

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Bidding Time: Paramount Still Fine Without Nielsen, Larger Bundles

Paramount Global and Nielsen are on the outs, but so far the programmer hasn't felt any pain from the temporary breakup.

Paramount is in the middle of a dispute with Nielsen that's now lasted into its second month. Their previous agreement expired in September and Paramount claimed Nielsen was demanding substantial price increases inconsistent with the realities of the content industry right now. Paramount is continuing to stay engaged in talks with the measurement firm and hopes to reach an agreement, but there are limits to what it will accept.

"For example, we wouldn't want the Nielsen fee for certain networks to be greater than the ad revenue those networks actually generate," co-CEO George Cheeks said on the company's 3Q24 earnings call Friday. "We haven't seen any adverse impact on ad revenue to date, and we don't expect a material impact in Q4, but I do want to be clear that we do recognize that Nielsen can be a valuable resource. It's just that the economics have to make sense for the business."

He said that in the time where Paramount hasn't had access to Nielsen data and tools, he's been encouraged by the willingness of partners to adopt alternative measurement solutions.

DTC revenue rose 10% YOY. Subscription revenue was up 7% on the back of subscriber growth and pricing increases for **Paramount+**, and advertising escalated by 18% thanks to growth at Paramount+ and **Pluto TV**. Paramount+ subscribers are now at 72 million, growing by 3.5 million in the quarter.

Paramount+ did see some sub growth come out of the company's new partnership with **Charter**. In August, Paramount+'s ad-supported tier became available to all Spectrum TV Select and Mi Plan Latino customers at no additional cost.

"It's still relatively early in terms of time since the launch of that bundle, and I expect the contribution will continue to grow over time," CFO Naveen Chopra said. "That being said, when we look at the first few months, we're actually really pleased with the results, both in terms of the take up from Charter subs and the impact on direct sub acquisition."

When questioned about whether Paramount would pursue bundling opportunities, including with other programmers with streaming properties, co-CEO Chris McCarthy said the exec team feels good about Paramount+'s ability to remain largely standalone. That's not to say they won't strike partnerships that make sense, including its existing arrangements with Walmart and Delta Airlines.

"These are ones that are very specific, that have incremental value to us. They bring new consumers and really enhance the value proposition from a total business perspective for us," he said. "That being said, you can always count on us to be strategically looking through the lens of creating value. Part of that exercise is really to be opportunistic about both looking at things from a market-to-market perspective and from a broader partnership perspective."

The completion of **Skydance's** proposed merger with Paramount is still on track to close in the first half of 2025, pending regulatory approvals.

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## AMC NETWORKS HAPPY TO STAY SMALL, AT LEAST FOR NOW

There's been a lot of talk of potential consolidation across the media industry since election results rolled in earlier this week, but **AMC Networks** CEO *Kristin Dolan* likes her company's position in the marketplace. "Even at a time of turbulence and uncertainty for many in our industry, we continue to find advantages in our size, independence and standing as one of the last pure play premium programmers," Dolan said on the company's 3Q24 earnings call Friday. "We are nimble, opportunistic and have reoriented our company for today's new environment... I'm grateful to our people for breaking down the old ways of doing things and adopting a fast moving and free thinking mindset more typical of a startup than a legacy media company." Revenue for the quarter was \$600 million, a decrease of 3% YOY. Domestic operations fell 2% to \$530 million largely due to a 5% decline in subscription revenue and attributable to the drop in the linear subscriber universe. Where the company saw immense upside is in its content licensing division where revenues skyrocketed 31% to \$81 million due to deliveries related to **AMC** branded shows and the programmer's content licensing agreement with **Netflix**. While ad revenue also dropped 10% to \$133 million due to linear ratings declines and challenges in the ad market, **AMCN** is seeing bright spots when it comes to its ad-supported endeavors in streaming, counting 11.8 million streaming subscribers by the end of the quarter. **AMC+** launched its ad-supported tier in September 2023, and Chief Commercial Officer *Kim Kelleher* said she's very encouraged by the results so far. "Obviously, we just launched late last year and we continue to see it play a pretty aggressive, fast growth aspect of introducing new customers to **AMC+** in all the right ways," she said. "That said, it is still a very targeted approach... we're very aggressive with making our inventory more seamlessly transactable, more real time and more addressable, not only across the digital footprint, but also our linear footprint. **AMCN** plans to launch ad-supported versions of its other streaming services, starting with **Shudder**. **AMCN** has completed a deal with **BBC Studios** to acquire the remaining 50.1% of **BBC America** for \$42 million in cash, giving the programmer complete control over the network. It will maintain a commercial relationship with **BBC Studios** to support the programming lineup and overall brand.

## VERIZON WARNS OF POTENTIAL TEGNA BLACKOUT

**Verizon** and **TEGNA** may once again be at an impasse with their retransmission consent agreement set to expire on Tues-

day. **Verizon** sent a note to **Fios** TV customers saying it simply cannot agree to unreasonable price increases proposed by **TEGNA**, and if a new deal isn't reached, some channels may be impacted. That list includes **NBC** affiliate **WGRZ** (Buffalo, NY), **Fox** affiliate **WPMT** (Harrisburg, PA), **ABC** affiliate **WVEC** (Norfolk, VA) and **CBS's** **WUSA** (Washington, D.C.). The **American Television Alliance** is pleading with the **FCC** and Congress once again for retransmission consent reform in the wake of the potential conflict. "In Washington, D.C. alone, 400,000 subscribers to the **CBS**-affiliated **WUSA-9** would be deprived of sports and entertainment programming as well as critical news coverage," **ATVA** spokesperson *Michelle Bowling* said in a statement. **TEGNA** and **Verizon** have a muddy history. They failed to reach a new agreement the last time around as well, sparking a days-long blackout in January 2022.

## FCC JOINS IN INVESTIGATING RACIST TEXTS ACROSS NATION

The **FBI** isn't the only agency investigating racist text messages invoking slavery that were received by Americans across the country. The **FCC** is also on the case. "These messages are unacceptable. That's why our Enforcement Bureau is already investigating and looking into them alongside federal and state law enforcement. We take this type of targeting very seriously," said **FCC** Chairwoman *Jessica Rosenworcel*. The **NAACP** said multiple Black women, men and students have reported receiving racist texts as early as Wednesday morning from an unknown source urging them to report to a plantation to pick cotton. On Friday, text messaging service **TextNow**, which provides free phone numbers, told **ABC News** it had shut down "one or more" of its users that had allegedly sent such messages. Louisiana Attorney General *Liz Murrill* said her team had traced some messages to a VPN in Poland, but stressed that they could have originated from anywhere in the world.

## FRONTIER RESPONDS TO LATEST INVESTOR DOUBTS

**Frontier Communications** is once again speaking out in support of **Verizon's** proposed acquisition of the operator. Its latest message to investors comes after stockholders **Glass Lewis** and **ISS** released recommendations over the last week for other **Frontier** investors to abstain from voting on the transaction. **Frontier** reiterated to stockholders that **Verizon's** all-cash offer of \$38.50/share reflects a 37% premium to **Frontier's** pre-announcement stock price and was the result of an exhaustive and competitive process. **Frontier's** leadership said the process ultimately drove a 17-28% improvement in value from **Verizon's** initial bid range, a

meaningful premium to the only other bidder, and a 60% premium to Frontier's share price on Feb. 2. It also reiterated that these protests from investors don't mean that Frontier will get a better offer, from Verizon or any other player interested in M&A. "Frontier has been in close communication with Verizon and has received every indication that there will be no change to the merger consideration. An abstention from voting is effectively a vote against the deal," Frontier said. A vote on the transaction will take place at Frontier's special meeting on Wednesday.

also giving the FCC data to better understand whether and how universal service funds can be used to improve defenses against cyberattacks. Applications came from all 50 states, Puerto Rico and Washington, D.C.

### AT THE COMMISSION

The FCC received 2,734 applications from schools, libraries and consortia for its Schools and Libraries Cybersecurity Pilot Program, representing \$3.7 billion in requests to fund cybersecurity projects over the course of the three-year program. The program will provide up to \$200 million to eligible entities to defray the costs of eligible cybersecurity and equipment while

### PROGRAMMING

Another popular Netflix series will wrap things up after its fifth season. The streamer confirmed that "Stranger Things" will debut its final season in 2025. Production is already well underway after having started Jan. 8, 2024, and reaching the halfway point on July 15.

### EDITOR'S NOTE


Cablefax Daily will not publish on Monday in observance of Veterans Day. Thank you to the brave men and women who served our country and fought for our freedom.

## CABLEFAX DASHBOARD

### Social Media Hits

**Mr. James Lautzenheiser**  
@CVLautzenheiser

Electoral College Competition on tap in #USHistory class today! Many thanks to @cspan for the brand new resource to use with our students. Happy Election Day! #sschat @CSPANClassroom #Vote 🇺🇸 #ElectionDay 🗳️ #Election2024 🗳️



**Mike O'Rielly**  
@MPORielly

Reading that America's broadcast stations want to change ownership limitations in law. Errr, they aren't the most beloved entities at the moment. Maybe can be done but it's a heavy lift needing lots of leadership on R side that seems dubious now.

8:50 AM · Nov 8, 2024 · 443 Views

**Gary Shapiro**  
@GaryShapiro

RIP Music legend Quincy Jones--wonderful part of CES 2006 and 2007.



 **Up Ahead**

- NOV. 14:** [Horowitz Research Cultural Insights Forum; Miami](#)
- NOV. 17-19:** [NECTA Convention; Newport, RI](#)
- DEC. 4:** [Cablefax Most Powerful Women Celebratory Luncheon; NYC](#)
- JAN. 7-10:** [CES 2025; Las Vegas](#)
- FEB. 23-25:** [NCTC Winter Educational Conference; Atlanta](#)