewership, it preceded a candid “What the industry isn’t discussing, but should be” portion that pinpointed issues that he deems important for folks in attendance to think about. First on Rayburn’s list was the hype around FAST channels. His issue with FAST’s growth and hubbub is the transparency companies offer into how their FAST platforms perform. Rayburn touted **Vizio** as one of the primary FAST providers to disclose the amount of advertising revenue it gets from FAST channels, but said others, including **Pluto TV** and **Xumo**, don’t do so. Another issue for Rayburn is one that’s been heavily contested in recent years: audience measurement, and

in particular **Nielsen**’s methodologies. Some companies release ratings based on total viewers, others use average minute audience, and then there’s the case of **Prime Video** and Thursday Night Football, which doesn’t disclose if a viewer is someone who engages with the program or if it’s recorded as a viewer if someone logs on to the Prime Video homepage. “I gave Nielsen an opportunity to come to the show for free and talk to me for 30 minutes about their methodology. They declined,” he noted. The football trend continued when Rayburn mentioned the lack of using dynamic ad insertion during the Super Bowl. The Super Bowl, along with other major events, hasn’t used DAI in a way to combat problems like repetitive ads and lack of targeting. Rayburn views DAI as a missed opportunity, yet one that remains able to be capitalized on.

LUCAS JOINS COMCAST BOARD

Former **Hallmark Media Networks** President/CEO *Wonya Lucas* was appointed as an independent director on **Comcast**’s board. She has not yet been appointed to serve as a member of any board committee. Lucas stepped down from her Hallmark Media role at the end of last year, but served on Hallmark Media’s board until resigning this month. She has served as a director of Atlanta Braves Holdings since 2023. Before joining Hallmark Media in 2020, Lucas was President and CEO of **Public Broadcasting Atlanta**.

S&P GLOBAL STILL LIKES SPORTS FOR BROADCASTERS

S&P Global is changing its outlook on local broadcasters as more consumers and advertisers move away from the pay TV space. It expects retransmission consent and core advertising (excluding political) revenues to modestly decline over time, while political advertising revenue remains stable. The firm does prefer broadcast TV to other TV subsectors because of its focus on local news and sports, and it believes the impact of announcements like the sports jv from **Warner Bros. Discovery**, **Fox Corp.** and **Disney** and **DirecTV**’s “No Locals” package will be relatively muted. The jv, in particular, could in fact benefit **ABC** and **Fox** affiliates. “Since this is a virtual pay-TV bundle, we expect that ABC- and Fox-affiliated TV stations will be included and local TV broadcasters will get paid through an arrangement similar to those with other virtual pay-TV distributors,” the firm said in a note to clients. “Depending on how much the partial sports pay-TV bundle attracts cord-cutters or cord-nevers (people who have never subscribed to pay-TV), this could provide an incremental benefit to the ABC and Fox affiliates.”

HUNDREDS SHOW SUPPORT FOR ACP DISCHARGE PETITION

More than 200 organizations including **Public Knowledge**, the **Benton Institute for Broadband & Society** and **Common Sense Media** sent a letter to members of the House of Representatives urging them to sign Rep. *Yvette Clarke's* (D-NY) discharge petition to force a vote on the Affordable Connectivity Program Extension Act. The legislation would allocate \$7 billion to keep the ACP running beyond May. "Critically, a lapse in funding for the ACP could limit the impact of Congress' historic \$42 billion investment in connecting every unserved American under the Broadband, Equity, Access and Deployment (BEAD) Program. BEAD and ACP were designed to work hand-in-hand, with the ACP reducing the per-household subsidy needed to incentivize providers to build in rural areas by 25%," the letter said.

AFRICA CHANNEL, BLKFAM OPEN DOORS FOR DIVERSE PROGRAMS

Black-focused family streamer **BLKFAM** struck a partnership with **The Africa Channel** that will see the two collaborate on co-branded content, distribution, marketing, promotion and ad sales. A new BLKFAM programming block will be developed for The Africa Channel, and there are plans to bring a branded BLKFAM hub to streaming platform **Demand Africa** later this year. Additionally, a TAC on BLKFAM destination will feature TAC content on the BLKFAM site, mobile and CTV apps. In the future, the pair plan to launch a FAST channel for BLKFAM that The Africa Channel will help program and manage.

NAB NOTEBOOK

NBCUniversal launched personalized broadcast experiences via its NextGen TV OTA channels on **NBC-** and **Telemundo-**owned stations in the four markets of New York, L.A., Philadelphia and Miami. Other markets will deploy the product soon. The new product focuses on personalization, hyper-localization and content capabilities. It will allow users to restart programs if they join in progress while also accessing hyper-localized elements like weather information. Additionally, users can view clips, full episodes and alternate programming from NBC/Telemundo's local and national news, sports and entertainment shows and events. – In similar news, the interactive entertainment company **ROXI** is partnering with several major broadcasters to introduce interactive TV channels across the U.S. The channels use ROXI's FastStream technology to give viewers more functionality with the content they're viewing. That includes channels being able to start at the beginning of a program when you access it, fast forward and rewind capabilities and instant access to a particular segment with a remote. Those set to use the technology are members of **Pearl TV**, the broadcaster trade body, whose roster includes **Cox Media Group**, **Gray Television**, **Nexstar**, **Sinclair**, **TEGNA**, **Scripps** and more. The initial batch of channels will

be music-focused, but ROXI is working on channels for other genres including news, entertainment and sports. – Real-time 3D graphics and virtual studio solutions manufacturer **Brainstorm** is teaming up with **AccuWeather** to create a new generation of 3D weather applications for TV. It combines Brainstorm's technology for AR, VR and 3D with AccuWeather's data visualization tools. TV stations and other content creators can use the solutions for more detailed weather forecast information.

IN MEMORY

A+E Networks has set up a [website](#) in honor of *Deborah McBride*, who passed away last month at age 45 after a short battle with brain cancer. McBride served as VP, Corporate Communications at A+E and also had worked for **Game Show Network**, **Turner Broadcasting** and **G4 Media**. "Our hearts are with her husband *Brendan Hermes* and her children *Elyse*, *Sean* and *Margot* during this time of unfathomable loss. Deb loved history and learning, and she was forever curious and in awe of the beauty of the world around her. She used her brilliant talents to lift up others," reads the site, which invites visitors to donate to McBride's childrens' 529 college savings plans.

DOING GOOD

Altice USA's Optimum renewed its partnership with the **Boys & Girls Clubs of America**, committing \$250,000 for the fifth year in a row to support communities across its 21-state footprint. Beyond financial support, Altice USA will offer high-speed internet services and STEM learning opportunities to students in Optimum communities as well as device donations, the development of technology centers and more.

HALLMARK MEDIA'S MAKE HER MARK CONTINUES

Hallmark Media is adding two participants to its Make Her Mark Women's Directing Program to round out its pilot year: *Kay Metchie* and *Eva Tavares*. The effort gives aspiring female filmmakers the opportunity to shadow an experienced Hallmark director throughout the production process of a film, and work together with their mentor toward the goal of directing a Hallmark movie on their own. Metchie shadowed *Mike Rohl* on the set of **Hallmark Mystery's** "The Cases of Mystery Lane: Death is Listening," and Tavares is set to shadow *Peter Benson* on an untitled Countdown to Christmas film scheduled to head into production this month.

PROGRAMMING

ESPN Films greenlit a "30 for 30" documentary that turns the cameras within, chronicling the life of the late *Stuart Scott*. The story chronicles his rise to fame at ESPN, his impact on media and culture, and the personal pain of divorce and the battle with cancer that would take his life at age 49.