

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Sparks Fly: FCC Oversight Hearing Heats Up Across Party Lines

The congenial feeling that was present in the air of the **House Communications Subcommittee's** last **FCC** oversight hearing in June was all but gone during Thursday's edition. It was the Commission's first oversight hearing in three years with a full contingency, and Republican members of the Commission and the subcommittee criticized Chairwoman *Jessica Rosenworcel* for shifting the agency away from bipartisan priorities and towards issues like Title II regulation and broad digital discrimination guidelines.

"In the last five months since that last hearing, the Biden Administration has pressed the FCC to brake hard left, and indeed it has," Commissioner *Brendan Carr* said in his testimony. "But I remain confident that we can get things back on track. My FCC colleagues and I have worked well together and found bipartisan consensus on really tough issues. We can do it again."

Republican committee members criticized Rosenworcel for pushing Title II regulation of broadband, arguing that the internet did not fall apart like some had predicted when the previous FCC repealed Title II regulation in 2017. Subcommittee Chair *Bob Latta* (R-OH) even noted that his staff received no calls from constituents complaining about their internet service on the day after the rule was rescinded. But Rosenworcel argued that the internet's consistency since then can be attributed to the states that stepped in and began developing their own net neutrality frameworks.

She also fought back against arguments that the FCC's definition of digital discrimination was too wide-ranging and that the agency has acted outside of its authority by including rules for landlords, construction firms and more in the framework. Rosenworcel argued that Congress gave the Commission a broad mandate in the IIJA to conclusively prevent and eliminate digital discrimination.

"You did not limit it to only internet service providers. You didn't limit it to only some terms and conditions. The language in the statute is exceptionally broad. So we implemented it," she said before Rep. *Cathy McMorris Rodgers* (R-WA) cut her off and reclaimed her time.

Much has been said about the plethora of broadband funding programs and mechanisms that exist across government agencies these days, and one effort all could agree is essential is the FCC's work to build out a broadband funding map charting the activities of each program, particularly those introduced during the COVID-19 pandemic, and identifying inefficiencies.

"We have to build this broadband funding map that shows every single program and what they are doing, and if you could help us make sure that other agencies respond to us with data, you'll see where there are problems, duplication, areas we haven't reached," Rosenworcel said, positioning it as a resource for lawmakers to measure the success of each program authorized.

Also a pressing topic was the Affordable Connectivity Program, which is projected to run out of funding in April. Based on Rosenworcel's most recent estimates, the program will



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support approximately 25 million households at that point in time. She said the Commission is having conversations with providers right now to determine the burden that would fall on them to disconnect customers should ACP lose funding.

“Early in the year, we’ll have to let the providers know that they’re going to have to give notice to every one of those households, every one of those consumers who counts on this program. We’ll also have to indicate to the providers that they can no longer enroll new households and we’ll have to work with our outreach coordinators to bring their efforts to an end,” she said. “The best case scenario though is we don’t do any of those things because Congress continues to support this program.”

REPUBLICANS URGE FCC NOT TO ACT ON VMVPDS

Thursday’s hearing also saw multiple Republican lawmakers question the **FCC** on the issue of how to regulate vMVPDs. Members, including Reps. *Cathy McMorris Rodgers* (R-WA) and *Buddy Carter* (R-GA), essentially want the Commission to stay far away from the issue. Their concern is that the FCC could apply outdated regulations onto streaming products rather than allowing lawmakers to contemplate a regulatory framework fit for the new era of video. FCC Chair *Jessica Rosenworcel* agreed that the agency is limited in its ability to really move forward, and those who want action are going to have to come to Congress. “I think that our duties and authority in this area are constrained by the 1984 Cable Act and the 1992 Cable Act, which contemplated a physical facility for the delivery of video communications. That’s why I think the request to incorporate virtual service providers is complex and doesn’t fit neatly in the law,” she said. “We are combing over the record and trying to understand adjacent copyright issues to figure out a way forward.”

DIRECTV COULD LOSE TEGNA STATIONS TONIGHT

At our deadline, **DirecTV** was hours away from a potential blackout of 68 TEGNA-owned stations if the two don’t agree to terms on a new retransmission consent deal. It’s always hard to predict how these things will go, but given the recent wind direction, we’re leaning toward channel disruption. Fresh off of a 2.5-month blackout with **Nexstar**, the largest broadcaster in the U.S., DirecTV has shown it’s not shy about drawing a line in the sand. TEGNA’s stations are in 54 metro regions and include D.C.’s **Fox** affiliate, Sacramento’s **ABC** affiliate, Atlanta’s **NBC** affiliate and San Antonio’s **CBS** station.

PELTZ VS. DISNEY

Disney is pushing back against *Nelson Peltz* and his firm **Triun**’s attempt to seek seats on its board. “Mr. Peltz, in partnership with *Isaac Perlmutter*, a former Disney executive, intends to take its case to shareholders. Mr. Perlmutter owns 78% of the shares that Mr. Peltz claims beneficial ownership of, or more than 25 million of the 33 million shares. This dynamic is relevant to assessing Mr. Peltz and any other nominees he may put forth as directors, as Mr. Perlmutter was terminated from his employment by Disney earlier this year and has voiced his longstanding personal agenda against Disney’s CEO, *Robert A. Iger*, which may be different than that of all other shareholders,” Disney said in a statement Thursday. The company said this week that it’s appointing retiring **Morgan Stanley** CEO *James Gorman* and former **Sky** Group Chief Executive *Jeremy Darroch* to the board. Darroch’s appointment is effective Jan. 9, and Gorman’s is effective Feb. 5. Triun said the addition of the two as directors is “an improvement from the status quo,” but doesn’t restore investor confidence or address value destruction. “Since we gave Disney the opportunity to prove it could ‘right the ship’ last February, up to our re-engagement weeks ago, shareholders lost

Cablefax Executive Round Up

How has the landscape changed for in-person fan engagement since the pandemic?



Jamie Cutburth

EVP, Creative Partnerships, Advertising & Partnerships
NBCUniversal

“The consumer interest in live events and engagement opportunities are higher than they were pre-pandemic. When we look at the fact that BravoCon sold out within minutes as criteria for how excited people were about this opportunity, that’s a really good indicator that people were really looking into it.”



Domenic DiMeglio

EVP/CMO
Paramount Streaming

“It’s been amazing over the last year or so to be able to get back with a regular cadence of being in person with fans and activating. I think it’s just that the opportunity and the excitement from fans has only grown I think we’re all really excited to be able to be out and engage together.”



Lara Richardson

CMO
Hallmark Media

“There is so much out there. I know everybody always says that, but there really and truly is so much out there. So people can be choosy. They can decide what brands they’re going to engage with and which brands they’re not. I think in the past it was a little bit easier to wiggle your way into people’s Zeitgeist to get in front of them, and now it has to be really, really intentional on both sides.”

~\$70 billion of value. Disney's share price has underperformed proxy peers and the broader market over every relevant period during the last decade and over the tenure of each incumbent director," said Trian, which owns approximately \$3 billion of Disney stock. For its part, Disney said its restructuring of the company over the past 12 months has it on track to achieve about \$7.5 billion in cost savings, \$2 billion more than its original target.

EXPANDING TUBI'S BORDERS

Fox Corp is looking to expand AVOD **Tubi** into the U.K., and it's tapped **Endeavor Streaming** Founder/CTO *David Salmon* to serve as EVP and Managing Director, International. He's tasked with bringing the service to new markets, such as the U.K. and further markets in Latin America. "As other services raise subscription fees for consumers, we believe that audiences around the world will look for more choice, more personalization and less friction in how they are entertained," said Tubi CEO *Anjali Sud*, who Salmon will report to. Tubi has 70 million active users and is already available in Central America, Australia and Canada.

MOFFETTNATHANSON CALLS OUT BEAD'S 'POISON PILL'

In a research note diving into cable's regulatory concerns heading into 2024, **MoffettNathanson** calls out the BEAD program's affordability provision as effectively a poison pill that could make the government funding "all but untouchable for serious companies." Subgrantees must offer at least one low-cost broadband service option and **NTIA** has specified that the option must remain available for the useful life of network assets. States get to decide what that low-cost option looks like, but many are following **NTIA**'s example of \$30/month for at least 100/20 Mbps with no data caps. "Importantly, there is no mention of an inflation index here. The \$30 price point would have to be maintained for as much as 20 years or more, arguably with no escalation whatsoever, regardless of what happens with broader inflation rates," the firm noted. According to **MoffettNathanson**, 18 states, which make up 27% of allocated BEAD funding, would require a low-cost option at or below \$30/month for 100/20 Mbps for qualifying customers. Only four of those currently provide for annual escalators based on inflation. Some states would put the low-cost option under \$30, with Washington proposing \$25/month and California proposing \$15/month if the Affordable Connectivity Program or a successor isn't put in place to subsidize a \$30/month price tag. It's important to note that these state proposals are just drafts at this point and none have received **NTIA** approval. But the analysts muse that if things don't change, large public companies like **Charter** and **AT&T** will likely direct all their build efforts to state with "reasonable conditions."

NASCAR FINALIZES MEDIA DEAL

The **NASCAR** media rights race has crossed the finish line, strik-

ing seven-year agreements for its Cup Series with **Fox Sports**, **NBC Sports**, **Prime Video** and **TNT Sports**. The four will air all 38 Cup Series races starting in 2025. Financial terms weren't disclosed, but *Sports Business Journal* [reports](#) the value checks in at \$7.7 billion total. Fox Sports and NBC Sports will have 14 events each, with the latter taking the final 14 races of the season including the Playoffs and Championship race. Both will use a combination of broadcast and cable, with five Cup races being on **Fox**, four on **NBC** and the remaining events on **Fox Sports 1** and **USA**, respectively, per year. Prime Video and TNT Sports will split 10 midseason races evenly, with the pair also grabbing the exclusive rights to Cup Series practice and qualifying sessions. Prime Video is NASCAR's first fully DTC partner and will stream the practice and qualifying rounds live for the first half of the season through the midseason series except for the Busch Light Clash, Daytona 500 and the NASCAR All-Star Race (those will stay with Fox Sports). TNT Sports will take the next five midseason races on both **TNT** and the **B/R Sports Add-On** on **Max**. Remaining practice and qualifying rounds will be on **truTV** and **Max**.

NTIA SEEKS SPECTRUM STRATEGY

NTIA is seeking public input on the implementation of the national spectrum strategy it unveiled earlier this month. It is specifically asking those who chime in to focus on the next 1-3 years of the nation's spectrum plan. Comments are due no later than Jan. 2.

BRITBOX BOOM

BBC Studios and **ITV's BritBox International** has surpassed 3.4 million subscribers globally. The streamer, which operates in the U.S., Canada, Australia, South Africa, Sweden, Norway, Denmark and Finland, has seen a 15% increase in membership since the beginning of the year. In other news, **BritBox** just acquired two seasons of British crime drama "Blue Lights" for the U.S. and Canada.

PROGRAMMING

A&E expands its "Secrets of" franchise with the debut of 10-ep series "Secrets of Polygamy" on Jan 8. – "Trees and Other Entanglements," a documentary about individuals and how their lives are intertwined with trees and nature, will premiere Dec. 12 at 10pm on **HBO**, available to stream on **Max**. – **MGM+** greenlit a 10-episode order for the fourth season of "Godfather of Harlem." The new season will begin production next year in New York.

PEOPLE

Veteran comms exec *Jeannie Kedas* was named SVP, Publicity and Communications for **ABC News**. She joins from **First Look Media** and previously spent 18 years at **Viacom/MTV Networks**.

PROGRAMMER'S PAGE

Nat Geo Goes Where No Camera Has Gone Before

Still jet-lagged from Thanksgiving chaos? Take a reality check with **National Geographic's** "Incredible Animal Journeys" this weekend. From the thousands of miles traversed by the tiny barn swallow to the humpback whale's exhausting migration from Hawaii to Alaska, the seven-part series reminds us that flight delays and crowded roadways are minor inconveniences in the grand scheme. The documentary, which debuts its final three installment Sunday, is full of stunning images and first-of-its-kind footage. Capturing these moments isn't entirely up to chance, with the team working on the series for three years. "You need a year of pre-production just to plan and contact scientists. You need the time to find the stories, work with the scientists, work out exactly what you're going to film, build new camera technology, like onboard cameras. That takes a lot of R&D. And then, of course, filming, ideally over two seasons to have a second go if need be. Then you add in the nine months of post-production, and it quickly takes you to three years," explained Executive Producer **Mark Brownlow** of **Plimsoll Productions**. That careful planning helped the team capture the first-ever footage of Orcas using Antarctic icebergs as scratching posts, the first video of the Gentoo penguins' daily commute in and out of the shores of the Falkland Islands and the incredible scene of a humpback whale giving birth. "In all my years of making underwater films, and I've been around for two decades now making wildlife films, the prospect of filming a humpback whale birth was always just one ambition too far. What a coup," Brownlow, who produced "Blue Planet II" said, describing how the team got intel from researchers in Hawaii that it was a possibility. "We worked with them to try and locate a suitable female that was likely to give birth. And sure enough, we got it. It's calculated risks. Sometimes things fall in your favor, sometimes they don't." Technological innovations have also helped with filmmaking, something showcased in Sunday's final episode "Behind the Journey." "I think that the last episode is a really enjoyable insight into how we made the series. And along the way, we meet the scientists, who I call the real heroes of our story," said Brownlow. "Animals have always moved huge distances, irrespective of international boundaries. And the only way that they're going to make it into the future is if we all work together as a good global community... And aren't these animals wonderful? They're worth celebrating." – *Amy Maclean*

V WEEK IS UNDERWAY

It's the 17th year for **ESPN's** annual V Week for Cancer Research, which began Tuesday and will run through Dec. 10 as the network honors the legacy of *Jim Valvano*. ESPN is pledging all funds raised to go toward cancer research, featuring storytelling and programming around cancer research, survivorship and its impacts throughout sports. ESPN has raised nearly \$200 million to date for the V Foundation. Highlights throughout the event include a cross over with **NHL's** "Hockey Fights Cancer" initiative on Thursday, the "Stuart Scott Fight Like Hell Night" on Saturday that'll have **UFC** dedicate its fight to the *Stuart Scott* Memorial Cancer Research Fund as well as specials like "The ESPN Roadblock" that'll feature Valvano's speech at the 1993 ESPY Awards.

BASIC CABLE		
P2+ PRIME RANKINGS*		
(11/20/23-11/26/23)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
ESPN	0.868	2735
HALL	0.467	1472
FNC	0.414	1307
HGTV	0.227	717
MSNBC	0.217	686
HMM	0.200	629
INSP	0.191	601
FOOD	0.182	574
TBS	0.177	560
ESPN2	0.169	532
DISC	0.169	532
HIST	0.165	520
USA	0.164	516
TLC	0.161	508
FX	0.155	489
TNT	0.150	471
TVLAND	0.138	434
ID	0.133	421
CNN	0.131	412
PRMNT	0.128	403
GSN	0.117	369
FRFM	0.113	356
BRAVO	0.112	353
BET	0.111	349
OXY	0.107	338
REELZ	0.103	325
LIFE	0.101	320
AMC	0.100	316
A&E	0.098	308
NAN	0.080	253
WETV	0.078	247
NATGEO	0.077	243
SYFY	0.075	235
ADSM	0.074	234
FETV	0.073	231

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



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