

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Almost Showtime: Paramount Maps Out Long-Term Game Plan

Pricing changes are on the horizon for **Paramount+** as **Paramount** prepares to put the streamer and **Showtime** under one roof. The company laid out its outlook for the rebranded Paramount+ with Showtime on its 4Q22 earnings call Thursday, hoping it helps trudge Paramount through the costly streaming war and achieve positive free cash flow in 2024.

“We’re very happy with our momentum today. We see the light at the end of the tunnel,” President/CEO *Bob Bakish* said. “Sure, others are seeing some of the things we saw early, but we’re continuing to execute because we are going to be a profitable scale player in the streaming game.”

The price bumps will kick in when the service launches in early 3Q23. The monthly charge for Paramount+’s ad-free tier—which will include Showtime—will move from \$9.99 to \$11.99. The ad-supported tier, which will come without Showtime’s content, will shift from \$4.99/month to \$5.99. The changes reflect a significant expansion of content to Paramount+, while also seeking to maintain a low-priced entry point to the service.

With the merged platforms will come an impairment charge ranging from \$1.3 billion-\$1.5 billion. “The impairment charge, which will come in 1Q, is really all about content,” EVP/CFO *Naveen Chopra* said. “It’s driven by the fact that when we combine Showtime and Paramount+, we don’t need the kind of content that you would need if they were operating on an independent basis. So that will provide a benefit in terms of

reduced and more on a go-forward basis.”

Total revenue for Paramount came in at \$8.13 billion, which is up 2% YOY but short of Wall Street’s estimates of \$8.17 billion. DTC revenue was up 30% compared to the prior-year quarter going from \$1.07 billion to \$1.4 billion, with subscriber revenue also enjoying a healthy 48% jump to \$936 million. That reflects a record quarterly increase of 9.9 million subscribers for Paramount+, attributing to the addition of 10.8 million DTC subscribers in 4Q22. Total DTC subs now accumulate to over 77 million as the company maintains its goal of 100 million global subs by 2024.

Paramount’s TV media sector struggled in affiliate and subscription revenue, dropping 4% to \$2.02 billion upon the evolution of certain international affiliate agreements that resulted in the company shifting revenue from pay TV services to streaming. Additionally, licensing and other revenue fell 11% YOY due to lower volume of programming produced for third parties.

The struggles come as the advertising market continues to weather a downturn, with Paramount’s quarterly ad revenue dropping 5%. The majority of the dip came from international markets, but domestic advertising still fell 2%. Additionally, Paramount underwent layoffs across its ad sales group, **CBS Studios** and **Paramount Television Studios** in mid-November, adding uncertainty while the company charts forward in its overall plan.

The good news in Paramount’s eyes is that it expects the ad market to recover in the second half of 2023. So far in 1Q23,

Every year, we ask the Cablefax 100 a variety of questions, from what’s their go-to Starbucks order to their predictions for the metaverse to how many companies they’ve worked for over the course of their careers.

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Bakish said the company has seen not only the national side of the ad business improve, but the underlying local business as well. That will help usher in improvements in OIBDA and free cash flow for 2024.

“The strength really is much more so on the direct side of the business, and that’s a place where Paramount has a real advantage,” Bakish said. “We’ve recently reorganized our ad sales force around specific teams aligned with holding companies to kind of streamline access for them [and] make it more turnkey. And that’s been very well received.”

**REGULATORS’ INTEREST IN NEWSMAX-DIRECTV STILL HIGH**

**FCC** Commissioner *Brendan Carr* is staying mum on the carriage dispute between **DirecTV** and **Newsmax** given the allegations that discrimination could have played a part in the decision to drop. “We have a whole set of rules at the FCC that deal with potential claims of discrimination and carrier disputes based on affiliation, so I just want to keep my powder dry to the extent that there is any such complaint filed at the FCC. And if there is, we should take a look at that and be diligent in making sure our rules have been properly complied with,” Carr said during a press conference following the Commission’s open meeting Thursday. DirecTV responded to inquiries from Senators *Ted Cruz* (R-TX), *Lindsey Graham* (R-SC), *Mike Lee* (R-UT) and *Tom Cotton* (R-AR) Wednesday about the drop of Newsmax, reiterating once again that the removal doesn’t have anything to do with ideological differences between the two companies. Rather, it said the complications stem from Newsmax’s desire to transition away from a purely advertising-supported channel to one that is only distributed on pay TV systems and for which those operators would pay to carry. “For both sides, the ongoing dispute comes down to economics. We want to provide our customers with the robust level of programming that they expect without unnecessarily increasing their financial burden,” DirecTV said. “Newsmax seeks to change its business model by starting to charge pay TV providers to distribute its channel only available to subscribers of such pay TV services.” The *Wall Street Journal*’s Editorial Board condemned attacks from conservatives towards DirecTV over the dropping of Newsmax in an [opinion article](#) published Wednesday, calling carriage disputes over fees fundamentally no different than other contract negotiations between businesses. “It’s also odd for conservatives who complain that Democrats are pressuring social-media companies to suppress their views to now bully TV providers to broadcast them,” the board wrote.

**MEDIACOM STARTS 10G TRANSITION**

**Mediacom** has begun transitioning its network to the 10G platform, the provider announced Thursday. Consumers in West Des Moines, Iowa, will be the first to see the upgrade, with new and existing customers on the company’s Internet 100 plan receiving boosts to upload speeds from 10 Mbps to 100 Mbps. Other plan holders will also see upload speed boosts, and a new tier will be introduced with Gigabit symmetrical speeds. More than 30% of the West Des Moines market has already been upgraded, so the rollout of 10G there should be completed by the end of July. More markets will be announced at a later date.

**NAB WANTS ATSC 3.0 FOCUS AT FCC**

The **National Association of Broadcasters** is asking **FCC** Chair *Jessica Rosenworcel* to form an internal ATSC 3.0 task force. In an ex parte, NAB said the goal of the body would be to hasten the broadcast industry’s transition to the new standard. As for who could make up the task force, NAB suggested consumer advocates from the Consumer and Governmental Affairs Bureau, those that have had experience rolling out innovative technologies and public safety professionals from the Public Safety and Homeland Security Bureau. Immediate priorities would be facilitating more stations launching ATSC

**Cablefax Executive Round Up**

**What are the key factors in a successful reality dating show?**



**Alon Orstein**  
SVP, Production & Development  
**TLC**

“Viewers have to care deeply about the couples and their relationships. And for that to happen, the people in those relationships must be incredibly honest and real. They have to be ready and willing to dig deep and share the most intimate details of their love lives. Audiences absolutely crave that sense of openness and vulnerability as you see on ‘90 Day Fiance.’”



**Cat Rodriguez**  
VP, Unscripted Development & Programming  
**Lifetime**

“Three key factors for any successful dating show are a relatable and diverse cast, fantastical settings, and situations that produce unpredictable outcomes. When casting ‘Married at First Sight,’ we search for individuals who want love so deeply that they’ll do anything for it, including marrying a stranger. The stakes couldn’t be higher for these cast members and their actions and decisions can be surprising. If you add in a unique or idyllic backdrop, the entertainment value always increases.”

3.0, but streamlining of rules for those stations and establishing a plan for a successful transition away from old standards to ATSC 3.0 have been proposed as longer-term goals. NAB admitted that the broadcast industry has made significant progress in rolling out ATSC 3.0 without Commission intervention thus far, but it said an inflection point is coming where the agency's participation will be needed to ensure a successful nationwide deployment. "As the issues associated with a nationwide modernization of broadcast infrastructure become more complex, however, Commission leadership is required," NAB said. "Ultimately, a successful ATSC 3.0 transition is critical to ensuring that viewers continue to have access to a competitive, free, over-the-air option for video programming. There is thus no more important issue for broadcast television viewers and the broadcast television industry."

## USDA'S RECONNECT OKS MORE RURAL GRANTS

USDA is investing \$63 million in grants through the ReConnect Program to bring high-speed internet to rural areas in Illinois, Michigan, Minnesota and Mississippi. **McDonough Telephone Cooperative** was awarded an \$18 million grant to deploy a fiber-to-the-premises network in Illinois connecting 1583 people, 274 farms and 41 businesses. **Alpha Enterprises Limited** is receiving a \$19.5 million grant to deploy a similar network in Michigan and **Paul Bunyan Rural Telephone Cooperative's** \$10 million grant will connect 3529 people as well as businesses, farms and schools in Minnesota. **Uplink Internet's** \$15 million grant will build a FTTP network in Mississippi that will reach 2,340 people, 143 farms and more.

## A NEW FRONTIER

To celebrate National Innovation Day, **Frontier** unveiled its new Fiber Innovation Labs on Thursday. The facility is located in Lewisville, Texas, and is designed as a miniature suburban neighborhood that imitates real-life scenarios that technicians will encounter, including weather and temperature changes. The Labs will be used to invent and test new patents, technologies and processes that'll help improve the provider's fiber network.

## KICKIN' IT ON MLS SEASON PASS

**T-Mobile** is offering MLS Season Pass for free to customers starting on Feb. 21. The **MLS** Season Pass subscription is available on **Apple TV** and gives viewers access to every regular season match live, MLS Cup playoff matches and the Leagues Cup with no blackouts. – **MLS** and **DirectTV** struck a deal to make **DirectTV For Business** the home for MLS Season Pass. Over 300,000 restaurants, bars and other establishments will be able to broadcast the new offering from **Apple TV**.

## ON THE CIRCUIT

Former **FCC** Chair *Ajit Pai* and Acting Chair *Mignon Clyburn* will be special guests and featured speakers at **ACA Connects** 30th anniversary dinner at the National Museum of American History on Feb. 28. The dinner precedes the 2023 ACA Connects Summit, the organization's first in-person summit since the start of the COVID-19 pandemic.

## CARRIAGE

**Allen Media Group's** FAST platforms **Local Now** and **theGrio** have added **Nolly Africa HD**, a 24-hour channel with curated movies, series, talk shows and other unscripted content from Nigerian Hollywood (Nollywood). Nolly Africa's lineup will have exclusive movies from **African Movie Channel** on top of its own programming.

## PROGRAMMING

**HBO Max** ordered eight episodes of drama series "Duster." – **A&E Network** is expanding its Sunday night **WWE** programming block this spring with "Stone Cold Takes on America" and Season Two of "WWE's Most Wanted Treasures." The former is a docuseries following "Stone Cold" Steve Austin in his life after the ring and premieres April 30 at 10pm. The sophomore season of **WWE's Most Wanted Treasures** premieres the same night at 9pm. – **CNBC's** true crime docuseries "Blood & Money" arrives on the network on March 7 at 10pm. The unscripted show dives into the world's most infamous financial scandals. – **ESPN** introducing a new studio show "XFL Today" to be hosted by *Jason Fitz* and *Skubie Mageza*. The weekly program will premiere Sunday at 2:30pm leading into **ABC's** coverage of St. Louis vs San Antonio. After Week 1, the show will primarily run leading into the final game of the week across **ESPN's** social media channels, **YouTube** and the **ESPN** app.

## PEOPLE

**Comcast** upped *Sophia Marshall* to SVP, Communications for the company's Central Division. Before coming to Comcast, she served as Company Officer/VP, Communications for **Wellstar**, an integrated health system in Georgia. – **NBCU** Global Advertising and Partnerships Chairman *Linda Yaccarino* has been named Group Chair of talent management company **YMU**. She'll be collaborating with **YMU** Group CEO *Mary Bekhair* on the company's vision and specialties in entertainment, music, sports, art, social, literary and business management. – **NAB** named *Alex Siciliano* its SVP, Communications, where he'll guide the association's media outreach. His responsibilities include messaging strategies to further NAB's initiatives and advocacy, as well as serving as the chief spokesperson and a key advisor to senior leadership. Siciliano was most recently Deputy Chief of Staff for former Sen. *Cory Gardner* (R-CO) and has previously worked on numerous political campaigns.

# PROGRAMMER'S PAGE

## Wu-Tang Clan's Journey Continues in Hulu Series

In a series that's documented the birth and rise of one of the most influential hip-hop groups, Hulu's "Wu-Tang: An American Saga" began its third and final season in the aftermath of a turning point. The first three episodes (released Wednesday) find the group moved away from New York City and into a New Jersey mansion following the release of its first album. As members try to find their own footing amid rising fame, the first two episodes set the stage for what the show's co-creator/writer Alex Tse called "allegorical episodes," which follow certain solo albums from the Wu members. The first one comes in Episode 3 as *O' Dirty Bastard* searches for inspiration for his first solo album. The focus on an individual member adds a unique perspective to each part of the group's notoriety, but Tse told **CFX** that the allegorical episodes were a difficult task to handle production-wise, meaning the team had to be well-prepared at each step of the way. "When we go into these allegorical episodes, many of them are completely different sets, so it's a challenge from a production standpoint," Tse said. "Luckily we've always been ahead of the curve in terms of having scripts done and knowing what we want to do before we enter production." While trying to solve the financial and logistical puzzle of putting together each episode, there's the added creative aspect of tying the series together in its final season. Tse said it was a team effort to accomplish what he and fellow co-creator RZA wanted to achieve creatively, helping put a bow on the series. "Being the final season, the bar is being able to do everything that we intended to creatively to begin within the season," Tse said. "We've got a great team, and of course they wanted us to be able to see the creative come to fruition." Remaining episodes will release weekly on Wednesdays beginning next week. – Noah Ziegler

### REVIEWS

"Hello, Tomorrow!" series debut, Friday, Apple TV+. There's usually a certain amount of disbelief viewers must apply to television series. For example, could the kids on FX's terrific "The Americans" (2013-2018) really be clueless while one or both of their parents, nearly nightly, leaves the house suddenly? On AMC's hit "Breaking Bad," could Walter White's wife take years before questioning why her spouse, a teacher, spent several days away from their home, cooking a highly desirable form of crack cocaine? Yet, most viewers tabled those realities and enjoyed two excellent series. So, why then are we quibbling with details in this new series? Mostly because they could shape it. For example, do the hovering cars of this futuristic 1950s tableaux signify their owners have a different economic status than the businessman who kisses his wife and uses a jet pack to transport him to the office? And has technology, which seemingly completes mundane tasks—cooking, fertilizing the lawn, delivering mail—afforded citizens more time? How do they spend that time? Similarly, what do we make of Jack (the excellent Billy Crudup), a slick salesman, whose 'product' is Moon condos. He's likeable and evil. So are Jack's sidekicks, Hank Azaria, Haneefah Wood and Jacki Weaver. Nicholas Podany, as Jack's son, is particularly good. Yet, it's unclear whether this series is satire or comedy. – Seth Arenstein

BASIC CABLE P2+ PRIME RANKINGS* (02/06/23-02/12/23)		
MON-SUN	MC US AA%	MC US AA (000)
FNC	0.781	2438
MSNBC	0.423	1320
ESPN	0.287	898
TNT	0.277	865
HGTV	0.258	807
INSP	0.240	749
HIST	0.227	709
HALL	0.222	693
CNN	0.221	691
USA	0.188	587
FOOD	0.168	525
TBSC	0.159	496
TVLAND	0.150	467
ID	0.149	464
TLC	0.145	453
DISC	0.141	440
A&E	0.136	426
GSN	0.124	388
LIFE	0.117	365
BRAVO	0.113	353
WETV	0.112	351
REELZ	0.111	345
AMC	0.104	324
HMM	0.099	310
APL	0.089	279
BET	0.089	276
NATGEO	0.085	264
OXY	0.083	259
ESPN2	0.076	237
NAN	0.076	237
TRAVEL	0.073	227
PRMNT	0.072	225
COM	0.070	220
FX	0.070	220
SYFY	0.070	219

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

## Mark Your Calendars!

### Cablefax 2023 Award Submission Deadlines

The FAXIES Awards	Deadline: March 24   Final Deadline: March 31
Top Ops Nominations	Deadline: April 21
The Diversity List Nominations	Deadline: May 12   Final Deadline: May 19
Most Powerful Women Nominations	Deadline: August 11   Final Deadline: August 18