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WHAT THE INDUSTRY READS FIRST

Different Verse: DirecTV-Disney Dust-up Not a Repeat of Charter Spat

It may seem like the **DirecTV-Disney** blackout is déjà vu, with **ESPN** and other networks dark at the start of college football season and shortly before “Monday Night Football” kicks off. But there are some differences from this year’s September carriage impasse and the one that blew up last year between Disney and **Charter**.

For starters, DirecTV doesn’t seem to have much interest in the Charter deal template, which included Disney+ being available in all Spectrum TV Select packages at no additional cost and ESPN+ launching in its Spectrum TV Select Plus packages. ESPN’s DTC service launching next year will also be made available to Spectrum customers.

“As it relates to embedding the DTC services into the packages, there is value in that. But what’s important is that it’s not a replica of the model that got us here in the first place, where it has to be distributed and paid for by 100% or a large percentage of the customers. Making sure that customers have that flexibility and choice is what’s critical for us,” DirecTV CFO *Ray Carpenter* said during a call with analysts Tuesday.

There have been reports that the take rate of Disney’s DTC services by Charter subscribers has been relatively low. Carpenter doesn’t fault Charter for that, instead believing it has more to do with how the services are being pushed to a large swath of customers who don’t all want it but are stuck paying for it. That’s why DirecTV has been pushing for flexibility to

offer genre-based programming packages. Yes, that includes a sports package, but also other skinny packages that would reduce the lineup from hundreds of channels to the 10-50 that are most engaging to the consumer.

Another key difference is that DirecTV doesn’t have other products like broadband or mobile phone to fall back on during this blackout, which has some wondering how long it can weather the storm. DirecTV does have DTC apps and other experiences that live on its platform that it is directing consumers to during the blackout. The latest DirecTV set-top, Gemini, has integrated **Netflix, Amazon Prime Video, Peacock, MAX, Apple TV+, AMC+, BET+** and several other DTC offerings.

“And then, of course, we’re very effective at any sort of content costs that are foregone and dropped that we invest that back into the customer by making sure that we’re giving them retention discounts, access to other content on a discounted or free basis, and doing everything we can to help address the value equation that they’re suffering from when the content is down,” Carpenter said. DirecTV is offering credits through its DirecTVPromise website in the range of \$20.

Charter’s blackout last fall with Disney was resolved just before the start of the MNF regular season opener featuring the San Francisco 49ers and New York Jets. While some believe DirecTV will strike a similar last-minute deal, Carpenter said don’t count on it. “This is, you know, more existential for us and we would hate for our customers to not have access to any of the great content that is available via the Disney channels,

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but we're not playing a short-term game," he said. "For us, it is a little different than Charter. Video is all we have. Video is what we're focused on, and video's what makes up our future. Charter has other products that they can sell and sort of build into whatever equation works best for them. We need something that is going to work for the long-term sustainability of our video customers, and that is all they buy from us."

Of course, time will tell. Charter made similar comments about digging in its heels in its own analyst call with PowerPoint slides after last year's blackout. DirecTV points to its two-and-a-half month blackout of Nexstar stations last year as evidence it's willing to go as long as needed to get a deal done that makes sense.

Other programmers should take away from this that DirecTV is focusing strongly on package flexibility. "We've had these conversations with other programmers, and the proof will be when we get to the point of contract expiration to see how it plays out. But I will tell you, they've been more collaborative than the conversations we've had with Disney," Carpenter said. "I think the posture with Disney was a lot more sort of adversarial or against where we wanted to take things, where other programmers have really thought, 'OK, how can we work together to move towards this in a way that's good for all involved.'"

During DirecTV's call, ESPN Chairman *Jimmy Pitaro* appeared on **CNBC** and called any notion that Disney was inflexible false. "We have offered to them several flexible packages for their customers, starting with sports and broadcast that's part one—a package very similar to what we've offered to Venu. Number two, we've offered to them an entertainment package, a package that would include our entertainment and kids networks and what we've received in response is basically hypotheticals, and quite honestly, we don't even know if they can execute and deliver against what they're specifically proposing to us," he said.

Pitaro said this negotiation isn't like last fall's with Charter because that team had "a vision they wanted to execute." He said it's unclear what DirecTV wants and that such tactics are part of their playbook, pointing to nine blackouts since 2019. He added that DirecTV is private equity controlled, claiming it thus has a focus on delivering short-term value for its shareholders.

Perhaps the biggest difference between the two Disney disputes is that sports streaming via **Venu** hadn't been announced when Charter struck its deal. "I think Venu helps accentuate or bring to a broader audience the understanding of what's broken, and we're not surprised by how that played out," Carpenter said, referring to the temporary injunction halting the Disney, Fox Corp. and Warner Bros. Discovery streamer. "Venu, we think, helped accentuate the problem that sits within the current industry dynamic. The idea of skinnier packages that I wanted to genres that align with genres is something we've been working on for some time."

MOFFETTNATHANSON: NO FLOOR TO PAY TV DECLINE

MVPDs and vMVPDs lost another 1.6 million subscribers in 2Q24, bringing the YTD loss to four million subscribers, according to estimates from **MoffettNathanson**. The firm said that a successful launch of **Venu** could have ultimately dealt a death blow to the traditional linear bundle, marking a complete decoupling of sports from the package. But even without that streaming service entering the fray, it is becoming more clear to the analysts that there is no longer a floor to linear subscriber numbers. The reason? Linear video is no longer the only answer for where people go to watch sports. "The RSNs that were once a critical tentpole in the linear TV sports story have largely disappeared from linear distribution. Marquee sporting events, including the just-ended Olympics, and even the NFL, have increasingly moved to streaming venues," MoffettNathanson said in its Cord-Cutting Monitor 2Q24. "News is increasingly available outside the linear model as well. Adding Venu to the fold would have only turbocharged this, bringing the last remnants of content exclusive to the traditional Pay TV bundle OTT."

SLING TV TRIES TO SNAG THOSE HIT BY DIRECTV-DISNEY SPAT

Football fans left in the lurch by the **DirectTV-Disney** battle may be looking for alternatives, and **Sling TV** is ready to welcome them in. It released targeted advertising via email Tuesday advertising its services and packages specifically to those interested in college football and Monday Night Football. "Enter Sling TV—your ultimate game-day companion," the email said. It advertised the vMVPD's Season Pass offer, which allows subscribers to prepay for four months and save \$92 off their bill.

AT&T READY FOR WIFI 7

AT&T plans to introduce a WiFi 7 capable gateway before the close of the year. The new gateway will help more customers access multi-gig internet speeds as well as next-gen applications and technologies built upon AT&T's fiber network. "It's all part of our purpose to help customers get connected wherever they are, thanks to a fiber and mobile network that can support Americans' growing demand for connectivity at home or on the go," AT&T VP, Product Experience *Josh Goodell* said in a [blog post](#). "My team at AT&T isn't just preparing for this future—we're shaping it, and we look forward to having our customers be some of the first to harness the benefits that come with constant innovation and connectivity solutions like WiFi 7 and more to come."

C-SPAN'S FEELING FEISTY

Tuesday marked 63 days until November's election and Day 1 of *Sam Feist's* tenure as CEO of **C-SPAN**. Signs and buttons appeared around the programmer's Washington office declaring "C-SPAN Just Got Feisty," with the former **CNN** D.C. Bureau chief holding an all-hands-on-deck meeting. Former co-CEO *Rob Kennedy* retired in May, shortly after Feist was [named](#) to the role. Co-CEO *Susan Swain* stayed on to guide the network until Feist's official takeover. C-SPAN founder *Brian Lamb* stepped down as CEO in 2012, but was a frequent fixture in the office and served for years as executive chairman. The 82-year-old had his official last day in the office on Friday, stepping down from his executive role after 47 years. In an [interview](#) with *The Purdue Exponent*, an independent student newspaper that serves his alma mater Purdue University, Lamb said the time had come for him to move on. "I'm very comfortable, looking forward to having some time with my wife and then doing a little bit of traveling and continuing my podcast," said Lamb, who will continue to host C-SPAN's "Booknotes+" podcast. Purdue's Brian Lamb School of Communication is named in Lamb's honor.

US SIGNAL WRAPS UP ONENECK ACQUISITION

US Signal put the final touches on its purchase of OneNeck IT Solutions and OneNeck Data Center Holdings from **Telephone and Data Systems**. The acquisition will increase the number of US Signal data centers from 10 to 16, extend US Signal's footprint to the West Coast and triple commercial power under management. OneNeck provides hybrid IT and multi-cloud solutions with its data centers in six states across the Western and Midwestern U.S. OneNeck has over 1,000 customers in 45 states, with a focus on banking, education, engineering, food and beverage, government, healthcare, manufacturing and retail.

VIZIO GETTING IN THE SPORTS ZONE

Vizio is among those making enhancements for sports with football season underway, adding a "Vizio Sports Zone" games and content hub to its home screen. It's made to simplify the discovery process for sports fans looking for live events in collegiate and professional leagues. The Sports Zone aggregates the high-profile live broadcasts and on-demand content across streaming apps into one area. It'll have dedicated event pages displaying all streaming options for games and be categorized by each sport. Vizio is the second company as of late to roll out a feature targeting sports broadcast fragmentation, following **ESPN's** "Where to Watch" [feature](#) announced last week.

YOUTUBE TAKES TOP SPOT IN MEDIA DISTRIBUTOR GAUGE

Disney was unseated as the top media distributor in July, ac-

ording to **Nielsen's** Media Distributor Gauge Report. Last month saw **YouTube** climb into the top spot with 10.4% of total TV usage, thanks in large part by school-aged viewers ages 2-17 accounting for nearly 30% of YouTube viewership and 13% of TV viewership overall. Disney didn't fall far, coming in at second with 9.9% of usage. Year-to-date totals do have Disney on top, though, with 11% of TV viewing through seven months. Following YouTube and Disney were **NBCUniversal** (9.5%), **Netflix** (8.4%), **Fox** (7.4%), **Paramount** (7.4%) and **Warner Bros. Discovery** (7.2%). **Amazon** and **Scripps** checked in with 3.5% and 2.2%, respectively.

X ENTERS TV SPACE

Elon Musk has talked about growing **X** across multiple digital platforms since he took control of the social media platform formerly known as Twitter. The company took a step toward that Monday as it released the beta version of the X TV app on **Android TV** sets. The app is available on **LG**, **Amazon Fire TV** and **Google TV** with more integrations to come soon. It'll offer the video content that's found on X in addition to other livestreams such as Space X launches.

MACHINEQ EASES ENERGY WOES

Comcast-owned MachineQ unveiled an IoT-based power monitoring solution Tuesday aimed at helping enterprises monitor and manage energy consumption. The solution also brings together consumption and utilization data to help identify areas where energy use can be reduced and aid in predictive maintenance for critical equipment.

FIBER FRENZY

Construction is underway on a \$6.3 million infrastructure investment in Fort Smith, Arkansas, by **Ritter Communications**. The project will bring the company's RightFiber service to neighborhoods across the area, enabling 5 Gig internet, TV and phone options.

CARRIAGE

Pluto TV is launching a trio of new channels. **Cheers + Frasier** will have Seasons 6-10 of "Cheers" and Seasons 1-4 and 11 of "Frasier." **Queens of Reality** will include shows like "The Hills," "Kendra on Top," "Bridezillas" and "Lala's Full Court Life." Lastly, **WOW – Women of Wrestling** will be dedicated to the all-female sports property.

CORRECTION

The **FCC** has extended the deadline for initial comments in its proposed rulemaking on greater transparency regarding the use of AI-generated content in political advertising until Sept. 19. A **CFX Daily** article on Aug. 29 stated the deadline was Sept. 4.