

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Charter-Disney: No Deal, But Winfrey Says Other Programmers Want to Talk

The biggest update on **Charter-Disney** negotiations to come from *Chris Winfrey's* investor conference appearance Thursday is that the two still appear far away from an agreement to bring back **ESPN**, **ABC** O&Os and other Disney networks. Moments after the Charter CEO reiterated the company's stance on stage, Disney emailed reporters a statement recapitulating its position.

"If I had anything material to highlight, I would. That should tell you something in terms of how we're doing," Winfrey said at the **Goldman Sachs** Communacopia conference. "But it's early in the game and as more video customers who value sports content migrate to alternative sources, our incentive to actually do the deal that we're trying to do goes down because the average customer who remains is not going to be a sports viewer, therefore you're going to be thrusting upon them a cost and value they don't actually value."

Disney is not appearing at Communacopia and so far is mainly relying on blogs and press statements to tell its side of the story. "As the US Open reaches the men's and women's finals, and fans gear up for a weekend of college football and the opening of the **NFL** season, it's unfortunate that Charter decided to abandon their consumers by denying them access to our great programming," read its latest statement. "While they have stated their 'indifference' to the needs of millions of paying customers, we will not lose sight of what is most important—investing in the highest-quality stories, news and sports for our audience. The

question for Charter is clear: Do you care about your subscribers and what they're telling you they want—or not?"

There is big talk from both sides, but there also is a lot of money at stake. **S&P** pegged Charter's carriage payment to Disney in 2023 at just under \$2.3 billion. **Bank of America's** *Jessica Reif Ehrlich* estimated that the dispute could amount to a \$5.4 billion loss in revenue for Charter in a worst-case scenario, *Barron's* [reported](#).

"Pending the resolution, or lack thereof, of the Charter negotiations, the future of ESPN still has many different potential paths. We believe the most likely outcome would be for Charter to include **ESPN+** at a discounted rate in a package for its subscribers, essentially a hedge against the increased leakage to streaming that will come when Disney decides to pull the trigger on ESPN OTT," **MoffettNathanson** said in a research note. "It will be telling if any other companies shift strategies ahead of their own affiliate fee negotiations with Charter or others."

That brings us to *Bob Bakish* who said at the same conference that **Paramount Global** already has co-marketing agreements in place with distributors for **Pluto TV** and **Paramount+**. "They very much have an interest in the broadband side of our business, video distribution, as well as the linear side of the business," the Paramount CEO said in an appearance on CNBC. He added outside the U.S. operators such as **Sky** are providing Paramount+ as part of the set-top product. And he endorsed Charter's skinny video bundle Spectrum TV Essentials, which Paramount is part of, declaring that the more attractive price skinnier entertainment



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bundles are a growing sector of the video ecosystem.

“If you look at Charter again, go back to *Tom Rutledge* when we last did our deal with them, he was quoted on his earnings call [as saying] the new... deal that was done is a modernization in the relationship because it’s exactly those things, includes Charter Spectrum Essentials, includes streaming launches for Pluto and Paramount Plus,” Bakish said. “That’s what you got to do. You’ve got to modernize these relationships.”

Charter has said it expects a hybrid streaming-linear approach to be the standard for all deals going forward. “We’ve already had a bunch of reach-outs. We’ve already had a lot of people who would, despite the fact we’ve been a little busy, like to do something outside of renewal or actually accelerate a renewal with this context.” Though he added that Disney, and more specifically ESPN, is the linchpin. FYI: today is the 44th anniversary of ESPN’s launch. “I mean it in a very complimentary way. They have the opportunity to lead here and drive the industry. And if it works, it’s going to be because of that,” Winfrey said.

Analysts mostly seem to believe that a Charter-Disney deal will get done eventually, but they’re also trying to envision what the world would look like if it doesn’t. Winfrey suggested it becomes more and more of a potential reality each day. If Charter permanently lost ESPN, it would have to look at what additional sports content it would renew. “At that point, there’s very little, so you’d have a smaller base of customers, but you’d have a smaller package with a much better price. It would be a package of general entertainment content that customers actually wanted, watched and valued,” he said, suggesting that you could have a reseller virtual MVPD relationship for sports products for self-selecting customers. “It’s certainly great for the consumer. It might even be pretty good for us as well over time.”

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## GOMEZ SENATE CONFIRMATION ENDS FCC STALEMATE

At long last, the U.S. Senate confirmed the **FCC’s** fifth commissioner Thursday, giving Democrats the majority at the agency for the first time in Biden’s presidency. *Anna Gomez*, a telecom attorney who has previously served as *NTIA’s* Deputy Administrator and held various FCC positions, was confirmed on a 55-43 vote. Speaking from the Senate floor, Sen *Ben Ray Lujan* (D-NM) noted Gomez is the first Latina to serve on the Commission since *Gloria Tristani* (1997-2001). Biden nominated Gomez in May following an unsuccessful 18-month nomination process for *Gigi Sohn*. With the partisan deadlock broken, the FCC can tee up a proceeding on Title II broadband classification, likely bringing back something similar to the 2015 Open Internet Order. Presumably, she’ll be seated before the agency’s Sept. 21 open meeting, which includes items

aimed at robocalls (natch) and the 5G Fund for Rural America.

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## ZASLAV SEES BUNDLING IN STREAMING’S FUTURE

The streaming options are plentiful for consumers, but that doesn’t mean they aren’t overwhelming. It’s one of the things **Warner Bros. Discovery** President/CEO *David Zaslav* is cognizant of when organizing a strategy for the company’s DTC products, putting a primary emphasis on satisfying a consumer’s experience in a murky market. “We do have a marketplace that is a bit challenged and it’s one of the reasons why you look at the marketplace and you see a lot of players in the market losing a lot of money,” Zaslav said at the **Goldman Sachs** Communcacopia Conference late Wednesday. “In the long-term, it’s not a great consumer experience. Consumers have adapted to it, but in the long-term, I’ve been a big advocate for bundling... Basic cable was a bundle and is a bundle, and it was quite a good and nourishing experience for consumers. Whereas downloading all these different apps, as we talk to consumers, they find it difficult.” But are there conversations being held behind the scenes to put bundling into action? “There is,” said Zaslav, who subsequently pointed to WBD’s 60-day partnership with **AMC Networks** to put select **AMC+** shows on **Max**. Max is getting some

### Cablefax Executive Round Up

#### How are you preparing to support your operator partners through the BEAD process?



**Koen ter Linde**  
SVP/President, CCS  
**CommScope**

“In support of the IJJA/BEAD initiative, all of CommScope’s fiber cable, including drop cable, is BABA compliant. CommScope is also planning to offer end-to-end BABA compliant FTtx connectivity in advance of awarded BEAD funds

and construction. We recently announced fiber cable manufacturing capacity increases in our U.S. plants, and several new rural deployment innovations: HeliArc fiber cable, Prodigy connector and terminals, as well as new easy to deploy rural FTtx architectures. Finally, to help operators with BEAD, CommScope will be engaging in FTtx workforce training with both operators and states.”



**Bob Whitman**  
VP, Global Market Development for Carrier Networks  
**Corning**

“As the inventor of low-loss optical fiber, Corning is uniquely positioned to fulfill the requirements for the Broadband Equity, Access, and Deployment (BEAD) Program. We’ve invested more than \$500 million in fiber and cable manufacturing since 2020—nearly doubling our ability to serve the U.S. cable market and ensure a strong supply of optical fiber and cable to meet the federal government’s ‘Made in America’ provision.”

boosts over the next few weeks with **CNN** joining the streamer and live sports being added as well. There won't be any price hikes once those additions occur, and more details will be laid out over the next few weeks as to what live sports on Max will look like. Earlier this week WBD made adjustments to its financial outlook for 2023 as the **WGA** and **SAG-AFTRA** [strikes continue](#). WBD initially planned for the strikes to be resolved in September, but with September here and no resolution, the company needed to pivot. "If we can get it resolved soon, then the longer-term impacts will be minimized. But there is real industry challenges here," Zaslav said. "We haven't fully recovered from COVID, particularly on the motion picture side, and so we've put off some movies... we're very focused on how do we get this great industry back." As for when WBD could get back to normal programming after a deal is reached, Zaslav said it would happen very quickly. "We're ready and raring, so as soon as these strikes are resolved, everybody is ready to get back to work," he said.

### FRONTIER SEES THE BENEFITS IN CONVERGENCE

As convergence sets its roots in the U.S., **Frontier** is taking note of the trends it's seeing from competitors. President/CEO *Nick Jeffery* said at the **Goldman Sachs** conference on Thursday that he's seeing competitors bundle cellular with cable, but the cellular aspect is being heavily discounted to create an inflated price umbrella for cable. While he said that dynamic suits Frontier well, it poses the question: Does Frontier view convergence as a product or network strategy? "Both, of course," Jeffery said. "But convergence also changes the customer dynamic and the market dynamic, particularly where you have a heavy asymmetry of assets by which I mean some have great cellular coverage but limited fixed coverage, or some have a lot of fixed coverage and limited cellular coverage." On the fiber front, Frontier is on track for its 45% terminal penetration objective that it set for the overall build. The penetration it inherited from **AT&T** and **Verizon** is at 43% and growing at 1-2% per year. "That's a good indicator of what should be possible in the new fiber that we're building," Jeffery said. "We have two objectives: in our 12-month build cohorts, 15 to 20%, penetration [and in] our 24-month cohort 25 to 35% penetration. And we're tracking very well towards those targets."

### RATINGS

Duke's Labor Day upset over Clemson on **ESPN** reached 4.4 million viewers. It was the top telecast of the day among P18-49 and the second-most-watched game of the weekend across ESPN networks, only behind Florida State's 45-24 win against LSU on Sunday which recorded 9.5 million viewers on **ABC**.

### CARRIAGE

The Los Angeles Clippers are extending their partnership with local station KTLA-TV through the 2024-25 **NBA** season.

KTLA—a **CW Network** affiliate owned by **Nexstar**—will broadcast 15 games this season including all four of the team's preseason contests. Coverage will begin September 14 with the debut of the miniseries "Clippers' Clipboard," which will air during KTLA's morning news programming.

### COX MOBILE ROLLS OUT MULTI-LINE PRICING PLAN

**Cox Mobile** is offering more flexibility for customers who have two or more lines in its Gig Unlimited plan. Customers can get one Gig Unlimited line for \$45/line per month, two lines for \$40/line per month, three lines for \$35/line per month and four lines for \$30/line per month. Existing customers with multiple lines will see the new prices take effect in their next bill.

### DEAL TALK

**Vyve Broadband** took another step in its expansion efforts, acquiring the commercial unit of **ATC Broadband** in the Vidalia, Georgia, area. The area includes the cities of Swainsboro, Lyons and Vidalia, as well as Emanuel, Toombs and Montgomery Counties. It's the second purchase Vyve has made this week after acquiring the assets and network of **Community Cable and Broadband** in Skiatook, Oklahoma, and surrounding areas. Vyve will take over and upgrade CCB's networks to enable delivery of its Gig internet speeds. - **Archtop Fiber** bought New York-based **GTel**, allowing Archtop to provide services in over five townships across Columbia County.

### SCTE UNVEILS GENERAL SESSIONS

**SCTE'S Cable-Tec Expo 2023** general sessions will include **Charter** President/CEO *Chris Winfrey*, **Rogers Communications** CEO *Tony Staffieri*, **CEEK** CEO *Mary Spio* and **NCTA** President/CEO *Michael Powell*. Also making an appearance at Expo is *John Malone*, chairman of all things Liberty—**Liberty Media**, **Liberty Broadband** and **Liberty Global**. He'll be accompanied by Liberty Global CEO *Mike Fries* for a fireside chat, offering insights on how much the industry has developed over the course of their respective careers. **Expo will be held Oct 16-19 in Denver, with [registration](#) now open.**

### PEOPLE

**Optimum** announced four VP/GMs across its Northeast, Mid Atlantic, and West Pacific Areas, who will lead local sales, operations and engagement efforts. Twenty-year **Comcast** vet *Vic Pascarelli* will head up the Northeast Area, which includes NY, NJ and CT. The Mid-Atlantic (W. VA, OH, KY and NC) will be overseen by *Elton Hart*, who most recently was at Comcast Business. *Michael Shaffer*, who has been with the company since 2008, will take the Mid Central Area, serving LA, AR, MO, East KS, East OK and West MS. *Kathleen Preston*, who spent 15 years at **Cox Communications**, has the West Pacific Area serving West TX, AZ, NV, and CA.

# PROGRAMMER'S PAGE

## There Goes the Brides

When the numbers came in for the Season 18 premiere of **TLC** series "Sister Wives," I was hardly surprised to see it had reached a decade-high season return in ratings. The Aug. 20 episode scored a 2.5 L+3 rating among women 25-54, a 1.6 L+3 among adults 25-54 and reached nearly 4 million total viewers. While some of my younger colleagues tell me they have recently started watching "Suits" on **Netflix** and **Peacock** due to a resurgence of clips going viral on TikTok (a trend confirmed by **Nielsen data**), Instagram Reels is serving up a different dose of pop culture to my demo. It had been years since I watched an episode of the TLC series about a polygamist family with four wives, but I started getting regular updates on social media that showed the wives without patriarch *Kody Brown*. It did not take long to discover that *Christine* (Wife #3) had officially left him and that *Janelle* (Wife #2) and *Meri* (Wife #1) had broken up as well. Normally, you tune in to a reality show to catch up on the latest drama, but this is one of those rare cases of a reality TV series being behind real-life events that actually works. When Season 18 begins, both Meri and Janelle are still in relationships, rocky though they are, with Kody. It makes it more entertaining for viewers to know what the main characters do not. In the premiere, Kody meets up with ex-wife Christine for a lunch and chat that suddenly turns hostile when he calls her mean for giggling at how out of it he was while ill with COVID. Wait 'til he catches up to Christine's social media channels and sees that she's engaged to be married! 2024 may be around the corner, but on *Sister Wives*, it's December 2021. That should buy TLC a few more seasons of the show before it has to change the title to "Monogamous Couple," assuming Wife #4 doesn't join the exodus! – *Amy Maclean*

### REVIEWS

"Special Ops: Lioness," streaming on **Paramount+**. *Taylor Sheridan's* latest has him leaving the corral for spying and black ops. Aside from Sheridan's penchant for violence, "Lioness" is a compelling watch, though protagonist Cruz Manuelos (*Laysla De Oliveira*) is wooden. More interesting is her CIA boss Joe (*Zoe Saldana*), struggling with motherhood and a relentless national security career. A quibble: the finale was flat, though 'taylor-made' for Season 2. – Celebrations: Last week we admiringly noted the longevity of **National Geographic's** "Life Below Zero," which began 10 years ago. Today's tributes salute lengthier tenures. First, a generous tip of the cap for **HBO's** "Real Sports with Bryant Gumbel," which debuted in 1995 and, as "Deadline" reported, is in its final season. With 37 Sports Emmys, Real remains an interesting magazine of sports profiles and socially relevant stories. With the "NYT" paring its sports coverage, what media outlet will be sports' conscience? – For years, **CNN's** *Anderson Cooper* could have named his job. Gumbel, too. Instead, both kept on keeping on, letting quality work be the story, not themselves. Tomorrow (Sept. 8) marks Cooper's 20th year helming "AC360." CNN did the math: the 18-time Emmy winner has anchored 5,000 programs, or 10.5 mln minutes of content. And he's going nowhere "for a long time to come," Cooper tells "Reliable Sources" editor *Oliver Darcy*. Amen. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(08/28/23-09/03/23)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
<b>FNC</b>	<b>0.535</b>	<b>1671</b>
<b>MSNBC</b>	<b>0.420</b>	<b>1313</b>
<b>ESPN</b>	<b>0.313</b>	<b>978</b>
<b>HGTV</b>	<b>0.274</b>	<b>854</b>
<b>HALL</b>	<b>0.227</b>	<b>709</b>
<b>ESPN2</b>	<b>0.215</b>	<b>672</b>
<b>INSP</b>	<b>0.213</b>	<b>666</b>
<b>USA</b>	<b>0.197</b>	<b>615</b>
<b>CNN</b>	<b>0.194</b>	<b>605</b>
<b>TLC</b>	<b>0.190</b>	<b>593</b>
<b>DISC</b>	<b>0.164</b>	<b>513</b>
<b>TBSC</b>	<b>0.164</b>	<b>512</b>
<b>ID</b>	<b>0.163</b>	<b>509</b>
<b>FOOD</b>	<b>0.158</b>	<b>494</b>
<b>HIST</b>	<b>0.152</b>	<b>476</b>
<b>TVLAND</b>	<b>0.150</b>	<b>468</b>
<b>BRAVO</b>	<b>0.123</b>	<b>383</b>
<b>HMM</b>	<b>0.120</b>	<b>373</b>
<b>A&amp;E</b>	<b>0.118</b>	<b>368</b>
<b>PRMNT</b>	<b>0.107</b>	<b>334</b>
<b>WETV</b>	<b>0.105</b>	<b>328</b>
<b>TNT</b>	<b>0.104</b>	<b>323</b>
<b>LIFE</b>	<b>0.101</b>	<b>315</b>
<b>GSN</b>	<b>0.098</b>	<b>305</b>
<b>TWC</b>	<b>0.095</b>	<b>298</b>
<b>AMC</b>	<b>0.093</b>	<b>291</b>
<b>FX</b>	<b>0.092</b>	<b>287</b>
<b>NAN</b>	<b>0.088</b>	<b>275</b>
<b>SYFY</b>	<b>0.085</b>	<b>267</b>
<b>OXY</b>	<b>0.084</b>	<b>263</b>
<b>NWSMX</b>	<b>0.083</b>	<b>258</b>
<b>BET</b>	<b>0.080</b>	<b>248</b>
<b>FETV</b>	<b>0.077</b>	<b>240</b>
<b>ADSM</b>	<b>0.071</b>	<b>223</b>
<b>COM</b>	<b>0.071</b>	<b>223</b>

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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