

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

No Thanks: NAB Says FCC Reporting Requirement Would Up Retrans Blackouts

Cable is a fan of the FCC's proposal to require MVPDs to notify the agency when a broadcast signal is unavailable due to a breakdown in retrans negotiations, but broadcasters think it will just make those blackouts more prevalent.

"Given that much of the pay TV industry's advocacy before Congress and the Commission is entirely dependent upon highlighting (i.e., generating) disputes with broadcasters, NAB anticipates that the creation of this database will, if anything, incentivize more retransmission consent impasses, rather than reducing them," NAB said in comments filed at the FCC that also declare that the proposal exceeds the agency's authority.

During a retrans impasse, it is broadcast stations that face the immediate financial repercussions, NAB said, arguing that pay TV providers are largely insulated at least in the short term compared to stations who take immediate hits to ratings/advertising. "A disruption may even have a positive economic effect on an MVPD because it is not paying retransmission consent fees but is still raking in 'broadcast TV fees' from subscribers," NAB said. The group likened a Commission-hosted database for data on signal carriage disruptions to "failing to fence one's backyard pool on a scorching summer day in a neighborhood full of children."

NCTA supports the Commission's efforts and has no issue with placing the reporting responsibility on MVPDs, as long as there is no implication that the cable operator is at fault

for the station no longer being on its system. "Access to better information about negotiation impasses will help inform whether Congress or the Commission should update the retransmission consent rules," NCTA told the FCC this week, adding that increasingly unreasonable rate demands from large broadcast station groups are often to blame for impasses.

The cable association did propose a few tweaks to the NPRM, such as reporting blackouts after 48 hours instead of 24 hours since its members report that most impasses are resolved within that timeframe. It also proposed the reporting requirement apply only to blackouts of the primary streams of commercial full power stations and to LPTV stations, Class A stations and multicast streams only if those stations carry a network feed. "These are the broadcast channels and streams most likely to provide local newscasts. They are also more likely to carry the marquis programming broadcast stations often use for leverage in negotiations. Congress and the Commission have long viewed LPTV stations, Class A stations, and multicast streams differently from full power stations, as shown by the fact they are generally not entitled to must carry." NCTA said. It also wants to keep MVPDs subscriber data private, allowing them to report blackouts by counties impacted and timing of blackout vs market-by-market sub data.

The FCC Electronic Filing System doesn't show many comments in the docket, but a few smaller players have weighed in. **Skitter Cable TV**, which provides service to about 10,000 customers in 24 rural markets under the name Absolute Cable

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TV, said it's currently embroiled in a retrans-based broadcast blackout in some markets, though it elected not to identify the broadcast affiliate to the FCC. Cablefax, however, doesn't play by such rules and can report that **TEGNA** is the broadcast group involved. The blackout began Jan. 1 and includes Moline, Illinois' WQAD-ABC and its subchannels.

Skitter said it has no issue with the FCC's proposed rule, adding that it seems manageable even for a small system like itself. Mostly, though, Skitter wants the FCC to review the retrans process as a whole. "In the absence of a thorough reevaluation of the current system and the implementation of some form of dispute resolution, the broadcasters will remain unconstrained in their ability to demand higher and higher rates, and the nation will be destined to incur more and more blackouts," Skitter said.

NTCA-The Rural Broadband Association is less enthusiastic about the reporting requirement, saying it would foist yet another regulatory burden on the smallest MVPDs. A noteworthy stat in the group's filing: A recent association survey found that 18% of current video providers who responded are not very likely to continue to offer service and another 11% reported that they already have plans to discontinue service. Those who plan to discontinue video primarily cite programming costs, with six in 10 specifically citing difficulty negotiating retransmission consent agreements.

What about retrans reform group **American Television Alliance**, which counts **ACA Connects**, **DISH**, **Charter**, **DirectTV** and **Mediacom** as members? It has no objections, noting that the **Alliance** has long maintained an informal list of such blackouts. It does suggest the FCC allow MVPDs to estimate the number of subscribers affected rather than an exact number, given the info's competitive sensitivity.

CHARTER-ALTICE PONDERINGS

Bernstein Research figures there are two possible reasons for the leak to *Bloomberg* that **Charter's** kicking the tires on **Altice USA**. One, Charter might want to test the waters without committing. Two, Altice USA wants others to step up to the negotiating table. If that's the former, the analysts suggested Charter shouldn't read too much into shares only falling about 2% on the news, saying a research note that it may be more a sign that investors don't believe the deal will be consummated. If it's the latter, Bernstein believes those who may be interested are on a short list. The analysts don't sound especially optimistic on a deal getting done, citing the near-term challenges on Charter's plate (20% drop in share price since 4Q23 earnings, igniting broadband growth, expansion, etc). "Additionally, taking on an additional \$25 billion in debt does not bode well when investors are asking about the

risks to EBITDA and cashflow near-term, especially while cap ex stays elevated over the next ~3 years, and possibly longer. The case for Part 2 has to be quite compelling, but we don't see it just yet," said Bernstein's research note.

DIAMOND SPORTS' RESTRUCTURING DEAL WINS COURT APPROVAL

It was a good day in the **Southern Texas Bankruptcy Court** for **Diamond Sports** and everyone that has been watching this case since the entity declared bankruptcy in March 2023. Judge *Christopher Lopez* approved \$450 million in debtor-in-possession financing. Of that, \$350 million is headed to Diamond's first-lien debt holders. The rest will stay with Diamond, and **Sinclair** will pay \$495 million to Diamond so that the latter will withdraw its \$1.5 billion suit against the broadcaster. Importantly, the approval of the restructuring effectively wipes out the deals that Diamond Sports struck with the **NBA** and **NHL** to continue airing the leagues' games through the end of the current seasons before giving broadcast rights back to the impacted teams. With the restructuring deal approved, Diamond will be able to retain those rights beyond the conclusion of this season. The **MLB** angle is murkier as Diamond was unable to strike a similar deal with the baseball teams for which it retains broadcast rights.

J.D. POWER RELEASES 2024 CUSTOMER CARE STUDY

T-Mobile, **Charter's Spectrum Mobile** and **Consumer Cellular** each won their respective network operator categories in **J.D. Power's** 2024 U.S. Wireless Customer Care Study—Volume 1. Most major wireless carriers saw boosts in overall satisfaction (on a 1,000-point scale) thanks to a focus on enhanced digital customer experiences. T-Mobile took the MNO category for a 13th consecutive volume with a score of 834. **AT&T** came second at 821 while **Verizon** was close in third with 820. The overall segment average was 825. For full-service MVNOs, Spectrum Mobile led the pack with 847 with Cricket and Metro by T-Mobile following at 842 and 840, respectively. **Xfinity Mobile** from **Comcast** recorded a score of 808 and Boost Mobile 795—both below the category average of 828. Consumer Cellular topped value MNVOs with 863. Mint Mobile, which was [acquired by T-Mobile](#) last March, came second with 844. That was good enough to beat **Google Fi Wireless'** mark of 839, each well above the segment average of 806.

FEBRUARY GOES TO FOX NEWS

Fox News was easily the most-watched cable network this month, averaging 2 million total viewers in prime and 1.3 mil-

lion in total day, according to **Nielsen**. That's a healthy lead over second-place finisher **MSNBC** (1.3 million viewers in prime and 852,000 in total day). It's hardly surprising though. Fox News has spent 37 months atop primetime and 36 months in total day viewership, though this marked its highest-rated month since October 2023. It finished second in the 25-54 demo behind **ESPN**. "Gutfeld" continues to be a ratings darling, delivering 2.2 million viewers and beating out "The Tonight Show," "Jimmy Kimmel Live!" and the return of *Jon Stewart* to "The Daily Show." It's worth noting former *NY Times* TV writer *Bill Carter* has teamed up with ex-*Adweek* reporter *A.J. Katz* to join *Jed Rosenzweig's* *LateNighter* to cover the world of late-night TV. Possibly due to its timeslot, we don't see any mention of *Greg Gutfeld's* show on *LateNighter*, except for a [column](#) by Carter on why late-night TV still matters: "Conservative blowback has centered on blaming all the Trumpmockery for the decline in ratings for late-night shows. The 'Late Night Is Irrelevant' theme is popular on the Right, except from Fox News's Greg Gutfeld, who is clearly proud to cite his strong ratings and label himself (as he has in his book) 'King of Late Night.' That boast wouldn't mean much if the whole genre was irrelevant. (Gutfeld is now on at 10 pm, which is technically out of late night, if anyone is really counting.)" – Monthly bragging rights also go to **Spectrum News**, which outperformed **ABC, CBS, FOX, NBC, CNN**, Fox News and **MSNBC** in average daily viewership in February, averaging 1.9 million daily viewing household across its linear and digital platforms. That's based on **Charter** set-top data, based on a minimum threshold of five consecutive minutes of viewing on one station to count as a viewing HH.

MAX OUT IN LATAM, CARIBBEAN

Max is now available in all 39 territories in Latin America and the Caribbean. It's the first international market to get the HBO Max to Max makeover, debuting with more than 37,000 hours of content from **Warner Bros. Discovery's** portfolio of brands. Pricing starts at \$9.99/month, but plans will vary by subscription provider. Max content that's launching this week to coincide with the rollout includes the film "Aquaman & The Lost Kingdom," "Downey's Dream Cars" and docuseries "The Curious Case of Natalia Grace."

SPORTS DISTRIBUTION DEALS

LIV Golf is continuing to expand its presence across linear and digital platforms, and it's doing so by adding some more caffeine to its cup. The organization signed a deal with the free streaming platform **Caffeine** to air its Friday coverage of LIV Golf tournaments. Caffeine will also carry original programs like pre- and post-round shows from "Club 54," the "Fairway to Heaven" podcast" in addition to mic'd up features, LIV films and instructional videos. Caffeine originally launched in 2018 and currently has partnerships with companies including **Disney** and **Fox**. The platform eclipsed 60 million monthly users this past December. – **ESPN** inked a new multi-year media rights agree-

ment with the **United Soccer League**. Over 400 live matches from the **USL Championship** and **USL League One** will air on ESPN platforms per year. All group-stage matches, playoff and final of the new League One Cup will be streamed on **ESPN+**. USL already has another media deal with **CBS Sports** in addition to local linear partnerships. USL will have 35 matches aired on national TV between CBS Sports channels and ESPN networks.

NCTC DEBUTS DIA FOR MEMBERS

NCTC is officially launching a Dedicated Internet Access product on its Connectivity Exchange platform. It is addressed to meet needs that go beyond traditional broadband services, offering a dedicated connection that ensures consistent and reliable service for residential and business customers without interruptions that can happen on shared networks.

PEOPLE

Anthem Sports & Entertainment named *Andy Schuon* President of **AXS TV** and **HDNET Movies**. Schuon is the co-founder of **Revolt Media and TV** and has previously spent time as EVP, Head of Programming & Production for **MTV, MTV2** and **VH1**. – **Newsmax** appointed *Chuck Horvath* as VP, Broadcast Engineering for the network, and *James Clough* is joining as Director, Broadcast IT. Horvath joins from **Fox Weather**, where he served as Lead Engineer. Clough previously served as Solutions Architect/Support Engineer for the Broadcast and Media division of **Rohde & Schwarz**. – The **Corporation for Public Broadcasting** named *Evan Slavitt* as SVP and General Counsel, effective March 11. Slavitt has worked for **DOJ**, **Bodoff** and Slavitt and most recently was chief legal officer for **Paper Excellence**. He replaces the retiring *Westwood Smithers Jr.*

OBITUARY

Charles Ferris, **FCC** chairman during the Carter administration, passed away Feb 16 at the age of 90. His daughter *Caroline Ferris* confirmed his death to the *Washington Post*. "Under his tenure, Chairman Ferris helped reshape the communications marketplace by allowing **AT&T** to use computers in its networks, removing rate regulation on telephone equipment, and supporting the growth of cable television. Consumers still benefit from his foresight today," said current FCC Commissioner *Geoffrey Starks*, who noted Ferris was instrumental to the enactment of the Civil Rights Act of 1964 and Voting Rights Act of 1965. Ferris spoke to the cable industry at its **NCTA** annual convention in 1978, and it's worth looking back at the *Washington Post* [coverage](#) of him urging the industry to provide unique content and not merely a copy of broadcast programming. "So long as you offer only services that others may offer—over facilities which others can provide—I do not think that the public will demand your survival," he said. "If you do provide a unique service, in quality, diversity, and in state-of-the-art technology, you will have public backing."