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WHAT THE INDUSTRY READS FIRST

Better Together: DirecTV, DISH Finally Becoming One

Everyone is still digesting the news that **DirecTV** and **DISH** are finally merging, and that's in part because the ins and outs of the deal are anything but simple.

DirecTV will be the acquirer of **Echostar's** video distribution business, including DISH TV and Sling TV, and **AT&T** is officially removing itself completely from the business. **TPG Capital**, the private investment firm that already owns 30% of DirecTV, has agreed to purchase AT&T's 70% interest in DirecTV. Echostar is selling the DISH video business for \$1 with the assumption of roughly \$9.75 billion in debt at face value, and both Echostar and DirecTV say they will benefit from stronger financial profiles as a result of the deal.

"Video distribution has undergone a massive transformation, creating a highly competitive ecosystem which is dominated by streaming services. These are owned by large tech companies and programmers," DirecTV CEO **Bill Morrow** said in a video posted to a [website](#) announcing the deal. "By combining DirecTV, DISH and Sling TV, this will give the merged entity the scale that's needed to better negotiate with programmers so we can get the content the customers want." He believes the combined company will be able to offer smaller packages at lower price points while continuing to integrate streaming apps into a single platform.

ACA Connects spoke out on the deal, arguing the transaction is just a major example of the continued erosion of the video business and used the moment to again ask lawmakers and

regulatory bodies to address the changes in the competitive marketplace that make it harder and harder for traditional video distributors to stay in the business.

"Cable programmers and television broadcasters continue to seek to extract every last cent from pay-TV subscribers through punishing carriage fees while shifting premium content to platforms that compete with cable and satellite operators," President/CEO **Grant Spellmeyer** said in a statement. "If federal agencies want to preserve a competitive, fair and vibrant video marketplace for American consumers, they must address the abusive practices of programmers exploiting an outdated business model."

Getting the merger across the finish line is expected to take as long as two years, and though the consensus is that regulators are very likely to approve, that timeline could come with a price. **MoffettNathanson** believes that at the end of two years, the combined satellite video business will have shrunk by another 25%, and DISH's creditors could ultimately be a bigger threat to the completion of the deal than any regulatory body.

"At least two-thirds of existing DISH DBS creditors will have to approve the exchange offer in order for the deal to move forward (most have presumably already agreed to do so). It can be argued that those creditors will be much better off invested in the newly merged, and synergized, DirecTV, but the time it will take to close the deal matters," **MoffettNathanson** said in a note. "Ostensibly, new DirecTV will be levered at just 2x EBITDA. But that's based on today's EBITDA, and including synergies.

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By the time the deal closes, perhaps as long as twenty-four months from now, DirecTV's EBITDA will likely be much lower."

Echostar executives were elated because they were able to finally seal the deal, and while the company's stock price fell more than 11% may look rough on its face, **New Street Research** was ultimately fine with how things shook out. It attributed the stock drop to a dilution from converts from DISH Network Corp. Beyond DISH-DirecTV, Echostar also raised \$2.5 billion in new debt from TPG Angelo Gordon and \$5.5 billion in total in new capital for the completion of the Boost wireless network and to fund growth of that business. It also kept all of its existing spectrum licenses.

"They are certainly fully funded for the next three years. If the company can't build a successful wireless business in the next three years, we think they will be free to divest their spectrum," New Street Research said in a note. "We think it will get at least the \$58 billion we value it at currently, in that scenario." It noted there may be some in the investment community who are skeptical of the deal and were excited about the possibility of a potential spectrum sale. They may be disappointed, but New Street never thought a sale was likely before 2026 or 2027 anyway and this deal doesn't change much in terms of the timeline it expected. "It just removes all of the uncertainty over the next three years," the firm added.

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HURRICANE HELENE AFTERMATH

Hurricane Helene ravaged parts of the Gulf Coast and southeastern U.S. over the weekend. The Category 4 storm's death toll reached at least 119 in six states as of Monday afternoon. **AccuWeather** is anticipating the total damage and economic loss from Helene to range from \$145 billion to \$160 billion, an increase from its previous estimate of \$95 billion to \$110 billion. According to the **FCC's** communications status report Sunday, its Disaster Information Reporting System was in effect for all 159 counties in Georgia, 61 in Florida, 21 in North Carolina, 46 in South Carolina, eight in Tennessee and 26 in Virginia. Approximately 9.1% of cell sites in the affected area are out of service—down from 12.1% on Saturday—and cable and wireline companies reported 1,004,610 subscribers out of service in the disaster area (including loss of telephone, TV and/or internet). The clean-up process in the storm's aftermath is still ongoing with rural parts of Helene's path being more difficult for crews to reach. For **WOW!**, which has markets in Georgia, South Carolina and Florida, it set up an internal fund to support coworkers in need as well as an American Red Cross microsite for donations. The company reports that all employees are safe and accounted for, and it's providing hotel rooms for employees who were displaced from their homes by the storm.

As for its network, it has technicians deploying generators where possible to help restore service for customers. "Using generators and backup batteries, WOW!'s network was up throughout the storm continuing to provide connectivity to our customers. However, there are widespread commercial power outages in Augusta, Georgia and Greenville County, South Carolina, as well as partial power outages in Pinellas County, Florida, impacting customer access to WOW! service," a company spokesperson told **CFX**. **Comcast** said it has more than 350 response crew members working in rotation for 24-hour coverage. At last count, they were addressing 1,900+ damage locations and estimate replacing 100+ miles of fiber and cable. Comcast has made over 250,000 hotspots in Georgia, South Carolina, and impacted areas of Tennessee available to anyone. Mobile providers are stepping in to assist customers as well. **Verizon** is waiving domestic call, text and data usage for postpaid consumer, small business customers and Verizon Prepaid customers in parts of Florida and Georgia through Saturday. **T-Mobile** said its network is completely or nearly restored in Virginia, Kentucky, Indiana, Ohio and Pennsylvania as well as most of Florida. It also has community support teams in Fletcher, NC, and Greenville, SC, to offer charging and WiFi connectivity. The community assistance was on display during storm coverage, too, when **Fox Weather** meteorologist *Bob Van Dillen* [abandoned his live shot](#) to save a woman whose car was submerged in floodwaters near Atlanta.

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VERIZON SIGNS TOWER DEAL WITH VERTICAL BRIDGE

Verizon is giving infrastructure firm **Vertical Bridge** the exclusive rights to lease, operate and manage 6,339 wireless communications towers for \$3.3 billion. The towers are located across all 50 states and Washington, D.C., and the deal includes certain commercial benefits. The transaction, structured as a prepaid lease with approximately \$2.8 billion in cash in upfront proceeds, will last for 10 years while additional options could extend the Vertical Bridge's lease term to up to 50 years. Verizon will continue to have access to certain additional space on the towers for use cases in the future. The deal is expected to close by the end of the year. Vertical Bridge and Verizon have been partners for some time, signing an agreement in May 2023 for the construction of cell towers to expand Verizon's 4G and 5G Ultra Wideband services.

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SCRIPPS TO CLOSE SCRIPPS NEWS

Scripps is shutting down its 24/7 news network **Scripps News** come Nov. 15. It'll remain available on streaming and digital platforms with weekday live coverage from the field, but OTA programming will cease after that date. A core reporting team primarily

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based in D.C. will also serve Scripps' local stations with national and international news. As a result of the move, Scripps expects to cut over 200 jobs. "Over the last two years, Scripps News' live anchored coverage and documentary programming have grown its linear television audience, but the prospects for the necessary revenue growth haven't materialized, despite our sales teams' efforts," an email Scripps President/CEO *Adam Symson* sent to all employees Friday read. "Scripps News' current financial position is what has led me to the decision to scale back our approach to 24-hour news and over-the-air coverage." Symson also pointed to the advertising marketplace within linear television, saying that brands and agencies view advertising around national news as "too risky for them given the polarized nature of this country."

LIONSGATE OFFERS SEVERANCE

Lionsgate is making a few changes as it looks to adapt its workforce to the current business environment. The company is offering U.S.-based employees a voluntary severance and early retirement package. Additionally, Lionsgate is making all employees who are EVP level and above to return to the office five days per week starting Jan. 2, 2025. All other full-time employees will need to be in the office at least four days per week.

FCC, T-MOBILE SETTLE DATA BREACH BEEF

T-Mobile has agreed to invest \$15.75 million over the next two years in its cybersecurity as part of a settlement with the **FCC** over multiple breaches that occurred in 2021, 2022 and 2023. Among the commitments made by T-Mobile are the widespread adoption of multi-factor authentication across its network and regular reports from the company's chief information security officer to the board regarding business risks posed by cybersecurity and existing vulnerabilities in the company's network. The provider will also pay the Commission a civil penalty of \$15.75 million in connection to the settlement. "Consumers' data is too important and much too sensitive to receive anything less than the best cybersecurity protections," FCC Chair *Jessica Rosenworcel* said in a statement. "We will continue to send a strong message to providers entrusted with this delicate information that they need to beef up their systems or there will be consequences."

CARRIAGE

A new free sports streaming platform has entered the arena. The FAST service **Free Live Sports** is now live with more than 100 channels to come in addition to on-demand sports movies, documentaries, series and highlights. It is owned by FAST sports distributor Sports Studio, which was formed by *Cathy Rasenberger* (Rasenberger Media), *Geoff Clark* (**acTVe**) and *Ryan James* and *James Patrick* of **OTT Studio**. At launch, 68 channels are live and 34 will be onboarded by the end of October. Free Live Sports is available in 75+ countries and currently has distribution on **Roku**

and **Amazon Fire TV** devices. It'll expand to **Android TV**, **Vizio** and **Apple TV** devices soon. Featured sports include baseball, basketball, combat sports, lacrosse, sailing and several others.

FIBER FRENZY

Ziply Fiber kicked off construction in Colville, Washington. The first 500 addresses saw service become available today, and nearly 1,300 homes and businesses across the city will get Ziply's offerings once the project is completed in the coming weeks. Residential customers can get speeds from 100 Mbps to 50 Gig.

MUTOMBO REMEMBERED

The Africa Channel is mourning the loss of NBA great **Dikembe Mutombo**, who was an investor in the network. Mutombo passed away Monday of brain cancer at age 58. "We are so saddened that Dikembe Mutombo has passed away at such a young age. In addition to his dominance on the basketball court, he was a wonderful human and one of the leading advocates for so many causes," said *Elrick Williams*, CEO of The Africa Channel. "He was particularly passionate about changing the contemporary narrative of Africa and was one of the founding investors in The Africa Channel. We are eternally grateful for his investment and belief in our company and all he has done to bring opportunities to raise the voices of the wonderful, diverse global African diaspora."

PROGRAMMING

Fox News' Breakfast with Friends feature on "Fox & Friends" was supposed to be in Concord, N.C., tomorrow to get voter reactions before the vice-presidential debate, but it's canceled the trip due to the historic flooding in the state. Fox News will still visit Muskegon, Michigan, on Wednesday to get reactions post debate. – **AMC Networks'** FearFest kicks off with hundreds of hours of iconic Halloween films, classic episodes, and new series. Throughout the month-long event, AMC will air classics such as "Halloween" and "A Nightmare on Elm Street," while also debuting new series "Horror's Greatest" and "The Midwich Cuckoos: Village of the Damned." Artist *Janelle Monáe* has been tapped as the official host of FearFest. Monáe will also curate a list of horror films, "Janelle Monáe's FearFest Faves," available to stream on **AMC+**.

PEOPLE

Viamedia added former **Ampersand** COO *Ken Little* to its board. Little has spent more than 35 years in media and advertising, having helped Ampersand with the development of multiscreen interconnects with cable, telco, satellite and digital operators. – **Point Broadband** named *Nicolas DiPonzio* Chief Construction Officer. He joins from Duke Tech Solutions, where he served as president of infrastructure. *Joann Shumard* has been named Chief Network Officer, joining from **Comcast**, where she served as VP, Engineering and Operations.