# Cablefax Daily...

### WHAT THE INDUSTRY READS FIRST

# What Censorship? Newsmax Once Again Part of DirecTV Lineup

After nearly two months of public bickering, **Newsmax** is returning to **DirecTV**'s video offerings. And despite its best efforts to get an annual per sub fee of \$1, it looks like the conservative news network won't be getting any money from DirecTV. "Newsmax will be available on DirecTV, DirecTV Stream and U-verse at no additional cost to customers," a joint press release said.

Of course, no one's talking about the terms of the deal, but given the hard line DirecTV drew in the sand over paying for a channel that it's carried for free for years (and once was paid to carry), odds seem high that the MVPD prevailed. Newsmax could try again as it still has more renewals coming up, including deals with **Comcast** and **Charter**.

While DirecTV always maintained the dispute was a financial matter, Newsmax had argued it was ideological. Therefore, it's notable Wednesday's press release on the deal featured this quote from Newsmax CEO *Chris Ruddy*: "Newsmax recognizes and appreciates that DirecTV clearly supports diverse voices, including conservative ones. As a standalone company, DirecTV helped give Newsmax its start nearly a decade ago as it continues to do with upcoming news networks, which is why we are pleased to reach a mutually beneficial agreement that will deliver our network to DirecTV, DirecTV Stream and U-verse customers over the next several years."

This comes after weeks of claims DirecTV was censoring non-liberal views, an accusation Ruddy reiterated at the Con-

servative Political Action Conference earlier this month. Then there was that running list of articles on <a href="Newsmax.com">Newsmax.com</a>'s front page for weeks under the header "DirecTV Censors Newsmax."

A Newsmax spokesperson said that "while we raised the issue of censorship relating to our removal, we now believe in DirecTV's commitment to distributing diverse viewpoints, including conservative ones," adding that the channel accepts DirecTV's position that the impasse was about protecting customers from rising programming costs.

The spat, which began Jan. 25, did result in several Republican lawmakers coming to Newsmax's defense, with some suggesting that Congress would hold a hearing on the issue. Nothing ever materialized and it seems there's some bigger fish to fry that have bipartisan interest (see tomorrow's **House Commerce** hearing featuring **TikTok** CEO *Shou Chew*).

Senate Commerce Ranking Member Ted Cruz (R-TX) called the channel's return "a victory for free speech over powerful corporations that want to put their thumbs on the scale of the national conversation." Cruz and Senators Lindsey Graham (R-SC), Mike Lee (R-UT) and Tom Cotton (R-AR) sent a letter to DirecTV's CEO as well as leadership for controlling shareholders AT&T and TPG expressing concerns about the situation, particularly following the removal of One America News in 2021. They demanded information on communications about the drop and details on other carriage deals that were renewed.

"This outcome speaks to the power of citizens and their elected representatives working to stop viewpoint discrimina-



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tion. I'm grateful to my colleagues, Senators Lindsey Graham, Mike Lee, and Tom Cotton, for joining me in this fight," Cruz said. "Our democracy's health depends on free speech, which is why I will keep using my perch as the Ranking Member of the Senate Commerce Committee to stop the silencing of conservatives whether it occurs with Big Media or Big Tech."

DirecTV CEO *Bill Morrow* painted the skirmish as a common occurrence in the pay TV industry as MVPDs try to hold down costs. "This resolution with Newsmax, resolving an all-too-common carriage dispute, underscores our dedication to delivering a wide array of programming and perspectives to our customers," Morrow said in a statement. "Through our persistent negotiations, we reached a resolution under mutually-agreeable business terms allowing us to deliver the conservative news network at the right value—a reflection of the free market at work."

# DIRECTION OF MLB DISTRIBUTION 'A BIG DEAL'

This year's MLB Opening Day has a little more curiosity from fans compared to years past with the official implementation of new rules including a pitch clock and bans on defensive shifts. But Opening Day is also coming with more <u>uncertainty</u> surrounding it as many teams navigate hazy RSN situations with just eight days until first pitch. It's cast questions on the future of the league's distribution of games, and while folks at ESPN are focused on their national "Sunday Night Baseball" product, the crew knows the answer to MLB's local game equation could be a turning point for fans. "It feels like this is another watershed moment for us as consumers of sports, and how we ultimately consume them," Karl Ravech, play-by-play commentator for Sunday Night Baseball, said on a media call. "We are consumers of sports, let alone broadcasters of sports, and this will ultimately sort of show the hand as to perhaps what direction and all goes in. It's a big deal." This offseason has seen speculation on what the league itself could do to replace the RSN model, such as the MLB taking the reins and rolling out a DTC product and letting customers pick the teams they want to follow. But five-time World Series champion and Sunday Night Baseball analyst David Cone thinks whatever the solution ends up being, the process needs to be carefully executed to ensure a long-term fix. "It's easy to point to the future and say 'Unbundle everything. Everybody's going to be ala carte, everybody's going to go app to app,' ... That's the easy answer," Cone said. "The tough answer is 'Hey wait a minute, unbundling this thing overnight is much more difficult than you think it's going to be.' There's some advantages to bundling—some cost advantages—but be careful what you wish for if you try to unbundle this thing too quickly."

## The WHO and the WHY

CFX's spotlight on recent new hires & promotions



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• Sonia will fill the shoes of the exiting Paul Richardson, who spent over 15 years with the company. She'll oversee Disney's HR strategy, global talent acquisition, leadership development, D&I, cultural development, compensation and benefits, HR operations and technology and global security. Sonia begins April 8 and will report to CEO Bob Iger.

- She originally joined the Mouse House in 2008 when she became VP, HR for Disney Consumer Products. After eight years in that role, she was upped to VP, HR for Disney, before becoming SVP, HR for Disney General Entertainment and ESPN in April 2017. Her portfolio there included ABC News, Freeform, FX, Hulu Originals, Nat Geo Content, Onyx Collective and more, also leading DE&I efforts as well as employee development and engagement, recruitment and compensation and organizational development.
- Before arriving at Disney, she worked in several HR roles at The Home Depot for over 12 years as the business underwent a large-scale organizational transformation. She holds a bachelor's from Chapman University and a master's from Florida International University in HR Management.

# GOEI LEAVING ALTICE USA, NEW BOARD CHAIR NAMED

Dexter Goei is stepping down as Executive Chairman of Altice **USA**, but will remain a member of the board moving forward. In an 8-K, the company said it entered into an agreement with Goei on March 17 tied to his departure from the company. He'll be entitled to receive \$540,000 in a lump sum and will remain eligible to vest in the equity awards granted to him by Altice USA. He'll be temporarily succeeded as Chairman of the Board by Alexandre Fonseca, who currently serves as co-CEO of Altice Group in Europe. He will serve on the board until the company's 2023 annual meeting of stockholders when a true successor will be elected. Fonseca will receive no compensation for his time on the board and he will not serve on any committees. Separately, the Board has accepted the resignation of Altice Europe veteran Gerrit Jan Bakker related to his position as a director on the board. The **SEC** filing noted that his resignation is not "the result of a disagreement with the Company on any matter relating to its operations, policies or practices."

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | VP/Group Publisher, Cablefax and Cynopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com | Managing Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Associate Editor: Noah Ziegler, 301.354.1704, nziegler@accessintel.com | Director of Business Development, Cablefax: Ellen Kamhi, 917.626.5574, ekamhi@accessintel.com | Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com | Production Manager: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: \$1,799.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

# FCC PROPOSES RULES ON VIDEO PRICE BREAKDOWNS

FCC Chair Jessica Rosenworcel introduced a proposal Wednesday that would institute further requirements on how cable and satellite providers list their pricing for video products. If adopted, the rule would direct those providers to state the total cost of video programming service clearly and prominently as a single line item on bills and promotional materials. That cost would include the breakdown of costs related to retransmission consent and regional sports. "We're working to make it so the advertised price for a service is the price you pay when your bill arrives and isn't littered with anything that resembles junk fees," Rosenworcel said in a statement. "Not only will this reduce cost confusion and make it easier for consumers to compare services, but this proposal will also increase competition among cable and broadcast satellite providers through improved price transparency."

### **DISH PATENT VERDICT REVERSED**

**DISH** is no longer on the hook for a \$469 million patent infringement payment after a Utah federal judge reversed a jury verdict. *Law360* was the first to report the ruling, which came just over a week after the jury decision. The judge in the case ruled orally that he would grant DISH's motion for Judgment as a Matter of Law. The ruling, which can also be called a directed verdict, meant that the Court found that **ClearPlay** failed to offer sufficient evidence to support the assertion that DISH infringed on the company's patents when it introduced a channel-skipping feature on its Hopper set-top boxes. As a result, all of the previous damage awards are moot. "DISH has stood firm in its belief that it did not infringe ClearPlay's patents, and is gratified by the Court's ruling," a DISH spokesperson told **CFX**.

# VERIZON TESTING ENHANCED CUSTOMER SERVICE TOOLS

Verizon is making major upgrades to its 5G networks, and in anticipation of potential problems, it is also working on how to improve its customer service experience. In a video posted to the Inside Verizon Twitter account, EVP/President, Global Networks and Technology Joe Russo said the company is testing out features that allow his team to have deeper access to accounts in order to troubleshoot and diagnose more complicated network and device issues. Right now, customers can report poor network experiences on the My Verizon app and the provider receives approximately 2,000 responses every month. For about 70% of those feedback notices, Verizon was either already aware of the problem or it was able to identify the issue quickly. That other 30% will hopefully be solved by the deeper investigations coming from Verizon engineers through these enhanced features. "Feedback is a gift. Feedback allows the network engineers to figure out where we have issues so we can fix them," he said. Right now, these features are locked to employees, but the hope is that it will eventually be released to customers. In a separate move to also improve the quality of the information being relayed to the network engineers, Russo said Verizon has divided its wireless access team into markets to build relationships with local sales people so they can offer feedback on what's happening on the ground.

# USSF EXTENDS TELEMUNDO PARTNERSHIP

The U.S. Soccer Foundation renewed its partnership with **NBCUniversal Telemundo Enterprises** as its Spanish-language media partner for a second year. The two will team up for the "United for Girls Playbook" initiative, which works with organizations to create strategies to grow and maintain participation of girls in sports. Telemundo will translate the United for Girls Playbook to Spanish while also supporting the USSF's "Soccer for Success" after-school program.

### **C2HR CON COMMITTEE REVEALED**

Cox EVP and Chief People Officer *Kia Painter* will serve as the chair for the upcoming 2023 C2HR CON, which will be the first time the event returns to an in-person format since 2019. She's joined by a committee that includes *Warner Bros. Discovery* Director, Wellbeing & Engagement *Victoria Alvarez* and VP, People & Culture *June Heindel*; **A+E Networks** Sr. Director, HR *Alisa Badiner*; *Midco* Director, Total Rewards & HR Ops *Sharon Keonig* and *INSP* VP, HR *Rebecca Zambrana*. C2HR CON is set for August 7-8 in Brooklyn.

### **RATINGS**

**CBS Sports** and **Warner Bros. Discovery Sports** combined for the most-watched first round of the NCAA men's basketball tournament ever. On Thursday and Friday, **TBS**, **CBS**, **TNT**, **truTV** and the March Madness Live app had a total audience delivery of 9.2 million viewers. Coverage of Friday's games averaged 9.3 million total viewers across platforms, the most-watched Friday first-round slate ever.

### **CARRIAGE**

Samsung TV Plus users now have access to Noticias Telemundo California and Noticias Telemundo Florida, two of Telemundo's Spanish-language FAST channels. Noticias Telemundo Noreste and Noticias Telemundo Texas will also be coming to Samsung TV Plus, with an April launch expected.

### **PROGRAMMING**

The next chapter of **HBO**'s "Music Box" series "Jason Isbell: Running with Our Eyes Closed" will premiere April 7 at 8pm. It follows Isbell as he records the 2020 album "Reunions" with his band The 400 Unit, discussing his troubled childhood, battles with addiction and how they helped fuel his music career.

## Think about that for a minute...

# The More We Change

Commentary by Steve Effros

It's hard to miss what's going on in the world of streaming video these days. To begin with, the prices are going up. In the "old days" there would be front page headlines when a cable operator announced a one or two dollar rate increase. The other day YouTube TV (Google) let everyone know they were increasing the price of their "basic" service by eight dollars. It barely rated a mention.

Folks get it these days; the price for video entertainment is going to continue to go up. It has to. The theory that competition was going to force the desired multiple players to compete on price has always been wrong. This is a marketplace where unique product has to constantly be created, such as movies and television series. And what's worse, that product is, essentially, transitory, especially if it's delivered allowing for "binge" watching. So with limited high-quality creative content producers, the price of that product will always go up as the multiple competitors vie for it. It's always going to be an upward spiral on costs and consumer prices.

This has resulted in a streaming video world where, with very few exceptions, the players are all losing money. The pressure to spend more and more for the "best" product that can continue to attract consumers can't be sustained. The prognostications are that the days of vastly increased spending for new, unique, exclusive programming are over. Well, that's not quite right. The few companies, like Amazon and Apple, who generate their primary income from things other than streaming will continue to lavishly spend. Thus, the Netflix' of the world will garner all the Oscars and the rest will try to figure out new business models.

I've mentioned those obvious business model changes here before. One is to insert advertising. Just selling data from what folks are watching is getting old hat, and the data is now ubiquitous, so its value is going down. But advertising, as with the good old days of broadcast television, still works so long as you don't anger the viewer too much, with too much ... in the wrong places. We'll see if they learn that trick before they

lose the audience.

Another "new" thing for the streaming video folks to do is, again, what cable and broadcast channels have done for many years; provide new programming on a linear basis. This business of "binge watching" simply doesn't work in a world where there are a limited number of really good new programs coming along at any given time, and they are offered on "walled garden" streaming services where the customer can "leave the garden" any time and stop paying for the rest of the programming as soon as the new stuff has been binged!

The solution; don't release the "new" stuff all at once. Rather, parse it out one week (or longer) at a time. Thus the latest episodes of Ted Lasso, for instance, on Apple, look very much like the old-fashioned weekly series releases on cable and broadcast. Fascinating. Maybe those folks knew what they were doing after all! Maybe the ability to unsubscribe from a service like "Red Zone" any time you want, for instance as soon as the football season is over, isn't such a great idea if the streamer still has to pay for all those other sports rights for the rest of the year!

And then there's the whole question of how long it will take the average consumer to get totally furious with the process of figuring out which "exclusive" streaming services they are paying for, which ones they want, when, and how easy or hard it is to keep it all straight. A solid "cable bundle" solves the

problem. The more we change, the more we stay the same.



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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.)

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