

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## The Fall: Bally Sports San Diego Loses Padres Rights, MLB Takes Over

The biggest domino in the **Diamond Sports** bankruptcy case thus far has fallen with **Bally Sports San Diego** losing the right to distribute **San Diego Padres** games.

The move became official late Tuesday as Diamond Sports decided not to provide its rights fee payment to the team. That payment was already overdue, and Tuesday marked the end of a two-week grace period that came before the rights were ultimately forfeited by the RSN. While Diamond has failed to make payments to other teams, this is the first time it has lost its regional distribution rights since it filed for bankruptcy in March.

As promised, the MLB is stepping in to take over production and distribution of all local Padres games. The league will make Padres games played through Sunday for free with an MLB login at MLB.com, Padres.com and in the MLB apps on mobile and connected devices. After that, Padres fans who don't have a subscription for an MVPD package that features Bally Sports San Diego will be able to sign up for a direct-to-consumer streaming option through **MLB.TV** for the rest of the season for \$19.99/month or \$74.99 for the rest of the season. Diamond wasn't able to secure DTC rights for the Padres for its own Bally Sports+ service, so this is the first time the area's fans have been able to access local games outside of subscribing to a provider that carried Bally Sports San Diego.

This plan is separate from MLB.TV's out-of-market package, and because MLB is offering a direct-to-consumer streaming option in

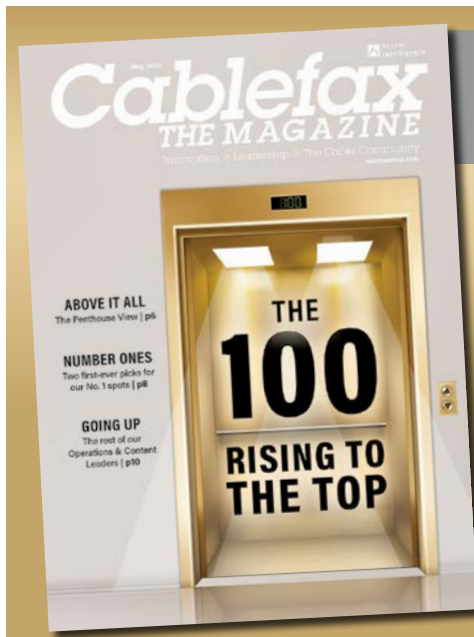
the club's territory, the league is able to lift the blackout for Padres games previously distributed on Bally Sports San Diego. MLB argued that this ultimately is a huge win for the Padres, expanding the reach of the team's games from approximately 1.13 million homes to 3.264 million homes within the home television territory.

"While we're disappointed that Diamond Sports Group failed to live up to their contractual agreement with the Club, we are taking this opportunity to reimagine the distribution model, remove blackouts on local games, improve the telecast and expand the reach of Padres games by more than two million homes," MLB Chief Revenue Officer *Noah Garden* said in a statement.

Pay TV subscribers will also have different ways to watch with providers launching new channels to host the games called "MLB San Diego Padres." Customers will find them on 694-3 on **DirectTV** and **DirectTV Stream**; on 781 on **AT&T Universe**; on 305 on **Spectrum** in San Diego, Palm Springs and Yuma-EI Centro; 230 on Spectrum Hawaii and on 4 on **Cox** on the California Yurview. **Fubo** will provide customers with more information on how to access the Padres games soon.

What will be familiar to longtime Padres viewers will be the voices behind the broadcast. Primary TV broadcasters *Don Orsillo*, *Mark Grant* and *Bob Scanlan* will continue in their current roles and the radio team behind 97.3 The Fan will remain in place. *Jesse Agler* and *Tony Gwynn Jr.* will continue calling games from the booth.

While Padres fans were figuring out how they were going to watch Wednesday's showdown against the **Miami Marlins**, Diamond Sports was busy in the courtroom. Judge *Christopher Lopez* held



## CONGRATULATIONS to all the honorees!

The **2023 Cablefax 100 Magazine** is FINALLY here.

The issue salutes the most influential professionals in media, cable & broadband whose leadership continues to take the industry to new heights. Get to know this year's **Cablefax 100** issue again features **Operations Leaders** and **Content Leaders** in separate ranked sections.

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a hearing in the **Southern Texas Bankruptcy Court** to hear arguments from the MLB, **Minnesota Twins**, **Cleveland Guardians**, **Arizona Diamondbacks** and **Texas Rangers** against Diamond on a lawsuit tied to the rights fee payments that were due to the teams in April. The court had not released any decisions by our deadline.

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## COX CITES TWITTER ISIS RULING IN \$1 BILLION MUSIC PIRACY APPEAL

It's been more than a year since a three-judge panel from the U.S. Court of Appeals for the Fourth Circuit heard **Cox Communications'** [appeal](#) of a \$1 billion jury award against it for its internet customers' illegally downloading music. While there's been no ruling, Cox sent a letter to the court last week outlining a recent unanimous **U.S. Supreme Court** ruling against a family that sought to hold **Twitter**, **Facebook** and **Google** liable for aiding and abetting in a 2017 ISIS attack that killed Jordanian citizen Nawras Alassaf. "These same aiding-and-abetting principles animate copyright law's contributory liability doctrine... and they likewise foreclose liability here," counsel for Cox wrote. **Sony**, **Arista** and other music labels fired back in their own letter to the court Tuesday, saying that the cited SCOTUS case arose under the Justice Against Sponsors of Terrorism Act. "Plaintiffs there identified 'no duty' under that terrorism statute requiring defendants 'to terminate customers after discovering that the customers were using the service for illicit ends.' This case arises under the Copyright Act. This Court has already held that an internet-service provider has a duty to 'do something' about known infringers," wrote attorneys for the music companies. What's more, the music studios argued, this was nothing like the social media companies' passive nonfeasance. "Cox knew of specific instances of infringement occurring on its network, tied them to specific users, and chose not to terminate those users to avoid 'losing revenue from paying subscribers,'" they argued. In 2019, a U.S. District Court for the Eastern District of Virginia jury ordered Cox to pay \$1 billion in damages to Sony and other music labels. Cox appealed the ruling and the monetary amount, but ultimately everything was upheld. It then turned to the Fourth Circuit, which heard oral arguments in March 2022. Whatever the appeals court decides, it's widely expected the challenge could go all the way to the U.S. Supreme Court and it will likely set precedent, with several ISPs facing similar lawsuits.

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## FTC PROPOSES \$25M AMAZON FINE

The **FTC** and **DOJ** have charged **Amazon** with violating the Children's Online Privacy Protection Act Rule over children's Alexa voice recordings, proposing the tech giant pay \$25 million and

## The WHO and the WHY

CFX's spotlight on recent new hires & promotions



**MANSOOR Khadir**  
ASSOC. VP, EXTERNAL AFFAIRS  
NCTA-THE INTERNET & TELEVISION ASSOCIATION

### 3 THINGS TO KNOW

- Mansoor joined NCTA's Government Relations team after spending nearly six years at the Democratic National Committee. His early goals are to strengthen the association's connections with external groups and advocates, with a focus on those who represent diverse groups. He is passionate about digital equity and the ability of technology to transform the lives of families. "The potential of technology to improve the quality of life for people, particularly those in low-income communities, is enormous," he told CFX. "The actions taken by our industry to encourage the use of technology and overcome obstacles will make a significant and lasting difference."
- Prior to the DNC, he worked with now-U.S. Sen. Ben Ray Lujan's team at the Democratic Congressional Campaign Committee. Mansoor also managed private-public partnerships for Share Our Strength, an organization that assists in delivering child food and nutrition programs. While Mansoor enjoys being part of a winning campaign, he's most proud to have played a role in record-breaking voter turnout among diverse voters in the 2020 election.
- Outside of work, he's mostly wrapped up with the duties that come with fatherhood, but in his free time he enjoys watching Formula 1 and the NBA. Mansoor also dives into books, blogs and podcasts to learn more about productivity tips.

agree to delete children's data. According to a complaint filed by the DOJ on behalf of the FTC, Amazon prevented parents from exercising their deletion rights under the COPPA Rule, kept sensitive voice and geolocation data for years, and used it for its own purposes, while putting data at risk of harm from unnecessary access. Amazon claimed it retained children's voice recordings in order to help it respond to voice commands, allow parents to review them, and to improve Alexa's speech recognition and processing capabilities. The FTC said the company failed to put in place an effective system to ensure that it honored users' data deletion requests and to give parents meaningful notice about deletion.

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## AT THE COMMISSION

The **FCC** committed more than \$15 million in another funding round for the Emergency Connectivity Fund. Those dollars will support

applications from the program's first and third application windows and projects tied to 50 schools and five libraries. The program, dedicated to providing funds for digital services for students engaging in off-campus learning, has approved approximately \$6.7 billion to date for projects supporting schools, libraries and consortia.

## DISH DEBUTS NEW AD SOLUTION

**DISH** rolled out a new solution that delivers targeted advertisements to internet-connected set-top boxes in real time. Called DISH Connected, it combines CTV and linear advertising accessibility, giving advertisers access to DISH's inventory in the same manner as a campaign on **Sling TV**. DISH Connected also lets advertisers programmatically transact on DISH's premium set-top box inventory via private auctions that use demand-side platforms.

## RATINGS

The Formula 1 Monaco Grand Prix qualifiers Saturday reeled in 818,000 viewers on **ESPN**, preceding what would become the largest live U.S. audience for the actual race on record. Sunday's race had an average audience of 1.79 million viewers on **ABC**, peaking from 10:15-10:30am at 1.9 million viewers. So far this season across ESPN, **ESPN2** and ABC, Formula 1 races are averaging 1.27 million viewers. That's up 5% compared to 2022's full-season average of 1.21 million. – **Telemundo**'s Spanish-language coverage of Mexican soccer giant Chivas de Guadalajara had its highest-rated and most streamed Liga MX Clausura season across Telemundo, **Universo**, **Peacock** and **Telemundo Deportes**' digital platforms. The Liga MX final between Chivas and Tigres had a total audience delivery of 3.3 million viewers, lifting it to be the most-watched match of the season and in network history. It was also the top program across broadcast and cable regardless of language in the A18-49 group. Telemundo had an average of 828,000 viewers P2+ and 383,000 A18-49 from Chivas' home matches in the regular season.

## FIBER FRENZY

**Comcast**'s Xfinity 10G network in Mead, Colorado, embarked on an expansion project earlier in May and will begin to connect customers in the fall. Once complete, Comcast will provide the full suite of Xfinity services as well as Comcast Business products. The project builds off Comcast's \$1.2 billion investment into its network and technology advancements in Colorado over the last three years.

## ON THE CIRCUIT

**C2HR** is preparing for its first in-person edition of C2HR Con since 2019, and it'll have futurist *Ravin Jesuthasan* as a keynote speaker on Aug. 8. Jesuthasan will talk about AI and the popular misconceptions about the technology. This year's C2HR Con will take place August 7-8 in Brooklyn.

## PROGRAMMING

**Apple TV+**'s limited drama "Lessons in Chemistry" will premiere with two episodes Oct. 13. Based on the best-selling novel from Bonnie Garmus, the series will release new episodes weekly on subsequent Fridays through Nov. 24. – **ESPN+** will have exclusive English- and Spanish-language coverage of the men's FA Cup Final between Manchester United and Manchester City, which kicks off Saturday at 10am. "ESPN FC" will preview the match Friday at 6pm on ESPN+. – Pride Month begins Thursday, and **Ovation TV** is recognizing LGBTQ artists and content. Starting Monday and running every day for two weeks at 6am, Ovation will have a curated lineup that includes "Lil Nas X: Unlikely Cowboy," "The Art Of: Drag" and "Rebels on Pointe." Ovation's streaming platform **Ovation NOW** will also have a curated on-demand lineup under the "Arthouse" destination. It'll have several titles available to watch for free all month, including "Artist to Icon – Cher," "London Live – Rita Ora" and "American Canvas." – **TBS**' new anthology comedy program "Miracle Workers: End Times" will premiere July 10 at 10pm. – Season 2 of "Teenage Euthanasia" will kick off July 23 at midnight on **Adult Swim**, available to stream the next day on **Max**. – A documentary about the career—and controversy—of baseball legend *Barry Bonds* is in the works. **HBO** and Words+Pictures are currently in production of the project. – **Magnolia Network**'s June includes Friday's debut of new series "Well Designed" on **Max** and **discovery+**. Then Season 7 of "Magnolia Table with Joanna Gaines" will begin Sunday on Magnolia Network at 1pm, currently streaming on Max and discovery+. The month also includes Season 4 of "The Cabin Chronicles" (premiere June 16) and a full "Beachfront Bargain Hunt Renovation" season will be released on Max and discovery+ on June 30.

## PEOPLE

**Bluepeak** has hired *Lana Frank* to serve as its new CCO, where she'll head up go-to-market functions and strategy including sales, marketing, partnership programs and customer care. Her career in telecommunications spans over 25 years. She spent time as CMO for **Surf Internet** and held leadership roles at **WOW!** and **DISH**. – *Elyssa Byck* is headed to **NBCUniversal** Advertising Sales & Partnerships to become SVP, Enterprise Partnerships and Operations. It's a newly created position that'll have Byck drive cross-functional alignment in regard to strategy and vision for enterprise partnerships, corporate partners and key stakeholders across **Comcast** NBCU. Byck arrives from Buzzfeed where she was VP, Global Strategy and Operations. – **BET** appointed *Jerry Leo* as EVP, Programming Strategy. Leo will oversee the overall program scheduling strategy and operations for BET Media Groups' portfolio of linear networks. He'll also work with the network's content and marketing leadership teams to help create and optimize roll-out plans and launch schedules. Leo will report to President/CEO *Scott Mills*.



# Think about that for a minute...

## Bet On It

Commentary by Steve Effros

If you've been following the trends in cable, broadcast, internet and the like for any time now, you know that the entire structure of the business plans for these industries is in flux. What was a relatively stable process of entertainment delivery, for instance, with broadcast and cable delivery of sports, news, pre-recorded entertainment etc., has been overtaken by the internet, streaming and "direct to consumer" plans.

The problem is that very few of these plans have proved to be successful, economically, so far, and all of them have engendered large-scale competition, which in turn has resulted in higher costs for all the competitors, and ultimately consumers. "A la carte" entertainment choice, while nice, has never been less expensive than the offering of a buffet. Folks who "cut the cord" of cable television are finding that out every day as they subscribe to multiple services, all of which are having to raise their prices, and also pay separately for delivery over the internet, something the cable company included in the "bundle" price.

But you know all that. I've been warning about it for years. What's coming now is a new warning. It's sort of obvious that the current streaming services are looking for new ways to generate revenue. They have to. They are all competing for the top programs, movies, original content and now sports as well. The prices are out of control and all of those costs will be passed on to consumers. So what to do? Well, find some new revenue streams.

Enter gaming. And I don't mean just video games, that's a huge business already on the internet, and you can expect, as Netflix has already announced, that the "big boys" will become more and more active in video games, game competitions, etc. But I'm focusing more importantly on the wagering side of "gaming." It's coming, with a vengeance, and I don't think that's a good thing.

The statistics are already alarming. The NCAA just did a study and found that almost 60% of 18 to 22 year-olds have placed a bet in the last year. The easiest way to do that these days is through the ubiquitous betting sites whose advertising we can't

avoid any more, especially linked with sporting events on video. What's worse, nearly 70% of college students are listed as bettors. And if you want to really cringe, a majority of underage gamblers typically bet between \$1 and \$50 and lose between \$10 and \$300 a day, the NCAA survey found.

So while parents and school boards are stupidly tied in knots worrying about whether their kids are being corrupted by being shown a picture of Michalangelo's famous sculpture, David, the game is on to entice folks, including underage kids, into a gambling culture. That culture spent over \$220 Billion in the five years since sports betting was legalized in most places.

There's just no question that the companies now desperate to find new business plans to support internet streaming and direct to consumer entertainment are going to see a potential "golden egg" in transactional betting, particularly on sports. Advertising, which most of the companies are now including in their streaming offerings as an alternative to pure subscriptions, isn't going to be enough. The pie slices are being cut too thin. Participating and encouraging betting, on which revenue the online sportsbook owners take a substantial piece, looks like a prime target.

Hopefully the big entertainment companies will take a close, hard look before going in that direction. The entertainment industry has long been used to being criticized for what some folks consider unhealthy or inappropriate content, but if we now venture into the world of betting, which is certainly known to be addictive, we are making a big mistake. You can bet on it.



*Steve*

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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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