

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Shopping Trip: Zaslav Prepping For Likely Consolidation and WBD Buys

Warner Bros. Discovery CEO David Zaslav believes consolidation among programmers is coming, and he wants to be ready to make an acquisition should the right opportunity arise.

During a fireside chat at Bernstein's 40th Annual Strategic Decisions Conference on Thursday, Zaslav predicted consolidation as a likely outcome of the transition from linear to streaming with so many players losing a lot of money in trying to meet the consumer where they are. WBD has worked hard to drive free cash flow and pay down debt to become a healthier business and be in the best position possible to build the business in the near future, either organically or through M&A.

"There'll be some players that want to get out of the business. There'll be others that will look to consolidate their struggling businesses with others, and so I think we will look to be opportunistic during that time," he said. "I think over time, there'll be fewer players. I expect that there'll be four or five global streaming players... I do think that some companies will be for sale. We're going to be very disciplined."

Beyond M&A hopes, WBD's efforts to get healthier have also been driven by a desire to have a strong balance sheet as Max is being rolled out globally. Earlier this month, Max went live in 20 countries across the Nordics, Iberia and central and eastern Europe. On June 11, the app will become available in France, Poland and Monaco, and by July, Max will be available in 65 countries and territories. There are also plans to bring

Max to key countries in southeast Asia later this year.

"We expect at least two-thirds of our subscribers over the next several years as we grow will come from outside the U.S. We still think that there's growth left in the U.S., but the U.S. is relatively mature. We can still grow subs, we could still grow ARPU, but the real growth engine for us is to be global," Zaslav said. "I think it's very difficult to be a U.S.-only company."

Zaslav has been quieter about WBD's sports streaming jv with Fox and Disney than his compatriots, but don't take that to mean he isn't excited about the new product. Zaslav said he's thrilled about what's coming not just because the companies are creating a great product, but because the programmers are acting to effectively eliminate the idea of a sport being tied to a specific linear channel.

"It's all there for you, so if that experience is as good as I think it's going to be, and we'll listen to the consumer and build on that, then I think it could be a very big business for us. And it's critical for us to work to create products that are contemporary," he said. "By building these bundles or by creating a sports product, we're creating a great invitation for the next generation to come onto a contemporary exciting new product with sports that they love, and we'll learn a lot from it."

Of course, with the topic of sports came a question about WBD's ongoing rights talks with the NBA. Those conversations are still happening, but Zaslav confirmed that he feels comfortable with the programming strategy around TNT and other networks even without NBA content.



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“We’ve been very strategic about adding sports to TNT over the last several years, and we feel really good about where we are,” Zaslav said. “We feel very comfortable and we’ve been very strategically focused on making sure that we have a robust offering of sports for each of our sports channels in the U.S. and around the world.”

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## NEWS NETS COVER VERDICT NO ONE COULD ACTUALLY WATCH

Surreal moment Thursday as *Trump* became the first former U.S. president convicted of felony crimes and Americans couldn’t really see it happening. News that the jury had reached a verdict came just before 5pm, prompting many to tune into the cable newscasters. But with no cameras allowed in the courtroom, the dramatic moment was left to anchors to deliver. **CNN’s Jake Tapper** would relay the guilty verdicts as they came in from the courtroom, with guilty appearing on the screen 34 times as well as reports that Trump was looking down and not moving during the verdict. Like CNN, **Fox News** displayed the guilty verdicts one by one on the screen. Panelists on “The Five” then dissected the rulings, mostly discussing what they deemed as flaws in the case. There were tidbits from contributor *Jonathan Turley*, a law professor at George Washington University, who described the feelings and sentiments in the courtroom. *Lisa Rubin* was on **MSNBC** to do the same, even sharing her own anecdotes of how she felt trying to take notes with nerves ramped up. When Trump emerged from the courtroom, networks carried his remarks calling the trial “rigged” and declaring that the real verdict will come Nov. 5. At **NBC News**, *Savannah Guthrie* and *Lester Holt* led a discussion with contributors from both sides of the aisle to break down how the rulings will impact Trump’s election hopes and whether the verdict will have an impact on the opinions of voters.

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## COMMSCOPE WINS CASA SYSTEMS

**CommScope** entered the winning bid of \$45.1 million to purchase **Casa Systems’** cable business assets in its bankruptcy proceeding auction. It beat out **Vecima Networks’** \$44.95 million bid, with Vecima designated as the back-up bidder. A sale hearing is scheduled for Tuesday in District of Delaware Bankruptcy Court, with the transaction expected to close on June 6. CommScope sees the acquisition as a way to enhance its virtual CMTS and PON product offerings. “Adding Casa’s technology to our portfolio will allow us to provide a seamless transition for our combined customer base that utilize both integrated and virtual CMTS products. This transaction provides stability to Casa’s customers while allowing CommScope to further grow our customer base as we

enable customers to migrate to Distributed Access Architecture solutions on their own timeline,” CommScope CEO *Chuck Treadway* said in a statement. Casa had entered into a stalking-horse asset purchase agreement to sell its cable business to Vecima, but the bankruptcy auction drew other interested parties. Vecima said the auction was a competitive day-long process that consisted of multiple rounds of bidding by several interested parties. It opted not to increase its bid any further once it determined the valuation was not reasonably supported by its valuation of the assets. “Irrespective of the outcome of the auction, Vecima remains firmly positioned to drive the industry forward to the multi-gigabit networks of the future across both fiber and cable access,” said *Sumit Kumar*, Vecima President and CEO.

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## COGECO COMBINING BREEZELINE WITH CANADIAN OPERATIONS

**Breezeline** President *Frank van der Post* is leaving to pursue other opportunities as parent company **Cogeco** announced a new structure taking effect Sept. 1 that combines the commercial, operational and technical functions of its Canadian and U.S. telecom businesses into a single North American organization. “We identified a significant opportunity to increase our speed, drive new innovation and operate more efficiently. Against the backdrop of a rapidly changing industry, this nimbler structure will increase our agility and bring our top leaders closer to our customers and front-line teams.” *Frédéric Perron*, Cogeco President/CEO, said in a statement that also praised van der Post for being “instrumental” in leading U.S. operations for the past five years. *Sean Brushett*, who served as VP of Customer and Technical Operations at Breezeline, will become COO, responsible for the performance of the company’s call centers, field operations, facilities and supply chain across Canada and the U.S. *Nancy Audette*, previously SVP and General Manager, Consumer at Cogeco Connexion, will become SVP, Growth Initiatives and head up growing the corporation’s digital and wireless brands, while *Marie Ginette Lepage*, previously Cogeco’s SVP, Mobile Strategy, will become SVP, Transformation. *Paul Cowling* will join the company July 2 as Chief Legal and Corporate Affairs Officer, having held a similar role at **Shaw** and most recently at **Xplore**. All will report to Perron. The company has initiated a search for a Chief Commercial Officer responsible for sales, marketing, product and digital across the U.S. and Canada. Cogeco’s Chief Legal and Corporate Affairs Officer *Valéry Zamuner* is exiting.

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## ASSOCIATIONS CONTINUE PLEAS TO NTIA FOR BEAD CHANGES

**ACA Connects** sent a letter to NTIA Administrator *Alan Davidson*

Thursday with concerns that overly burdensome requirements will drive some small providers away from participating in the BEAD program. The association asked NTIA to coordinate with the FCC to allow BEAD subgrantees to use the National Verifier for eligibility verification for any low-cost service options. It also asked NTIA to favor low-cost service options that truly reflect marketplace realities. For example, a provider could commit to offer the same price, terms and conditions it offers to low-income households in a state or territory outside its project area, or a provider with no existing operations in a state or territory could demonstrate that its proposed low-income service option is comparable to those of other providers. “Approaches such as these would allow providers to participate in BEAD without incurring obligations to offer ‘low-cost’ service options that no reasonable business case could support,” ACAC said. “For smaller providers in particular, this assurance will be a critical factor in determining whether and how extensively to participate in the program.” **NTCA-The Rural Broadband Association** also [reached out](#) to NTIA earlier this month with concerns about the size of project service areas, the low-cost option and potential mandates on rates.

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## NOTICIAS TELEMUNDO READY FOR ELECTION SEASON IN MEXICO

It's not just the U.S. that's set for a big election this year. **Noticias Telemundo** will have multiplatform coverage of the upcoming presidential election in Mexico on Sunday, which could see the country elect its first woman president, *Claudia Sheinbaum*, who's believed to be a frontrunner. Coverage will begin at 7pm on the streaming channel **Noticias Telemundo Ahora**. The network will have correspondents scattered across Mexico and select locations in the U.S. including D.C., L.A., NYC as well as the U.S.-Mexico border. **NBCUniversal Local's** Telemundo Station Group will also have a team of 23 reports across Texas, Arizona, California and Chicago contributing to live special coverage.

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## RATINGS

Friday's **WNBA** bout between the Fever and Sparks was the first time the Nos. 1 and 2 picks of this year's draft faced each other, and it became the most-watched WNBA game on **ION** to date. The Fever's win averaged 724,000 viewers and peaked at 981,000. It was the most-watched WNBA game this season to tip off after 8pm and out-delivered all 2023 WNBA games on all networks in some male demographics, including M21+, which had 402,000 viewers. – The “Countdown to Summer” programming event on **Hallmark Channel** lifted the network to be the most-watched in weekend total day among W18+ between April 29-May 26. The event garnered 17.4 million unduplicated total viewers, which helped Hallmark Channel be the No. 2 most-watched network in weekend primetime with households, total viewers and W and P18+. The premieres of “A Whitewater Romance” (May 11) and “Everything Puppies” (May 18) were the most-watched entertainment cable programs of the day among households, total viewers and W and P18+.

## What We're Reading



### “The Early Days of ESPN”

“Do you think all-sports television will work?”

It's a question that seems laughable to ask in today's world, but it was one that was posed many times in the late 1970s as the cable industry grew. It's surreal to fathom how a network born in the offices and attic of a United Cable branch in Plainville, Connecticut, would go on to change the trajectory of sports and television as a whole. But it's an idea that never wavered in the minds of *Bill and Scott Rasmussen*, *Ed Egan* and the many ‘SPNauts’ who got the **ESPN** ship off the ground.

“The Early Days of ESPN: 300 Daydreams and Nightmares,” eloquently written by ESPN founding Executive Producer *Peter Fox*, is set to be released Tuesday, recounting the stories of how the sports juggernaut came to be and the tribulations endured to make it happen. There are tales of the unspoken network icons, such as Bill's brother *Don Rasmussen* obtaining the money to make a down payment on a transponder that would enable ESPN to broadcast via satellite. From scraping funds in order to keep the ESPN dream alive to spending billions on media deals nearly 50 years later, it's safe to say those investments have paid off.

One of the more unspoken catalysts in ESPN's early days had nothing to do with media. It was Getty Oil, a company that was “flush with cash” in 1978 when it decided to invest in a venture capital project centered on creating an all-sports TV network. The company's Board of Directors was never fully on board with the hubbub ESPN was creating instead of its own oil business, but Getty Oil continued to invest. “I could have killed that whole thing (funding ESPN) but I liked the idea,” *Sidney Petersen*, then-Chairman/CEO of Getty Oil, said in an interview included in the book.

It's clear from the book that doubters of ESPN's vision were quickly turned into believers. There's an account about how *Ted Turner* approached the ESPN booth at the 1979 National Cable Television Association Show in Las Vegas, and he was curious about the way ESPN would broadcast an interview with him. Despite having trepidations about climbing a ladder on top of a production truck, Turner was convinced to do an interview because “this broadcast will be going around the world, and will be good for the news network you are going to launch,” as finance manager George Conner details. That news network, CNN, would launch a year later in June 1980.

All giants have humble beginnings, and ESPN isn't a stranger to that. The Early Days of ESPN encapsulates what the network is rooted in—quenching the thirst of sports-crazed fans, and it all started with fellow fanatics who simply believed.

– *Noah Ziegler*



# PROGRAMMER'S PAGE

## Gillis' Career Rolls On in 'Tires'

If you've ever asked yourself, "What would 'The Office' be like if it was based on a tire shop?" then Netflix's "Tires" (premiered last Thursday) might very well be the answer. You'll find a similar feel of a boss trying to turn around a fleeting company along with a dysfunctional crew, but with raunchier jokes and the comedic touch from the show's creator *Shane Gillis*, who also stars in the program with fellow comedians *Stavros Halkias*, *Andrew Schulz* and *Tommy Pope*. The show's camera work feels similar to *The Office* with its cuts to characters and close-ups to get a character's reaction to a comment or action. It's safe to say the show was an instant hit, with Netflix renewing *Tires* for a sophomore season two days before its grand debut. *Tires* also found its way into Netflix's top 10 list posted Tuesday, coming in at seventh with 3.8 million views. *Tires* serves as not only a recent comedy show seeking to enter the cultural zeitgeist, but another moment in the (second) ascent of Gillis. Gillis had climbed up the ladder until he joined the cast of "Saturday Night Live" in September 2019. On that same day, controversial video clips surfaced of him using slurs during a skit on a podcast, which led to his quick removal from the SNL cast. Gillis went on to have his first comedy special "Shane Gillis: Live in Austin" on YouTube in 2021 before Netflix rolled out his second special "Shane Gillis: Beautiful Dogs." Clips from both specials were spread far and wide across social media platforms including TikTok, which felt like an eerily similar virality that was apparent when "Suits" skyrocketed in popularity. Just as *Suits* has become a widely watched show, Gillis' notoriety is exploding too. How much? To the point where Gillis returned to SNL as a host this past February. – Noah Ziegler

### REVIEW

"The Jinx - Part 2," streaming on Max. While there's little doubt about the historic nature of the hush money trial, TV viewers couldn't see anything inside the courtroom as Trump was found guilty of all 34 felony counts Thursday. (The groans you hear come from C-SPAN founder *Brian Lamb* and other cameras-in-the-courtroom advocates.) For a view inside a courtroom head west for "The Jinx, Part II." Although, fair warning – Jinx courtroom scenes, where real estate heir *Robert Durst* is on the stand, are a difficult watch. Nearly catatonic and decidedly creepy, Durst's answers against murder charges are agonizingly slow. Yet, the series is addicting. Binging seasons 1 and 2 is inevitable, though it's not necessarily what filmmaker *Andrew Jarecki* intended for his 20-year passion project. While the Trump case involves hush money, not murder, the parallels between the trials ensure viewers won't be shortchanged. For example, both involve NY-based real estate magnates and family businesses. Both stories feature a wealthy person who allegedly dislikes paying bills. And the accused is someone whose influence cause ordinary people to do things for him they regret later. Of course, the biggest parallel is that if you have enough money, you can delay the heck out of the justice system. For Durst, it was 40 years. And even now, his 'widow' jealously guards an estate. – Seth Arenstein

BASIC CABLE P2+ PRIME RANKINGS* (05/20/24-05/26/24)		
MON-SUN	MC US AA%	MC US AA (000)
TNT	0.953	3003
ESPN	0.767	2417
FNC	0.623	1965
MSNBC	0.334	1052
HGTV	0.219	690
HALL	0.202	636
USA	0.174	547
INSP	0.167	526
TBSC	0.164	518
CNN	0.148	466
HIST	0.145	457
FOOD	0.125	395
TLC	0.115	362
GSN	0.111	348
TV LAND	0.110	347
ESPN2	0.110	345
DISC	0.106	334
ID	0.104	327
BRAVO	0.097	306
HALLMYS	0.097	306
LIFE	0.092	291
AMC	0.090	284
A&E	0.086	272
PRMNT	0.086	270
OXY	0.085	269
REELZ	0.083	263
FX	0.083	261
SYFY	0.081	255
WETV	0.077	242
NWSMX	0.076	240
BET	0.067	213
ADSM	0.066	209
COM	0.065	206
NATGEO	0.063	200
NAN	0.061	192

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

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