

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Tip-Off: Early Readings from the FCC's Sports Broadcasting Docket

It's been two weeks since the FCC's Media Bureau took an official step toward [evaluating](#) the current sports broadcasting landscape. Although the initial comments aren't due until March 27, a handful of consumers and organizations were quick to offer their perspectives on the existing distribution of live sports—and whether it hampers local TV stations' abilities to meet their public interest obligations or harms consumers.

It was no surprise that the first commenter award went to **One Ministries Inc.** The owner of independent religious station KQSL, based in the Northern San Francisco Bay Area, weighs in early and frequently on FCC media dockets. OMI said it's challenging for stations like KQSL “to be taken seriously by local sports teams,” considering KQSL lacks distribution on major streaming platforms such as **YouTube TV, DirecTV Stream, Sling TV** and **Fubo**. OMI thinks the FCC should extend must-carry regulations to vMVPDs so that independent stations can better compete for the rights to air collegiate or high school sporting events.

Must-carry rules have been a pain point for OMI in the past, having [locked horns](#) with **Comcast** a couple of years ago when the FCC rejected a petition to make KQSL a must-carry station for Xfinity customers in Santa Rosa, California.

“By the FCC not extending must-carry rights of independent stations to be carried on vMVPDs this has created two classes of full power TV stations,” OMI wrote in its filing. “The upper class of TV stations enjoy carriage on vMVPDs and the ability

to get sports rights deals, and the lower class of TV stations don't enjoy carriage on vMVPDs and therefore they are not taken seriously. Without vMVPD carriage, independent stations are not seen as worthy of being given the right to air local sports programming.”

**Gray Media** jumped into the sports rights conversation last week when it met with Media Bureau staff. According to an ex parte, one of the issues Gray said it faces pertains to professional sports leagues demanding distribution partners include digital rights management (DRM) in a transmission signal, something Gray thinks exemplifies the need for the FCC to continue permitting DRM use in ATSC 3.0 signals. Gray also voiced apprehension with network affiliates' constraints when negotiating with vMVPDs, echoing OMI in claiming affiliates are handicapped when bidding for local sports rights.

“More than 80% of Gray markets are now airing at least one local professional sports team in addition to collegiate and high school sports. Gray makes these investments, because it believes that airing premier local programming best serves the needs of the communities it serves,” Gray wrote.

The vast majority of comments in the FCC's sports broadcasting docket have come from consumers so far, though it's a safe bet that companies, leagues and coalitions will come pouring in before the March 27 deadline. Many filers joined the chorus of frustrated fans singing about increasing fragmentation and rising costs to follow a sports team (let alone multiple). However, there were some who pointed out

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the benefits that come from a more digitally based sports distribution ecosystem.

One commenter, who claims to have grown up in rural Vermont, said “it’s not like there hasn’t been fragmentation between broadcast networks for decades,” adding that their house didn’t receive Fox over the air and could only access it via a pay TV subscription. Their take is that the concerns are centered around casual viewers and not diehard fans, and with streaming services obtaining more sports rights, they think the “access” has gotten easier.

Others reiterated the benefits streaming brings by being able to watch games in areas outside of a home market. Still, piling subscription costs, privacy concerns with location permission and the number of companies leagues partner with make it hard for some fans to conveniently find each game.

“For those who do not have the money, the technical competence, or the equipment, this is an impossible task as the team bounces from over-the-air network to cable channel to streaming service. If there was just one place—a TV channel or a streaming service—that we could turn on and see every game, that would be a huge improvement,” a commenter said.

Hub Entertainment Research recently probed the issue, finding 87% of survey respondents said it’s at least somewhat frustrating to figure out where to watch the sports they follow today, and almost a quarter said they feel “very frustrated.” Approximately 60% of fans noted they’re more likely to sign up for a service that carries all rights partners to a sport they follow. After reading descriptions of ESPN’s “Where to Watch” feature and Roku’s “Sports Zone,” the majority thought they could help with the viewing experience. ESPN’s Where to Watch tells viewers where to find any game, even if it’s not on a Disney network, and Roku’s Sports Zone puts all content about a particular sport in one place.

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### FTC LOOKS AGAIN AT NEGATIVE OPTION RULE

The FTC is taking a new look at its negative option rule, which is designed to prevent unfair, deceptive practices in subscriptions, automatic renewals and free trials. The 2024 amendment to the agency’s negative option rule—which was challenged by NCTA, the Interactive Advertising Bureau and others—was vacated by a federal appeals court in July days before it was set to take effect. The 2024 action involved the so-called “click-to-cancel” rule that forced a customer to take affirmative action in order to decline or discontinue a service, requiring companies to make it just as easy to cancel as it was to sign up. The Eighth Circuit Court of Appeals found procedural deficiencies in the

FTC’s rulemaking process, concluding the agency should have conducted a preliminary regulatory analysis under Section 22 of the FTC Act. On Wednesday, the FTC issued a notice seeking public comment on the rule, noting that the record compiled during that 2024 rulemaking, as well as ongoing consumer complaints and recent enforcement cases, show “continued unlawful negative option marketing practices in the marketplace.” The rate of these complaints has steadily risen from at least 33 per day in late 2020 to more than 90 per day in 2025, according to the agency. It wants feedback on addressing these practices, including retaining the current negative option rule, adopting provisions of the vacated 2024 rule or implementing alternatives to regulation such as educating consumers and businesses on avoiding unlawful negative option practice. Comments are due 30 days after publication in the Federal Register.

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### DISH VS GRAY MEDIA

Gray Media’s local stations went dark on Dish TV Tuesday evening when the parties couldn’t agree on a new retransmission consent deal. In total, 226 channels in 113 markets are currently unavailable to Dish customers. Dish blames the broadcaster for pushing “unreasonable rate increases” that are “disconnected from the reality of declining viewership and the availability of free and low-cost streaming alternatives.” It also complained Gray made demands regarding stations they don’t yet own. Meanwhile, Gray called Dish a “serial instigator of disputes,” adding that this is the first time Gray has had its signals dropped by a satellite provider and its last multimarket cable system dispute lasted just a few days over a decade ago. The broadcaster claims that Dish insisted on an unprecedented provision in the new agreement that is “flatly inconsistent with marketplace conditions in clear violation of Dish’s federal statutory obligation to negotiate retransmission in good faith.” It also accused Dish of making false and defamatory allegations about the price it pays Gray to distribute its local stations. Both parties said they were ready to return to the negotiating table to hash things out.

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### WBD-PSKY LATEST

Paramount Skydance CEO David Ellison spent Tuesday at the Warner Bros. Discovery lot in Burbank, California, to speak at an executive town hall regarding the \$110 billion merger. According to the trades, staffers left the Ellison talk with mixed feelings and unsure about the job cuts the combo would entail. PSKY said during an investor call last week that most of the \$6 billion it has identified in synergies would come from other sources, such as consolidating the combined company’s streaming

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tech stack and optimizing its real estate footprint, rather than layoffs. The town hall also reportedly included a salute to the **CNN** journalists covering the war in Iran. Despite fears to the contrary, Ellison recently told **CNBC** that PSKY's [plan](#) is for the news brand to remain editorially independent. Plenty of other questions remain regarding how the combo will work, including how exactly PSKY plans to merge **Paramount+** with **HBO Max**. In a note, **LightShed Partners** suggested one approach that would see New Paramount combine all of its streaming assets, including **Pluto TV**, into one service offering three plans. The first would be a free tier offering Pluto TV FAST programming as well as **TikTok** content (remember *Larry Ellison's* Oracle now owns 15% of TikTok US). "TikTok will benefit by leveraging Paramount+'s existing TV app distribution footprint, while Paramount+ will be able to offer a massive amount of incremental content," wrote the firm. Next is a base tier that would merge everything offered in today's Paramount+ Essentials plan with all of the non-HBO content available on HBO Max's basic with ads plan, as well as programming from **discovery+** and **BET+** and the combined live sports portfolio. LightShed said it would expect this plan to cost \$11-13/month and keep the Paramount+ name, while an ad-free premium tier called Paramount+HBO, "priced at \$20 or more per month," would add access to HBO and **Showtime** original programming and a live feed of **CBS**. While we wait for PSKY to give us a better look at its streaming plans, this is interesting food for thought.

## CARR VS AMAZON VS SPACEX

**FCC** Chair *Brendan Carr* took a swipe at **Amazon**, days after it asked the Commission to deny **SpaceX's** request to build an orbital data center constellation with up to 1 million satellites. "Amazon should focus on the fact that it will fall roughly 1,000 satellites short of meeting its upcoming deployment milestone, rather than spending their time and resources filing petitions against companies that are putting thousands of satellites in orbit," Carr [said](#) in a Wednesday statement on **X**. In January, Amazon asked the FCC to extend the July 30, 2026 deadline for deploying half of its 3,232-satellite constellation by two years, to July 30, 2028. Amazon filed its petition to deny SpaceX's constellation on Friday, claiming it provided only the barest outline and was more of a "lofty ambition rather than a real plan."

## STARZ ADOPTS POISON PILL AFTER ALLEN MOVE

The **Starz** board voted unanimously to adopt a limited-duration shareholder rights plan, also known as a "poison pill," effective immediately and in place for a year, allowing stockholders to acquire common shares at a 50% discount to stave off a hostile takeover. It will be triggered if someone moves to acquire a 17.5% or more stake in the company. The move follows *Byron Allen* [acquiring](#) 10.7% of Starz for \$25 million from private equity firm Liberty 77. "The Board determined to adopt the Rights Plan

as they believe it is in the best interest of the Company and allows it to pursue its long-term strategic plan and maximize value for all shareholders," Starz said in a statement.

## SPECTRUM BUSINESS MOVES

**Charter's** Spectrum Business has had a busy March so far. On Wednesday, the operator announced that it's expanding its partnership with AI-powered business communications firm **RingCentral**, which will bring its RingCX and AI Conversation Expert platforms to Spectrum Business' UCX with RingCentral unified communications product. The offering combines communications, contact center and embedded AI to drive higher-quality customer interactions, deeper insight and accelerated growth, while optimizing workflows and end-to-end visibility. The ISP is showing off UCX with Ring Central this week at HIMSS 2026 and Enterprise Connect in Las Vegas. – Spectrum Business' WiFi services and advanced video solutions are providing the connectivity infrastructure inside Benchmark International Arena, home of the Tampa Bay Lightning. A marketing video highlights how Lightning owner Vinik Sports Group is utilizing the Spectrum network to power ticketing, point of sale, scoreboards as well as bandwidth capacity for nearly 20,000 fans. – Spectrum Business is expanding its footprint within California's public sector, announcing that it has added managed network services and unified communications to its suite of offerings under the California Network and Telecommunications (CALNET) contract. Administered by the California Department of Technology, CALNET enables state and local agencies to obtain pre-approved telecommunications and IT services from contracted providers.

## HBCU GO PARTNERS WITH UNCF

**Allen Media Group's** **HBCU GO** streamer is partnering with UNCF, the education organization for underrepresented students. The strategic partnership will broadcast the academic, cultural and athletic triumphs of UNCF members through cross-platform programming, including a new video series called "HBCU Voices: Executive Leaders Unfiltered." The premiere episode features a one-on-one convo between HBCU GO President *Curtis Symonds* and UNCF President/CEO *Dr. Michael Lomax*, examining the evolving higher education landscape, the state of HBCUs and the urgency of sustaining Black institutional excellence in a rapidly shifting national climate.

## DOING GOOD

**Comcast's** **NBCUniversal** and **Telemundo Station Group** are partnering with U.S. Soccer's Soccer Forward Foundation for the "Vamos World Cup Initiative," which will award \$600,000 in grants to 17 nonprofits creating opportunities, building leadership and moving communities forward through the world's game. Two local nonprofits in each of the eight World Cup host cities served by Telemundo-owned stations, along with national org Soccer Without Borders, are receiving the funds.

## Zero Out USDA’s Broadband Surplus

By Michael O’Rielly

The great storyteller Aesop is credited with creating a popular fable involving flies and honey that can be summarized as, “It is possible to have too much of a good thing.” This lesson is directly on point for federal efforts to extend broadband networks to unserved Americans. At this moment, the Trump Administration is putting the finishing touches on the latest stage of the U.S. Commerce Department’s distribution of over \$22 billion in broadband funding, which, if all goes according to plan, will bring terrestrial or satellite broadband to those without options.

Yet the U.S. Department of Agriculture (USDA) continues to operate separate broadband programs that serve the same or overlapping purposes. These may have been appropriate at the time of their creation or even beneficial, but now it is a case of having too much of a good thing, which will lead to management inefficiencies, or worse, outright duplication and corrosive network builds. Policymakers should immediately eliminate USDA funding. More directly, Commerce Secretary Lutnick should take the lead opposing the inclusion of overlapping USDA funds in any Farm Bill rewrite and in the upcoming appropriations process.

We have never been closer to ensuring that every American household has broadband access. The Commerce Department’s Broadband Equity, Access, and Deployment (BEAD) program is moving from drawing boards and spreadsheets to bucket trucks, backhoes and installers. It is sufficiently large, at levels never attempted before and reviewed multiple times, and meaningful oversight has been put in place to prevent misdirection and waste. States and network builders have been empowered and challenged to bring broadband to residents living in some of our nation’s toughest terrain. Over the next few years, BEAD will give millions of Americans without internet access the chance to connect.

At the same time, the Agriculture Department is running no fewer than three programs that any rational individual should see as completely subsumed in BEAD. At the top of the list is the ReConnect Program, which spent approximately \$51 million on loans and grants in fiscal year 2026 and, according to its own website, “facilitate[s] broadband deployment in areas of rural America that currently do not have sufficient access to broadband.” Similarly, USDA’s Distance Learning, Telemedicine, and Broadband (DTL and Broadband) Program will spend \$41 million. Whatever is not covered comprehensively by the Federal Communications Commission’s Universal Service Fund is within BEAD’s bailiwick, and the additional network builds will likely eliminate the need for separate distance-learning or telemedicine funds. In addition, the Community Connects Grant Program, which will award \$17 million in taxpayer funding this cycle, is designed to fund “broadband

service in rural, economically challenged communities where service does not exist.” By its very foundation, it’s redundant in a BEAD world. Collectively, these programs cost \$108 million—funding that can now be used for other federal priorities or to reduce the annual deficit.

To be clear, broadband spending duplication not only wastes money but also causes demonstrable harm. Specifically, funding awarded to providers under ReConnect, the DLT and Broadband Program, and Community Connects Grants is very likely to be used in areas directly targeted for BEAD funding. However, one of the main reasons there is no internet service in these areas is the underlying economic challenges. That is, the market does not justify one private broadband build, much less two. If allowed to continue, the federal government would be outrageously paying a provider twice for the same function. Alternatively, it would subsidize two or more networks for the same service, which is a recipe for fueling BEAD’s future failure rate, as applicants get squeezed by USDA-subsidized competition. And this isn’t just theoretical, as there are numerous examples of ReConnect being used in competition with the FCC’s USF.

If the USDA’s misaligned funding is not rectified, numerous questions would be appropriate. For instance, is there a lack of faith within the Administration about the BEAD program, especially since it’s been a priority of the President to fix it? Are USDA supporters seeking to cause BEAD failures? Will states be responsible, or will they face greater scrutiny because of these duplicative efforts?

In light of progress in deploying BEAD funding and the resulting network extensions to unserved Americans that will soon begin, existing USDA-related programs should be halted. Doing so would ensure that BEAD can succeed and that taxpayers don’t pay for the same thing twice. Equally important, it would prevent inherent risks to the networks that will be built and operated under these difficult circumstances. Even Aesop would be hard-pressed to object.

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

