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WHAT THE INDUSTRY READS FIRST

No Deal: Cable Tells FCC to Say No to Forced ATSC 3.0 Transition

Cable is pushing back against a broadcast proposal for a mandatory ATSC 3.0/NextGen TV transition, saying it would be costly and unwanted by consumers.

"The heavy-handed government intervention **NAB** demands is unwarranted given the highly competitive state of the video marketplace and the state of the ATSC 3.0 transition, and it would impose substantial and unjustifiable costs on consumers and MVPDs," NCTA told the FCC in a filing posted online Thursday.

ATSC 3.0, also referred to by the more consumer-friendly name Next Gen TV, allows broadcasters to offer enhanced picture and sound quality and interactive apps as well as hyperlocalized advertising and programming. In February, NAB filed a petition with the FCC recommending the agency require stations in the top 55 markets (representing approximately 70% of the U.S. population) to fully transition to ATSC 3.0 in February 2028, with limited waivers for smaller or noncommercial stations as necessary. The remaining stations would transition in or before February 2030. Since a November 2017 FCC order authorizing broadcasters to voluntarily begin to make the transition, more than 80 markets have taken the plunge. But stations have done so while continuing to maintain ATSC 1.0 broadcasts.

In addition to a timeline, NAB wants the FCC to ensure that TVs include ATSC 3.0 tuners in them by February 2028 and to consider whether updates to the MVPD carriage rules are necessary, particularly updating good quality signal requirements for must carry. Comments on the proposals were due to the FCC this week.

In calling for the FCC to reject NAB's proposals, NCTA urged the agency to continue requiring transitioning stations to simulcast substantially similar programming in ATSC 1.0. It argued that the voluntary ATSC 3.0 transition has been pretty slow, with RabbitEars showing only 138 3.0 stations in operation, despite there being 1,767 full power stations in the U.S. NCTA's analysis of current data finds only 4.5% of TVs used in the U.S. today are even capable of viewing ATSC 3.0 signals.

"The 'exciting and innovative services' that broadcasters anticipated providing via ATSC 3.0—including 'superior reception, mobile viewing capabilities, enhanced public safety capabilities... enhanced accessibility features, localized and/or personalized content [and] interactive educational children's content'—have been slow to develop or have not materialized at all via over-the-air broadcast, and consumers have as a result shown little demand for ATSC 3.0 televisions or converter boxes," NCTA said.

ATSC 3.0 is also not backwards compatible with MVPD digital video systems, with none of NCTA's cable operator members able to carry 3.0 signals without first making costly changes to their networks. One NCTA member estimates that purchasing and installing new 3.0 transceivers alone will likely cost tens of millions of dollars and take a substantial amount of time. "The inevitable result would be to drive up the cost of cable service at a time when cable operators are already losing customers. The broadcast industry chose to pursue a nonbackward compatible technology for its voluntary technology transition," NCTA argued.

If the FCC does opt to grant the NAB petition, NCTA warns that it will need to take additional steps that would likely make the 2028 deadline impossible. That includes additional ATSC 3.0 standards work to update the good quality signal rules that could take years. The FCC also should consider MVPD capacity constraints in adopting any must-carry requirements for 3.0 broadcasts, and thus should permit MVPDs to carry only the downconverted signal to mitigate carriage burdens (for the record, NCTA believes a 3.0 carriage mandate would violate the First and Fifth Amendments).

OPTIMUM'S OTT ADD-ONS, SKINNY BUNDLE HOPES & MSG IMPACT

Tons of video bits to unpack in **Altice USA**'s 1Q25 earnings report—from the launch of its DTC bundling strategy to the impact of a two-month blackout of **MSG Networks**. Starting next week, eligible Optimum internet and video customers will be provided six complimentary months of an ad-supported bundle of **Disney+** and **Hulu** Basic, letting them stream through Optimum and manage subscriptions through their Optimum bill. After the six months, customers will manage the subscription directly through Optimum at the standard Disney+, Hulu Basic Bundle rate of $10.99/month. "This is the beginning of our new approach to enable customers to build their own curated content selection through us with more OTT streaming partners and other services to become available for purchase through Optimum in the quarters to come," CEO *Dennis Mathew* said during Thursday's earnings call. Video losses continued to mount in the quarter, with residential video subs declining by 88,000 compared to 78,000 a year ago. The operator estimated that it lost 4,600 video customers (and 2,700 broadband subs) due to the impasse with MSG Networks during the quarter. Customer credits doled out to deal with the blackout had an estimated $12 million impact on revenue and $7 million impact on the quarter's $799 million in adjusted EBITDA, which was down 5.6% YOY. Altice USA's total revenue for the quarter was $2.2 billion, down 4.4% YOY. Without the MSG impact, revenue would have declined approximately 3.9% in the quarter. It's definitely not giving up on video. In addition to touting the new DTC add-ons, Optimum is scaling the new video packages it launched late last year—the $30/month Entertainment TV (80+ channels, including **A&E**, **AMC**, **Discovery Channel** and **Paramount Network**), $85/month Extra TV (125 channels, including **ESPN** and **USA**) and $140/month Everything TV (200 channels, including RSNs). Mathew said more than 25% of new customers chose the $30 entry level package without news and sports during the quarter, highlighting the power of skinny bundles.

OPTIMUM BOWS NEW LOW-COST BROADBAND PLAN

Citing increased pressured on income-constrained households, **Altice USA** rolled out a new low-priced broadband offering last week in the hopes of stopping those consumers from opting for fixed wireless alternatives. Online ads tout Optimum Fastpass

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for $25/month with a five-year price lock for 100 Mbps/downstream. It's available to select markets in the West footprint, but the operator plans to expand the offering to a half million homes, CEO *Dennis Mathew* sharing during Thursday's earnings call. Some 75% of consumers have told the company that monthly expenses are a challenge to them right now. Optimum plans to enhance the product with lifestyle brand partnerships later this year as families look to manage overall expenses. "We're looking very closely at the data to really understand what's working and how we continue to evolve that product as we move forward. It's early days, but more information to come, likely on the next call in terms of impact of sales velocity and our ability to drive our growth adds," Mathew said. Residential broadband losses for 1Q25 came in at 37,000, in line with a **New Street Research** estimate, but below the 32,000 consensus. However, broadband ARPU was up 2.4%, a big improvement from the 0.4% decline in 4Q24. Mobile had a strong showing, with 49,000 net additions—the best mobile line net add performance in five years with total lines now at 509,000. "There are clearly some positive signs; Altice's broadband ARPU premium has been meaningfully lowered, their wireless offering has been expanded and offers customers real value. There are some genuinely positive signs. But… there remains a long road ahead," a **MoffettNathanson** research note concluded, reminding clients of the 2027 $7.2B maturities the company faces.

WBD SPLIT TALK HEATS UP

Warner Bros. Discovery shares closed up over 5% Thursday on increased speculation that it plans to split off its linear business off from the studio and streamer **Max**. **CNBC**'s **David Faber** reported that "many conversations" indicate an announcement could come in the not-too-distant future. WBD reported 1Q25 results Thursday that were a mixed bag, with revenue down 9.8% YOY to $9 billion while total Adjusted EBITDA of $2.1 billion was up 4%, primarily due to growth in the Streaming and Studios segments. The company added 5.3 million subscribers vs 4Q24, ending the quarter with 122.3 million streaming subs. WBD said it's on track to deliver at least $1.3 billion of EBITDA in 2025, up 85% versus 2024, and to surpass 150 million subscriber goal by the end of next year. In December, WBD announced it was internally separating its linear networks from its growing streaming business. During Thursday's earnings call, CFO *Gunnar Wiedenfels* said it's completed the new structure and is now properly positioned to take advantage of whatever opportunities that may arise. WBD's Global Linear Networks revenues decreased 6% to $4.77 billion compared to the prior year quarter, with a 9% decrease in domestic linear pay TV subscribers partially offset by a 2% increase in domestic affiliate rates. Ad rev for linear was down 12%. Streaming revenue climbed 8% to $2.65 billion, with distribution up 7% and advertising up 35%. During the call, CEO *David Zaslav* talked up building a better bundle that's not just based on price, but a better consumer experience. "The real opportunity here is when people turn on the TV set and they see 18, 20 apps and they're sitting down with their Google and trying to figure out where to go. What we did with… in the U.S. with the **Hulu**, **Disney+** and Max [bundle] is very competitive selling," he said, noting that WBD is starting to roll out these bundles globally. Notably, Zaslav called sports a "rental business," saying WBD would be leaning in more to its own IP. "For us, Superman, Batman, DC, Harry Potter, Lord of the Rings, those are the core equivalents of the **NFL** to us," he said, though he noted having sports outside the U.S. has been helpful.

REVENUE DIPS AT PARAMOUNT

Revenue for **Paramount Global** in 1Q25 fell 6% YOY to $7.2 billion—but it grew 2% if you exclude comparison to Super Bowl LVIII. **Paramount+** hit 79 million global subs, with 1.5 million net additions in the quarter (+11% YOY). The DTC segment, which includes Paramount+, **BET+** and **Pluto TV**, posted $2 billion in revenue—a 9% YOY gain. Subscription rev grew 16%, but was somewhat offset by a 9% decline in advertising (-1% excluding the Super Bowl). Free AVOD Pluto posted its highest consumption ever with global viewer time up 26% over the period last year. However, Co-CEO *Chris McCarthy* noted in Thursday's after-the-bell earnings call that monetization has been softer than expected due to an influx of supply. "We anticipate supply demand dynamics will stabilize over time and the continued increases in engagement on Paramount+ and Pluto will lead to improved monetization over time," he said. The TV Media segment, which includes the linear cable nets, saw revenue decrease 13% to $4.5 billion, including a 10% impact from the comparison against CBS's broadcast of the Super Bowl. Ad rev was flat when you exclude the Super Bowl. Affiliate and subscription revenue decreased 9%, driven principally by subscriber declines in the pay TV ecosystem and to a lesser extent the impact of recent renewals with distributors. The company said the **Skydance** transaction is still expected to close in the first half of this year.

ALASKA TRAILS IN FIBER RACE

A new paper released by the **Fiber Broadband Association** tracking fiber growth in the U.S. from 2013 to 2024 says Alaska is seriously trailing behind the other 49 states. The report, based on a study conducted by market research agency **RVA**, found that there was significant improvement in fiber-to-the-home availability per capita in several parts of the country, and in Rhode Island (83.2%) and North Dakota (81.9%) in particular. But the data also shows that availability in rugged Alaska grew to only 13%, an underwhelming 9.8% increase over the 11-year period studied. In the hopes of bringing more focus to the under-served state, the FBA will host a webcast highlighting the challenges facing Alaska, as well as plans for a Native-led subsea fiber deployment project in the state, on

May 14. The association will also hold its next Regional Fiber Connect workshop in Anchorage on July 17.

SENATE ICES E-RATE HOTSPOTS

As expected, the Senate voted 50-38 in a party line vote Thursday to repeal an **FCC** rule that allowed schools and libraries to use E-Rate funding to loan WiFi hotspots to students and educators. FCC Chairman *Brendan Carr,* who voted against the order last year as an FCC commissioner, celebrated what he called a "rare rebuke" from the Senate. He's maintained that the agency overstepped its authority by appropriating the hotspot funding without congressional authorization. Senate Minority Leader *Chuck Schumer* (D-NY) described the Republican-led CRA resolution as "mean" and "nasty" during a press conference led by Sen. *Ed Markey* (D-MA), the House author of the original E-Rate program. "This repeal will widen educational disparity and will deepen the digital divide," Markey said. **Senate Commerce** Chairman *Ted Cruz* (R-TX) sponsored the resolution, painting it as an unlawful expansion of the Universal Service Fund that undermines online safety for children.

ALTICE ALL IN ON AI

Altice USA, which operates under the **Optimum** brand, expanded its collaboration with **Google Cloud** for its generative AI technology, including Google's Customer Engagement Suite, Vertex AI platform and Gemini models. Google Cloud will work with Optimum's virtual AI agent, AVA, to help anticipate customer needs by automatically creating and updating an intelligent knowledge base. The new tools will offer real-time AI-powered sentiment analysis and identify opportunities for service improvement and better customer interactions. The company also announced it will be deploying **Cresta**'s generative AI-powered solutions at scale to enhance its customer experience. It will use Cresta Conversation Intelligence and Cresta Agent Assist to enable its agents to more effectively and efficiently handle customer requests, while also improving sales conversion rates. Additionally, Optimum will partner with Cresta to better understand customer interactions, highlight key opportunities for coaching and strengthen effective practices throughout the organization.

WORLD CUP AHEAD FOR TELEMUNDO

Telemundo plans to invest even more heavily in live content, with over 70% of its upcoming 2025-2026 slate—nearly 5,000 hours of programming—airing live in the next year. The big-ticket item of that live slate is the 2026 FIFA World Cup, which will boast more teams and matches than any previous edition of the tournament. All matches will be broadcast on Telemundo and sister network **Universo** as well as streaming on **Peacock** and the Telemundo app, starting on June 11 and running for 39 days. The fact that the tournament will be held in the U.S., Canada and Mexico (in other words, local time zones for Telemundo's audience) should be a major ratings boon for the network as well. In the lead up to the world's biggest sporting event, Telemundo is airing Road to the World Cup programming, including nine of Brazil, Argentina and the USMNT's qualifier matches, as well as the World Cup drawing that will be held in December in Las Vegas.

PROGRAMMING

We have yet another reason to be scared of clowns thanks to a new limited true crime docu-series "The Killer Clown: Murder on the Doorstep", which will air weekly on **SundanceTV** starting on June 5 at 10pm, or you can binge it all at once by streaming it on **Sundance Now** and **AMC+**. The three-parter re-examines the bizarre 1990 murder case of *Marlene Warren*, who was shot and killed on the doorstep of her Florida home by someone wearing a clown costume. – **MTV** reality competition series "The Challenge" will return for Season 41 this summer. The full cast, including a few popular veteran competitors, will be revealed closer to premiere. – **A&E**'s "Secrets of the Bunny Ranch" revisits Nevada's Moonlite Bunny Ranch, the legal brothel first featured in the **HBO** series "Cathouse". The six-part series, which explores the "dark underbelly" of the infamous establishment and the rise of its owner, *Dennis Hof*, premieres on June 12 at 9pm. – "1000-LB Roomies" is the next chapter in the unscripted **TLC** franchise. Premiering on June 10 at 10pm, the reality show follows two roommates as they navigate wellness and the ups and downs that come with it.

PEOPLE

Guy McCormick, who spent 21 years at **Cox Communications**, has joined **Vyve Broadband** as SVP, Engineering. He'll oversee Vyve's engineering, network backbone, design and construction, purchasing, logistics, and compliance functions.

BASIC CABLE P2+ PRIME RANKINGS*
(04/28/25-05/04/25)

MON-SUN	MC US AA%	MC US AA (000)
TNT	0.904	2866
FNC	0.766	2430
ESPN	0.406	1288
MSNBC	0.311	986
TBSC	0.198	628
HGTV	0.177	563
TLC	0.144	458
CNN	0.143	452
TRUTV	0.133	422
USA	0.131	415
HIST	0.130	412
INSP	0.130	412
HALL	0.127	402
FOOD	0.118	373
DISC	0.107	340
TVLAND	0.097	307
ID	0.090	287
GSN	0.088	278
HALLMYS	0.080	255
FX	0.077	244
BRAVO	0.076	242
AMC	0.073	232
A&E	0.073	231
WETV	0.067	213
NWSMX	0.066	209
NAN	0.064	202
LIFE	0.061	195
REELZ	0.057	181
OXY	0.054	172
NATGEO	0.052	166
BET	0.050	157
SYFY	0.048	153
COM	0.047	150
ADSM	0.047	148
TRAVEL	0.044	139
FXX	0.043	136
FETV	0.042	133
MTV	0.041	131
FRFM	0.040	126
PRMNT	0.040	126
SNDNCE	0.040	126
FS1	0.039	124
E!	0.038	122
MOTOR	0.038	120
LMN	0.037	119
MLB	0.037	117
NWSNTN	0.037	117

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