

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Grand Slam: Solomon Talks Tennis Channel's 20th, DTC Plans

Tennis Channel celebrates its 20th anniversary this month. While it's riding high as it heads into its 17th year in Paris for the French Open this weekend, there were times over the past two decades that its survival was questioned and threatened. After struggling for carriage in its early days, **Ken Solomon** was brought in to lead the channel in 2005 as president. The following year, it outbid ESPN for French Open rights, giving the net its first Grand Slam tournament. We chatted with Solomon about where the network's been and where it's going as a division of Sinclair. An edited excerpt follows.

Steve Bellamy founded Tennis Channel as well as Surf Channel, Skate Channel and Ski Channel. I think Tennis is the only one still standing. What do you think has given it the staying power?

You had a sport that is the oldest organized sport, other than the ancient Olympics. And yet, it had never been really seen the way it exists. Other sports, because of their format, fit into this nice once-a-week box for three hours or something like that. Here you had a sport that was being played all day long, every day, all around the world and people saw like 2% of it at best. The second part was having a great team that constantly said how can we use the latest innovations in media to bring this sport to people in a way that shows them why it's so great. We were first in so many things, like HD and authentication. We were streaming in 2007 when people didn't

even know what that was.

That's a good point about being a trailblazer, but one area Tennis Channel has dragged its feet on is DTC, with an offering set to launch later this year or next. What was the thinking there?

We had to tap the brakes because it took time for our MVPD partners to understand that allowing us to go direct to the consumer for the cord cutter was a good thing for them. It really wasn't our choice as much as finally them coming to realize that it would be a benefit, not a problem for them. The second thing, and I wouldn't say it's why we waited, but the emergence of FAST channels is something we've looked at as a primary growth strategy.

Is there a risk that DTC and FAST makes Tennis less valuable to MVPDs?

If you're a cord cutter, you're already a cord cutter. I think MVPDs realize that Tennis Channel is not going to be the tipping point for the decision making most of the time. Pretty much everyone has some form of DTC and we're playing catch up. As for our FAST channel **T2**, it's not only not cannibalistic, it's the opposite. T2 is a standalone, separate, linearly programmed channel, but its matches are completely unique to T2. Most tournaments have 15-20 courts going and we can't show it all on Tennis Channel. We are programming T2, which launches on **YouTube TV** June 1, as broadly appealing, slightly younger, positioning it as very pop culture-oriented. We can do linear, DTC and FAST and they are all synergistic. We added

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huge incremental audience already with T2 when it was just on **Samsung**. Now that it's got YouTube and there's a bunch of other deals that we're going to get done, I believe that T2 will be one of the most broadly distributed, maybe the most broadly distributed sports network in the American media universe within the next couple of years.

Sinclair shareholder just approved a reorg that puts Tennis Channel under the Sinclair Ventures division with real estate and private equity instead of with Broadcast. What's the reasoning?

Sinclair has been a phenomenal partner and the great emancipator. I'm not sure we'd still be here if they hadn't become our acquiring partner. From a scale standpoint, we're still far less than the majority of the company. They wanted to be able to unlock the value and give Wall Street the visibility into the growth of Tennis Channel and then apply the appropriate multiple to that. In the old configuration, we were just sort of subsumed within a much larger corporate structure.

In the RSN world, including with your Bally Sports siblings, there are obviously concerns about the business model. You don't believe Tennis is facing those same headwinds?

Not at all. We're a national sports network, who are really the destination nationally for a sport. More importantly, they were pretty leveraged in the MVPD universe from a pricing standpoint, from a distribution standpoint. We're in a growth mode. It's really a very different dynamic of having the team owners as partners. I don't care what company it was, this was going to happen to the RSNs. This isn't about Sinclair. This is about team owners who have historically been able to say to whatever partner they have, 'you're gonna pay us more.' But nobody is immune to the shrinking ice cube of MVPD distribution erosion.

YOUTUBE GETTING READY FOR SUNDAY TICKET

The customers have [spoken](#). Both **YouTube** and **YouTube TV** will allow fans to have unlimited simultaneous streams for **NFL Sunday Ticket** while watching at home, and two additional streams for viewers watching on the go. Typically, YouTube TV users can only have three streams running at the same time, but after receiving customer feedback, it's removing the cap for its first season as the Sunday Ticket home. It's not the only viewing enhancement that could come for football fans. "We're working on some improvements to multiview, but stay tuned for specific updates as the NFL season approaches," TeamYouTube [tweeted](#). YouTube TV is running a \$100 off deal for NFL Sunday Ticket until June 6.

LIONSGATE HIGH ON SUBSCRIPTION REVENUE GAINS

Lionsgate wrapped up its 2023 fiscal year with a bang, reporting 4Q23 revenue of \$1.1 billion. Revenue at the Media Networks segment grew 2.3% to \$389 million, up from \$380.2 million last year thanks to growth in domestic streaming revenue partially offset by lower domestic linear revenue. More revenue may come from **Starz** next quarter with notifications going out notifying the streaming service's customers that its price will go from \$9/month to \$10/month for new and existing customers. The increase will go into effect on June 26, and it marks the first time Starz has raised the price of its standalone service since its launch in 2016. "We haven't changed the rate since we launched into the digital side of the world in seven years and in that time, some of our peers have done one and some have done two rate increases," Starz CEO *Jeffrey Hirsch* said during Lionsgate's earnings call late Thursday. "While there will be some short-term sub pressure, we think net-net, it's a positive for the business." The company hasn't factored a prolonged **WGA** strike into its guidance at this point, but at least in terms of its film business, it doesn't expect to see a significant impact for a while. "We've of course been preparing for the strike for several months and we've got a significant content pipeline, completed projects and, with our film and television library, our businesses are very resilient," Lionsgate CEO *Jon Feltheimer* said.

AT&T STANDS AGAINST T-MOBILE SATELLITE CONNECTIVITY PLAN

AT&T submitted a filing at the **FCC** last week opposing an application by **T-Mobile** and **SpaceX** to offer a satellite to device service. It criticized SpaceX for requesting a waiver of the Commission's leasing rules, which prevent lessees from using spectrum that is allocated for terrestrial mobile use for satellite services. "The Commission should reject SpaceX's request to simply take it at its word that it will not cause interference," the filing said. "The FCC thus should not grant the applications unless and until SpaceX provides sufficient technical showings demonstrating that terrestrial licensees—including T-Mobile itself—will be protected from harmful interference." In a note to clients, **New Street Research** said there are three layers to how those across the industry should view AT&T's interest in the proceeding. "As to the first, it is not an effort to stop T-Mobile's efforts but rather one designed to force T-Mobile and SpaceX to provide the FCC additional information. As to the second, it is an effort to position AT&T's own efforts as more credible

for both regulators and consumers,” the firm said in a note. “As to the third, it is a demonstration of how competitors can affect the battle for consumer dollars in an administrative venue for which this issue is far from the first, nor will it be the last.” Ultimately, the most likely outcome in New Street’s view is the FCC asks for that additional information from both T-Mobile and SpaceX, and while that may mean a significant delay to the commercial roll-out of the service, it won’t block its launch indefinitely.

PARAMOUNT+’S MEMORIAL DAY

To celebrate Memorial Day Weekend, **Paramount+** is giving active and former members of the military 25% off their subscription for life. The deal is available in the U.S. only and goes until Tuesday.

PROGRAMMING

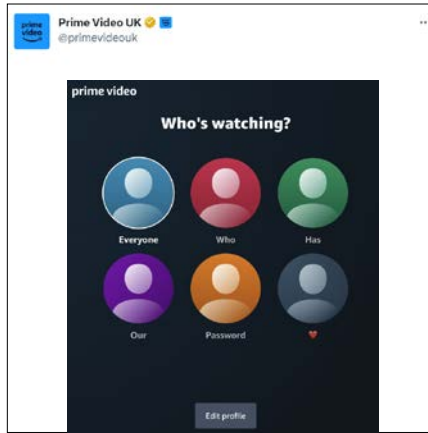
“Hoffman Family Gold” will return for a second season June 16 at 9pm on **Discovery**. Season 2 highlights the tensions that come with running a family business in the gold mining industry. – “The Ultimate Fighter: Team McGregor vs. Team Chandler” will premiere Tuesday at 10pm on **ESPN, ESPN Deportes** and **ESPN+**. The 31st iteration of “The Ultimate Fighter” series will pit former UFC lightweight champion *Conor McGregor* and current lightweight contender *Michael Chandler* against each other as coaches. New episodes will be released on Tuesdays at 7pm. – Xumo Play is taking the “Play” to a new level with its Game Show Week programming. It’ll have “Sony Canal Competencias” debut Monday and be available throughout the week. On Tuesday, “The Impossible Quiz Show” puts viewers to the test before “Wipeout Xtra” takes the stage Wednesday. Next Thursday—National Game Show Day—will have “The Price is Right” and June 2 will feature “Fear Factor” and “Family Feud.” “Game Show Central” will take over June 3 before “BUZZR” caps the event June 4.

EDITOR’S NOTE

Cablefax Daily won’t be publishing Monday in honor of Memorial Day. We’ll be back Tuesday and keep you up-to-speed on any breaking news at Cablefax.com.

CABLEFAX DASHBOARD

Twitter Hits



Research

(Source: [Hub's "Battle Royale" Study](#))

- > 82% of all respondents say budget is a main factor limiting their subscriptions, but just as many say there’s a limit to how many they can use, even if they could afford all of them.
- > The average household uses roughly the same number of premium video sources (6.1) and non-video (6.7).
- > The average respondent said their household uses 12.7 different sources of entertainment across categories like video, audio, social media and more. That’s flat from 2022.

Up Ahead

- JUNE 8:** [FCC Open Commission Meeting](#); DC
- JUNE 21:** [FBA Regional Fiber Connect](#); Lake Tahoe, CA
- JUNE 22:** [Media Institute Luncheon with Michael O’Rielly](#); DC
- JULY 30-AUGUST 2:** [The Independent Show 2023](#); Minneapolis, MN
- AUGUST 11:** Cablefax Most Powerful Women Entry Deadline

Quotable

“It’s a hit-driven business and there was a four year push toward huge volume and hoping to find some hits. And what’s happening now is hits are just as important, but the middling shows that may not be performing as well are being winnowed out. The interesting dynamic about a show that is not a giant hit or an immediate loss or loser is that it’s not great for the platform or the studio. It’s not a terrible thing. As much as we love all of our children, if some don’t get promoted to the fifth grade, it’s all right and we take our lumps and we focus on the hit... of course, you want as many buyers as possible buying as much as possible. But a targeted buyer is helpful for a studio.”
 – Lionsgate TV Chairman Kevin Beggs on the removal of some content from streaming services during the company’s 4Q23 earnings call