WEDNESDAY, SEPTEMBER 10, 2025 VOLUME 36 | NO.167

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Fast Forward: WBD Paints a Post-Split Picture

This week, **Warner Bros. Discovery** became the second programmer to take DISH Network to court over **Sling TV**'s short-term passes, which include several of WBD's linear networks, but that wasn't a topic of conversation during President/CEO *David Zaslav*'s fireside chat at a **Goldman Sachs** conference Wednesday. Instead, Zaslav spent time highlighting the benefits of the impending separation of WBD and what he sees for the future of **HBO Max**, as well as the linear networks that will soon be under the **Discovery Global** umbrella.

Zaslav, who will soon become the President/CEO of the streaming and studios company **Warner Bros.**, said that "everything's on track" for the split to happen next April, as no regulatory approvals are required to make the move. Discovery Global will be led by current WBD CFO *Gunnar Wiedenfels* and serve as the home of **CNN**, **Discovery**, **TNT**, **Food Network**, **TBS** and other TV brands. Wiedenfels revealed last week that Discovery Global plans to launch a standalone TNT Sports DTC streaming app after the split, expand CNN's digital offerings and relaunch the streaming service **discovery+** with a TNT Sports bundle option. Wiedenfels added that the new company has the option to sell its 20% stake in Warner Bros. ahead of the split.

Speaking in more detail about that last bit, Zaslav said, "The objective is that up to 20% will go to the Global Streaming business in terms of a starter interest. Some or all of that might get sold before we split. But the intention is that would be short term, and that that would be a meaningfully de-levering event for Global Networks to give even more acceleration to a business that has very good free cash flow metrics." He added that the "overwhelming amount" of WBD's remaining debt will go over to Discovery Global. WBD has paid down $20 billion in debt, with plans to pay down more of it "before we go." Both companies will be self-funding, with Zaslav bullish about the split creating a lot of shareholder value. "Things are going terrifically well."

The exec expounded on the vision for both companies post-split, saying that the goal of the split is to "have the businesses in a position where, strategically, they're both taking advantage of all of the assets they have." On the linear side, Zaslav said the future of CNN, Food Network and TNT Sports would be priorities. When asked what the split could help each company do more effectively: "Being able to really focus on these assets. What is Food Network in the future? How does CNN become a global business? How do we create a future on streaming for sports that really takes advantage of all the global sports that we have?"

Zaslav touted WBD's ability to build HBO into a global brand, with HBO Max making a big push in international markets recently, and he said continuing to push CNN as "the globally most trusted vehicle to get your news" would be a real focus after the split. "We have a new product that's going to launch in the next six weeks," adding that there are "two more products out of CNN" in the pipeline. "Within the next couple of months, you'll be able to get CNN for a price. It'll start first here in the U.S., but you'll be able to get it everywhere in the world for a price."

There's also potential for future M&A on the Discovery Global side: "I think they'll be able to really focus on taking advantage of their assets, rebuilding them for the future, but also maybe buying some low multiple assets that could further solidify their ability to generate a lot of free cash flow long into the future."

On the streaming side, Zaslav said that HBO Max will be in over 150 million homes globally next year and "it could be a lot more than that." The biggest accelerant of the streamer's growth? A need for consolidation.

"You start to see the challenge of being a local player, and it's one of the reasons why you see us market by market starting to bundle," he said. "Because some of those local players, whether it's Globo or Televisa or all across Europe, that were on their own building platforms with engineers … many are looking to us or other players, to say, 'Let's bundle together.' We've had a lot of offers, many of which we've taken, many of which we haven't, where people have raised their hands saying, 'I'd rather be part of a global platform. Can I be part of you? Because I'm losing a lot of money just trying to play this game in my own market.'"

Fox CEO *Lachlan Murdoch*, fresh from wrapping up a drawn-out succession battle for control of his father's media empire, also made an appearance at Goldman on Wednesday and talked up **Fox One**'s own bundling potential. "We're in conversations with many other platform providers about bundling with them. And you'll see, as we move forward, our ability to and our intent to bundle with other providers to offer consumers the greatest choice and the greatest value," he said, calling the upcoming bundle with **ESPN** an "essential sports bundle for sports fans in America."

He also offered some early insights into Fox One's performance since it launched in August. "It's very early, so I don't want to read too much into our success and our data of the last few weeks, but suffice to say that its take-up has exceeded our expectations," Murdoch said. "What you can see on Fox One is that news is really helping drive audience and reach Monday to Friday. But then with sports, starting with college football in its first week, and now with the NFL, gives it a tremendous audience and viewership and acquisition capabilities over the weekend. So the balance between news and sport, which there's a lot of overlap in those audiences, has been very successful."

Now that the futures of Fox and **News Corp.** have been resolved, Lachlan said that "It's great news for investors. It gives us a clarity about our strategy going forward. It shows that our strategy will be consistent. It's clear and it's very sustainable…So we are very pleased to be able to move forward and remain focused on the path that we're on."

ROTH'S ROAD TO 500 MHZ

Speaking at **NTIA**'s Spectrum Policy Symposium Wednesday, NTIA Administrator *Arielle Roth* acknowledged that it's hard to balance the many competing needs of spectrum users. "But I'm a mom of six kids—balancing competing needs comes with the territory," she quipped. "Just like assigning seats in my minivan, spectrum allocation demands careful negotiation—ensuring everyone has a place, no one gets left out, and the ride still runs smoothly." Her message was that she'd hear everyone out, but eventually you've got to put the vehicle in drive—and that means making sure the U.S. leads in 6G. Cable perked up when Roth noted that the majority of mobile traffic today is offloaded onto WiFi—and that it's important "We encourage the **FCC** to consider opportunities to grow these technologies, and other innovative forms of spectrum sharing, as well." **NCTA** jumped on that, issuing a statement highlighting how WiFi also supports competition and innovation in cable's mobile offerings. "By supporting WiFi and adopting new licensing approaches that enable spectrum sharing with government users, we can expand available frequencies and ensure America remains the global leader in wireless innovation," NCTA said. Congress has directed NTIA to identify at least 200 MHz of federal spectrum to be auctioned within two years and another 300 MHz within four years, and the **FCC** is required to auction an additional 300 MHz, including 100 MHz in the Upper C-band. Roth said she'll inform FCC Chair *Brendan Carr* that NTIA has already identified the first 5 MHz of federal spectrum for the FCC to auction and will be studying the 15 MHz immediately adjacent to it. That spectrum will come from 1675 MHz, part of what's known as the "L" band, and its reallocation will result in "a win-win for incumbent user **NOAA** and the American public," she said. To identify the remainder, NTIA plans to assess four targeted spectrum bands in the range set by Congress: 7125-7400 MHz; 1680-1695 MHz; 2700-2900 MHz; and 4400-4940 MHz. "We expect to make progress on all four of these bands within a year and plan to exceed our target of identifying 200 MHz under this Administration. Indeed, we're already well on our way to identifying spectrum in the 7 GHz band, having already secured funding from the Spectrum Relocation Fund," Roth said.

COX, CHARTER MEET WITH FCC COMMISSIONERS

Cox and **Charter** reps, including Charter President/CEO *Chris Winfrey*, met with **FCC** Commissioners *Anna Gomez* and *Olivia Trusty* as well as other agency staffers last week to discuss their planned $34.5 billion merger. The FCC opened a docket for its public interest review of the transaction back in July, but it's been quiet. No objections have been filed thus far and this is the first ex

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | SVP Media Group: Dave Colford, 631.786.9796, dcolford@accessintel.com | Sr Editor: John Saavedra, 908.477.1758, jsaavedra@accessintel.com | Editor: Noah Ziegler, 301.354.1704, nziegler@accessintel.com | Account Executive: Harry Singh, 917.832.0064, hsingh@accessintel.com | Marketing Manager: Lauren Toolen, ltoolen@accessintel.com | Sr Production Mgr: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: $1,999.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

parte describing discussions with the FCC. The contingent made sure to press cable's case on spectrum, particularly Charter's reliance on the full 6 GHz band (5.925 GHz to 7.125 GHz) and the CBRS band. "We explained how raising power levels in the CBRS band would undermine our investment in CBRS and urged the FCC not to raise power levels or make any other fundamental changes to this important spectrum band," said the filing describing the meetings. Charter and Cox also talked up how the merger will benefit consumers, competition and U.S. workers, pointing to a commitment for a 100% U.S.-based employee workforce as well as more savings and choice for families and businesses.

MNF COMES OUT STRONG

"Monday Night Football" returned to **ESPN** with 22.1 million viewers across **ESPN, ABC, ESPN2, ESPN Deportes**, and **NFL+**. That's good enough to make it the second-most watched Week 1 game since ESPN took over the franchise in 2006. The Vikings-Bears audience was up 8% from the 2024 season opener between the Jets and 49ers.

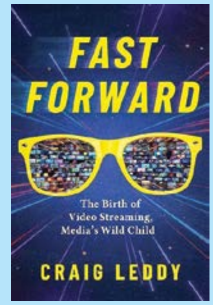
VERIZON FCC FINE STANDS

The U.S. Second Circuit Court of Appeals upheld the **FCC**'s $47 million fine against **Verizon** for sharing location data. In April 2024, the FCC issued fines of nearly $200 million for the nation's largest wireless carriers for sharing customers' location information without consent and for not taking reasonable measures to protect that info from unauthorized disclosures. **AT&T** was fined more than $57 million. **Sprint** and **T-Mobile**, which merged since the inspection began, were given fines of more than $12 million and $80 million, respectively. The fines, which the carriers vowed to challenge, finalized Notices of Apparent Liability issued against the carriers in February 2020. "We conclude that device-location data is statutorily protected, that the FCC reasonably determined Verizon's liability, and that the forfeiture order neither violates the applicable statutory limits nor Verizon's asserted Seventh Amendment rights," reads the three-judge panel decision denying Verizon's petition for review.

EVERPASS, ESPN+ MAKE DEAL

EverPass is adding to its portfolio of live sports offerings, signing a multi-year licensing agreement with **ESPN+** to obtain the rights to market, sell and distribute the streamer to commercial businesses in the U.S. starting in October. ESPN+ will be sold as a separate package to new and existing EverPass customers, which span bars, restaurants, hotels and other establishments. It'll offer folks access to college football and hoops from the **SEC**, **Big 12** and **ACC**, in addition to **NHL** games, **UFC** Fight Nights, **PGA Tour** events and select coverage of major tennis tournaments. EverPass has existing deals with the likes of **Peacock**, **Prime Video**, **Paramount+** and **NFL Sunday Ticket**.

What We're Reading



Our bookshelf is overflowing with three industry books releasing this month—John Malone's "Born to be Wired," Rouzbeh Yassini-Fard's "The Accidental Network" and Craig Leddy's "Fast Forward: The Birth of Video Streaming, Media's Wild Child." Malone's been making the circuit and we have an upcoming interview with Yassini-Fard, so we'll focus this feature on Leddy's dive into disruption.

It's an ambitious project to tackle the birth of video streaming in a mere 242 pages, but Leddy does an admirable job by focusing on Time Warner's trial of an interactive television service in the 1990s that featured on-demand movies, games and shopping (a sign that email was nascent is that ordering stamps from the U.S. Postal Service was one of the most popular applications). It helps that Leddy was there. Not in the operations center, but one of 300 or so journalists gathered to witness the launch of Time Warner's Full Service Network, as well as to cover the steps it took to get there.

It's a chapter of television history that is well worth revisiting, with Leddy offering a unique perspective as a business journalist who covered the project from its inception as well as what came after in his role as an industry educator (he spent years at CTAM and runs the Interactive Case Competition study).

"Although it ultimately was deemed a failure and now is largely forgotten, FSN provided key linchpins in the development of television from a medium of limited analog channels to the digital, interactive and on-demand services today," writes Leddy.

Fast Forward also serves as a primer on some of the cable industry's pioneers—Malone, Jerry Levin, Jim Chiddix, Yvette Kanouff and Jim Ludington. There was a lot of push and pull. As Leddy puts it, "Convergence may have been starting to occur between cable and computer technologies, but not necessarily the people behind them."

For those of us who didn't live through this experiment or weren't closely involved in it, Fast Forward is a real time capsule, re-creating the jitters of launch day with its "Oh, Jesus Switch" (which would trigger a back-up network if the main network failed), the Home of the 21st Century (an Orlando house built as a technology showcase) and even the launch day presence of rock musician Todd Rundgren ("Bang the Drum All Day'), who was fronting a nascent music service. There's a good use of photos—FSN's video servers that are as large as a refrigerator and the humongous FSN Home Communications Terminals that cost about $4,500 each.

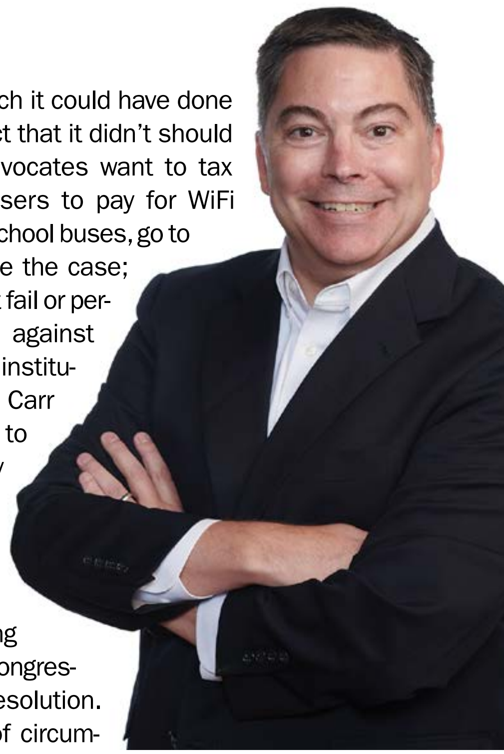
While Leddy's book is centered on FSN's launch and demise, he touches on what comes next—cable VOD, TiVo, Slingbox… There's even a nod to Yassini-Fard, whose LANcity showcased video streaming with a cable modem in 1993. All in all, a fun read that shows not only where the industry has been, but how the lessons of FSN can apply to where it's headed.

– Amy Maclean

O'Rielly's TMT Whiteboard

Giving Congress Its Due

By Michael O'Rielly



For decades in many communications circles, people have been institutional devotees to the Federal Communications Commission (FCC), the National Telecommunications and Information Administration (NTIA), or both. Running a far distant third is the Legislative Branch. While there are straddlers between the universes, there seems to be an unspoken unease and uncomfortableness with Congress. Yet, the collective communications laws contain policy boundaries and limitations that can only be changed with congressional action. Given the renewed attention on these authoritative lines after the proper demise of the Chevron Doctrine and other court actions, everyone involved in communications policy should consider Congress in its proper light and be willing to present extraterritorial ideas to the rightful place for dissection.

Procedurally, engaging with Congress can be, for lack of a better word, messy. There are lots of members, divided between two bodies and various committees, and thin majorities subject to biennial elections. It can take a long time to process a legislative fix or a new concept. The road travelled from start to finish is subject to interference and interaction with unrelated issues, the timing of the calendar, party infighting, whims of individual members, and so much more. And sometimes, Congress throws a wrench in the proverbial process by way of earmarks that I wrote about last month.

Despite any impediments, there is no valid justification for ignoring the body. When it works—and it does work from time to time if stars click—Congress can bring enormous certainty, or at minimum, create new directions for the FCC or NTIA to implement. It can be thought of like a parent resolving a fight between two kids over which video to watch. Whether Congress declares an absolute winner or punts with conditions, the gravity of speaking to a matter provides an outcome with some understanding and addresses authority in some form or fashion. In other words, it can move the ball forward. Thus, when it does speak, its words need to be heeded.

A couple of examples may help shed light on this. Just last week, FCC Chair Carr started the process to strike down decisions of the Biden Administration to fund WiFi on school buses and provide WiFi hotspots. Whether there was substantive value to spend from the agency's Universal Service Fund (USF) via the E-Rate program on these purposes is immaterial. The underlying law specifically ties funding to classrooms. Reimagining "classrooms" as a way to fund the then-agency's desired goals was and is a blatant end-run on Congress and the statute.

Congress certainly allowed WiFi spending as part of temporary COVID funding that has since been spent or expired. Nonetheless, it did not authorize changes to the communications law so USF could be expanded for the same purpose, which it could have done if it wanted. The fact that it didn't should be definitive. If advocates want to tax communications users to pay for WiFi hotspots and WiFi school buses, go to Congress and make the case; such an effort might fail or perhaps is negotiated against other items as the institution decides. Chair Carr is completely right to repeal these agency overreaches and revert to following the law. Hopefully, Congress will solidify this by finishing the WiFi Hotspots Congressional Review Act resolution.

The same sort of circumstances applied with the technology neutrality requirements under NTIA's Broadband Equity, Access, and Deployment (BEAD) program. The Biden Administration's efforts to improperly favor fiber builds—a wonderful technology no doubt—was at the expense of other technologies. This threatened to leave locations unserved and spend ridiculous amounts on reaching some households. The mantra seemed to be let's see what we can get away with. Alternatively, the Trump Administration swiftly reversed course in order to make BEAD actually work. But the new Administration was also following Congress' explicit directive to be technology neutral, as written in Biden's Infrastructure law. Thankfully, BEAD was corrected and the "Benefit of the Bargain" became a reality.

The FCC and NTIA are wonderful institutions full of amazingly bright people, who sometimes can be creative at reading the law in order to accomplish someone's policy wishes. It is great to have that capability as it is needed for operating within the bounds and defending agency actions. The role of the agency's leaders, and kudos for Chair Carr for reminding everyone, is to prohibit any efforts to skirt the statute.

Congress regularly provides a platform to suggest or recommend legislative efforts and has always been willing, in my opinion, to champion righteous ideas. That ensures that the lessons many school children were taught of the U.S. Constitution—Congress makes the laws and the President executes and implements them—remains a reality.

(Michael O'Rielly is a former FCC Commissioner and congressional staffer who serves as President at MPORielly Consulting. His views do not necessarily reflect the views of Cablefax.)