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WHAT THE INDUSTRY READS FIRST

Not So Fast: DirecTV, DISH Sound Alarm on Venu

Venu Sports' pathway to launch may not be clear despite the combination of Fubo and Disney's Hulu+Live TV, with EchoStar and DirecTV both telling the court they are weighing their options.

"Defendants cannot purchase their way out of the antitrust violations. DirecTV continues to evaluate its options with respect to the joint venture, the parties' settlement, Defendants' tying practices, and other anticompetitive harms, and it joins EchoStar in requesting that the Court reject any effort by the Defendants to vacate any prior rulings or findings in this case," DirecTV said in a letter Thursday to United States District Court Judge Margaret Garnett. In August, Garnett issued a preliminary injunction blocking Venu's launch, ruling that Fubo was likely to be successful in proving its claims that the JV would violate antitrust laws.

It follows a similar letter EchoStar sent to Garnett this week after Disney and Fubo announced their transaction and the drop of all litigation over the launch of Disney, Fox Corp. and Warner Bros. Discovery's sports streaming JV. Both satellite/streaming providers have asked the court not to vacate any prior decisions in Fubo's antitrust case against Venu.

"With the injunction undone by voluntary dismissal, DISH, Sling and other distributors will suffer antitrust injury. Their services will be hampered by the massive incentive that the JV Defendants have to raise programming fees for distributors that compete against Venu, and they will be effectively foreclosed from competing," EchoStar told Garnett in its letter.

"Thus, the JV Defendants will be starving EchoStar and other distributors with one hand of the skinny sports bundle that they will be supplying to consumers with the other."

ACA Connects, which consists primarily of small and medium operators, was one of the first to speak out publicly against Venu after it was announced publicly in February. This week, CEO Grant Spellmeyer told CFX that the association's position remains the same. "Our members also want the deal Venu's owners are offering themselves. They want to offer their customers the programming in bundles they want at prices they can afford," he said in a statement.

The DOJ had taken Fubo's side in its legal challenge against Venu, citing Section 7 of the Clayton Act that prohibits mergers, acquisitions and certain JVs that may lessen competition or create a monopoly. The government was set to present at oral arguments that were abruptly canceled Monday with the Disney-Fubo deal reached shortly before they were to begin.

Disney has more on its plate than Venu, with the company gearing up for ESPN flagship's DTC launch in late summer/early fall. Some have suggested that may take precedent over Fubo, but it has two other partners in the Venu venture that have invested considerable money and time. The companies told the court that by the end of last August, they expected to have invested approximately \$74 million together in preparing for the launch.

DirecTV has some outstanding non-Venu beef with Disney. While the two reached a carriage renewal in September after a 13-day blackout, DirecTV hasn't dropped a retransmission complaint filed

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at the **FCC** claiming that Disney didn't negotiate in good faith. The pending complaint alleges the programmer predicated a deal on it waiving the right to file complaints against it at the FCC. Disney has characterized the whole thing as a misunderstanding, saying the two have agreed in the past to execute mutual litigation-focused "clean slate" agreements and it had assumed that DirecTV would agree to do so again, and that it wasn't meant to stop either party from filing complaints at the FCC.

Meanwhile, law firm **Halper Sadeh** announced it is looking into whether the Fubo-Hulu+Live TV merger is fair to Fubo shareholders and is [seeking](#) shareholders to join its action.

COMCAST EXPANDS SPINCO LEADERSHIP TEAM

Comcast is moving one step further in its plan to spin off a number of its cable networks, announcing some of the key names who will be charged with leading SpinCo under CEO *Mark Lazarus*. *Val Boreland* will become President of Entertainment of the company that will be comprised of **USA Network, CNBC, MSNBC, Oxygen, E!, Syfy** and **Golf Channel** as well as **Fandango, Rotten Tomatoes, GolfNow** and **SportsEngine**. She currently serves as EVP/Head, Content Acquisitions for TV & Streaming at **NBCU**. *Keith Coccozza*, now SVP, Communications at CNBC, will become Chief Communications Officer while NBCU Media Group Head, HR *Brian Dorfler* will transition to Chief HR Officer of SpinCo. *Kristin Newkirk*, now CFO of NBCU Local, is set to become CFO, TV Networks while NBCU Media Group Chief Business Officer *David Pietrycha* will move to Chief Revenue and Business Officer of the new business. *Greg Wright*, **Comcast Corp's** External Reporting & Treasury Controller, will become Chief Accounting Officer and Controller while NBCU EVP, News Group Operations & Technology *Jeff Mayzurk* is becoming President, Operations & Technology. The future leadership team will focus on their new roles starting in early April. In related news, **Peacock** President *Kelly Campbell* is also leaving NBCU after three years in the role. She joined NBCU from **Hulu** where she served as President of the streamer. There's no word yet on where she may land.

SUPPORTERS OF T-MOBILE, USCELLULAR MERGER SPEAK OUT

Communications Workers of America, Public Knowledge, Open Technology Institute at New America and others submitted petitions to deny T-Mobile's acquisition of USCellular spectrum last month. Now, those who believe the deal is one for the greater good are raising their voices. **The Information Technology & Innovation Foundation** was among those filing oppositions to those petitions this week, saying the proposed deal would transfer spectrum from

the hands of struggling USCellular to a major carrier with the ability to provide more consumer benefits. Most notably, ITIF believes the deal would lead to the expansion of fixed wireless access. "T-Mobile's scale will enable it to provide higher quality service to more consumers than USCellular which faces proportionally higher overhead. This fact will likely result in an FWA service that is more attractive than it would be without the merger, which would enhance competition in the home broadband market," ITIF Director, Broadband and Spectrum Policy *Joe Kane* said. **Free State Foundation** also chimed in with an opposition, saying the weight of the evidence indicates the merger would produce pro-competitive benefits if approved. It pointed to the ability of a T-Mobile armed with USCellular spectrum to significantly increase FWA capacity in rural areas above what either provider was able to offer alone. That's meaningful when about 40% of USCellular's footprint lies in rural America. FSF also fought back against any claims the deal could pose anticompetitive harms, saying USCellular is not a market leader or disruptor. "USCellular faces competitive disadvantages compared to its rivals because of its limited amount of licensed spectrum, lack of geographic scale, and lower potential subscriber density of its network territory," it said. "As a result, USCellular faces higher fixed costs on a per-subscriber basis compared to its rivals. And within its geographic footprint, USCellular reportedly ranks fourth in retail handset connections."

LIBERTY TAPS CHANG AS CEO

Liberty Media announced after the bell Wednesday that *Derek Chang* will serve as its new President and CEO, following *Greg Maffei's* departure at the end of 2024. Chang has been a member of Liberty's board since 2021 and worked for *John Malone's TCI* in the late '90s. Given Liberty's involvement in a variety of businesses, it's helpful that Chang has a wide array of experience, ranging from **YES Network** to **NBA China**. His background includes heading international lifestyle channels for **Scripps Networks Interactive**, serving as **DirectTV's** chief programmer and a stint as **Charter's** interim co-CFO. In 2023, he cofounded **EverPass Media** with *Alex Kaplan* in partnership with the **NFL** and **RedBird Capital**. He served as Executive Chairman of the jv with the exclusive rights to distribute NFL Sunday Ticket to commercial venues. "His expertise in both operating and investment roles, extensive understanding of our industries and familiarity with Liberty make him the ideal leader for Liberty's next chapter," Malone said in a statement. "Personally, I have worked with Derek for over 25 years and am consistently impressed by his leadership style, breadth of expertise and global perspective. I look forward to supporting him and the Liberty management team as they continue to drive shareholder value." Chang will start the role Feb 1 with Malone serving as interim CEO until then. "Our current focus is clear:

optimizing the portfolio structure with the split-off of Liberty Live and supporting the growth of our attractive operating assets, including F1 and MotoGP post-acquisition, to continue their momentum and invest for the future,” Chang said in a statement. “Looking further, Liberty has always been long-term minded in its investment mandate yet nimble to move quickly on new opportunities. Both of these things will remain true in our strategy going forward.”

CLOCK TICKING FOR MSG NETWORKS

The pressure is certainly mounting at **MSG Networks**. The Sphere Entertainment subsidiary faces a potential Friday deadline to send a loan payment to lenders as the company stands at \$829.13 million in debt, per an SEC filing. The payment was originally due Oct. 11 before being pushed back to Nov. 8, which was then extended to December 20 and then again to Friday. However, the deadline could be pushed back once again if MSGN’s lenders agree to it. Hanging over that deadline is the ongoing carriage dispute MSGN has with **Optimum**, which analysts have [predicted](#) could be the straw that pushes MSGN to bankruptcy if the black-out persists long enough. MSGN airs Knicks, Liberty, Rangers, Devils, Sabres, Islanders and Red Bulls games, and the early indicators are that talks could take a while. Hence why it’s not great timing that Optimum parent **Altice USA** CEO *Dennis Mathew* was [spotted](#) by *Page Six* at the Stars vs Rangers game Tuesday at Madison Square Garden. Altice USA said Mathew’s appearance was for a long-planned business meeting and that the company was still in talks with MSGN. In other Optimum carriage news, it signed a multi-year extension with **Hallmark Media** before the new year to keep **Hallmark Channel**, **Hallmark Mystery** and **Hallmark Family** channels on its lineup.

L.A. WILDFIRES

Nearly 180,000 people are under evacuation orders as the wildfires continue to rage on in the Los Angeles area. Around 414,000 California residents are without power as of 3:38pm, according to PowerOutage.us, and the death toll has risen to five—though that number is expected to increase. The wildfires have shut down productions for several shows filmed in Hollywood, including “Jimmy Kimmel Live,” “Grey’s Anatomy” and “Dr. Odyssey,” also forcing the likes of Universal Studios Hollywood to close because of the conditions. As relief efforts continue, **Charter** opened over 35,000

out-of-home WiFi access points to be available to all users at no cost. **Spectrum News 1 SoCal** has lifted all authentication requirements for folks to stay up to date. The company also noted that if a customer’s Spectrum service is still impacted once their power is restored, Spectrum will proactively credit their account until their services are back online. While the fires aren’t in a **Cox Communications** service area, it also opened up Cox Free WiFi hotspots to the public for those evacuating into its service areas. More than 10,000 Cox customers in California are experiencing service outages due to power shutoffs, and all employees who were in evacuation areas have been confirmed safe. **AT&T**, **Verizon** and **T-Mobile** have also issued waivers for customers. AT&T is waiving overage charges to provide unlimited talk, text and data for postpaid and prepaid customers with billing addresses in zip codes across affected areas through Feb. 6. Verizon is waiving call, text and data usage incurred through Jan. 18 for those in Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura Counties, while T-Mobile is doing the same through Wednesday for customers in the cities of Altadena, La Cañada Flintridge, Los Angeles, Palisades, Pasadena and Sierra Madre. **FCC** Chairwoman *Jessica Rosenworcel* said communications impacts from the fires are minimal so far, but the agency will continue to monitor the situation.

RATINGS

The end is near for this year’s college and NFL football seasons on **ESPN**. Pregame show “Monday Night Countdown” averaged 1.34 million viewers per show this season, up 5% YOY. “Sunday NFL Countdown” finished the year averaging 1.2 million viewers per ep, up from the 2020 and 2021 seasons but within range of ’22 and ’23. “NFL Live” averaged 381,000 viewers and “NFL Matchup” posted 313,000 viewers per show. On the college side, the 33 non-CFP bowl games averaged 2.7 million viewers across ESPN platforms, a 14% improvement YOY and the highest mark in five years. The 25 games on flagship ESPN averaged 2.4 million viewers—up 15% YOY—with Michigan’s win over Alabama leading the way with 6.5 million viewers. At the FCS level, the championship that saw North Dakota State claim yet another crown against Montana State averaged 2.4 million viewers on ESPN, making it the second-most-watched FCS title game on record for ESPN platforms and up 132% compared to the last title bout.

BASIC CABLE		
P2+ PRIME RANKINGS*		
(12/30/24-01/05/25)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
ESPN	1.546	4904
FNC	0.539	1709
HALL	0.249	789
CNN	0.214	678
HGTV	0.201	639
PRMNT	0.179	567
USA	0.178	563
DISC	0.145	460
MSNBC	0.137	433
INSP	0.134	425
HIST	0.132	418
TLC	0.130	411
FOOD	0.121	384
TBSC	0.116	367
HALLMYS	0.103	328
ID	0.103	327
TNT	0.102	322
TVLAND	0.092	292
GSN	0.091	290
A&E	0.089	283
SYFY	0.087	276
LIFE	0.084	267
COM	0.081	257
FX	0.079	249
WETV	0.076	240
BRAVO	0.073	233
NWSMX	0.073	231
BET	0.068	217
ADSM	0.065	205
AMC	0.064	203
NATGEO	0.062	196
NAN	0.061	195
OXY	0.060	191
TRAVEL	0.056	178
FRFM	0.054	172
MTV	0.049	155
SNDNCE	0.046	146
REELZ	0.046	145
ESPN2	0.046	145
FX	0.044	140
FETV	0.044	140
MGNLA	0.042	132
LMN	0.040	128
IFC TV	0.040	128
GAF	0.040	126
NBA	0.039	124
DSNY	0.038	119

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.