

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Gavel Strike: Judge Gives MLB Access to Parts of Diamond's MVPD Deals

It's been a tense week for **Diamond Sports** and its distribution partners as they continued to try to strike a deal with **MLB** that would safely provide the league with information that would make it feel more confident in Diamond Sports' post-bankruptcy plan.

Judge **Christopher Lopez** of the **Southern Texas Bankruptcy Court** refused to give the league access to the information during an emergency hearing Tuesday. That information would include details around Diamond Sports' historical and projected performance post-bankruptcy and include projections tied to the company's agreements with individual leagues, Amazon, and distribution partners **Cox**, **Charter**, **Comcast** and **DirectTV**.

Counsel for MLB sent a letter to Judge Lopez Thursday that said more than 80% of Diamond Sports' revenues can be traced to the distribution deals for its regional sports networks. The league believes knowing the terms and conditions of each deal, including how amounts owed by the distributors are calculated and the circumstances under which those amounts may increase or decrease is essential in understanding whether Diamond Sports' post-bankruptcy plan is realistically viable.

"To our knowledge, the Debtors are still attempting to forge a deal with Comcast, and any deal struck will have implications for the other Distributors and their respective [most favored nation] clauses. Without more granular information, and a better understanding of the actual terms of the dis-

tribution agreements, MLB and the Clubs will be unable to challenge the Debtors' assertions, evaluate feasibility of the Plan or determine whether to object to Plan approval," MLB said. "By providing only advisors to MLB and the Clubs with permission to review this critical information, and not sharing that information with the internal business representatives responsible for ongoing commercial negotiations, we believe that the Distributors' legitimate concerns will be resolved."

Counsel for Cox Communications sent in a letter of its own Thursday with an updated proposal it had sent to MLB. The distributors would provide MLB the forms of any MFNs directly affecting rates. Those would be given to MLB on an anonymized and outside-professionals'-eyes-only basis, and any outside professional who had access to the information would be barred from involvement in any agreement negotiations with Diamond Sports or the distributors for four years.

MLB's counsel responded within less than 30 minutes, disagreeing with the distributors' understanding of what the court had already ruled upon and providing no meaningful feedback on the revised offer. "We disagree with your email's characterization of Tuesday's status conference. No rulings were made and all rights reserved. Our proposal is our proposal. We now have yours. We will convey this to our client, but expect we will proceed tomorrow," the Thursday response said.

MLB's counsel did take a shot at the distributors' proposal in its own letter, saying the unwillingness to provide detail makes their offer unworkable. It made it clear that its outside

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representatives and advisors must be able to examine current terms for each agreement, MFN clauses and what would trigger them and more.

Everything culminated in the Friday morning hearing where Judge Lopez gave MLB the greenlight to see MFN clauses in contracts between Diamond Sports and its pay TV distribution partners as well as aggregated payment amounts that flowed between those entities. MLB's original request asked for the breakdown of revenues that came in from individual distributors rather than an aggregated amount that protected the individual distributors.

As for next milestones in the case, discovery material is due next week to give both sides everything they need to consider ahead of Diamond Sports' confirmation hearing scheduled for July 29.

COMCAST BUSINESS TURNS TO STARLINK FOR SATELLITE

In a first for **Starlink**, the company is joining forces with **Comcast Business** to offer connectivity solutions to Comcast Business enterprise customers. It's the first time Starlink has partnered with a major network provider, and the two will address the demand for reliable connectivity for enterprise customers that operate in locations where traditional networks aren't able to reach. The pair will also work to offer options for enterprises that want to enhance their network redundancy.

VENU SPORTS FIRST LOOK?

Though many of us are still waiting to see what **Venu Sports** will offer when it launches in the fall, one reporter claims the developing app is publicly accessible. *Janko Roettgers* of *Lowpass* [accessed](#) the web-based app for a smart TV platform, and while Venu is still months away from its scheduled fall launch and the features aren't set in stone, early indicators show the platform is planning to have DVR functionality for live events as well as multiview and a library of on-demand content that includes documentaries, talk shows and more. Leagues would have their own hub that shows live and upcoming events. Venu would also have a "For You" tab as well as options to access "My Library" and "Top 10 Today" rows. The "Live" tab would offer access to the lineups of **ESPN**, **Fox** and **Warner Bros. Discovery's** sports-dedicated networks. What couldn't be found on Roettgers' voyage was the cost and launch date.

STREAMING HOT IN MAY, NIELSEN'S GAUGE FINDS

It's not just the temperature that's rising. **Nielsen's** monthly The Gauge report for May saw a record-high share of TV usage in the streaming segment, with it taking 38.8% of the pie. Within streaming, **YouTube** led with 9.7% of usage followed by **Netflix** with 7.6% and "Other Streaming" platforms with 5.9%. **Hulu SVOD** and **Prime Video** had 3.1% and 3%, respectively. **Tubi** and **The Roku Channel** nabbed record highs as well with the former grabbing 1.8% and the latter recording 1.5%. When including **Pluto TV** in that mix, major FAST platforms combined for 4.1% of the share. Cable (28.2%) and broadcast (22.3%) combined for over half of the usage once again, boosted by the series finale of **CBS'** "Young Sheldon," the Kentucky Derby on **NBC** and postseason **NBA** and **NHL** play on **ESPN** platforms and **ABC**. Overall, TV usage was down 2.4% on a monthly basis, but up 1.4% YOY.

AT THE COMMISSION

The **FCC's Media Bureau** is seeking comment on **Warner Bros. Discovery's** petition for a limited waiver of the agency's audio description requirements. **Warner Bros. Discovery** is requesting the waiver for a period from July 1, 2024 through June 30, 2027, for MVPD systems that carry the two networks. WBD is requesting the waiver subject to the conditions that TBS would air at least 1,000 hours of described programming each quarter (and more than 1,400 hours of described programming on average per quarter over the waiver period) without regard to the number of repeats and describe 100% of newly produced, non-live programming aired between 6am-midnight ET within three business days of its receipt from a production company. It would also describe all newly produced, non-live programming aired during that period within seven business days of receipt on **TruTV**. Similar conditions would be in place for TNT as well, airing at least 2,500 hours of audio described programming each year without regard to repeats and describe 100% of newly produced non-live programming aired between 6am-midnight ET within three business days of receipt for scripted programming and seven days for non-scripted programming. Comments are due on June 28.

DOING GOOD

Comcast and the U.S. Conference of Mayors revealed the winners of the Talent for Tomorrow: Digital Equity Challenge grant awards program. The winners, or cities, had to showcase a commitment to expanding digital training programs that help close the skills gap. The small city winners—Kinston, NC;

Michigan City, IN; White Plains, NY and York, PA—will each get \$75,000 grants. Medium-sized city winners Cleveland, Little Rock, AR, and Richmond, VA, will get \$150,000 grants for their projects. Charlotte, Los Angeles and Portland scored wins among large cities and will receive \$250,000 grants.

RATINGS

The Men’s College World Series championship round is getting ready to begin Saturday, but ESPN recorded its second-best pre-finals viewership on record. The first 12 games averaged 1.2 million viewers, led by Texas A&M vs Florida recording 1.8 million as the Aggies clinched a spot in the championship against Tennessee. Tennessee’s win over UNC on ESPN2 had 1.7 million viewers, and Texas A&M vs Kentucky and Tennessee vs Florida State recorded 1.5 million viewers each (both games were on ESPN).

PROGRAMMING

The return of Paramount’s “Yellowstone” will happen Nov. 10 at 8pm. The show will have its international premieres on Paramount+ in Canada on Nov. 10, in the U.K. on Nov. 11 and in Latin America, Brazil and France at a later date. Also in the Paramount sphere, CBS News will have multiplatform coverage of the June 27 Presidential debate. Coverage will begin at 8pm on CBS and CBS News 24/7. CBS News will simulcast the debate from CNN starting at 9pm, which will be followed by analysis from the CBS News team.

PEOPLE

A+E Networks EVP, Finance Christopher Barry and EVP, Controller and Treasurer Cliff Ejikeme are expanding their respective roles. Barry will step in as Head of Financial Planning and Analysis, while Ejikeme will oversee the company’s tax unit. Both Barry and Ejikeme have spent quite some time at A+E, having been at the company for 12 and 14.5 years, respectively.

CABLEFAX DASHBOARD

Social Media Hits

NCTI, Inc. @NCTItraining
NCTI's 360° virtual home is now open, giving students a rich, immersive learning experience for our Applying Wi-Fi Technologies course. Read all about it in this month's newsletter: zc.vg/y6EUe?m=0 #NCTItraining #broadband #wi-fi

NTIA @NTIAgov
NTIA celebrates #PrideMonth by uplifting the history of digital LGBTQI+ communities and online spaces. Today we highlight David Bohnett, philanthropist and founder of GeoCities, one of the most successful social media platforms of the 1990s



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Happy #WorldWiFiDay! Wi-Fi has become a crucial part of our lives, powering everything from remote work and education to healthcare and entertainment. Let's celebrate the technology that keeps us all connected!
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Up Ahead
JUNE 24-27: CableLabs Interop Labs, DOCSIS 4.0 and DAA Technology; Louisville, CO
JULY 2: Cablefax Diversity and Pride List Award Entry Deadline
JULY 14-16: NTCA 2024 Summer Symposium; Olympic Valley, CA
JULY 28-31: Fiber Connect 2024; Nashville
AUGUST 19-22: The Independent Show 2024; Nashville