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WHAT THE INDUSTRY READS FIRST

Over-the-Top: C-SPAN Launches CTV App with Comcast First to Deploy

As MVPDs seek to become a one-stop shop for linear and streaming programming, **C-SPAN** is making sure it's part of the conversation. The public affairs programmer has just introduced connected TV app C-SPAN Select, with Comcast the first MVPD to make it available across its X1, Flex and **Xumo** platforms.

With C-SPAN created for and by the cable industry, viewers have needed to subscribe to an MVPD service (or vMVPD **DirecTV Stream**) to view the three C-SPAN networks. That's still the case. But there's always been programming available on C-SPAN.org and on the C-SPAN app that didn't require authentication. It just hasn't been easy to view it on a television and it can be a little difficult to navigate. C-SPAN Select lets Comcast's Flex or Xumo users have front-and-center access to featured C-SPAN programming, including live streams and "virtual channels" of topical content.

"C-SPAN Select is initially being offered to our affiliates who provide C-SPAN's TV networks—as an added value to their license fee payment," C-SPAN VP, Affiliate Relations *Peter Kiley* told ***CFX***. "Comcast is our first affiliate partner to launch the app. Through their Xumo JV with Comcast, **Charter** will begin to offer the app later this year. We'll be reaching out to other affiliates."

Comcast-owned **Metrological** helped design and develop the Lightning app, which means C-SPAN Select uses an operating system that could allow it to launch on connected TV platforms, such as **Samsung** or **Vizio**. It is being launched with the support and guidance of C-SPAN affiliates, and at least for now, it's remaining in the MVPD ecosystem. "There's no set timetable for pursuing other connected TV platforms," Kiley said. Of course, those platforms don't pay C-SPAN a license fee, so the road ahead there is a bit murky. Most free CTV apps are monetized by advertising, which is absent from C-SPAN networks. However, the programmer has slowly added advertising over the years on its website, **YouTube** channel and C-SPAN Now app.

C-SPAN's development of the Select app is another sign that the borders between linear and streaming are eroding. Charter's **Disney** spat revolves around creating a hybrid video model. The operator is moving toward an aggregator model, saying Xumo will be its go-to video platform. And just today, *Brian Roberts* declared that Comcast is the "best aggregator." "We don't look at it as linear or streaming. We look at it as linear and streaming," the CEO said at **Goldman Sachs** Communacopia conference.

As for C-SPAN Select, it's a Washington wonk's wonderland, a book lover's paradise and a history buff's dream all rolled into one app. It features up to eight simultaneous live video streams on the main page as well as on-demand programs and 12 C-SPAN series. There are also simulcasts of the C-SPAN, C-SPAN2 and C-SPAN3 networks for authenticated MVPD customers.

It's well known that the 44-year-old programmer has an astounding video archive. But where C-SPAN Select shines is in how all those hours of hearings, speeches, events, book talks, etc. have been curated. C-SPAN.org has tens of thousands of on-demand programs, while C-SPAN Select has approximately 500 on-demand programs. The home page features trending topics, which can be edited as needed. For example, there could be sections for video on Campaign '24, Climate Change, Abortion, Ukraine and so on.

As you dive further into the app, there are sections devoted to call-in program "Washington Journal," C-SPAN in the Classroom, "Book TV," "American History TV" and *Susan Swain* interview series "Q&A." A viewer can even check out special sections on American History's focus on the Civil War, U.S. Supreme Court oral arguments or even episodes of *Brian Lamb*'s classic "Booknotes" series.

Hardcore C-SPAN fanatics can still turn to the online C-SPAN Video Library for more than 230,000 hours of searchable video. C-SPAN Select is more of a lean-back experience, allowing the more casual viewer to become immersed in content relevant for today.

COMCAST, DISNEY MOVE UP HULU DEAL TALKS

Comcast and **Disney** will start discussing what happens with Hulu's ownership sooner rather than later. Comcast CEO *Brian Roberts* said the companies have moved the call/put option up to Sept. 30 from January. Under their 2019 agreement, Comcast can force Disney to buy its 33% stake or Disney can require Comcast to sell the stake. The deal valued the entire Hulu business at a minimum of $27.5 billion, but Roberts said not to take that figure too seriously. "That was just a hypothetical that we picked five years ago because Disney had control of the company. The company is way more valuable today than it was then," Roberts said at an investor conference appearance Wednesday. Disney and Comcast will each have an appraiser and if their valuations are far apart, a third appraiser would be brought in. "It will take a little time for this to play out, but both companies wanted to get it behind us, so we pulled the date forward," he said. The Comcast chief said what's actually being appraised is a lot more than Hulu. "No one has ever auctioned off a pure-play streaming asset that's in this kind of position, that's a scarce kingmaker asset [for] whoever would get that. But the key, and why that is so much more than Hulu, is you get all the content and you get all the bundling and you have your own synergy as a buyer," Roberts said, adding that the synergy and the churn benefit alone could be worth $30 billion.

CEOS ON DISNEY-CHARTER SAGA

No surprise that *Greg Maffei* is on **Charter**'s side in the **Disney** dispute given that **Liberty Broadband** owns a 26% stake in the operator. "Today's MVPDs are the biggest distributors of the cable networks product. It would seem logical that they should have a role going forward in distribution of all the content that Disney or any other cable network player produces," the Liberty Broadband CEO said at **Goldman Sachs** Communacopia on Wednesday. Asked if it would make sense to permanently ditch Disney if it doesn't come around to Charter's view, Maffei said: "The question is whether it's unprofitable now or in two years or five years. It's inevitable, with current course and speed, it is. You're watching evolution occur. The only question is has the evolution been accelerated." The first question **Comast** CEO *Brian Roberts* was asked about at the conference was of course about the Charter-Disney dispute. "At some level, I guess I'm not completely surprised," he said. "It's not the first dispute and probably won't be the last dispute. Clearly, we all know the video ecosystem is changing." Charter customers lost Disney networks, including **ESPN**, **FX** and **ABC** O&Os, Thursday evening after the two couldn't agree to terms for a new contract, with Charter seeking more flexibility in bundling and access to Disney streaming apps. "I hope people are looking at what is the consumer saying. I think the consumer wants simplicity, somebody to help aggregate and have the most bang for their buck. This dispute is putting tension around some of those issues. I hope they work it out," he said, adding that he thinks Comcast is well positioned as an aggregator with a strategy that encompasses both linear and streaming. Meanwhile, a proposed class action lawsuit was filed in Florida Tuesday against Charter claiming that it is in breach of

The *WHO* and the *WHY*

CFX's spotlight on recent new hires & promotions

COLIN
Kincaid
CPO
CASA SYSTEMS

3 THINGS TO KNOW

- Colin was tapped to the Casa Systems leadership team as the company enters its next phase of growth. He joins after spending several months consulting within the telecommunications industry—a venture he stepped into in January after more than two years of "trying on retirement to see if it fits."
- With more than three decades of experience in the industry, Colin spent quite some time at Cisco, where he rose to CTO. In that role, he oversaw the overall solutions architecture, go-to-market and technical teams in business across wireline and wireless providers, cable access and hyperscalers.
- Colin is well-versed in scaling businesses during his career. He's collaborated with startups like Octocom (acquired by Telebit and then Cisco), Ascom Nexion (bought by Fujitsu in 1997) and Maker Communications (purchased by Conexant in 1999). Colin earned his Bachelor's in Computer Science from Boston University.

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contract by not providing the channels. "Gator Nation, along with football fans across the country experienced a 'Lucy taking the football away from Charlie Brown' moment as Spectrum pulled the football game, broadcasted a blackout, and then claimed, 'Disney made us do it," the suit alleges.

BEAD LOC PUSHBACK

ISPs, nonprofits, consumer advocates and others have joined together to urge **NTIA** to reconsider the BEAD program's letter of credit [LOC] requirement and pursue an alternative, such as performance bonds. "By establishing capital barriers too steep for all but the best-funded ISPs, the LOC shuts out the vast majority of entities the program claims to prioritize: small and community-centered ISPs, minority and women-owned ISPs, nonprofits, and municipalities," said Wednesday's letter to NTIA head *Alan Davidson* and **Commerce** Secretary *Gina Raimondo*. The missive was signed by nearly 300 entities, including **Consumer Reports**, **WISPA**, **Belzoni Cable**, **Surf Internet** and **US Ignite**. Under the current requirements, participants must obtain a LOC issued by an FDIC bank with Weiss rating of B- or better for 25% of the award amount. Banks providing LOCs require that they be collateralized by cash or cash-equivalent. "As a result, awardees will have to lock away vast sums of capital for the full duration of the build, likely several years. With the additional 25% match requirement, recipients will have a capital hurdle of more than 60% of their grant," the coalition said. "We estimate a provider seeking a $7.5 million grant for a $10 million project will need at least $4.6 million of their own capital upfront."

STANKEY, AT&T CONTINUE BROADBAND JOURNEY

It's been just over three years since *John Stankey* took over as CEO of **AT&T**, and while he doesn't think the company has arrived at being the best broadband provider, he's pleased with the progress made during his tenure. "Not only have we repositioned the business, I think we've made some really solid steps toward executing better," Stankey said at the **Goldman Sachs** Communacopia conference Wednesday. "We're not where we need to be. We still want to see some improvement in our business segment … [We'd like] to be a little more agile in the technology infrastructure, and that comes with shedding some of the older products in the portfolio." He pointed to improvements in service indexes such as lowering churn in both the broadband and wireless segments, also noting AT&T's fiber net adds that came in at 251,000 for 3Q23. As for its longer-term plans, AT&T has started the process of growing beyond its traditional fiber footprint. Its priority is to attack growth in organic ways, but it's also using partnerships like its one with **Gigapower** to put AT&T's brand and products in out-of-region areas in the same way it does in-region. "I think it's a race to scale," Stankey said. "We're seeing the cost structure perform better than what we expected. We're seeing in-service life longer than what we expected. We're getting the penetration rates when we build faster than what we expected—when you touch those things, that's going to drive better returns, and therefore it opens up a footprint that's beyond what we ever expected."

COMPETITION GOOD FOR CFB

There's an endless list of differences between the state of college athletics now compared to the mid-2000s, and among those changes include the media landscape and how games are viewed. But even with **ESPN** losing some of its grasp on having its picking of marquee games each week, analyst and commentator *Kirk Herbstreit* welcomes the rise of competing networks within the college football realm. "I kind of like the competition. I think it speaks volumes about the sport, the interest in the sport. I'd rather have it that way than the other way where there wasn't any competition or there wasn't any interest in college football," Herbstreit said on a media call Wednesday. "There's so much depth and so much interest in the sport, so I welcome it. I think it's great. I think it keeps you on your toes if you're a competitor … There's a lot going on around the sport." While Herbstreit—a former quarterback at Ohio State—is sad to see the **Big Ten** go to **Fox**, **CBS** and **NBC**, he's enthusiastic about the prospect of the **SEC** being fully housed under ESPN. What also looms is the expanded 12-team format coming next season for the **College Football Playoff**, which ESPN has the rights to through the 2025-26 season.

LAYOFFS COMING AT ROKU

Roku is looking to bring down its YOY operating expense growth, and it mapped out its plan of action in an **SEC** filing Wednesday. The streamer will lay off approximately 10% of its employees on top of undergoing a strategic review of its content portfolio and reducing outside service expenses. With the layoffs, Roku expects a restructuring charge consisting of severance and benefits costs in a preliminary estimated range of $45-$65 million. The company anticipates the charge incurring in 3Q23, and the completion of the reduction in headcount is slated to be complete by the end of 4Q23. Excluding restructuring and impairment charges, Roku now expects total net revenue for 3Q23 to fall in the range of $835-$875 million and adjusted EBITDA to be a loss of $40-$20 million.

DISNEY+'S SEPTEMBER DEAL

Disney+ is running a promo for its ad-supported tier. U.S. customers can subscribe to the platform's basic plan for $1.99/month for three months, compared to the plan's normal rate of $7.99/month. The deal is available through Sept. 20. Coming to Disney+ this month includes "Elemental" and "Animals Up Close with Bertie Gregory" on Sept. 13, while both "The Little Mermaid" and "I Am Groot" were added today. Those join "Ahsoka" which debuted on the platform in late August.

Think about that for a minute...

Reboot

Commentary by Steve Effros

Remember when the folks at the "public interest" lobbying groups like "Public Knowledge" and "Free Press" continually yelled that the problem with an always-escalating "cable" price was that the "cable guy" had a monopoly, and if we could only get lots more competition that would solve the problem? Haven't heard from them lately.

Prices, of course, are still going up, but there's so much competition that the entire business structure of the entertainment industry is now being threatened. Bottom line; it had very little to do with whether there was only one cable operator in a community or not. A lot of other things were going on which created the escalating costs and therefore the price increases, but few folks were willing to deal with the real issues.

Well, the time has come. The epic battle between Charter Communications and Disney is about to play out on the front pages. Obviously both sides are trying to spin the issues to their PR perspective, but, again, the bottom line is that there has long been a structural problem with the leverage certain programmers, particularly those with live sports content, had over the cable delivery networks. The regulators were never willing to get in the middle of that mess.

Disney-owned ESPN was always the poster-child of this problem. ESPN locked up a lot of the major sports television distribution contracts. The "over-the-air" television broadcast networks had the rest. So between the two, the cable operator—trying to give customers decent entertainment packages —was put in the position of having no choice but to carry those channels. Those programmers knew that, and thus had total leverage in negotiations. Cable, of course, had to pay for carriage. Customers would foot the bill.

But it didn't stop there, and it should have. The ESPN, ABC, NBC, CBS, Fox cabal didn't only want the highest individual prices for their product from the cable guys, they insisted that they had to be "carried" on the "basic" tier of service. The one all customers had to buy. The result was that the cabal got paid for each and every cable customer even though a significant number of those folks had no interest in that particular programming. The negotiations left no choice. Either carry the channel on "basic" and charge everyone or you don't get the programming at all.

When cable operators were totally reliant on "cable service" revenue, that was the end of the story. ESPN. et. al., could increase prices at will, and demand that their other channels be carried and paid for as well and the operator had no real choice. Enter broadband, streaming, wireless service and the like along with "direct-to-consumer" offerings and the game has changed. It's just that Disney didn't believe it. Charter apparently does. It's about time someone said "no" to this clearly out of control spiral. Now it's happened.

Of course I don't know who will "blink" first in this very public battle, but the writing is on the wall; the days of ultimate leverage for certain programmers is over. Sports fans in particular are going to be paying a whole lot more for the things they want to watch. Had "bundled" cable service been allowed to develop without the extreme leverage gained by certain programmers we would all likely be better off. It should have happened long ago. The government should have focused on preventing that leverage rather than worrying about promoting multiple delivery mechanisms, all of which now suffer because of that leverage.

There's lots more to untangle in all this. It includes the current writers/actors strike in Hollywood, the potential impact of AI, the major restructuring of things like college football and more. But for now, let's hope Charter succeeds in "rebooting" the programmer/cable relationship.

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.)