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WHAT THE INDUSTRY READS FIRST

Change of Terms: Charter Launching RSN-Free Tier, DirecTV Gets RSN Flexibility

With the future of the RSN model in debate, **Charter** is preparing to launch an RSN-free tier in 3Q23.

Customers will be able to choose Spectrum Select Plus with the full complement of sports programming or the reduced-priced Spectrum Select Signature, which will exclude certain sports programming, including RSNs. **ESPN** and **FS1** would remain part of both. It hasn't revealed pricing, but *Sports Business Journal* [broke](#) the story and suggested the cost savings is likely to be about \$10 a month and the package also won't include league-owned networks.

That figure sounds about right. While Charter doesn't charge an RSN fee (some legacy Time Warner Cable subs have a "sports programming fee"), **Comcast** does and it has hit \$9 in some areas. Some markets are even higher, with **MSG Networks** knocking the operator for a 40% RSN increase last year that put the surcharge at \$10.85 in New Jersey, making the fee higher than it was before the operator dropped the RSN. Comcast's Chicago market, which has multiple RSNs, saw the fee top \$18 last year—which goes to show just how expensive sports telecasts are and why MVPDs are looking for flexibility.

Charter said the Select Signature rollout will happen on a market-by-market basis through the majority of Charter's national footprint "where the company has already accumulated the rights to proceed." That's said to include

just about every RSN, save **MASN**, which Charter didn't renew earlier this year. SBJ said the Orioles/Nationals net didn't agree to the new terms allowing for lower subscriber penetration.

Customers purchasing the Spectrum Select Plus package also will receive local RSN direct-to-consumer streaming apps at no additional charge, where applicable, and Charter may market and sell these DTC apps to its non-video subscribers as well (sounds like something for the upcoming Charter-Comcast JV **Xumo**). Of course, Charter's not just an MVPD. It also operates **Spectrum SportsNet** (Lakers) and **Spectrum SportsNet LA** (Dodgers). It's gearing up to launch DTC alternatives for both RSNs.

"The launch of Spectrum Select Plus underscores our commitment to providing our customers with the best sports coverage while ensuring our non-sports fans have options that meet their needs," *Tom Montemagno*, EVP, Programming Acquisition, said in a statement. "This new model paves the way for a more flexible approach to the outdated packaging model for sports, and it puts the focus where it should be, on the customer."

Charter's new RSN tier isn't just about itself. The same day it revealed the upcoming tier, it announced that **DirecTV** has renewed carriage of its Spectrum SportsNet and SportsNet LA RSNs in a deal that has a "significantly lower" penetration threshold. That means DirecTV has more flexible options for customers not interested in sports. The provider already

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offers “Entertainment” (no RSNs) and “Choice” (with RSNs) video packages, but the lower penetration threshold means that it can afford to ramp up marketing for the RSN-free option or create other RSN-free offers in the future.

Given that customers who want the full sports lineup represents “a relatively small percentage of the overall video subscriber base, and recognizing the marked increase in direct-to-consumer choices, the model for RSNs needs to evolve to reflect the realities of the current marketplace. With this agreement, we are taking a step to shift the business model so that customers have more control,” *Dan Finnerty*, SVP and GM, Spectrum Networks, said in a statement.

Cox Communications has never carried the Charter RSNs. It remains to be seen if these new lower subscriber thresholds get it to change its mind. The operator has long said if it could get a reasonable deal that doesn’t overburden its entire video customer base, it would be interested. But the fact a DTC option is on deck could mean the provider refers customers to that service instead. It didn’t respond to a request for comment by deadline.

DirecTV Chief Content Officer *Rob Thun* said the Charter deal reinforces the provider’s belief in the power of local sports, while also recognizing not everyone is interested in watching the games. “This agreement with Spectrum Networks achieves three key objectives – putting consumers first, recognizing local value, and enabling both parties to extend their relationship with long-term, mutual benefits,” he said in a statement.

COMCAST DAA MILESTONE

Comcast said Monday that it has surpassed 100,000 rPHY digital nodes deployed across its nationwide network. The digital nodes are a key part of the distributed access architecture (DAA) that enables the speed increases and are instrumental in the implementation of Full-Duplex DOCSIS 4.0. Comcast expects to make multi-gig symmetrical speeds available to its first customers in 4Q23. Comcast first began rolling out digital nodes in 2019, surpassing 50,000 rPHY nodes deployed across the network last year. The pace continued to increase in 2023, with the organization upgrading 25% of its footprint to date.

CARRIAGE

DirecTV did a deal with **Weigel Broadcasting** for its flagship network, **MeTV**. The channel, which airs classic TV from the 1930-1990s, is now available nationwide on DirecTV and DirecTV Stream for customers with the Choice and above packages. MeTV has been available to U-verse homes since its December 2012. **DISH Network** used to carry the channel on a nationwide basis, but dropped it at the end of 2022 after the two could agree on renewal terms. Speaking of blackouts, yes, **Nexstar** is still dark on DirecTV. The retrans contract between the two expired July 2. – The **Spirits Network** FAST channel launched on **VIZIO** WatchFree+, coming with programming centered on tasting notes, cocktail recipes and other stories from the spirits sphere. The agreement adds to the network’s distribution on **Apple TV**, iOS and **Android** mobile devices and

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FIBER FRENZY

The northeast provider **Empire Access** is expanding to Geneva, New York, where residents and businesses will have access to its internet, phone, streaming and security services. Internet plans begin with 500 Mbps download and 50 Mbps upload speeds for \$50/month for residents, and businesses can get tiers of 300/30 Mbps, 500/50 or 1 Gbps/100 Mbps. – **Optimum** rolled out 8 Gig symmetrical fiber service to over 1.7 million residents and businesses across the company's footprint. It's the largest deployment of 8 Gig speeds in the U.S. and the company has its sights set on making it available to nearly 3 million passings by the end of 2023.

GCI 5G UPGRADES

GCI is expanding its wireless 5G service in Fairbanks, recently upgrading its eighth wireless site. The operator has invested approximately \$5.2 million, so far, in its Fairbanks 5G deployment and expects to bring more 5G-capable sites online in the community by the end of the year. GCI has also made substantial 5G investments in Anchorage, Eagle River, Girdwood, Juneau, Palmer and Wasilla over the past three years.

DISNEY CHANNEL'S 40TH

To celebrate its upcoming 40th anniversary, **Disney Channel** is rolling out a new brand spot to take fans on a trip down memory lane. The [spot](#) debuted on "Good Morning America" and features moments from shows and movies like "Camp Rock," "The Cheetah Girls," "Hannah Montana," "High School Musical" and more. It'll begin airing across Disney's linear and digital platforms as well as in movie theaters starting Friday.

DOING GOOD

Sinclair is teaming up with the National Diaper Bank Network to introduce the Sinclair Cares: Summer Diaper Drive. It's a nation-wide campaign that'll run from July 10-August 6 and is made to bring awareness and provide assistance to reduce the number of families in need to buy diapers. Sinclair will air public service campaigns across its TV stations and will also produce a 30-minute town hall special to raise awareness about the campaign that'll air on Sinclair stations July 29 and 30. Stations will air a 60-minute version of the special on their respective websites.

RATINGS

TBS' "AEW Dynamite" was cable's #1 show among adults 18-49 on Wednesday from 8-10pm ET, delivering a .75 rating and attracting 438K viewers in L+3. The All Elite Wrestling show had had a 10% lift in adults 18-49 and 25-54, as well as a 5%

bump among P2+ vs the prior week's episode.

PROGRAMMING

Hulu launched "Hulu Animayhem," a sub-brand for its adult animation and anime library, including "Futurama" and "Archer." Look for the sub-brand to have a big presence at **San Diego Comic-Con** next weekend. – Season 2 of **Max** original comedy "Rap Shi!" makes its debut Aug 10, with a new ep dropping each week leading up to the Sept. 21 finale. – **NBC Sports** and **American Century Investments** reached a multi-year extension that will have the programmer televise the American Century Championship through 2029. They said it marks one of the longest title sponsor extensions in golf. **NBC**, **Golf Channel** and **Peacock** will televise coverage of the 2023 tourney this weekend, starting at 4pm ET on Peacock. – As part of **ESPN's** ESPYS Week, the network will premiere a new one-hour documentary on former college basketball coach *Jim Valvano's* iconic speech at the first-ever ESPYS. "The Speech" will air Wednesday at 7pm on ESPN and have an encore presentation Saturday at 2pm on **ABC**. The doc will be available on **ESPN+** following the initial Wednesday airing. – **Fox Sports** Films and the media company Religion of Sports entered a deal to co-produce new and original sports documentaries. The partnership will begin with "Baseball's Greatest Moments with The Kid Mero: The MLB All-Star Game," which takes viewers through the biggest moments from past All-Star Games tonight at 11pm on **FS1**. The two companies have previously worked together on "The Great Brady Heist" and "Searching for Shohei: An Interview Special." – **Max** is up to bat for Xfinity's "Free This Week." Xfinity customers can get Max's full catalog of on-demand programming through Sunday. – The **WNBA** All-Star Weekend is coming up as **ESPN** and **ABC** will be on hand to provide multi-platform coverage. On Friday, ESPN will have the WNBA Skills Challenge and 3-point contest at 4pm. Then on Saturday, the All-Star game will air on ABC at 8:30pm—the first time it'll run during primetime.

PEOPLE

Comcast named *Jose Espinel* as its SVP, Texas Region, where he'll oversee all business functions of the region. He comes with nearly 25 years of experience in the communications and data industries and most recently led **AT&T's** teams in Arizona, New Mexico and Las Vegas. He'll report to Comcast West Division President *Rich Jennings*. – Longtime **TelevisaUnivision** exec *Leopoldo Gómez* is departing the company to pursue other interests. EVP, News *María Martínez-Guzman* will step in on an interim basis. Gómez spent the last two years leading Univision News and was VP, News at Televisa for 23 years before that. He played an instrumental role in the launch of Noticias Univision 24/7, the first Spanish-language streaming news channel in the U.S., and helped guide Univision News to two Edward R. Murrow awards and three NATAS News and Documentary Emmys.