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WHAT THE INDUSTRY READS FIRST

Time Out: Congress Hears the Pros and Cons of Streaming Sports

The **House Communications Subcommittee** suited up to take on the sports marketplace Wednesday, hosting a hearing aimed at breaking down exactly where it is going and the pros and cons of the shift of more games to streaming platforms.

Puck News Sports Correspondent *John Ourand* said that what some describe as a rapidly evolving landscape is something he views as really chaos. The cost of sports rights continues to balloon to a nearly unfathomable level. Putting a fine point on the expense of sports rights was a footnote in **Comcast**'s just-released 10K that noted the company has future minimum commitments for sports rights totaling $64.6 billion that is not recognized in its consolidated balance sheets as of Dec. 31, 2023.

Pay TV services have been built, for better or worse, to support those growing costs by spreading it across a larger customer base, whether those subscribers watch sports or not. "I happen to be an Orioles fan who lives in Washington, D.C., and watches the Orioles on **MASN**. When I walk down the street and I look into other people's windows, nobody else is watching the Orioles, but all of my neighbors are helping to subsidize my addiction to watch that team. I thank them for that," he said, earning laughs from lawmakers, who spent most of the hearing in listening mode.

Streaming services aren't paying the same figures, leading to the collapse of the regional sports networks, the collapse of the **Pac-12 Conference** and more. **Scripps Sports** President *Brian Lawlor* believes adopting an approach that gives fans multiple ways to access the content will be the best way forward, and it is a mindset his team has really taken to heart when negotiating deals with leagues and teams. He does believe that over-the-air broadcasts and the visibility that comes with them can't be overlooked, but it would also be naive to overlook the growing importance of streaming.

He referenced the company's partnership with the Las **Vegas Golden Knights** that includes broadcast rights for 69 games that are produced and distributed live over-the-air. "The other 13 are on national TV, and every one of the games that we distribute, we've partnered with the team to create a streaming service where fans can subscribe to get it," Lawlor said. "It's a great consumer experience and it's great for fans. So we don't think it has to be either/or. We think there's a broadcast mechanism as well as a streaming that can complement each other."

On a similar note, **Public Knowledge** Legal Director *John Bergmayer* highlighted the positives of having streaming playing a larger role in these conversations around sports rights. Yes, it can be harder for consumers to find the games they want to watch, but the technology around streaming can also unlock more production capabilities and make sports more accessible to those who can't afford a pay TV bundle.

"Ultimately, I am optimistic because I do think that the introduction of competition from online video, even though it is, I agree, very chaotic right now, I believe that the additional competition is ultimately good for consumers," he said.

But it would be wrong to look at the problem only from a residential household perspective. **DirecTV** Chief Content Officer *Rob Thun* also pushed that the migration away from traditional pay TV bundles hurts business customers as well. Sports bars already have their systems wired to connect to satellite-delivered solutions, and in order to wire every single TV in a larger establishment with a streaming product, those venues also have to invest in ensuring they have the incremental bandwidth and equipment that will allow for a seamless experience.

"Once it's on, it's my understanding that the streaming itself isn't simultaneous like you'll have from a pay TV provider," he said. "There's latency individual to each box, so you will see choppy game viewing through the same establishment because it's different technology. Fans don't like that." The NFL Wildcard showdown between the Miami Dolphins and the Kansas City Chiefs was must-see TV, but it was streamed exclusively on **Peacock**. Because of the challenges involved in making that game available, Thun said 97% of its customers, including hotels, bars and restaurants, did not have the ability to broadcast the game.

As more games move to streaming platforms, accessing video content becomes more tied to a household's ability to access high-speed broadband. Multiple committee members including Reps. *Yvette Clarke* (D-NY), *Darren Soto* (D-FL) and *Debbie Dingell* (D-MI) used the Affordable Connectivity Program as an example of a solution that could close the gap and allow more fans to access must-see games.

"I believe that without fast, affordable broadband and without good WiFi in the home and any number of things, all of this discussion about the move to streaming is for nothing because people can't watch it unless they can first get on the internet," Bergmayer said.

The *WHO* and the *WHY*

CFX's spotlight on recent new hires & promotions

JOHN
Matts
COO
HALLMARK MEDIA

3 THINGS TO KNOW

- Hallmark Media made some leadership changes at the start of 2024, and it's continuing to fine-tune its executive team by promoting John from CFO to COO. He'll oversee the company's primary commercial operations such as ad sales, distribution, international, streaming and more. John will report to Hallmark Companies President/CEO Mike Perry.
- He's been at the forefront of Hallmark's short- and long-term financial strategies since joining the company in 2022. Prior to Hallmark, he spent seven years under the NBC Sports umbrella, starting as VP, Production & Operations Finance in 2014 before shifting to CFO of Golf Channel in 2019. While at Golf Channel, John helped solidify the rights to PGA Tour content through 2030 and collaborated with the PGA to assist with the growth of the college golf business.
- John's media and entertainment portfolio also extends to MTV Networks. He was VP, Strategic Finance Initiatives, where he helped save over $15 million in annual costs across the U.S. Outside of work, John helped create the Building Bridges program for Pelham Public Schools in New York. The program helps increase disability awareness among elementary school students.

BYRON ALLEN LAUNCHES $30B PARAMOUNT BID

Paramount is right back in the acquisition discussion. *Byron Allen* and **Allen Media Group** submitted a bid worth a total of $30 billion to purchase Paramount Global. *Bloomberg* was the first to report. Allen's bid to buy all outstanding shares came in at $14.3 billion, but it also includes taking on existing debt which takes it to the $30 billion figure. "We believe this $30 billion offer, which includes debt and equity, is the best solution for all of the Paramount Global shareholders, and the bid should be taken seriously and pursued," AMG said in a statement confirming the bid. Bloomberg's sources indicate Allen's plan would be to sell Paramount's film studio, real estate and other intellectual property. The company's linear TV offerings and **Paramount+** would remain intact, but be run on a more cost-efficient basis. It's not the first time Allen lobbed a bid to Paramount, having attempted to purchase a majority stake in **BET Media Group** before Paramount decided to keep hold of it. "As of right now, the financing behind his bid is unclear, casting a shadow on the offer's credibility. Without financing details, we are not sure what the impact will be on the ongoing processes others are pursuing for PARA and NAI's controlling stake," **MoffettNathanson** said in a note to clients. "Mr. Allen reportedly would seek to sell Paramount's studio, among other assets, and focus on running the company's linear networks and streaming service, Paramount+, in a more efficient manner, to which we wish him the best of luck!" **Lightshed Research**'s *Rich Greenfield* put it less diplomatically on X: "Byron Allen has a long history of empty bids, suing big companies and bad investments..."

AI TO BOOST HR IN 2024

One of the most common pairings of letters in the past year has undoubtedly been "AI," but with the technology continuing to gain steam, HR leaders across the industry are finding new ways to

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use it to their advantage. AI was at the forefront of **C2HR**'s HR Predictions & Priorities for 2024 webinar as company leaders expanded on how it can be utilized. **Warner Bros. Discovery** EVP, Talent & Culture *Julie Neimat* sees three areas in which AI can transform HR: content creation, technology partnerships and organizational change. "All of these [tech] companies are actively building AI innovations across their tools," Neimat said during the online discussion. "They're going to be able to scale a lot better and they're going to make sure their stuff is compliant-ish, right? … Their stuff is going to be game-changing. It's going to change how we look at our talent management, performance, pay equity, everything." **NBCUniversal** SVP, HR *David Crossen* echoed that sentiment, adding how important it is for individual employees to understand the technology as well as the overall company. But an issue he's keen on tackling in 2024 is connection. With many adopting more flexible practices in a post-pandemic world, the term "presence" has taken on new meanings. However, there's still the potential lack of face-to-face interaction, which calls for creative ways to build chemistry. **A+E Networks** EVP/Chief People Officer *Ravena Valentine* said while the company remains split with fully virtual, hybrid or in-person workers, it has fully leaned into technology and plans to continue that investment as the year goes on. It's also enabled A+E to tap into new talent pools when it comes to recruiting. "We have been able to recruit in more geographies now and meet a different pool of candidates than our typical labor force as a result of having our flexible policies, and it's working for us," Valentine said.

YOUTUBE TV LOOKS BACK ON FIRST SUNDAY TICKET SEASON

YouTube TV has survived its first season with **NFL Sunday Ticket**, and all indicators from leadership show they're content with how it went. On **Alphabet**'s 4Q23 earnings call Tuesday, executives didn't offer subscriber numbers for how many Sunday Ticket packages were sold. But SVP/Chief Business Officer *Philipp Schindler* said the company was pleased with sign-ups and the team has received great feedback so far on the user experience, including navigation and multiview. He's been particularly thrilled by the buy-in from advertisers and hopes the success of this year only means more come to the table before the start of the next NFL season. "Advertisers can buy from an NFL lineup as part of our YouTube Select portfolio, and this actually allows advertisers to reach football fans across YouTube's pretty unique breadth of NFL content independently of whether you're doing live games on YouTube TV or Primetime Channels or watching NFL highlights and post-game commentary on YouTube channels," he said. "This is our first season, and I mentioned over 90 upfront and scatter advertisers partnered with YouTube in our first year across NFL Sunday Ticket in-game opportunities, which we really appreciate."

NARB TELLS COMCAST TO DISCONTINUE USE OF '10G'

A **National Advertising Review Board** panel is following a **National Advertising Division** decision recommending **Comcast Cable** discontinue using the term "10G" in its Xfinity 10G Network product and when 10G is used to describe the Xfinity network. The challenge was originally brought by **Verizon** to NAD, which concluded that Comcast should discontinue its 10G claim. Comcast then appealed the decision, but NARB sided with NAD, saying 10G indicates Xfinity network users at a minimum will receive significantly faster speeds than what's available on 5G networks. "This express claim is not supported because the record does not contain any data comparing speeds experienced by Xfinity network users with speeds experienced by subscribers to 5G networks," NARB wrote in its decision. "Further, the NARB panel determined that, in the absence of actual Xfinity Gigabit Pro service tier market usage data showing consumer usage, the recent availability of 10G speeds through that service tier does not support the superior speed claim (or a 10Gbps claim) for the Xfinity network as a whole." Comcast responded by saying it "strongly disagrees with NARB's analysis and approach," but it will modify the advertising to comply with the panel's recommendations.

ESPN NABS CARIBBEAN SERIES

ESPN inked a five-year agreement with the Miami Marlins for the domestic Spanish-language rights to the Caribbean Series. The deal will start this year and bring the baseball tournament to **ESPN Deportes** and via streaming on **ESPN+**. The Caribbean Series—which takes place at the Marlins' loanDepot Park—begins Thursday at 10:30am with Nicaragua vs Puerto Rico.

THOMAS-PETIT LEAVES AMCN

AMC Networks Chief People & Diversity Officer *Aisha Thomas-Petit* has departed the company after three years and is headed for a different industry, ***CFX*** has learned. A replacement has yet to be named. Thomas-Petit was hired as AMCN's first Chief DEI Officer in November 2020, joining after a seven-year stint with the payroll services company ADP that saw her climb to Chief Diversity, Inclusion & Corporate Social Responsibility Officer.

RATINGS

HGTV had its largest month-over-month ratings increase in network history for January, seeing a 25% improvement over 4Q23 ratings and a 36% bump over the prior six weeks. It was fueled by multiple series earning double-digit ratings growth during the month. "My Lottery Dream Home" had a 72% jump over the prior six weeks in addition to notching a .63 live+3D rating among A25-54 for its airing on Jan. 26. "Home Town" had a 71% increase among A25-54 compared to the prior six weeks, "Celebrity IOU" improved by 89% and "Fixer to Fabulous" had a 33% boost.

Think about that for a minute...

C-SPAN Verified

Commentary by Steve Effros

I just got my latest C-SPAN gift of a winter vest with their C-SPAN election logo "2024" embroidered on the front. It takes an honored place next to my fleece with "C-SPAN 2020" on it which I have been proudly wearing for years. There's nothing quite like associating with C-SPAN, one of the smartest things the cable industry ever did.

I was part of the early crew supporting the "crazy idea" Brian Lamb had about a potential antidote to the proliferation of "news." Brian saw, early on, that the potential of lots of "channels" and "news" enabled by cable could also result in a lot of misinformation, or at least skewed reporting based on the perceptions and preferences of the growing legion of journalists (and their bosses).

His proposed solution: show the actual events of government in their (sometimes boring) entirety. Don't put "reporters" or "hosts" or "moderators" between the event and the viewer, let the viewer see and hear what was actually happening. C-SPAN was born when some courageous early cable leaders agreed to fund the operation and carry the channel(s). Of course it took a lot of political sweat in the background to finally get the House, and then the Senate to allow cameras, but Brian and the cable industry finally got it done. C-SPAN was one of the pioneers of using satellite technology to send its feed all across the country.

As many of you know who have read my column for a long time, I have often mentioned my concern that the more proliferation of channels and voices we helped actualize, the more reliable narratives would be drowned out by the noise. That's happened, and nothing is a more obvious example than our current situation with broadband (another technology that would not have gotten off the ground without the original cable investment).

Social networks, blogs, streaming media and the like have created a situation where polarization is the unintended consequence of folks remaining in their own "information bubbles." With the advent of AI, this is only getting worse. It's now not just a problem of nakedly politicized "hosts" and "reporting," it's increasingly a problem of not even knowing if the thing that you see or hear is "real," or has been artificially created. We have entered the era of "manufactured news."

I've long said that since we helped create the technology that has resulted in this problem, we have an obligation to see if we can help fix it. So here's an idea, one that I have not mentioned to my friends at C-SPAN (sorry Brian, Susan, Rob, Peter, et.al.) before suggesting it here, so don't blame them! Why not employ C-SPAN as the factual verifier of a significant part of audio and video relating to national political speech? The C-SPAN libraries, after all, contain a verifiable copy of what was actually said on both the House and Senate floors for many years, as well as during many campaign events, hearings, lectures and seminars. Why not use that priceless resource to "verify" things like political ads, campaign statements and the like?

Sure, it would take more staff, and could be financed by those campaigns seeking something like a "Good Housekeeping" seal from C-SPAN for what they distribute. I'm obviously winging ideas here, but think about it. In some way we could position C-SPAN not as an editor, but as a verifier that something was indeed said, or was altered or manufactured, based on a secure library. Wouldn't that have tremendous value at a time like this?

I'm still wearing my old TCI work shirts and Daniels golf shirts. They're wearing out, but C-SPAN isn't, it's still vibrant and a national asset. It has potentially great value going forward. "Election 2024" is just getting underway. Think about how we can help.

Steve

T:202-630-2099
steve@effros.com

(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.)