

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

At Our Deadline: Court Dismisses DirecTV Nexstar Antitrust Case

A federal court on Wednesday granted Nexstar's motion to dismiss DirecTV's [antitrust claims](#) for lack of antitrust standing.

DirecTV filed the suit last March, claiming that Nexstar is violating federal antitrust law by engaging in an illegal conspiracy with **Mission** and **White Knight** to manipulate, raise and fix prices of retransmission consent fees. DirecTV and Nexstar reached a retransmission consent renewal last fall after a two-and-a-half-month blackout, but it hasn't reached renewals with Nexstar's shared services partners Mission or White Knight, with those stations off its lineup since October 2022.

The opinion by judge *Kevin Castel* said that since DirecTV did not enter into deals with Mission or White Knight that would have required it to pay what it alleges to be "supra-competitive" fees, DirecTV customers experienced blackouts that caused them to cancel or not review services causing a profit loss. "Its losses therefore flow from its own choice to exit the market. While this choice may have been influenced by Defendants' demands, it does not result from Defendants' claimed unlawful acts, i.e., the extraction of supra-competitive prices," the court said, adding that it concludes that DirecTV lacks antitrust standing because "it would not be an efficient enforcer of the antitrust laws."

The court said DirecTV's injuries are too indirect and speculative to confer antitrust standing, comparing the challenge to the City of Oakland's lawsuit against the **NFL** and its franchises for

horizontal price fixing. Oakland claimed the NFL and its teams artificially reduced the number of eligible teams to demand supracompetitive prices from host cities and when it refused the demand, the Raiders moved to Vegas. The Ninth Circuit concluded that the City's injuries were both too indirect and speculative to confer standing.

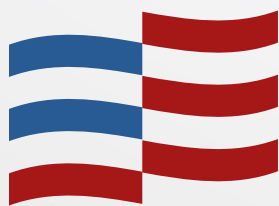
"There is no way of knowing whether, and on what terms, the parties would have agreed, and whether because of such an agreement, subscribers would have stayed with DirecTV. Further, Plaintiff's injury is indirect, as DirecTV did not pay higher prices, but claims to have suffered by losing customers due to the blackouts," the court concluded.

In Reach: Comscore, NBCU Make Waves as Upfronts Near

Upfront season is nearly upon us, and folks on all sides of the equation are gearing up to make a big splash as the advertising market looks to continue rebounding after a year of volatility.

The focus for many in the ad space has been on addressing the pain points felt when it comes to measurement. **Comscore** is one of the players hoping to make a big mark at the upfronts, and it achieved a major milestone Wednesday after receiving accreditation by the **Media Rating Council** for total household rating and average audience estimates in both national and local TV time-based grid reports.

It's the first time a TV measurement provider has been accredited in all 210 measured local markets based on device



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tuning measurement, and it also means Comscore is the only MRC-accredited local and national measurement solution utilizing what it calls “big data” science and methodology.

The accreditation process was a long one that began two years ago, entailing an independent audit that studied audience measurement methods and data science that goes into Comscore’s product. Then, that audit report was reviewed by a committee made up of MRC member organization representatives to ensure Comscore’s processes met industry standards.

“Historically, the only party that has gone through the rigor of the MRC has been a single source, panel-based methodology. So this was really the first time that the MRC has accredited a big data TV audience measurement solution, and it’s the first time for them, first time for the measurement ecosystem to have had that,” Comscore CEO *Jon Carpenter* told **CFX**.

What exactly does Comscore mean by big data? Comscore receives data from 70 to 75 million devices across the U.S. involving set-top boxes, TV tuning, ACR, streaming and more. It aggregates all of that information before ingesting it, cleansing it of biases and applying Comscore’s methodologies to create a product for the advertising marketplace to use.

That broad reach fuels not only Comscore’s scaled linear TV product, but its digital asset and scaled social assets. It’s a holistic offering designed for a more fragmented television landscape.

“[Advertisers] want to reach us regardless of where we are. They don’t want to reach us in the historical silos of ‘linear is good,’ or ‘linear is bad’ or ‘digital is good’—they want these things to work in harmony with one another when they’re planning their media,” Carpenter said. “What you’re seeing in the upfront is a shift toward more holistic cross-platform planning and activation.”

One company that spans all of those linear, digital and social areas is **NBCUniversal**, which held its One24 event in NYC on Wednesday touting its new ad technology and data capabilities. As with most innovations nowadays, it starts with AI. NBCU is using generative AI to analyze mass amounts of content across its portfolio along with its first-party data sets in order to create emotion-based audience segments. NBCU has made 300 predictive segments so far, making it easier for marketers to match the right audiences with the right content.

“We trained our proprietary Gen AI engine to scan and process our first-party video and web content, generating summaries of each piece of content, and the underlying themes and meanings within,” Chief Data Officer, Advertising and Partnerships *John Lee* said. “We then utilize natural language processing and deep learning to connect the content themes to establish human emotions and motivations ... We then map to our consumers as well as what products they purchase, and the result is a highly predictive set of over 300 distinct audience segments powered by generative AI.”

The **WHO** and the **WHY**

CFX’s spotlight on recent new hires & promotions



JOHN Hsu
SVP, CORPORATE FINANCE
ALTICE USA

3 THINGS TO KNOW

- As Altice USA continues its journey toward growth, it appointed John to manage investor relations, treasury and risk management functions. He was most recently EVP, Corporate Development, Treasurer and Investor Relations at AMC Networks and will report to CFO Marc Sirota.
- He was at AMC Networks for more than 11.5 years, holding responsibilities like M&A, deal sourcing, strategic partnerships and capital structure initiatives. He also was a co-founder of AMC Ventures with over \$200 million in investments, having led successful exits at DramaFever Corp., RLJ Entertainment and fuboTV in addition to making investments in Adaptive Studios, Philo TV and Powerhouse Capital. Before AMC Networks, he was Cablevision’s VP, Financial and Strategic Planning for seven years. There, he was an advisor to the COO and CFO and oversaw budget, forecast and long-term business planning for Rainbow Media.
- John has served on several media industry boards such as Fubo, RLJ Entertainment, Philo and MACRO. He holds a degree in Finance and Accounting from New York University.

Of course, NBCU couldn’t forget about the Olympics. It’s making another first with the event in that the Olympic and Paralympic Games will be available to advertisers programmatically. NBCU is teaming up with **The Trade Desk** to open a private marketplace that enables biddable access for advertisers to reach specific audiences viewing the respective events.

Speaking of the Olympics, **Peacock** had its time in the spotlight at One24. Peacock will have a dedicated Olympics hub packed with curated rails of live and upcoming events, in-depth categories for specific sports, medal standings and an interactive schedule. But the features that many will be talking about are Peacock Live Actions and Peacock Discovery Multiview. Live Actions is homed by a “whip-around” show that’ll allow fans to click and view various events via on-screen prompts. It’ll make its debut come Olympics time. Multiview—a popular feature among YouTube TV users—allows fans to watch up to four events at once on smart TVs, web browsers or streaming devices. Peacock will begin testing that feature during select events this spring.

Other features NBCU rolled out this afternoon include Virtual Concessions, which offers viewers the ability to purchase food, beverages and other items that can be delivered to their house.

NBCU's Must ShopTV is also expanding to include six franchises: "Below Deck," "Love Island USA," "Southern Charm," "Summer House," "Top Chef," and "Winter House." Additionally, NBCU is piloting an interactive, shoppable integration with NBCU Check-out on Comcast Xfinity's X1 entertainment platform on episodes throughout Season 21 of Bravo's "Top Chef."

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APOLLO TURNS IN \$11 BILLION BID FOR PARAMOUNT STUDIOS

Apollo Global Management has submitted an \$11 billion offer to buy Paramount Global's film and TV studio, according to a WSJ report. Sources told WSJ the bid came as an independent committee of Paramount's directors is going over a separate merger offer from Skydance Media. That offer would see Skydance purchase National Amusements and merge Skydance into Paramount. Paramount stock skyrocketed by more than 11 points at market close on the back of the report.

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FCC ALL-IN PRICING FINAL ORDER DETAILS REVEALED

The FCC published the final Report and Order on all-in pricing for cable and satellite video programming, and we now know exactly where the rule will be enforced. The agency expects the all-in pricing rule to be followed not only when it comes to individual bills for video services, but also when it comes to bundled packages that include video programming. Verizon and NCTA were among commenters that argued that applying the rule to bundled packages would remove the flexibility operators need to offer competitive options. The FCC specified that if a discount is applied, it also must be presented in clear, accurate terms and include any expiration date. Providers are also allowed to describe the value of bundling in their promotional materials. When it comes to legacy plans, the FCC decided that the benefits of the all-in pricing rules outweigh the burdens described by the industry. It doesn't expect that cable operators and DBS providers will be marketing those services, but promotional materials used to inform or market a legacy plan to existing customers must also follow all-in pricing requirements. Companies will have nine months to implement all-in pricing, but the agency is allowing more time for smaller providers. Small cable operators, those with annual receipts of \$47 million or less, will have an additional three months to comply.

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FCC CHAIR WANTS TO RELAUNCH 5G FUND FOR MOBILE INTERNET

FCC Chair Jessica Rosenworcel circulated rules to her fellow commissioners Wednesday that would significantly increase the agency's investment in the deployment of mobile broadband in rural communities. Her proposal centers on the relaunching of the 5G Fund for Rural America. The Phase I multi-round reverse auction would distribute up to \$9 billion to bring voice and 5G mobile broadband service to rural areas of the nation unlikely

to otherwise see unsubsidized deployment. The FCC's improved broadband coverage map will be used for the deployment of these funds, and it currently shows that more than 14 million homes and businesses lack mobile 5G coverage. The 5G Fund would also include up to \$900 million in incentives for those that incorporate Open RAN in 5G Fund-supported networks. Among the improvements Rosenworcel has proposed to the 5G Fund are modifications to the definition of areas eligible for the auction, the inclusion of areas in Puerto Rico and the U.S. Virgin Islands that meet auction criteria, increasing the Tribal reserve budget and requiring 5G Fund support recipients to implement cybersecurity and supply chain risk management plans as a condition of receiving support.

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CABLE OPS LEAVING QAM BEHIND

Mediacom closed down its legacy QAM video infrastructure, switching to IPTV and other streaming technology to reclaim spectrum for broadband, Light Reading reports. Midco will soon be following, and Cox Communications is also examining a migration off of QAM video and towards an IP video solution.

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HOUSE COMMERCE BACKS FOUR COMMUNICATIONS BILLS

House Commerce unanimously passed four communications sector bills out of a markup Wednesday. Among them was the Future Uses of Technology Upholding Reliable and Enhancing (FUTURE) Networks Act, which directs the FCC to establish a 6G task force with representatives from industry, public industry groups and the government. It would be tasked with issuing a report on the role of standards setting bodies in 6G, possible use cases for 6G, potential threats like cybersecurity and interagency coordination and promoting deployment. Also moving forward with no amendments was the Removing Our Unsecure Technologies to Ensure Reliability and Security (ROUTERS) Act that requires NTIA to conduct a study of national security risks posed by routers, modems or devices that are designed, developed, manufactured or supplied by persons tied to certain foreign nations.

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CHARTER ALLOWS SOME SPECTRUM SUBS TO STREAM DODGERS

Charter is making Dodgers games on Spectrum SportsNet LA available to more customers, offering free streaming for the 2024 regular season to customers with both Spectrum internet and mobile service who live inside the Dodgers home TV territory. Spectrum is covering all streaming costs so eligible customers can access live games as well as pre and postgame coverage and game replays via MLB.com and the MLB app. Spectrum customers with access to SportsNet LA can continue to watch the games via their TV lineup, the Spectrum TV app or the Spectrum SportsNet app.

Think about that for a minute...

Billion Dollar Bets

Commentary by Steve Effros

Don't bother reading most of the articles coming out about Nvidia's newly announced AI chip dubbed Blackwell. You won't understand what the heck they're talking about. Most of these articles are written by folks who speak a seemingly foreign language with so many acronyms and numbers floating around they almost make lawyerspeak sound reasonable. At least we use (mostly) English!

Let's simplify; the company, Nvidia, guessed right over a decade ago and started developing an incredibly powerful graphics processing unit, now simply designated as a "GPU". The CEO anticipated that whatever was going to happen to the computing industry would inevitably move in a direction that would require very rapid computing of huge amounts of data.

He was right. The massive data bases didn't exist then. But they were being accumulated by companies like Google, Microsoft and Apple based on the information we all "gave" them when we used some of their services. They "gave us "free" services and took our data. They knew what they were doing too! Google started making money right away on that data, by selling advertising based on what we searched. But another payday, it turns out, is the inherent value of those massive data bases themselves.

Why? Because they're the necessary ingredient for the major "next step" in computing that broke into public consciousness last November when OpenAI introduced "ChatGPT" and the nascent ability of computing, using "large language models" (those databases) to "learn" and "infer" (generate) information and even graphics based on simple English instructions and inquiries. We all know what has happened since. Things have started moving so fast with larger and faster computing capabilities and LLM sources that it's anyone's guess how far and how fast it will go. There are legitimate concerns and a lot of hype about that.

But Nvidia knew it would require something like what they called their first GPU in 1999, the GeForce 256. These integrated processing chips were primarily used for video. But the power they possessed and the ability to make them larger and faster constantly resulted in a "Next Version" (that's where "Nvidia's name comes

from) which now has, hold your breath, 208 billion transistors on a chip that is about the size of a playing card. It sells for \$30,000 to \$40,000! Oh, and you need about 100 of them to handle the latest "AI" processing requirements.

But here's the rub; Nvidia got where it is, a multi-trillion dollar valuation company, because it was the only game in town for what suddenly exploded in the computing market. There are now major competitors racing to join, and even some of the biggest Nvidia customers are planning to make their own chips. So what's next?

Well, as I've mentioned before, the telecommunications and computing marketplace includes a fundamental risk; while billions of dollars can be made by being in the right place at the right time, it's also true that "time" has contracted. Things move so fast you can't finish building the next multi-billion dollar platform before someone else has developed a "newer" "faster" way to do what you were doing, and suddenly your almost-built manufacturing facility may be obsolete!

The competition is not just for the fastest chip, but one that uses less power, which is one of the main issues right now. And I can assure you that there are lots of rumors that, ironically because of AI, those advances are coming sooner than we can imagine.

So don't worry about things like teraflop and petaflop speeds, or claims of thirty times increase in inference ability (that's what AI does). Just know that the folks competing with each other for the "next new thing" are taking billion dollar bets. There's an old rule: never bet what you can't afford to lose.



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(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.)

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