

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Up and Up: AMG Doubles Down on HBCUs, Growth Efforts

Nine months after acquiring free streaming service **HBCUGo.TV**, **Allen Media Group** is preparing for a major expansion in its support of historically Black colleges and universities.

The company signed a distribution deal with the nation's HBCUs to air more than 2,000 live sporting events, giving players across men's and women's basketball, volleyball, baseball and football the opportunity to be amplified consistently across digital, broadcast and cable. While HBCUGo.TV will remain a destination for lifestyle and entertainment content from the institutions, Allen Media Group founder/CEO *Byron Allen* said a separate platform will be dedicated to live sports.

"The HBCU Sports Network is something that I think is long overdue, and I think it's going to help these colleges and universities with their athletic programs, which are closely tied to the overall financial health of these schools and these places of higher learning," Allen said. "I think that's a huge milestone." The expectation is it will launch later this year.

It's been a busy 2022 outside of the HBCU world, and **Entertainment Studios Networks** has been pushing to deepen distribution of its linear networks. In May, Allen Media Group reached a new carriage deal with **Cox** to launch **JusticeCentral.TV**, **Recipe.TV** and **Comedy.TV** to Cox Contour subscribers nationwide. JusticeCentral.TV and Recipe.TV have already hit Cox's channel lineup while Comedy.TV will launch on Aug. 1. Allen Media Group and **Google** also struck a deal in January

that largely focused on the latter's cloud infrastructure, data analytics and artificial intelligence. But the agreement also included carriage of **The Weather Channel** and select ESN networks on **YouTube TV**. Additional nets will be coming to the vMVPD later this year.

ESN President, Network Distribution and Marketing *Janice Arouh* said a major part of that growth has been ESN's ability to offer a slate of programming that appeals to the whole family, whether it's cooking shows on Recipe.TV or series full of laughs from Comedy.TV. "We are able to celebrate communities, and for us, it's around family," Arouh said. "We have content that is on the top of people's watch lists every single day."

Digital hasn't been forgotten. **Local Now** has become a crowned jewel of the ESN family, using artificial intelligence and proprietary software to curate, aggregate and stream hyperlocal news, weather, sports and traffic. Allen said the service's revenue has grown from January of last year to June of this year as much as "50x" and monthly active users have grown as much as "7x" in that time. And in addition to launching **Weather Channel en Español**, The Weather Channel launched a \$2.99/month direct-to-consumer option for its customers in May, and the company is very pleased with the rate of subscriber growth.

Allen Media Group has become known for having its hands in every pot: linear, broadcast and digital. Streaming services like **Netflix** are working hard to create an AVOD tier to meet the increased consumer interest in free video offerings. Allen

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worries that premium brands that have set themselves apart by asking you to pay for their service or products could muddy the waters too much by trying to rush some sort of free option. Instead, he is of the mind that having two distinctly separate brands, one paid and one free, flies better with the customer.

“The way I look at it, there’s Tiffany’s and in its 100-plus years, it’s never had a sale. I think there’s the Tiffany’s brand where you’ve conditioned people to pay you and you should be proud of that. And then I think there’s the free brand. That should be a different brand,” Allen said. “They’re both phenomenal. I just think it’s tough to play both sides of that fence.”

**2Q BETTER THAN EXPECTED AT NETFLIX**

**Netflix** lost about 1 million subscribers in 2Q22, and while that marks the second consecutive quarter of subscriber losses, it was better than the 2 million loss it had predicted. What’s more, the streamer believes it should swing to 1 million positive net sub adds in 3Q. That’s down from 4.4 million a year ago, but a step in the right direction. Shares jumped 8% in after-hour trading. Netflix’s highly anticipated ad-supported tier is expected to launch in early 2023. “Over time, our hope is to create a better-than-linear-TV advertisement model that’s more seamless and relevant for consumers, and more effective for our advertising partners. While it will take some time to grow our member base for the ad tier and the associated ad revenues, over the long run, we think advertising can enable substantial incremental membership (through lower prices) and profit growth (through ad revenues),” the company said in its letter to shareholders. 2023 also looks to be the year that the streamer addresses password sharing. It said it’s in the “early stages” of working

to monetize 100 million+ households that are using the service but not paying for it. Latin America has been the test market. In March, it debuted an “add an extra member” option in Chile, Costa Rica and Peru. Next month, it will launch “add a home” for 219 pesos in Argentina or \$2.99/month in the Dominican Republic, El Salvador, Guatemala, and Honduras. Revenue grew 9% YOY to \$7.97 billion in the quarter and was up 13% when you exclude a \$399 million foreign currency impact due to the strength of the U.S. dollar vs most other currencies since Netflix’s April earnings report. The quarter saw \$150 million in restructuring costs, including \$70 million in severance and \$80 million in non-cash impairment of certain real estate leases. Netflix played up the strength of its content, particularly Season 4 of “Stranger Things.” It boasted that Nielsen data has it at 1.3 billion minutes viewed for the 2021-22 TV season—nearly matching the combined total of the two most-watched broadcast networks (**CBS** at 753,000 and **NBC** at 597,000). It announced the acquisition of animation studio Animal Logic, expected to close later this year.

**HOUSE TO MARKUP CONSUMER DATA BILL**

**House Commerce** is holding a markup tomorrow that includes the American Data Privacy and Protection Act, which seeks to establish a nationwide standard to protect consumer data privacy. It would restrict businesses on how they collect, use and share consumer data. The committee is slated to take up five other consumer protection bills, including the Informing Consumers About Smart Devices Act, which requires disclosure of audio and visual recording components that aren’t clearly obvious (such as household appliances with listening devices).

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**WV APPROVES MORE BROADBAND FUNDING**

Gov. *Jim Justice* approved over \$20.8 million in grant funding to begin six broadband infrastructure projects across West Virginia. The projects are part of the Major Broadband Project Strategies program that plans to invest more than \$1 billion to make broadband connectivity available to 200,000 homes and businesses for the first time. The state is investing a total of \$20,845,157 to be helped by an additional \$13,279,926 from other sources. Among the winners of the funding are **Comcast** (\$14.7 million), **Shentel** (\$1.12 million) and **Frontier** (\$1.71 million). The approved projects will build more than 628 miles of fiber infrastructure.

**NFL SEES THE DIGITAL BENEFITS**

In a *Sports Illustrated* [column](#), **NFL** Chief Media and Business Officer *Brian Rolapp* highlighted the league's mission to reach as many fans as it can as it sees success with digital offerings. The NFL is doubling down on digital as it'll soon launch a DTC service **NFL+** that'll give fans access to local and national NFL games on mobile devices, **NFL Network** programming on-demand and more. Rolapp outlined four priorities that came with the new media rights deals in spring 2021: more and better football, increased digital streaming, broadcast innovations and additional ways to experience the NFL. The league partnered with **Prime Video** to be the new home for "Thursday Night Football," and Rolapp cited digital viewership doubling over the past three seasons as a reason for increased focus in that area. On top of NFL+, the league has NFL Sunday Ticket. "We are planning a new rollout of NFL Sunday Ticket for the 2023 season," Rolapp wrote. "While we are not ready to reveal that just yet, one thing we can say is it will be more innovative, accessible and digital." Reports have [listed](#) **Apple**, **Amazon** and **ESPN** as bidders, with Apple being the frontrunner.

**GAC MEDIA HITS BRAND REFRESH**

**GAC Media** is renaming GAC Family as **Great American Family**, and GAC Living to **Great American Living**. The new names will take effect Aug. 20 across digital and social platforms and align with the linear channel names on FAST channel **Great American Adventures** and upcoming DTC offering **Great American Community**.

**FNC TOPS PRIME, TOTAL DAY RATINGS AGAIN**

**Fox News** remained on top of basic cable networks in total day for the 28th straight week. From July 11-17, the network averaged 1.37 million viewers P2+, followed by **MSNBC** and **CNN** at 824,000 and 564,000, respectively. **Hallmark Channel** came fourth at 550,000, and **HGTV** rounded the total day top five with 507,000 viewers. Fox News also checked in at No. 1 for prime with an average of 2.18 million viewers P2+. MSNBC trailed behind at 1.31 million, with Hallmark Channel's 939,000, HGTV's 888,000 and **TLC**'s 834,000 viewers making the top-five cut.

**SHARK WEEK TAKES BITE OUT OF ADVERTISING**

Shark Week is on the horizon as **Warner Bros. Discovery** unveiled the new and returning advertising partners for this year's celebration that begins July 24 at 8pm. The new partners are Airbnb, Mory's, Nautica, PNC Bank, Red Robin and Sport Clips, and returning brands include Geico, Gorilla Glue, Jeep, Wayfair and Sonic. Shark

Week offers cross-platform opportunities as well as on-air elements that can incorporate custom vignettes and in-program messaging.

**NCTC, OPENVAULT PEN PARTNERSHIP**

**NCTC** members will have access to **OpenVault**'s portfolio of tools that improve network performance, subscriber satisfaction and monetization thanks to the pair's new partnership. OpenVault will provide NCTC members network optimization and diagnostics tools as well as solutions that can increase network capacity virtually. The two will also release the NCTC-OpenVault Industry Trends and Analytics Report at next week's Independent Show in Orlando.

**SPORTS STREAMING QUALITY LAGGING BEHIND**

Software company **SSIMWAVE** tested the quality of broadcasts of live streaming services that showed the Boston Red Sox vs. New York Yankees games from Friday-Sunday. It looked at **DirectTV Stream**, **FuboTV**, **Hulu**, **MLB.TV**, **Prime Video**, **Sling**, **Sportsnet** and **YouTube TV** and used the SSIMPLUS Viewer Score to rank viewer quality on a 0-100 scale. The average score was 74.5, which falls under the "good" category (a score of 80 or above would be labeled "excellent"). Quality dipped to as low as 40 during the broadcasts, but the scores during advertisements dropped to as low as 30.

**DOING GOOD**

As part of its "Stand for the Arts" initiative, **Ovation TV** recognized San Diego for its support for local artists and art organizations and the economic benefits they bring to the city. Mayor *Todd Gloria* gave the WorldBeat Cultural Center a \$10,000 Stand for the Arts award to be used for programming this year.

**PROGRAMMING**

Following this week's conclusion of Season 3, **FX** renewed "Breeders" for a fourth season. All seasons are available to stream on **Hulu**. - **InDemand** is premiering "Sharknado: The Critics' Roast" and making the "Sharknado" library available July 26. Customers of **Comcast** Xfinity, **Spectrum**, **Contour**, **Astound** and other cable systems can order the programs on demand.

**PEOPLE**

*Austin Bonner*, who was the Acting Chief of Staff and Legal Advisor for media and consumer protection issues in **FCC** Commissioner *Geoffrey Starks*' office, is departing for the White House. She's joining the White House Office of Science and Technology Policy on detail. *Hannah Lepow* will fill Bonner's role of Legal Advisor for media and consumer protection issues. - **NBCUniversal** Advertising and Partnerships appointed *Kimberly King* as VP, DE&I, Global Advertising and Partnerships. She'll create and manage diversity strategies focused on business outcomes for NBCU Ad Sales, brand clients and agency partners. King previously served as VP of One Platform Marketing within NBCU's Ad and Partnerships division and made stops at **Discovery** and **BET Networks**. - *Michael Piccorossi* is joining **C-SPAN** as Chief Digital Officer, effective Aug. 22. In the newly created role, he'll oversee C-SPAN's digital strategy and collaborate with departments to produce digital products. Piccorossi most recently was Managing Director of Digital Product and Strategy at **Pew Research Center**.