

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Carriage Storm: Industry Navigates Rough Weather, Forecast Cloudy

While **Comcast** went out proactively with the news of credits generally between \$8-10 for subscribers impacted by the loss of **Diamond Sports' Bally Sports Networks**, **Fubo** is taking a different approach.

The vMVPD responded to customers on social media overnight who asked if the loss of **Warner Bros. Discovery** networks would mean their monthly bills would be declining or if a credit would be issued to their accounts. "Unfortunately, at this time, there will be no changes to the billing," the Fubo Support account said on X. When **CFX** reached out to Fubo regarding billing plans, a spokesperson said their Tuesday statement around the circumstances of the loss of carriage captured the company's "full comment at the moment."

The **FCC's** currently considering a [rule](#) that would require MVPDs to issue credits to customers for programming lost during blackouts, but importantly it wouldn't apply to vMVPDs like Fubo or **YouTube TV**, just like retrans requirements don't apply to those providers.

Comcast handles programming negotiations for **Midco**, which lost **Bally Sports Kansas City** and **Bally Sports North** in its footprint. It has not announced credit plans at this point. "We're hopeful this will come to a resolution quickly. When it does, we'll determine how to best support our customers. If needed, we are prepared to credit those impacted," a spokesperson said.

As for when (or if) the blackouts may end, that's a guessing

game for now. Comcast is continuing its hardline stance that the RSN model needs to change. This first began in October when the operator reached a deal with **Root Sports Northwest** that moved the RSN from its digital basic package to its less popular digital preferred package. It's struck similar deals that have moved **MASN** and **SportsNet Pittsburgh** to less widely distributed tiers. The same thing happened with **MLB's** TV deals for Padres and Diamondbacks games, which instead of being on the digital basic tier like they were last year after they split with Bally were moved to the less widely distributed digital preferred package.

Comcast and Diamond extended their contract when it expired in September. According to sources familiar with the situation, Diamond had the right in March to extend the agreement to a year if it agreed to the package flexibility of digital preferred, but it declined.

Of course, RSNs are quick to note Comcast has its own regional sports networks, including **NBC Sports Philadelphia**, **NBC Sports Bay Area** and **NBC Sports Net Chicago** (the latter could go away soon with the Bulls, Blackhawks and White Sox considering starting their own RSNs). The NBC Sports RSNs haven't been retired. While they are all under the same parent company, **NBCUniversal's** distribution arm negotiates with Comcast as well as non-affiliated MVPDs and programmers don't rush to rip up existing agreements early for less distribution. The writing is certainly on the wall for MVPDs to push for more flexibility in carriage of NBC Sports RSNs in future deals, however. We're not sure who might be first, but note that NBCU struck a comprehensive deal with **Charter** in January



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2021 that included the entire portfolio along with the RSNs as well as the ability to let customers sign up for the **Peacock** app through its platform. Given the 4-5 year nature of many deals, it would seem this is one that may be up relatively soon.

While Diamond Sports figures out its next move with Comcast, it has one less worry. Its deal with **DirectTV** is now signed. DirectTV said the agreement gives it more packaging flexibility in offering several Diamond RSNs. It made the same boast last July when it renewed Charter's **Spectrum SportsNet** and **SportsNet LA** RSNs, declaring that deal featured a "significantly lower" penetration threshold that gave it more options for customers not interested in sports. The Bally nets aren't leaving any DirectTV packages for now—though speculation is that they could move to less penetrated packages over time under the deal. Like Charter, DirectTV offers an RSN-free programming package. Additionally, DirectTV Choice, Ultimate and Premiere customers will soon be able to stream Diamond RSN content by authenticating their DirectTV subscription credentials on the Bally Sports app.

As for Fubo-Warner Bros Discovery, the programmer said it proposed an extension to their current agreement with no changes or price increases, while Fubo claims WBD continued to offer "above-market rates" and no counter offers. Some customers online expressed confusion over how many networks were impacted, but a new page on Fubo's support page lays out the channels that have gone dark across its tiers. The total is 19 networks—nine from the company's Pro, Elite, Premier and Ultimate tiers; seven from Fubo Extra and three across Fubo Latino and Latino Plus. The page also says Fubo has no information as to if or when WBD networks will come back to the vMVPD, and that's not surprising given Fubo's antitrust lawsuit against a sports streaming JV being formed by Disney, Fox and WBD.

Oh, and while we're on the subject of carriage negotiations, Charter and **Paramount Global** are continuing to talk, fyi. - Sara Winegardner contributed to this story.

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## ON THE GROUND AT COLUMBIA

The world was watching over the last few weeks as Columbia University students, faculty and more from the NYC area joined together to protest the Israel-Hamas war, and we saw some familiar faces throughout the coverage. **FCC** Commissioner *Brendan Carr* appeared on **NewsNation** on Tuesday from NYC near Columbia University's campus, saying he was in town for work events and wanted to see what was happening on the ground. He believes the First Amendment allows everyone protesting to express their viewpoints, but that those protesting on Columbia's campus had overstepped. "There's also a line that can be crossed when people engage in violent conduct including storming buildings and barricading in buildings. That's not conduct that is protected by the

## The WHO and the WHY

CFX's spotlight on recent new hires & promotions



**MICHAEL  
Corn**  
PRESIDENT, PROGRAMMING & SPECIALS  
NEWSNATION

### 3 THINGS TO KNOW

- Michael is re-locating full-time to NewsNation's New York bureau to help grow some of the network's flagship programs like "Morning in America," "Elizabeth Vargas Reports" and "Dan Abrams Live." He's been President, News since 2021 and has signed a new multi-year agreement to remain at NewsNation. Michael will report to Sean Compton, President of Nexstar's Networks division.
- He's overseen the creation of multiple programs during his time at the network, including "Cuomo," which has its total audience up 20% overall year-to-date compared to 2023. Michael has also been at the forefront of multiple town halls in addition to sealing deal renewals for primetime hosts Dan Abrams and Ashleigh Banfield earlier this year.
- Michael has worked alongside Cherie Grzech, who was promoted to President and Managing Editor, News & Politics, to help NewsNation become a 24-hour cable news network during the week. Before NewsNation, Michael was a Senior Executive Producer for ABC News' "Good Morning America" for nearly seven years and also was an EP for "ABC World News Tonight" with Diane Sawyer for three years.

First Amendment, and so I think it's right that the NYPD comes in and attempts to restore some sort of law and order," he said. "Everybody gets to have their political views, but we have time, place and manner restrictions and you can't break into buildings." One of the outlets offering a glimpse into the scene is **Spectrum News NY1**, which is seeing a bump in ratings as folks tune in. Spectrum News NY1, whose footage was featured on CNN Tuesday night, recorded a 125% jump in Nielsen household viewership from 9pm-11:30 Tuesday compared to the average set in April. Across the full 8pm-12:15am coverage, the network had a 63% increase in Nielsen household viewership compared to April. NY1's coverage included reports from both Columbia and City College.

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## FETTERMAN POSES NEW LAW TO ROLL ACP INTO USF

We're officially in the final month of the Affordable Connectivity Program, and **FCC** Chair *Jessica Rosenworcel* kicked off May by sending a letter to Congress pleading for additional funding for the subsidy program. She laid out once again the potential con-

sequences of the program’s shutdown, including customer disconnections from broadband service and broader consequences tied to the BEAD program’s success. Congressional efforts to direct more funding to the ACP are not dead yet. Senator *John Fetterman* (D-PA) introduced legislation Tuesday that recommends the ACP be rolled into the Universal Service Fund and that the contributions base of the USF to include Big Tech. Proposals like those included in the Promoting Affordable Connectivity Act of 2024 have been discussed as stakeholders threw around ideas on how to save the ACP, and **USTelecom** is a supporter of Fetterman’s plan. “It is long past time for the largest global internet companies to join with the telecom sector to responsibly and accountably contribute to our shared goals of connectivity and affordability,” USTelecom SVP, Government Affairs *Brandon Heiner* said in a statement. “We appreciate Senator Fetterman’s leadership in establishing a stable and sustainable funding source for ACP and the universal service program.”

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### AT THE COMMISSION

**FCC** Chair *Jessica Rosenworcel* and Commissioner *Brendan Carr* announced a proposal that would ensure telecommunications certifications bodies and test labs that are responsible for the certification of wireless devices for the U.S. market are not influenced by untrustworthy actors or those that post national security concerns. Right now, the FCC’s equipment authorization program, overseen by the Office of Engineering and Technology, reviews wireless devices before they go on sale in the U.S. to ensure they abide by various power and spectrum band requirements. The office authorizes the test labs and telecom certifications bodies that are primary testers and certifiers of that equipment. The proposal will be considered and voted on during the Commission’s May open meeting.

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### CRUNCHYROLL LATEST STREAMER TO RAISE PRICES

Though **Crunchyroll** hasn’t raised its prices in five years, it joined the list of streaming services that are upping their costs for two tiers in select countries. The Mega Fan tier will move from \$9.99/month to \$11.99/month, and the Ultimate Fan tier will increase from \$14.99/month to \$15.99/month. The Fan plan will remain at \$7.99/month. Countries impacted include the U.S., Argentina, Colombia, France, Portugal and more. Crunchyroll is also shifting its free-trial period from 14 days to seven.

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### GLAAD’S LGBTQ+ TV STUDY

**GLAAD** unveiled its 19th “Where We Are on TV” study Wednesday, showing insights on where things stand with LGBTQ+ representation on screens. It found that 8.6% of series regulars across primetime scripted broadcast programming were LGBTQ, which is down 2% from the previous 2022-23 study. GLAAD also found 49 LGBTQ series regulars and 28 recurring characters on primetime scripted cable. That total of 77 is a

decrease of 62 characters from the last study. Across all platforms, which are comprised of 468 LGBTQ characters, there are 24 transgender characters—down from 32. And of those 468, approximately 50% are characters of color.

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### FIBER FAST HOMES ADDS MYBUNDLE’S STREAMING CHOICE

**Fiber Fast Homes**, a provider part of the Boston Omaha portfolio, is enhancing its content streaming services with its partner **MyBundle**. Fiber Fast Homes has offered MyBundle since 2022, and it’s now introducing the Streaming Choice feature that allows residential customers to earn streaming credits as part of Fiber Fast Homes’ broadband bundles. The credits can be used to pay for internet service charges or for users to apply to streaming subscription costs. Available streaming services for Fiber Fast Homes includes **Apple TV+, Hulu, Netflix, Prime Video** and several more.

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### FRONTIER IS ‘GOOD TO GO’

**Frontier** is launching a new ad campaign to showcase its fiber network offerings. Titled “Good to Go,” it includes Frontier’s “Internet of a Lifetime” video that emphasizes fiber’s constant presence despite all of life’s changes. Frontier worked with the creative agency McCann New York on the campaign. To go with the deal, Frontier is offering a 30-day money back guarantee for its fiber internet customers.

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### FUBO EXPANDS CTV AD UNITS

**Fubo** unveiled four new CTV ad units during the IAB NewFronts on Wednesday. It’s offering a new proprietary concept called “The Marquee,” which lets advertisers curate customizable content carousels located on Fubo’s home screen. The vMVPD is also enabling interactive ads that allow for calls to action that audiences can engage with using their remote controls. Pause Ads will be launched and appear a few seconds after a viewer presses pause while streaming content, and Fubo is enhancing its banner ads by increasing its targeting capabilities to allow for improved precision.

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### RATINGS

It’s **TNT’s** turn at the top of the primetime ratings for the week of April 22-28. The **NBA** and **NHL** Playoffs helped it accumulate 2.52 million viewers P2+. **ESPN**, another network that carries the NBA and NHL postseasons, came second with 2.07 million. **Fox News** was close in third at 1.93 million, which beat out news net rivals **MSNBC** and **CNN**, which had 1.44 million and 772,000 viewers, respectively, as coverage of the ongoing trial involving former President *Donald Trump* continues. Fox News was at its usual top spot in the total-day category at 1.27 million.

Think about that for a minute...

Intended Consequences

Commentary by Steve Effros

I visited a “Public Access” studio here in Fairfax County, VA., just outside of Washington DC the other day. I was amazed. It was a fully functioning, modern facility with top notch equipment, both video and audio, in multiple studios. It was a pleasure to meet and work with the folks there, and realize I’d been, in part, responsible for it.

You see, many years ago, 52 years, to be exact, I was part of a team of attorneys at the FCC drafting the original federal rules regarding this new technology called “cable television.” Part of those rules related to the fees that local franchising authorities could impose for the cable operator to get the franchise (which was not allowed to be “exclusive”) and use the local streets and ways. There were a lot of rules. Most of them aimed at which television stations or programming a “cable system” was allowed to provide. But the franchise conditions and another “public interest” provision called “public access” were also included. Those are the provisions (along with the obscenity rules, but that’s another story) I focused on.

To make a long story short, the recommendation accepted by the Commission was to allow a franchise fee (a tax by another name) of 3 to 5 percent of gross subscriber revenue from cable television service. The 3 percent was a given. It was a pure revenue generator for the cities and towns. The extra 2 percent, if they wanted it, had to be justified as being consistent with the federal objective of promoting this new service, and particularly promoting the ability for diverse video programming. We required systems to include at least three channels for “public, educational and governmental” use. Thus “PEG” was born.

That 2 percent of revenue was routinely linked with the local PEG channel requirement to help train local folks in video production, supply equipment, and in larger communities, where there was sufficient revenue generated by the 2 percent fee, the provision of studio space, cameras and the like. “Public Access” studios popped up in many places. Some communities provided even more funds to support the local video production, and PEG channels flourished, even if they never became, in most

communities, “must see TV.”

Technology, however, moved on. Broadband, the internet, thousands of channels, smartphones with video cameras just as capable as the old professional ones on dollies. The game has certainly changed. And, of course, so has the fundamental use of the “cable” infrastructure which is now labeled “broadband.” Those old franchise fees don’t relate to broadband. Now the communities which got used to the extra money (tax) charged to every cable customer are seeing significant reductions in the revenue they are getting because “cable” subscriptions are going down. Broadband and streaming services have taken over.

But the FCC doesn’t have full jurisdiction over broadband streaming. The big “streamers” like Netflix, which is expected to have more subscribers than any major cable service provider within the next year, doesn’t pay any franchise fees. Needless to say there have been plenty of efforts to change that, but it hasn’t happened yet, and the satellite and streaming services constantly take local communities to court when they try to assess “franchise fee” equivalents. So up to now, the “cable guy” is the one primarily paying the bill for things like public access studios out of subscriber revenue.

There’s no question that new mechanisms are going to have to be structured to continue to fund things like public access studios. Cable subscribership and fee revenue is going down as we shift to “streaming.” If we want to continue to promote video diversity more folks are going to have to contribute to the funding. But it was a real thrill to see what we were able to foster.



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.)



JUST RELEASED: The Cablefax 100

It’s time to celebrate the trailblazers who have propelled the media, cable, and broadband industry to unprecedented heights. We’re thrilled to unveil the distinguished individuals who have earned a coveted spot in the 2024 Cablefax 100.

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