

WHAT THE INDUSTRY READS FIRST

QUOTABLE

“We can get pretty much any business leader and any politician between those two networks, so we are part of setting the agenda of the day every single day, and I think that’s a very important calling card for us.” - Versant CEO Mark Lazarus on MS Now and CNBC’s place in the TV news ecosystem

VERSANT’S DTC PLAY TAKES SHAPE

Versant Media’s DTC picture is becoming clearer. On Wednesday, CEO *Mark Lazarus* joined a fireside chat at a **J.P. Morgan** TMT conference to further flesh out the company’s DTC strategy as well as its plan to diversify revenue away from a dependence on a declining pay TV ecosystem. The goal is for Versant’s Platforms business to account for account for a third of revenue in the next three to five years. It’s why the company is moving aggressively to launch new **CNBC** and **MS Now** DTC services later this year.

While CNBC already offers CNBC Pro and CNBC+, Versant is essentially starting from scratch with its news and opinion brand. “NBC News Group made a decision to invest its digital resources into other things, **NBC News Now** and other products, and really there was no digital video footprint for MS Now at all, which in today’s environment is not a good thing,” said Lazarus, who explained that the brand’s DTC play is about more than just “replicating” what’s on linear for cordless customers. “It will be a much broader palette of content speaking to the pro-democracy audience,” he added.

“Broader” means streaming content that doesn’t just feature MS Now’s established on-air personalities but also new, younger talent. “The biggest opportunity we have is there are a lot of people who are interested in the MS Now point of view, who are younger than are watching us on television and are getting that type of news from a lot of other places right now. If we can start to make inroads there, then we’ll have success,” Lazarus said. “While our talent is one of our biggest assets, bringing in dif-

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ferentiated talent, younger talent who may have a similar point of view will help and hopefully allow us to expand that audience.”

Subscribers and engagement will be the key early metrics of success for MS Now DTC, and Lazarus is confident that the brand can continue to build a dedicated audience on and off pay TV. On linear, MS Now delivered its fifth consecutive month of YOY growth in April, up 20% among total viewers and 43% with the 25-54 demo, suggesting viewers stuck around despite a rebrand that divided some last fall.

“We did a very good job by seeding with our audience that we’re going to have a new name, but we’re not going to have a new approach,” Lazarus said, acknowledging that the network was “fortunate that there was a heavy news cycle when we made that change. People were going to watch regardless.”

Meanwhile, Versant is “reimagining” a CNBC DTC business focused on retail investors. Lazarus said that will involve “building out differentiated tools” that enable “unique interactions between our customers and the markets” and help them make informed decisions. It’s why the company recently acquired the AI-driven financial insights platform **StockStory**.

“There’s 100 million people who are involved in the investing world. They want to understand what’s going on in the markets, and they’re interested in what we do in terms of financial news, so we feel we have the ability to not only what we do on television with CNBC, but to enhance what we’ve already started with CNBC Pro and CNBC+,” Lazarus said. “We have had a renewed focus on what the markets mean to not just the professional investor but the retail investor, and that will be a big part of our push in the DTC business.”

Looking beyond the linear brands, there’s also a **Fandango** AVOD in the pipeline. Lazarus said that the ad-supported streamer will give Versant the ability to leverage its library content and ink rev share deals with other studios for additional movies and series. The exec sees the free service as a way to hook consumers with subscription fatigue, as well as harness data from Fandango’s movie ticketing/home video operation and from **Rotten Tomatoes**.

“We know what kind of stuff they’re buying and going to see, so we’ll be able to serve them the content that they want to see and use that for ad serving as well,” Lazarus explained. “We’re bullish that we will have a product that can grow very, very quickly.”

Lazarus added that there are opportunities to grow Platforms via M&A, whether it’s acquiring events, newsletters or podcasts. “Our goal will be something more transformational—it doesn’t have to be big to be transformational—but something that continues to help us move revenue outside of pay TV and into other revenue streams.”

CHARTER’S LEO POV, TOP COX PRIORITY

Charter CFO *Jessica Fischer* joined an investor conference Wednesday, where she shared how the operator views LEO satellite competition hours before **SpaceX** filed a [prospectus](#) with the **SEC** for its IPO. “It’s very difficult right now to discern what impact is from LEO in any individual market. It’s very dispersed and so, while

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I don't discount it as a competitor, it's difficult to say right now what impact that's having outside of rural," Fischer said. In rural areas, the operator is "still seeing very good penetration across those markets, but it takes longer to displace customers from the LEO satellite providers than it did from the prior competitive options in those spaces." But despite slower penetration, Charter has sold more bundled products in those markets than it expected. "When you pull that all together and look at what's the total return that you get off of those builds, we continue to be quite happy with the return that we're getting on the builds in those markets," she added. Fischer also, of course, talked about the **Cox** merger that is still moving through the regulatory process in California. Asked what the integration game plan will look like after the deal closes, Fischer responded that the top priority is "being able to deliver our high value products, which includes our mobile and video product, and to do that in our pricing and packaging structure, and with the brand" in a "pretty short window post-close."

CARR TO PRESS: YOU JUST WANT ANOTHER KIMMEL FIGHT

It's only been 20 days since the last **FCC** open meeting—a relatively quiet stretch, with none of the grenades that marked the prior period, like the **Disney** license renewal or the **Nexstar-Tegna** preliminary injunction. The Chairman's press conference reflected that—ranging wider than usual, even including a question about the possibility of a broadcast spectrum sale. *Brendan Carr* was noncommittal. "We did do obviously an auction of broadcast spectrum a number of years ago. There's been some thought about doing another one. There are requests that are in—I think a petition came in recently asking us to look at enabling 5G, 6G," he said. "Ultimately, whether it's 3.0 or 5G, 6G or another auction, we haven't picked a specific lane." Instead, he declared that the FCC is "pretty far down the path" of giving broadcasters greater flexibility with respect to their own spectrum by facilitating the ATSC 3.0 transition. Asked about whether he might try to do anything to dispel claims he's doing *Donald Trump's* bidding, Carr turned it around on the media. "Last week was probably one of the most significant things we've done at the FCC, which was [moving spectrum](#) into the hands of 5G, 6G providers, setting the country up for leadership in next-gen technology direct-to-device, but you don't see the headlines about this. You guys just want to see another fight with *Jimmy Kimmel*."

ARE DATA CENTERS THE NEXT BROADBAND BOOM?

Hyperscalers and AI companies need massive amounts of fiber, data center connectivity and edge compute capacity. Telecom providers are positioning themselves as part of the solution. Now that broadband and fiber networks have been deployed to most addresses in the U.S., providers are turning to data centers as a new revenue generator. But if you build it, will they come? "The challenge is do you speculatively build a high-capacity fiber route, for example, or do you wait for the hyperscaler to come into your market? Because if you speculatively build and they happen to locate their data center 20 miles from where our power generation plant is—which we've already seen—that costs a lot more money," **DCN** CEO *Seth Arndorfer* said during a **Fiber Connect** panel this week. His advice: get to the table early and offer hyperscalers not just internet connectivity, but a path to major population centers. DCN, a middle-mile provider headquartered in Fargo, North Dakota, has teamed with regional backbone fiber providers **Range** and **WIN Technology** for a jv to create a new long-haul fiber route that spans seven states—Colorado, Wyoming, Montana, North Dakota, Minnesota, Wisconsin and Illinois. The \$700 million investment represents a 2,000-mile expansion of regional network infrastructure designed to meet the needs of AI workloads and hyper-scale computing environments. This week, **Midco** announced a five-year, multistate connectivity agreement with AI, cloud and enterprise data center provider **Switch** supporting AI infrastructure in Ellendale, North Dakota. The agreement includes more than 500 individual 400 Gbps circuits delivered across two geographically diverse routes, providing full path redundancy between Ellendale and Chicago. In total, the network enables 200 terabits of capacity. Midco is leveraging optical networking solutions from **Nokia** for the project. Switch said it chose Midco because of its ability to engineer a creative, resilient network design while remaining on schedule in a highly constrained supply environment. "Midco demonstrated strong control over a complex equipment supply chain and leveraged a combination of owned infrastructure and strategic partnerships to deliver a large-scale, high-capacity solution," said Switch SVP of Connectivity, *Scott Gutierrez*. "Their flexibility, execution discipline, and willingness to think beyond conventional designs made them the right partner for this critical deployment."

FCC PUBLIC INTEREST NOTICE COMING?

FCC Commissioner *Anna Gomez* warned Wednesday that rather than define the broadcast public interest standard through an open rulemaking proceeding as she's asked, the agency "appears poised to issue a public notice that preserves its ability to selectively interpret and enforce standards engineered to justify its targeting of American media." She's raised multiple concerns that the FCC's vague public interest standard has been weaponized to target broadcasters whose content the administration doesn't like. On Wednesday, she once again urged **Disney** to push back against what she perceives as FCC censorship. "If they ultimately take this administration to court, they will win," Gomez said.

AT THE FCC MEETING

The FCC's three commissioners unanimously adopted rules streamlining the Broadband Data Collection process, despite concerns from **Public Knowledge** that the changes could negatively impact the effectiveness of the National Broadband Map. Wednesday's report and order streamlines the challenge process for the FCC's Broadband Serviceable Location Fabric—the dataset of all U.S. locations where fixed broadband can be installed—by eliminating the requirement that providers be notified of and allowed to respond to challenges during the Fabric development cycle. "Today, the Commission is once again invoking the term 'streamlining' as justification for creating a permission structure that allows providers to evade accountability while consumers experience the consequences of distorted broadband maps," said *Alisa Valentin*, Broadband Policy Director at Public Knowledge. The FCC also voted 3-0 to modernize its Disaster Information Reporting System, eliminating some steps so providers can focus on service restoration and opened a proceeding to potentially restructure subsidies that go to smaller, rate-of-return carriers. It also seeks comment on whether to extend the Alternative Connect America Cost Model I (A-CAM I) program that is set to sunset by the end of 2026.

SUNS, MERCURY SIGN LONG-TERM EXTENSION WITH GRAY

Phoenix's **NBA** and **WNBA** franchises took a leap in 2023 when they made the call to trade their partnership with fleeing **Diamond Sports** for over-the-air regional distribution via a deal with **Gray Media**. It appears to be paying off, with the Suns and Mercury signing a multiyear extension through 2030 to keep games available for free throughout Arizona. All games not airing on national television will be broadcast on **Arizona's Family**, a combination of Phoenix's KTVK-TV (independent), KPHO (**CBS**) and **Arizona's Family Sports**, which extends programming throughout Tucson and Yuma. Arizona's Family will also launch an app that'll include DTC options **Suns+** and **Merc+**. This season, the Suns had over 110,000 viewers per game in Arizona, good for a top-four ranking in the NBA for local household viewership. The Mercury has seen a gigantic ratings climb since going OTA, with its increase soaring to nearly 500%.

ON THE HILL

Dems have introduced a bill to establish a nonprofit foundation to leverage public and private investments to expand digital opportunity nationwide. The proposed Foundation for Digital Opportunity would supplement the work of **NTIA** and the **FCC** to award grants, support research, provide training and education, engage with stakeholders, collect data and promote policies that improve digital opportunities. The measure was introduced by Sen. *Ben Ray Lujan* (D-N.M.) and Rep. *Doris Matsui* (D-CA). -- Meanwhile, **NCTA** is voicing support for the bipartisan Accelerating Broadband Permits Act that was introduced a couple of weeks ago by Senators *John Thune* (R-SD), *Lujan* (D-NM) and *John Barrasso* (R-WY). It aims to improve accountability for broadband projects requiring federal permits by requiring NTIA to create a tool helping BEAD recipients identify which federal permits their subgrantees need and track progress toward obtaining them. It would also have **NTIA** track processing times and establish an alert system for when federal agencies are at risk of missing the existing 270-day deadline to process communications infrastructure applications.

PEOPLE

Callie Coker is moving from **FCC** Chair *Brendan Carr*'s office to **NCTA**, where she'll serve as VP, Associate General Counsel for Legal and Regulatory Affairs. She's spent six years at the Commission, joining through the Attorney Honors Program. Most recently, Coker was legal advisor to Carr. Before that, she was Legal Advisor to the Chief of the Wireline Competition Bureau.



THINK ABOUT THAT FOR A MINUTE...

COMMENTARY BY STEVE EFFROS | STEVE@EFFROS.COM

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JOURNALISM 101+

OK, I'll admit it; I'm tired of having to write about all the challenges, difficulties, legal fights, ideological battles, scams, political shenanigans and so on (and that's only in our telecommunications world!). So I'm dedicating this column to some of my favorite rants about what we do or why we do it. I look forward to some responses, since there may be good answers, but I'm not aware of any that would make me, as a customer or user, happy.

The new journalism style. Yes, I know, communicating the events of the day has gotten more and more expensive, and new technologies require changes. But it seems to me that one of the basic rules of good journalism is the use of "the five W's" that's who, what, where, when and why, and the "inverted pyramid" style. That's what you include in the "lede" (the beginning of the article), then give more details, then sum up what you've written and conclude. That's been turned on its head ("burying the lede"), and it drives me to distraction.

I know, one answer to this rant is the necessity of clickbait. In other words, because so much information is now distributed electronically, those whose business model relies on advertising have to get the poor reader to scroll and scroll to finally get to the "meat" of the story that was promised in the headline. So the headline tells me they have a "scoop" that a major merger is about to be announced. But the first paragraph starts telling me all the day's business news, stock market, etc., and leads me to the second paragraph that suggests someone has come up with an earth-shattering decision to merge with someone else (very big), but there are a lot of legal issues about big companies merging these days and yada yada yada.

Of course, there are videos popping up and ads appearing on the sides, bottom or top of the screen as all this is playing out. That's the point. This is not intended to inform; it's intended to keep your eyeballs scanning all those ads until somewhere around the fourth or fifth paragraph you find out who the companies are, what

they are proposing, when and where and finally, the rest of the article is the why analysis.

As I said, I know that this has become hair-pull-out common because the way to make money in that business plan is to maximally expose ads. That doesn't make it any better for this consumer who is ready to look elsewhere for his information.

Of course, there are alternatives. Most are either quickly or slowly moving toward a subscription model. Some went that way right at the start of the screen delivery era. Well-known information curators like *The New York Times* or the *Wall Street Journal* sought monthly or yearly subscriptions as a matter of course. Others, like the BBC, *The Guardian*, *Reuters* and the like started out being openly available, then moved toward a subscription model, unfortunately sometimes using clickbait headlines and meaningless ledes before the "subscription pop-up" showed up prior to your being able to get to the "W's." Again, I know why, but I hate it.

The result of all this, it seems to me, is that by intentionally violating Journalism 101, we are inevitably going to force more and more folks into silos of information sources that they either know about or usually use, therefore not being exposed to other perspectives. To be sure, we are doing that to ourselves already, and it has corrupted our discourse, but these business models are forcing the issue even more.

Unfortunately, I don't have any brilliant ideas for how to rescue good journalism openly available to everyone. But I know that the way we are moving now is not going to serve us well.

Another short rant you've heard before: what's with the small print? So now I shift from trying to defend journalism to pleading for some consideration of seniors and all the others without 20/20 vision. Hey! Company folks! Look at your user interfaces with us in mind, too! Pictures of movie promo shot boxes with the name of the movie buried in small type at the bottom of the box? That's almost as bad as showing "who done it" on a screenshot of a phone text message! C'mon.