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WHAT THE INDUSTRY READS FIRST

Puzzle Solving: TV Viewing is Too Complicated—Pay TV May Be the Answer

The average consumer finds today's TV viewing experience way too complicated with too many streaming services to navigate and sports media rights spread out across all of these walled gardens. In other words, users are drowning in an ocean of fragmentation. The good news is that this is a great opportunity for content aggregators such as pay TV distributors to position themselves as the solution.

"One of the things that we've been telling our clients, especially this year, is that the best path to growth is to figure out a way to make your service or your content simpler to use," *Jon Giegengack*, Principal, **Hub Entertainment Research**, said during the **TV of Tomorrow Show** in NYC on Wednesday. "The old saying is that simple is beautiful, but it turns out that simple is not only beautiful, it's something that people are actually willing to pay to get."

That'll be music to the ears of cable operators, including **Charter**, which is increasingly focusing its video efforts on bundling the traditional cable package with the most popular SVODs not only to provide better value but so that its customers don't have to manage multiple subscriptions at a time. Meanwhile, **Xumo**, a jv between **Comcast** and Charter, has a home screen experience that makes it easier for users to find content across platforms, whether a program is on cable or on a streamer. It also makes recommendations for what to watch next, including free content on FAST platforms such as **Xumo Play**, **Tubi**, **Pluto TV** and others. While they struggled to keep broadband subs amid increased competition, Charter and Comcast both saw video losses slow in 3Q25, suggesting that this renewed focus on optimizing the viewing experience is working.

"Traditional cable companies, after getting their butts handed to them by **Netflix** for the last 10 years, we actually have some good news, because a lot of what's going on plays into their superpower, which is aggregating," said Giegengack, who turned to the numbers for proof. A Hub survey found that 80% of cable subs feel MVPDs that integrate SVODs into the cable box are more valuable than those that don't. 70% of people also said that they would find at least somewhat appealing a service that lets you choose, manage and pay for different kinds of subscriptions all in one place. Crucially, they said they would spend money for that service. More good news for Charter and Comcast, which launched the Spectrum App Store and Xfinity StreamStore, respectively, to do exactly that. "When we ask people who signed up [to a streamer] through an aggregator, why did you sign up that way, instead of doing it directly, the biggest reason is that they give us the simplicity of navigating across channels and services," Giegengack said.

On a related note, 63% of consumers surveyed found that it's now more difficult to check on other sports games that are on at the same time because they're forced to switch between multiple streamers. "There are a ton of people who live every Sunday hitting last channel, last channel, last channel, to check the **NFL** games on the other part of the dial. If you want to do that with streaming, you have to exit your app. You have to find the other app on your smart TV, you have to enter it, find a game, wait for the game to buffer

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and it'll take five minutes to check the score," added Giegengack.

In other words, streaming can't quite replicate the linear experience of simply scrolling through channels. Meanwhile, **DirecTV** customers can personalize their sports watching experience by picking their favorite teams and leagues when they create a profile, so that the relevant games and scores are served up on the homepage and the dedicated sports hub. In October, Charter launched enhanced voice search and team pages for Xumo to help fans find their games quickly.

With so many streaming walled gardens, it's no surprise that content discovery is another issue for users. Giegengack said that 41% of consumers surveyed dropped a streaming service because they didn't find any other content they were interested in. Discovery isn't just an SVOD problem, though. FAST users are feeling the pain, too.

"I saw a stat recently that the average user takes about 20 minutes to decide what they're going to watch on streaming, and that's up from I think it was 12 just two years ago," said *Anthony Iaffaldano*, **Roku**'s Head of Content Monetization, during a FAST panel at the conference. "Discovery is clearly the biggest problem this industry faces as the number of options continue to proliferate. There are more than 2,000 FAST channels being distributed in the U.S. today."

Rasenberger Media President *Cathy Rasenberger* also cited Hub research when pointing out that 55% of FAST viewers find discovery a problem. That's a sizable chunk of the 45% of US internet households that consume FAST content.

Iaffaldano and **LG Channels** Head *Garrett Winkler* agreed that, with so much programming available, it is more crucial than ever that recommendation engines are properly optimized. Winkler said that LG is experimenting with a number of AI and machine learning solutions to surface the best content for each user, calling it one of the FAST platform's biggest priorities. Roku is taking a similar approach, but Giegengack stressed that it's also working to reverse a past recommendation mistake: just prioritizing content with the most streaming hours over getting more granular with personalization.

"What I think we built, and what we're now learning and reversing and changing, is we're over optimizing and super serving a very small segment of the audience and making all of the recommendations tuned to that segment of the audience, rather than the diversity of different types of folks that are coming to the table and diversity of types of different experiences," said Iaffaldano. "So that's one of the things that's a big initiative right now. How do we start to look at all these niche audiences that are maybe getting underserved, and use the home screen and use the recommendations that we can put out into the world to really service those audiences specifically?"

SPARKLIGHT MOBILE NOW LIVE

Welcome to the mobile game, **Sparklight**. The **Cable One**-owned provider introduced **Sparklight Mobile** across its 24-state footprint on Tuesday. Initial plans include 1 GB of data for $15/month, 5 GB for $25/month and unlimited data for $30/month, with no contracts, credit checks or in-store activation required. There are still some questions about which network Sparklight Mobile will utilize. Cable One said it was going with **Reach** as its MVNE pilot, but stopped short of saying who the MVNO counterpart would be and whether it was using **NCTC**'s partnerships with Reach and **AT&T**. When ***CFX*** reached out to clarify, a spokesperson confirmed Reach's MVNE role, but said, "We aren't sharing other specifics around our agreements at this time."

MILLS LEAVING BET

After a 23-year run at **BET**, President/CEO *Scott Mills* is stepping away. Mills informed employees of the decision Wednesday, ending a run that originally began in 1997 when he joined a company owned by then-Viacom. Now, as BET settles under a new ownership following the **Paramount-Skydance** merger, it'll be longtime President, Media Sales *Louis Carr* leading the way. Carr will report to Paramount Skydance Chair of TV Media *George Cheeks*. Leadership isn't the only area of change, with BET Studios now being placed under the CBS Studios banner.

AT&T SCALES BACK DEI

Another company is pledging to end its DEI programs in an effort to gain approvals for certain deals. **AT&T** wrote to the **FCC** this week to inform Chairman *Brendan Carr* of the decision as the operator awaits the green light for its spectrum transaction with **UScellular** (not to mention AT&T's separate $23 billion cash deal with **EchoStar** that the FCC will look at). "We have closely followed the recent Executive Orders, Supreme Court rulings, and guidance issued by the U.S. Equal Employment Opportunity Commission and have adjusted our employment and business practices to ensure that they comply with all applicable laws and related requirements," AT&T Sr. EVP/General Counsel *David McAtee II* wrote. AT&T joins **T-Mobile**, **Verizon** and **Paramount Skydance** in halting DEI policies while the FCC reviews pending transactions. In its letter, AT&T promised not to base hiring, training and career development opportunities on race, gender or other protected characteristics. It removed DEI-related training and references to DEI in its internal and external messaging. Additionally, it affirmed that its supplier program won't be hinged on demographic-based goals.

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INDEPENDENT VERSANT AHEAD

Ahead of tomorrow's **Versant** investor day, **Comcast**'s board approved the separation of its cable networks and complementary digital platforms into an independent, publicly traded company named Versant Media Group. A "when-issued" public trading market for Versant Class A common stock is expected to start trading around Dec. 15 under the symbol "VSNTV." The "regular-way" trading of Versant Class A common stock should begin Jan. 5, the first trading day following the distribution date. The separation will be achieved through a pro rata distribution of 100% of the outstanding shares of Versant Class A common stock and Versant Class B common stock to the holders of Comcast Class A common stock and Comcast Class B common stock. Comcast shareholders will receive one share of Versant Class A stock or Versant Class B stock for every 25 shares of Comcast Class A or Class B stock, respectively, held at the close of business on Dec. 16. The distribution of Versant shares is expected to be completed after the close of trading on **Nasdaq** on Jan 2.

HOUSE E&C COMMITTEE MOVES ON PERMITTING BILLS

The **House Commerce** moved forward on seven bills related to broadband permitting reforms Wednesday. Six of those were bipartisan legislations, while the American Broadband Deployment Act—which removes requirements related to certain environmental or historical preservation reviews—saw pushback from E&C Ranking Member *Frank Pallone* (D-NJ). "Putting arbitrary deadlines on state, local, and Tribal governments to start and finish complicated permit reviews is opposed across the board by the local officials who are responsible for doing the work. Other provisions would gut any local communities' ability to protect historic and culturally significant sites—especially for Tribal communities," Pallone said in his remarks. **ACA Connects**, however, applauded the approvals and the removal of regulatory red tape. **INCOMPAS**, along with the **Fiber Broadband Association**, **NTCA**, **USTelecom**, **NCTA** and **WTA**, were happy to see the RAIL Act move forward, which would make the process of deploying infrastructure in a public right-of-way that crosses a rail corridor more efficient by adding a shot clock on application reviews and limiting the fees attached to them.

NINE MORE BEAD APPROVALS

NTIA gave the OK to another batch of final BEAD proposals. During a **Free State Foundation** luncheon, Administrator *Arielle Roth* confirmed that South Dakota, Nebraska, New Jersey, Arizona, Colorado, Indiana, Wisconsin, Michigan and Ohio were given approvals. They follow the 18 plans that NTIA moved forward with last month. Roth complimented the *Trump* administration's changes to BEAD and the Benefit of the Bargain round, noting the cost savings and increase in private matches across different states. She said the Benefit of the Bargain is currently estimated to save $21 billion. NTIA hasn't confirmed how it'll utilize the savings, but Roth remarked, "We'll have much more to share in early 2026."

What We're Listening to

NAB on 'Why Broadcast Ownership Rules Matter Now'

Broadcast ownership rules and the debates attached to them have taken a prominent role under the Brendan Carr-led FCC. Companies advocating for changes to be made and the critics pushing back have been busy submitting their respective takes to the Commission's docket on the matter, but some have already started maneuvering under the assumption that reform is imminent. Take Nexstar and Tegna, for example, whose proposed merger would be north of the current 39% audience cap. However, there remains a push from dissenters, who got some momentum when President Trump voiced his concerns shortly before Thanksgiving.

Nevertheless, supporters are continuing their own campaigns, with NAB among those leading the charge. The association devoted its latest podcast episode to discuss "Why Broadcast Ownership Rules Matter Now," with NAB Chief Legal Officer Rick Kaplan joining SVP, Communications Alex Siciliano to deliberate on why they endorse potential adjustments—in addition to disputing some of the talking points from skeptics.

It's no surprise that the episode quickly brought up the limitless reach Big Tech companies have, but Kaplan noted how cable networks like Fox News, MS Now and CNN also don't possess the same local focus that broadcast stations provide to their communities. Kaplan later mentioned radio stations being in a similar boat and facing even more financial pressures, though he attributed that to rules pertaining to the number of stations allowed in a single market.

"It's great to have the national news, it's important to have the global news, but what affects you on a day-to-day basis, that's what broadcasters do," Kaplan said. "It's much easier to just be national or global. It's hard to do local. That's why only we do it."

Kaplan eventually posed the question, "Why is it that our platform is restricted in ways that the others aren't," despite offering similar content. He acknowledged that the existing rules were set when streaming services were still quite far from entering the general media ecosystem, but that's more reason to evaluate and potentially modernize guidelines.

In regard to those who say the FCC doesn't have the authority to change ownership rules, Kaplan disputed the notion that Congress removed the Commission's jurisdiction when it no longer required the agency to review ownership rules in its quadrennial review. "Congress is not stupid. Congress would've said that. All Congress said was that [the FCC doesn't] have to review it anymore," Kaplan said.

In Kaplan's view, the momentum still points toward reform, asserting that Carr "really understands the issue" and the problems broadcasters face. Even with his confidence, though, it's hard to tell how soon things could happen.

"I have always tried to shy away from predicting the FCC, not only because things tend to take longer than usual, but you just never know in Washington, D.C. what might come up. I think we've learned that lesson many times over, [and] these days are no different," Kaplan said. "But I do think it's a priority of this Chairman to move forward… I think we're talking about a shorter term. Hopefully sometime in the next year or so we'll see some major changes."

– Noah Ziegler

Think about that for a minute...

The Section 230 Abyss

Commentary by Steve Effros

The Supreme Court heard oral arguments on Monday in the copyright infringement case music publishers brought against Cox Communications. It's been going on since 2018. Cox was found guilty in the lower courts of violating music copyrights because, as an ISP providing internet service to its subscribers, it did not proactively prevent repeated "known" illegal downloads of music. The original fine was set at over $1 billion based on over 10,000 alleged illegal infringements by subscribers. That fine has already been thrown out and is being reconsidered, but the Supreme Court is now considering the underlying question of whether or how much Cox is, in fact, liable at all.

The issue is what is called "secondary liability." That is, to what extent is the ISP responsible for the conduct of its subscribers. This is an incredibly important case that could significantly change the way the internet operates. Folks need to understand the potential implications.

The music publishers say that since they notified the ISP (Cox) of what they considered illegal downloads of music, at some point the ISP should be held responsible for "contributing" to that violation if it doesn't terminate the subscriber's ability to use the ISP's service. Cox argues that it is a passive provider of broadband service and should not be considered responsible for policing what its customers do. How could they, for example, if the "violator" is in a dorm or hospital, which is the "subscriber?" Shut down the hospital's internet access?

You may recognize this debate. It's similar to the "Section 230" provision in the law that says that "edge providers" like Google or Meta are not responsible for the things "published" by their users. So far, that argument has prevailed because the opposite result would have the effect of a massive change to what we know of as common internet use today. There are a lot of challenges to that concept (child pornography is already an exception to that rule). But what if the Supreme Court upholds the notion that ISPs are liable as secondary infringers or are "contributory" to the illegal act if they "know" that one of their subscribers is consistently acting in an alleged illegal manner? I say "alleged" because the notices that the music owners send to the ISP claim that an illegal act is taking place, but the ISP doesn't know that for sure. Is it supposed to make a legal determination? What if the notice is wrong? Could the ISP then be sued for violating the privacy rules, or injuring the customer's business?

These are all long-debated copyright questions. If the Court decides that "non-action" on the part of the ISP can be considered "contributory" to the illegal act, the implications are huge. We're looking into the abyss facing any and all ISPs and "edge" platform providers if they could now be held responsible for alleged illegal actions and statements simply because they provided the transmission service used. They would have to monitor everything. They could wind up being both "cop" and "robber"!

It gets a whole lot more complicated when you consider the use of recommendation engines or AI. If the ISP or edge provider, as part of its service, uses AI and proactively points someone to a particular site because it's popular, but it turns out to be a violator (a gun seller, for instance, who is evading required ownership eligibility checks, or an X user organizing a planned riot) is the ISP now held responsible and liable in some way for the outcome?

I'm sure you can appreciate the depth of the abyss that we would be looking into if that were the case. I suspect the Supremes understand that too. I'm expecting they'll walk a very fine, complicated line in their decision.

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.)