

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

New Place: INSP Says Its Comcast Retier Shows Market Dysfunction

It's been a week since **INSP** affiliate **Imagicomm** saw its Spokane and Memphis stations removed from **Comcast** and the **Fox** affiliates remain dark with the two unable to agree to retransmission consent terms. In the wake, Comcast has started moving INSP to its less penetrated "More Sports and Entertainment" tier, with the moves already occurring in San Francisco and Chicago.

"This re-tiering will substantially reduce INSP's overall distribution on Comcast and result in Comcast subscribers being charged extra to receive INSP even though INSP doesn't charge Comcast a license fee to carry its linear signal," a spokesperson told **CFX**, noting INSP is among the top 10 most-watched cable nets each week. "Leveraging INSP in this manner demonstrates the market dysfunction and imbalance that currently exists in the media ecosystem and highlights the unfair advantage that conglomerates have over independent cable networks, regardless of how popular such networks may be with consumers."

This is new territory for INSP, which has generally enjoyed broad penetration across a wide range of MVPDs given its lack of a license fee and popular programming. Last week, the Western-themed net was the seventh most-watched cable net in primetime, averaging 623,000 viewers. That's just behind **TLC**'s 638,000 and ahead of **USA Network**'s 613,000 viewers and **CNN**'s 586,000.

INSP expanded into the broadcast business last year with the

purchase of 18 stations from **Cox Media Group** in 12 markets, creating the **Imagicomm** affiliate. Check out this [video](#) from advisor **Truist** featuring INSP CEO *David Cerullo* talking about the company's decision to make the move because it needed to diversify. The deal took INSP from about 350 employees to 850, with revenue doubling to \$400 million, he said.

Comcast has [said](#) INSP/Imagicomm is seeking an unreasonable amount for the two stations in its footprint, a claim INSP pushed back against. "As Comcast is well aware from their ownership of **NBC**, rapidly escalating sports & entertainment programming fees are pushed down from the national networks to local stations like WHBQ & KATU every year. The costs of producing vital local news are also increasing dramatically. We think it only reasonable that distributors like Xfinity pay their fair share to carry our signal," the company said, adding that it's completed successful renewals with other MVPDs and hasn't had any other blackouts. It signed a deal in January with **Verizon** for Syracuse (WSYT – FOX68) and its MyNet partner My43.

There may be more to keep an eye on here. Cox Media Group's retransmission consent contract with Comcast is set to expire this month. It includes several major markets, such as Atlanta, Seattle and Pittsburgh. Retrans contracts are renewed every few years and often without fireworks, but it's notable that Cox Media stations have been dark on **DISH Network** since January. Of course, DISH is also no stranger to blackout. Friday marked one week of its loss of **Hearst Television** stations, which are still off its lineup at our deadline.



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DECEMBER 6, 2023

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NOMINATE BEFORE SEPT. 16

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CRUZ RELEASES BEAD REPORT

Sen *Ted Cruz* (R-TX) dropped a report Friday focused on preventing waste, fraud and abuse in federal programs distributing funding for broadband deployment and adoption, and it takes specific aim at problems with the **NTIA's** running of the BEAD program. Cruz said the report should be a call to action for the *Biden* administration and states to ensure BEAD dollars are not wasted. "Forty-two billion dollars is more than enough money to deliver broadband to every American. Will it succeed in doing so? In light of these findings, count me skeptical," he said. The report alleges that NTIA's state allocation announcement disproportionately favored states with few unserved locations, citing the dollar amounts set aside for D.C. and Delaware. The District and state, both small with denser populations, were allocated more than \$547,000 and \$52,000 per unserved location, respectively, figures that are well above a nationwide median allocation of \$5,600 per unserved location. The report also criticizes the **FCC's** national broadband map, the primary resource NTIA referenced when making its BEAD funding allocations and determining each state's share of unserved locations. According to that map, 58 of the 184 unserved locations in D.C. are located within the Smithsonian National Zoo, said the report, which features a photo created with AI of tigers and a flamingo using computers. It also criticizes the FCC's map for only depicting current broadband availability without accounting for locations that will be served in the near future thanks to other buckets of state or federal funding. "Because of the failure to count these locations as served, there are over 85,000 locations in seven states and territories that are effectively being double-counted, or twice-served," it claims. The report adds more fuel to the ever-burning discussion around waste in federal programs, feeding into fears that the BEAD funding won't go far enough to close the digital divide. "Kudos to @SenTedCruz & @SenateCommerce for this in-depth review and report of @NTIAgov's BEAD funding and structure so far. Every Federal broadband dollar must go through deepest scrutiny. This report (and future work) is incredibly valuable to minimize duplication and waste," former FCC Commissioner *Michael O'Rielly* said in a post on **X**. And the review of federal broadband funding isn't coming to a close any time soon. The **House Communications Subcommittee** set a hearing for Thursday entitled "Connecting Every American: The Future of Rural Broadband Funding."

BYRON ALLEN LATEST TO LOOK AT DISNEY NETWORK ACQUISITIONS

Byron Allen is the latest to put forth a bid for **Disney** properties, reportedly offering \$10 billion for the **ABC** television

network and local stations as well as the **FX** and **National Geographic** cable channels. *Bloomberg* was the first to report the offer. Allen's **Allen Media Group** currently owns 27 broadcast affiliate stations in 21 U.S. markets as well as 12 television networks including **The Weather Channel** and **The Grio Television Network**. The rumor mill was running strong last week as well with folks reporting that Disney had also had exploratory discussions with **Nexstar** on a potential sale of ABC stations. But no property is officially up for sale, and Disney released a statement last week that while it is open to strategic options for its linear business, it has made no decision on any divestitures. In a Substack e-letter, **Madison and Wall** analyst *Brian Weiser* said an acquisition would be very positive for Nexstar or Allen Media Group, and he believes Disney would also move into a stronger position because of the benefits of a broad reaching content producing machine, even if it might have a weaker relationship with its affiliates. "For a buyer of broadcast assets, pay TV distribution is likely going to erode at an accelerating pace, and this will inevitably pose a drag on retransmission consent fee-based revenues which have driven the business—these distribution revenues are often more important than advertising as a revenue source," he said. "But there's still a lot of cash to be harvested, and even an opportunity to invest in locally relevant content."

DIAMOND RENEWS KINGS DEAL

It's not all negative for **Diamond Sports Group** and the **Bally Sports** RSNs at the moment. Diamond and the **NHL's** Los Angeles Kings agreed to a new multi-year deal to keep the team's games on **Bally Sports West**. This season, 63 Kings games will be broadcast on the RSN and six over-the-air on **KCAL-TV (CBS)**, while 13 will be televised nationally.

HISPANIC HERITAGE MONTH

Companies are celebrating the start of Hispanic Heritage Month. **Comcast** is adding the **mitúTV** streaming app to its entertainment platforms including Xfinity X1, Xfinity Flex and on Xumo upon its debut. mitúTV features English-first programming made for Latinos and has over 120 hours of original Latino-led programming and series made by Latino creators. Shows include "Three G's," a talk show with comedians *Erik Rivera*, *Sasha Merci* and *Jesus Sepulveda*, and "Girl, Let Me Tell You," which discusses the issues Latina women face. Additionally, *John Leguizamo*—who stars in **MSNBC's** "Leguizamo Does America"—will participate as a guest editor for Xfinity and help curate a collection of top programs

to watch this month. – Four alumni from the nonprofit Ghetto Film School were picked by **Disney Entertainment Television** to create a short film honoring the Hispanic and Latin American culture. The project is called “Yo Recuerdo” (I Remember) and meshes together four personal vignettes that intertwine their heritage. The film debuted exclusively on **Hulu** on Thursday and will be available across **ABC, ABC News, FX, Freeform, National Geographic, Onxy Collective** and ABC-owned TV stations through October 15. – **Charter** has a selection of free movies under the National Hispanic Heritage On Demand category, including “In the Heights.” It’s also promoting several titles to rent during Hispanic Heritage Month.

INTELSATONE IP

The satellite and terrestrial networks operator **Intelsat** introduced a new content distribution system. Called IntelsatOne IP, the system leverages the internet to transport video content around the globe. It’s designed as a global interconnected network fueled by a software platform that eliminates the need for hardware and enables rapid deployment. IntelsatOne IP enhances the Intelsat Global Media Network to offer broadcasters a solution that’s equipped with full network visibility, controlled, multi-destination routing management and enhanced end-to-end video management and streaming protection.

FIBER FRENZY

Shentel has begun launching its Glo Fiber broadband service to initial neighborhoods in Waynesboro and Greencastle, PA. Construction began earlier this year and is expected to complete by early 2024. Once finished, Glo Fiber will provide service to more than 6,000 homes and businesses in the area. – Residents and businesses in **Metronet’s** initial construction areas of Kentwood, Michigan, can now get in on the company’s fiber service. Service will roll out throughout the city, giving customers access to multi-gig speeds of up to 2 Gbps and businesses up to 10 Gbps.

CABLEFAX DASHBOARD

Social Media Hits



Research

(Source: Parrot Analytics)

- > So far in 2023 (through August 26), Apple TV+ stands out with audiences in terms of having the highest percentage of shows with demand greater than 2x the market average.
- > More than half of Apple TV+ originals (50.8%) generate U.S. demand at or above that level, well ahead of second place Paramount+ at 41.4%.
- > Apple TV+ has also had the highest percentage of exceptional hits (shows in the top 0.2% of series) with U.S. audiences while Paramount+ is No. 1 globally (2.9%).
- > Netflix’s originals catalog is nearly 12x larger than Apple TV+’s and nearly 15x higher than Paramount+’s.

Up Ahead

- SEPT. 16:** [2023 Cablefax Most Powerful Women Nomination Deadline](#)
- SEPT 18-19:** [The WICT Network Leadership Conference](#); NYC
- SEPT 19-20:** [NAMIC 37th Annual Conference](#); NYC
- SEPT 20:** [The Walter Kaitz Dinner](#); NYC

Quotable

“We have tried for several decades at ACA to push programmers to allow us to do ala carte or anything close to ala carte and it is consistently rejected. It’s you take the entire programmer’s large aggregated bucket of content and you’ve got to put it all on... It’s part of what Charter wanted to do. They’re not a member of mine, but I’ll tell you based on what I understand, they made some progress in terms of getting Disney to allow them to offer a couple of packages that were slightly smaller than the giant packages that are there today. And so there’s maybe a little bit of movement there, but for my members without leverage over the content providers, it’s ‘sorry, take it or leave it.’”
– ACA Connects CEO Grant Spellmeyer speaking this week at a House Communications Subcommittee hearing on the state of the video marketplace