

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Still Simmering: DirecTV CMO on Disney Debate Decision, \$30 Credits

DirecTV has lost a not immaterial number of customers as a result of its carriage impasse with **Disney**, according to CMO *Vince Torres*. He spoke Thursday at Goldman Sachs' Communicopia Conference, explaining why his company is looking to create a different carriage deal template than the one already established by **Charter**. The ultimate goal is to avoid creating another loaded bundle for consumers, with this one being packed with SVOD products.

"You heard Charter in their earnings call say that they are distributing the SVOD services from Disney to, I believe it's somewhere north of 70-80% of their customers, but only 10% of their customers have actually taken advantage of that offer," Torres said. "That's not a sustainable dynamic. The economics will play a role there, but that is just another subsidy model."

He said there are largely two issues that have dominated the discussions between DirecTV and Disney, with one other "late emerging third issue" coming into deal talks recently. While DirecTV executives have already vocalized their discontent with a provision in Disney's proposals that would prevent DirecTV from engaging in legal action against Disney for antitrust violations, Torres said the major tensions have been around finding a right combination of genre-based packages that both sides are OK with being offered. But he continues to be confident the two will reach a solution, saying "there's an expectation

that Disney will be part of our service, and a big part of our service, going forward."

In the meantime, DirecTV is offering impacted customers a \$30 credit to pay for alternate sports-centric vMVPDs, and that is being funded by its savings from not paying Disney for its programming. Torres also addressed DirecTV's decision to reject an offer from Disney to give impacted customers access to three hours of **ABC's** coverage of Tuesday's presidential debate. He called it a clear PR move from Disney and an attempt to boost viewership of the debate.

"They wanted to, in a very self-serving manner, draw attention and eyeballs to their ABC broadcast for three hours, then turn it back off, but not solve the customer problem that they're creating around sports and Saturday football, and we didn't think that was right for our customers. We thought it would create confusion," Torres said. "The debate was available for our customers to watch on a number of different channels, so we didn't believe there was a customer need." He also said DirecTV had proposed turning on all of Disney's networks through Saturday's football games and throughout the rest of the negotiation process, but the programmer rejected that offer.

DirecTV may not want to strike deals like those Charter has shifted to, but it is Charter who continues to strike early renewals with its programming partners. Last week, it struck an early multi-year renewal with **AMC Networks** that delivers **AMC+** to certain Spectrum customers, and on Thursday morning, it

Most  
Powerful  
Women **Cablefax**  
December 4, 2024 | City Winery, NYC

EXTENDED  
DEADLINE:  
SEPTEMBER 16TH

NOMINATE NOW

Cablefax recognizes the 2024 Most Powerful Women for outstanding qualities including industry influence, leadership, and dedication to empowering others.

Join us in honoring these inspirational women!

revealed an early extension with **Warner Bros. Discovery** that will see the MVPD offer **Max's** ad-supported plan and **Discovery+** to all Spectrum TV Select packages at no extra charge to those customers. The agreement also extends Spectrum's carriage of WBD's linear network portfolio, including **TNT, CNN, Food Network, HGTV, TLC, Discovery, TBS, Adult Swim** and **Investigation Discovery**.

During his own appearance at the same conference, Warner Bros. Discovery CEO *David Zaslav* applauded Charter CEO *Chris Winfrey* for engaging with programmers and finding a path forward that's beneficial to both sides in this new media landscape.

"We started in this business together, and here we are, because of Chris's strategy, working to rebuild and restabilize the existing business," Zaslav said. "Why would you leave Charter to go somewhere else if you have this full bouquet?.. I think it's, overall, a great deal for Charter, I think it's a great deal for us and I think it's really good for the industry to stand up for the value that the industry has."

.....

## ZASLAV PROGNOSTICATES FUTURE OF MEDIA CONSOLIDATION

**Warner Bros. Discovery** CEO *David Zaslav* continued his talk with discussion of **Max's** global expansion, and he believes the streamer will add more than six million subscribers this quarter. While **Max's** current trajectory is positive, Zaslav believes it is next to impossible to have a sustainable, growing streaming business. He continues to believe there will end up being only five or six players that are able to survive, and the consolidation that follows will be plentiful. "I think you're going to see a lot of people throwing the white flag and saying let's do this differently, let's do this together. There are some players in regional markets that are saying 'Maybe I should be part of you...'. I think you're going to see more of that because it makes economic sense and it makes consumer sense," Zaslav said. "So there'll be consolidation with people buying each other. There'll be consolation with people saying I've had enough, I'm getting out, and I think you're going to see a lot of consolidation in doing things like we're doing with **Disney**." Warner Bros. Discovery and Disney released bundles this summer that include Hulu, Disney+ and Max with pricing starting at \$16.99/month.

.....

## FCC ARGUES ISPS ARE LIKE DELIVERY APPS IN NET NEUTRALITY BRIEF

There was new activity in the Sixth Circuit's net neutrality docket this week as the **FCC** continued to argue why broadband should be regulated under Title II. In a respondents' brief filed

Wednesday, the Commission argued that today's broadband providers are far different from the early non-facilities-based dial-up ISPs that offered a suite of applications like email and newsgroups. Transmission had to be purchased separately from a phone company and was regulated under Title II at the time. Because today's broadband providers supply customers with the underlying transmission, the agency argued broadband is best understood as offering telecommunications service and is subject to Title II. "To use an analogy from *Brand X*, today's broadband providers are not like a pizzeria that delivers its own pizza to customers; they are akin to DoorDash or GrubHub, the delivery companies that deliver food from third-party restaurants," the FCC said in the brief. "Just as those companies pick up and deliver customers' orders from restaurants, broadband providers offer transmission to and from user-selected websites and applications." Also new to the docket is an intervenor's brief from **Public Knowledge, Free Press, New America's Open Technology Institute, the Benton Institute for Broadband and Society** and the **National Association of Regulatory Utility Commissioners**. The filers argued that the case is about more than just the future of the open internet. It's also about whether the FCC and other federal agencies can continue to effectively do their job. "By statute, as recently reconfirmed by the Supreme Court, courts are required to defer to agency fact-finding. While the Supreme Court has narrowed the deference given to agencies on questions of law, the Court also confirmed that courts are still required to defer to agencies when Congress has expressly delegated authority to an agency. As our brief explains, that's what Congress has done here," they said.

.....

## PAC-12 REVIVAL

Don't count the **Pac-12 Conference** out just yet. While this year it's down to a pair of schools in Oregon State and Washington State, the Pac-12 announced Thursday morning that it's adding Boise State, Colorado State, Fresno State and San Diego State effective July 1, 2026. More schools are expected to be invited to the Pac-12 in the future, but it at least stabilizes the league for the time being—even without a long-term broadcast deal. All four of the announced schools are coming from the **Mountain West**, which currently has a deal with **Fox Sports** and **CBS Sports** that expires after the 2025-26 season as well as a multi-year agreement with **TNT Sports**. For the Pac-12 (or Pac-2), Oregon State and Washington State's home football games are airing on **CW Network** for the 2024 season. It'll be a battle to see if **ESPN** will grow its West Coast presence, or if **Fox Sports** and **CBS Sports** will team once again. **TNT Sports** and **CW Network**,

along with streaming services, could be a wild card, too.

## T-MOBILE SENDS ALERT VIA SATELLITE

T-Mobile revealed Wednesday that it sent and received a wireless emergency alert via satellite for the first time in the U.S. The alert was sent 217 miles into space where it was received by one of the more than 175 Starlink direct-to-smartphone satellites currently in low earth orbit. The satellites effectively function as cell towers in space. T-Mobile and Starlink continue to test satellite-to-smartphone service, and additional SpaceX launches are scheduled over the coming months to add more satellites to the current constellation.

## AHL, FLOSPORTS RE-UP

FloSports signed a multi-year extension of its media deal with the American Hockey League, the NHL's primary developmental league. The deal will see the AHL's streaming service become AHLTV on FloHockey and move to the FloHockey.tv domain. FloHockey will have every regular-season and Calder Cup Playoff game for the 32 AHL teams in addition to over 21,000 hockey games on FloHockey and access to other live event streams and replays on FloSports' digital platforms. FloHockey subscriptions are available for \$29.99 per month or \$150 for an annual rate.

## FREEWHEEL WINS GOLD FOR NBCU

Comcast's ad tech platform FreeWheel joined forces with NBCUniversal for the recent Olympic Games to serve as the digital ad insertion and programmatic platform, and it helped NBCU increase the number of participating advertisers by 90% compared to the 2021 Olympics. NBCU said the Paris event obtained record ad revenue for the company and reached a daily average of 30.4 million viewers. More than 70% of advertisers for this year's Games were new, and nearly \$500 million came from first-time sponsors. Digital ad revenue also more than doubled what was recorded in 2021. Addi-

tionally, FreeWheel announced it's integrating Samba TV's standard and custom audience segments into its Audience Manager platform. The integration will help advertisers with reach, frequency and the return on ad spend in real time. FreeWheel clients can now activate audiences that use Samba TV data that spans 38 million U.S. TVs while also being able to create custom targeting segments based on TV consumption behaviors, content exposure and demographics.

## OPENVAULT UNVEILS VANTAGE

A new product was added to OpenVault's portfolio. The company made its Vantage platform available, which uses artificial intelligence and machine learning to enhance and streamline three of OpenVault's products: Proactive Network Maintenance, Profile Management Application and Congestion Management. Vantage also uses an AI Help Desk that automates network maintenance by using open-source AI models specifically for the broadband industry.

## CARRIAGE

To celebrate Hispanic Heritage Month and the five-year mark since launching a Spanish-language category, Pluto TV is adding four new channels to its platform. Pluto TV Novelas will have a litany of Spanish dramas while La Familia del Barrio, an adult animated series, will have its full 94-episode series on the platform. Sala de Emergencias: Historias Inéditas (Untold Stories of the ER) and Acapulco Shore—a subtitled edition of the existing channel—will also be available to viewers. – Curiosity Now launched on Samsung TV Plus, making the streamer available in English in Great Britain, Denmark, Norway, Sweden and the Netherlands. More launches that'll come with localized content are slated for next year in the Netherlands, Belgium, Luxembourg, Finland, Sweden and Spain.

## FIBER FRENZY

Houston, we have a new provider. Blue Stream Fiber is entering the Houston market as it embarks on a national strategy. Houston residents of multi-family apartments and master planned

BASIC CABLE P2+ PRIME RANKINGS* (09/02/24-09/08/24)		
MON-SUN	MC US AA%	MC US AA (000)
FNC	0.688	2181
MSNBC	0.349	1108
HALL	0.220	698
CNN	0.205	651
HGTV	0.204	647
ESPN	0.163	517
INSP	0.155	491
DISC	0.153	487
USA	0.151	480
FOOD	0.134	423
TBSC	0.132	418
ID	0.116	368
TVLAND	0.110	348
TLC	0.109	347
PRMNT	0.106	335
GSN	0.103	325
HIST	0.102	323
HALLMYS	0.095	300
TNT	0.094	299
LIFE	0.092	293
WETV	0.090	285
AMC	0.082	259
A&E	0.074	236
NWSMX	0.069	218
BRAVO	0.068	216
NAN	0.068	215
OXY	0.068	215
SYFY	0.064	202
NATGEO	0.062	196
BET	0.060	189
E!	0.057	181
ADSM	0.055	175
REELZ	0.055	175
FETV	0.055	174
FX	0.055	173
TRAVEL	0.053	169
APL	0.050	160
SDNCE	0.050	158
NFL	0.050	158
COM	0.049	155
HLN	0.049	155
FS1	0.048	152
MTV	0.047	148
LMN	0.046	144
BBCA	0.042	134
IFC	0.041	129
MLB	0.039	124

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

communities, HOA, condominium associations, developers and builders can get Blue Stream’s internet, phone and TV services. Based in Florida, the company serves more than 150,000 households across 500 communities in the Sunshine State.

to find it terrorized by a vampire. The film premieres Oct. 3 on **Max**. – **Shudder** announced the next installment in the “Creep” franchise. “The Creep Tapes” will tell the story of a secluded serial killer luring in videographers with promises of a paid documenting job. The show will span six episodes, with a two-episode debut on Nov. 15. Episodes will premiere weekly on Fridays for the rest of the season. The Creep Tapes will be available to watch on Shudder and on **AMC+**. – **Nexstar** stations in Michigan will air a live telecast of a debate between Democratic Rep. *Elissa Slotkin* and former Republican Rep. *Mike Rogers*, two candidates in Michigan’s Senate election. It’ll be an hour-long debate set for Oct. 8 at 7pm. It’ll be available throughout the state and will be simulcast across the country on **NewsNation**.

**PROGRAMMING**

*Tim Robinson* is getting another show after **HBO** ordered the half-hour comedy “The Chair Company.” Robinson will star, write and executive produce. Premiere date is still TBD. Elsewhere in the HBO universe, “Salem’s Lot,” based on the best-selling novel by *Stephen King*, takes viewers into the world of Ben Mears, portrayed by *Lewis Pullman*, an author who returns to his hometown

**FRIDAY, SEPTEMBER 13th**  
**NECTA BOSTON 2024**  
**Women’s Leadership & Innovation Forum**  
**Forum 12-5:30pm \* Mixer 5:30-7:30pm ET**



**12:45pm Spotlight Award**



**Toni Murphy** COO  
Astound Broadband

**1pm Fireside Chat Keynote**



**Paris Alston**  
GBH-TV, CoHost  
Morning Edition



**Sandy Lish**  
The Castle Group  
Principal

**2pm Panel: Women’s Leadership in Entertainment & Tech**



**MA State Representative**  
**Jessica Giannina**



**Holly Petus**  
Ocean EC Institute



**Cosmina Schulman**  
SVP NESN



**Stephanie Swanson**  
Assoc. Industries MA

**3pm Panel: Women Shaping Innovation, Advocacy & Sports**



**Claire Durant, Biz & Gov Aff.**  
Red Sox



**Stephanie Frederico**  
EVP, Gov Aff. Cox NE



**State Senator**  
**Hana Gallo, RI**



**Annie Lewis, Gov. & Social Impact,**  
Meta



**Ashley Stolba, MA**  
Undersecretary of  
Economic Foundations

**4pm Fireside Chat Keynote: Resilience**



**Lesley Visser**  
CBS Sportscaster



**Becca Pizzi**  
Marathon Champion



**Lesley Visser**  
Sportscaster



**Tim Wilkerson**  
NECTA

**4:30pm A Conversation w Lesley Visser**

**5-5:45pm m The Evolving Media Landscape: Innovation**



**Amy Maclean**  
Cablefax  
Editorial Director



**J.D. Myers, II**  
Cox East  
SVP, Reg. Manager



**John Pascarelli**  
Mediacom  
EVP, Operations



**Toni Murphy**  
COO/EVP  
Astound

**Diversity “Spotlight” Mixer**  
**5:30pm-7:30pm ET**  
**Host: Kwani Linus, NBC Boston**



- Glenn Goldsmith, Mediacom
- TVOne, Johnny Miles
- Toni Murphy, Astound Broadband
- J.D. Myers, Cox, East Region

[www.connectingne.com](http://www.connectingne.com)



**12pm LUNCH & NETWORKING**



**Kristen Christopher**  
State Gov Aff. Comcast NE



**Kristen Cuffee**  
Content, Cox



**Kristen Roberts**  
PR, Comcast NE



**Ellen Schned**  
Strong Women Alliance



**Glenn Goldsmith**  
Mediacom, Prog.



**Belinda Maldonado**  
Mediacom, HR



**Peter Plaehn**  
NESN



**Johnny Miles**  
TV One

**LOCATION**

**NECTA Headquarters**  
 New England Connectivity & Telecommunications Assn  
 12<sup>th</sup> Floor / Roof deck  
 53 State Street, Boston, MA

*Sponsorships Available*

**RSVP:** [nectaoffice@Connectingne.com](mailto:nectaoffice@Connectingne.com)

**INFO:** Tim Wilkerson: 339.237.2235  
 Ellen Schned 310.367.3414



# Think about that for a minute...

## The Ad Bubble

Commentary by Steve Effros

A long time ago, when there were only three, or then four national television networks, there was a significant hue and cry over the increasing amount of advertising that intruded into the programming. Why couldn't there be some limitation of the number of advertisements? What could be done about the apparent reality that ads always seemed to be louder than the programs? Not much came of all the complaints.

The argument, of course, centered on whether the government should start regulating the speech of the "free press," and especially "free TV." It was a political minefield that neither the Congress, nor its chosen regulatory agency, the FCC, wanted to stumble into. Eventually there were rules established for the technical issue of the volume of ads, and a limit was put on ads in children's programming. But for the rest of us, we just had to put up with however many ads the broadcasters wanted to insert.

The average now ranges from 12 to 17 minutes in an hour program. That's a lot of ads. But as the broadcasters explained back then, and as all of the video delivery programmers will explain today, those advertisements are the only way they have found to finance the programming. Interestingly, and something that is usually missed in this type of discussion, is that the voracious appetite for capital we're talking about here does not include the cost of delivery!

You see, the so-called "free TV" local television broadcasters never had to pay the government for the right to use the exclusive public spectrum they get to deliver their "product." To be sure there is a huge business today of "station owners" buying and selling stations for big bucks. But the whole system is based on a giveaway of the underlying spectrum in the first place.

The same is true today as we watch "ad supported" streaming television over broadband. It's hard to miss the fact that those ads are invading more and more of the "streamers" that used to be pure subscription based services. Indeed, they got their start by boasting that they were "ad free!" No longer for

many of them, including the marquee services like Netflix. The ad supported networks are now proliferating as well. But for the former "ad free" folks, the cost of programming has just escalated so much, in large part because of fierce competition among a host of new entrants into the "television" business, that they simply have to increase their subscription prices, and then start inserting advertising for a "discounted" price to establish the only business model that seems to work these days: a dual revenue stream: subscription plus advertising.

But as I've noted many times, the "streamers," who love to "compete" with the price of cable television bundles, don't pay for delivery! Customers have to buy both the streaming service and then pay for a separate broadband delivery to make the whole thing work. Not true with the "cable television" bundle, which includes, at least for a little while longer, both the programming and the delivery.

But I digress. The point I want to make here is that advertising is becoming so ubiquitous and intrusive, including even on non-video internet web pages with constant "pop ups" blocking what you're trying to read, that I suspect we are reaching a sort of cusp, and it has several aspects. First, I think the volume and intrusiveness is becoming so overwhelming that consumers are going to rebel. The "I'm not going to take it anymore" sentiment is growing and folks are simply turning off the ad saturated media. And second, I'm guessing that the effectiveness of the advertising itself is eroding. We'll see, but it may be that the 'advertising bubble' is in danger of bursting.



Steve

T:202-630-2099  
steve@effros.com

(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.)

**Cablefax Daily**

**Partner with  
Cablefax  
Daily**

Contact Ellen Kamhi at 917.626.5574  
or ekamhi@accessintel.com

**Cablefax is THE Place to Advertise.**

Send a targeted eblast.  
Advertise in our Daily newsletter.  
Promote your content to our audience.  
And MORE!