

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Better Together? Charter, Liberty Broadband Exchange Merger Proposals

Charter and Liberty Broadband are officially engaged in merger talks, with the two trading proposals. Though it doesn't sound like anything will probably happen until 2027.

Charter got the ball rolling by sending a Sept. 15 letter with a non-binding proposal for an all-stock transaction. Liberty Broadband shareholders would receive 0.228 newly issued shares of Charter common stock for each share of Liberty Broadband common stock. The exchange ratio represents a premium of approximately 27% to the value of Liberty Broadband stock based on closing sale prices on Sept. 13. This exchange ratio assumes that Liberty Broadband disposes of Alaskan operator GCI prior to completion of the transaction. Alternatively, Charter said it would be willing to discuss terms for a transaction that would include GCI.

Liberty Broadband [LBC] responded Monday, calling the proposal a "constructive starting point," but said management believes it undervalues Liberty Broadband. Instead, it proposed stockholders would receive 0.2900 newly issued shares of Charter common stock for each share of LBC common stock issued and outstanding immediately prior to the merger, and it would expect Charter to assume or refinance LBC's debt and preferred stock on or prior to closing. Under the proposal, Liberty Broadband would merge with a subsidiary of Charter in an all-stock transaction that includes GCI on June 30, 2027, or such earlier date as the parties shall mutually

agree. Charter's proposal also targets a June 30, 2027 timeline that it describes as consistent with mutual expectations for optimal timing.

"We believe the foregoing counter-proposal represents a compelling opportunity for both parties. The proposed transaction, as outlined herein, rationalizes the dual corporate structure of both Charter and LBC, enhances the direct trading liquidity in Charter stock, provides a pathway to eliminating LBC's existing governance rights and is consistent with precedent valuations," Liberty Broadband said. "The transaction, if consummated, would also establish a fixed price at which shares of Charter common stock are effectively retired for the portion of LBC's shares of Charter common stock underlying LBC's debt. In addition, by retaining GCI, we believe Charter would be acquiring the leading consumer connectivity platform in Alaska at an attractive valuation and with an opportunity for further value creation through operational synergies and financing efficiencies."

If Charter does agree to keep GCI, the deal will need FCC approval. Charter believes if it's divested, such regulatory approval won't be needed.

The move has been predicted by some as Liberty Media and Liberty Broadband Chair John Malone has been in active streamlining mode, simplifying his portfolio. Just this month, his Liberty Media completed the spin-off of its subsidiary, Liberty Sirius XM into an independent entity. Liberty Media combined its tracking shares in the company with the broad-

# Corporate Licenses

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caster's publicly traded stock.

Liberty first invested in Charter in 2013, when the operator had only about five million subscribers. Today, it has more than 30 million subscribers. "We are proud of what we have achieved together and grateful for the collaborative approach that has helped us to get here," Charter CEO *Chris Winfrey* wrote in the initial proposal letter. "As you have highlighted to us, Liberty Broadband has historically traded at a discount to net asset value, in part as a result of its holding company structure. In that vein, we are pleased to provide this non-binding proposal with respect to a combination of Charter with Liberty Broadband in an all-stock transaction as described below. We believe that this proposal represents a compelling opportunity for Liberty Broadband to simplify its structure and meaningfully reduce this discount, to provide greater value, certainty and ultimately greater liquidity to the Liberty Broadband shareholder."

Now we wait. LBC said no further updates on the proposed transaction will be provided unless and until definitive documents are executed or discussions between the parties terminate.

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## DISNEY, FOX & WBD DEFEND VENU

**Disney, Fox Corp and Warner Bros. Discovery** filed their opening brief in their challenge to a temporary injunction that has grounded their sports streamer **Venu**. They claim a district court ruling contradicts well-established antitrust law by denying consumers an innovative, lower-cost product so as to protect **Fubo** from increased competition. The programmers argue that the district court erred in holding that it was anticompetitive for them to provide sports-focused packages of networks to Venu because each defendant, acting unilaterally and prior to the joint venture, had not offered those same terms to Fubo or other MVPDs. They point to the Supreme Court's decisions in *Verizon Communications v. Law Office of Curtis V. Trinko* and *Pacific Bell Telephone Co. v. linkLine Communications*, which they said held that companies have no duty to deal with their rivals under terms and conditions that the rivals find commercially advantageous. "That is true even if defendants' unilateral dealings at the wholesale level of the market—here, in licensing to MVPDs like Fubo—make it harder for those MVPDs to compete with Venu at the retail level—here, in selling video services to consumers," they wrote in their brief filed late Friday in the U.S. Appeals Court for the Second Circuit. Venu was set to launch this fall for a price of \$42.99/month. Fubo filed a lawsuit against the service two weeks after the programmers announced their plans for the offering on Feb. 6. Last month, a judge in the Southern New York District Court granted Fubo's motion for a preliminary injunction, saying the vMVPD is likely to be successful in prov-

ing its claims that the JV will violate antitrust laws, because Fubo and American consumers will face irreparable harm in the absence of an injunction, and because the equities and the public interest weigh in favor of preserving the status quo pending full and fair adjudication of all issues. Disney, Fox and WBD successfully petitioned the Second Circuit for an expedited review of the ruling. They're hoping to be able to take it live in time for **NFL** and college football playoffs in January. While the programmers have said they will lose money from any cannibalization of MVPD subscribers due to Venu, they argue that if it does incentivize any subs to abandon MVPDs for the streamer it can't constitute an antitrust violation "because attracting subscribers via lower prices is competition, not a potential source of antitrust injury. "Defendants have decided to compete with MVPDs in the retail market (through Venu). Each Defendant makes its own independent licensing decisions upstream, in a wholesale market for programming licensing. Each remains free to license MVPDs on whatever terms each deems appropriate. Venu does not change or restrict anything about those licensing practices," the programmers said. "Thus, even if Venu would 'squeeze' Fubo's profits—by charging consumers lower prices than Fubo can, given its existing licenses—that would not be anticompetitive."

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## BUSY DAY FOR THE BIG 12

The **Big 12** had an eventful start to the week. The conference is growing the number of men's basketball games on **CBS Sports** platforms through the 2026-27 season thanks to a sublicensing deal with **ESPN**. The agreement will bring 20 games per year to **CBS Sports Network** in addition to the six games that already air on CBS and **Paramount+**. The Big 12 also launched a new FAST channel called **Big 12 Studios**. Created in partnership with the **Gray Media**-owned **Raycom Sports**, its programming will include in-game footage, highlights from recent games, replays of Big 12 classics and studio analysis. It'll have a weekly show "Inside the 12" which will preview upcoming games each week. Big 12 Studios is yet to announce which FAST and VOD platforms it'll be available on, but it'll have select programming air across local TV stations in Big 12 school markets.

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## NBC SPORTS CHICAGO BIDS ADIEU

The end is near for **NBC Sports Chicago** before the **Chicago Sports Network** takes over broadcasting duties for the Blackhawks, Bulls and White Sox. The final live pro game telecast will come Sunday with the White Sox vs Tigers at 2pm, which will be followed by more than 30 hours of showcase programming that helped define the network over the past two decades.

That includes a replay of the 2005 White Sox World Series parade and rally, “Beer Money” episodes from 2014 and 2017, a 2004 edition of “Chicago Tribune Live” and several “Inside Look” episodes of different Chicago sports stars. “NBC Sports Chicago: Celebrating 20 Years” will air next Monday at 11:30pm before the network signs off for good. Chicago Sports Network is set to launch on Oct. 1.

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## CHARTER CERTIFIES ATX TECH

**ATX Networks** unveiled it received certification of 1.8GHz-capable HFC amplifiers and nodes by **Charter** for network deployment. The certification allows ATX’s GigaXtend GMC 1.8GHz Amplifiers and GigaXtend GS7 Nodes—which were first introduced in 2022—to be part of Charter’s network-wide HFC upgrade that’ll help deliver symmetrical gigabit speeds to customers.

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## FBA REVEALS MEMBERSHIP BUNDLE

The **Fiber Broadband Association** is getting in on the bundle trend. The FBA is rolling out an OptIC Path Membership Bundle that features a combination of FBA membership with its Optical Telecom Installer Certification course. The bundle targets organizations investing in workforce development and is designed to enhance the network of broadband operators, suppliers, policymakers and innovators. The OptIC Path program helps usher in new fiber optic technicians within telecommunications. The program is expected to graduate nearly 1,200 new fiber techs per year over the next five years.

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## GRAIN COMBINES TRIO TO MAKE TRUeline INFRASTRUCTURE

**Grain Management** is combining three of its entities to launch a new full-service infrastructure connectivity company. **Atlantic Engineering Group, Fiber Optic Services** and **Young’s Communications** are now **Trueline Infrastructure Solutions**, which designs, builds, deploys and manages digital infrastructure for telecommunications and utility industries. The combined company will start with more than 400 employees and will seek to expand across throughout the U.S.

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## CARRIAGE

WFMZ-TV, an independent station in the Philadelphia metro region, is being added to the lineups of **DirecTV** streaming customers. That includes both DirecTV satellite-free and **DirecTV Stream** users, who can now access the network’s local news, weather updates and other programming.

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## LET’S HEAR IT FOR THE PIONEERS

The 58th **Cable TV Pioneers** banquet is set for tonight in Atlanta. The event will see the induction of 21 new members.

**Comcast** accounts for five of those new inductees—*Elad Nafshi, Lynn Charytan, Bob Gaydos, Todd Gorder* and *Weidong Mao*. **Charter** has three new Pioneers: *John Higgins, Jr., Justin Colwell* and *Steve Raymond*. The other members of the 2024 class are **Liberty Global’s Amy Blair, Ribbon Communications’ Bruce McClelland, Vantiva’s Charles Cheevers, ATX Networks’ Dan Whalen, Music Choice’s David Del Beccaro, Lightspeed Construction Group’s George Taylor, Breezeline’s Heather McCallion, Jones Intercable’s Jim O’Brien (retired), **Technetix’s Jan Ariesen, Altice USA’s Jennifer Yohe, Cable One’s Julie Laulis, A&E Networks’ Mark Garner, TV One’s Rori Peters (retired).****

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## RATINGS

The Jets’ 24-3 win over the Patriots on Thursday Night Football averaged 13.37 million viewers on **Prime Video**, according to **Nielsen** panel-only data. That’s down 4% from the comparable game last year (13.92 million for the Giants vs 49ers), but is up 13% from the 2023 season average of 11.86 million. The Patriots-Jets peak audience came in at 15.58 million viewers in the 9-9:15pm window. Other averages include 2.78 million viewers in P18-34 and 6.35 million in P18-49. TNF is averaging 14.17 million viewers through two games this season.

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## PROGRAMMING

With the 30th anniversary of “Friends” on the horizon, **Max** is helping out with a new game show to test fans of the hit series. “FAST Friends” will seek to crown the ultimate Friends fan through puzzles, trivia and other games. The four-part game show will be filmed at The FRIENDS Experience: The One in New York City, an attraction that’ll feature sets and activities dedicated to the show. Max will also roll out Friends-themed designs and campaigns throughout the app to celebrate the 30th anniversary, along with new collections of episodes available to stream in 4K.

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## PEOPLE

A number of key promotions have recently taken place at **Mediacom**. As we noted last week, *Glenn Goldsmith* has been elevated to SVP, Programming. He originally joined the company in 1998 as an intern in the accounting department. Additionally, *Joe Appio* has been upped to Group Vice President of Programming/Distribution and *Kristi Salmon* has been promoted to Group Vice President of Acquisition Marketing. *Camille Stevens* has been elevated to VP, Accounts Payable and *Danny Williams* has been promoted to Group Vice President, Information Technology - Business Solutions. – **Comcast Advertising** tapped *Scott Weisenthal* as its new Head of Global Marketing and Insights. Based in New York, Weisenthal will manage all global marketing and brand strategy for the company, which includes its ad sales division **Effectv** and technology arm **FreeWheel**. Weisenthal joins Comcast Advertising after serving as SVP, Global Marketing for **MLB**.