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WHAT THE INDUSTRY READS FIRST

2025 Dealpalooza: Disney-Fubo Ends Venu Suit, Adds Skinny Bundle

If **Disney** and **Fubo**'s merger caught you by surprise, you weren't alone.

"The parties have reached a settlement. Quite literally, while I was on the courthouse steps, we reached a deal," Disney attorney **Wes Earnhardt** of **Cravath Swaine & Moore** told the Second Circuit Court of Appeals Monday morning. The federal appeals court had been slated to hear oral arguments at 10am ET from Fubo and Disney, **Warner Bros. Discovery** and **Fox Corp.** over the launch of sports streamer **Venu**. "We thank the court for its time, and we do apologize for the late notice. We understand the work that I'm sure you all have done getting ready for today, and we apologize for that, but we've agreed not to argue, because we have a deal."

Fubo dismissed its antitrust case over Venu, with the jv's owners dropping their appeal of a temporary injunction that has prevented Venu from launching. Under the deal, which is subject to shareholder and regulatory approval, Disney will combine its **Hulu + Live TV** business with Fubo, giving the merged service more than 6 million subs—and putting it closer to **YouTube TV**'s estimated 8-10 million customers. Plus, Disney will enter into a new carriage agreement with Fubo that will allow the vMVPD to create a skinny Sports & Broadcast bundle, featuring **ABC**, **ESPN**, **ESPN2**, **ESPNU**, **SEC Network**, **ACC Network**, **ESPNEWS** and **ESPN+**.

Disney will hold a 70% interest in Fubo, with Fubo sharehold-

ers owning the remaining 30% of the combined business. It will operate under the Fubo publicly traded company and will be led by Fubo management team. "At deal close, our company is expected to become immediately cash flow positive, instantly making Fubo a major player in the streaming space with over 6.2 million subscribers in North America and over \$6 billion in revenue. Fubo will be well positioned to fairly compete with our peers," Fubo CEO **David Gandler** said in a call with analysts Monday. The transaction also provides \$220 million in immediate cash, plus \$145 million in committed financing available in January 2026. The Hulu core SVOD service is not part of the transaction.

While Fubo and Hulu + Live TV are both virtual MVPDs, their modus operandi differs. Fubo paints itself as a destination for sports and news, with the Disney vMVPD seen more as an entertainment-focused cable replacement service. The combined company will negotiate carriage agreements with content providers for both Hulu + Live TV and Fubo services independently from Disney. Gandler said the deal gives Fubo scale that allows it to negotiate better programming deals, though he was mum on what other networks could join its skinny packages. "We've been very focused over the last three weeks on amending our agreements to allow us to create these skinnier bundles. We still have other programming deals and we have to work through those," he said.

Others—including **ACA Connects** and **DirecTV**—have expressed concern over Disney, WBD and Fox's slimmed-down sports streaming venture, which had a \$43/month price for its launch. The **DOJ** also took Fubo's side in its legal challenge and was going to pres-

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ent arguments during Monday's hearing. It's unclear if any party will try to stop Venu's launch. DirecTV struck a deal with Disney in September after a 13-day blackout that gave it more programming flexibility and the ability to offer Disney+, Hulu, ESPN+ and its upcoming ESPN flagship DTC offering in select packages.

"As ACA Connects said from the get-go, the original Venu offering was anticompetitive. This was confirmed when it was rightfully blocked by the courts. This settlement confirmed it since Fubo is now getting what Venu's owners themselves are getting," ACAC President/CEO Grant Spellmeyer said in a statement to CFX. "Our position remains the same: our members also want the deal Venu's owners are offering themselves. They want to offer their customers the programming in bundles they want at prices they can afford."

MoffettNathanson analysts said on the face of it, the transaction appears to be an elegant solution for both parties to put the pending Venu lawsuit behind them without any involved party admitting defeat. But added that it also may be a way for Disney to actually simplify its sports streaming strategy. "Perhaps the newco will serve as a vessel for further consolidation of sports and linear assets, including those owned by Disney. Could this entity one day merge with Venu? What if we think even bigger like combining ESPN? And what about the future of Fox Sports' streaming strategy?" the firm mused in a note to clients. "This is certainly getting far into the realm of speculation, but the deal certainly has an air of being merely step one of a larger plan. We all knew 2025 could be a big year for media M&A, and one week in it has not disappointed."

As for the deal's fine print, a termination fee of \$130 million will be payable to Fubo under certain circumstances, including if the transaction fails to close due to the failure to obtain requisite regulatory approvals. Fubo will be governed by a board of directors with the majority appointed by Disney, as well as independent directors. Gandler will also serve on the board. Fubo's stock more than tripled on the deal, closing at \$5.03 Monday, a more than 249% increase.

COMCAST NO LONGER HAS FUSE

One carriage drop that snuck in under the radar as the calendar turned to 2025 involves **Comcast** and **Fuse Media**. "Our agreement for **Fuse TV** and **FM** [FM-Fuse Music] has expired, and we no longer have the rights to carry these channels, so they are no longer available," a Comcast spokesperson told **CFX**. The contract for the networks expired at 8:59pm ET on Dec. 31, with the two unable to agree to renewal terms. The two have a history of disagreement, with Comcast dropping Fuse in 2018 and not returning its networks until December 2021 in a deal that included making the Latino-owned company's streaming platform **Fuse+**

available on X1, Flex and XClass TVs. Fuse+ remains available on the Comcast offerings. Fuse has been vocal at the **FCC**, supporting a proposed ban of Most Favored Nation and Alternative Distribution Method clauses, and expressing concerns about the planned **Paramount-Skydance** merger. "As we step confidently into 2025, we are more inspired than ever by the voices of our audiences, who remind us daily how meaningful our programming is to them. While it's unfortunate that Comcast does not currently carry Fuse and FM, we remain committed to exploring new opportunities, including working with Comcast to reinstate our linear networks and to bring our FAST services to their subscribers. Fuse Media will continue to champion the stories that matter, driving the culture forward and connecting communities across all platforms," Fuse Media Chairman/CEO *Mike Roggero* said. "For much of the last 15 years, Fuse Media has been a valued part of Comcast's programming lineup, delivering unique and powerful content that resonates with viewers. Today, diverse and inclusive stories are not just a choice—they are essential."

FCC ADOPTS RETRANS BLACKOUT REPORTING REQUIREMENTS

The **FCC** released a Report and Order Friday requiring the reporting of broadcast station blackouts lasting over 24 hours on cable and satellite TV due to a retransmission consent dispute. Adopted on Dec. 31, cable industry advocates largely supported the proposal. **NCTA** and member companies **Comcast** and **Charter** met with a rep from FCC Commissioner *Anna Gomez's* office back in October to show that support and offer changes to the proposal that would ultimately reduce the burden of reporting on blackouts. One of those suggestions, to extend the reporting threshold to blackouts lasting over 48 hours instead of more than 24 hours, was rejected due to a lack of concrete data on the number of disputes resolved in the first 24 hours versus the 24 hours following that period. "Although this modification could ease the reporting burden on MVPDs, it would potentially limit the Commission's and the public's understanding of the frequency and duration of blackouts occurring in the retransmission consent marketplace," the FCC said. "This revision would also limit insight into consumer harm, as there would be no data on potentially significant one-day blackouts of marquee programming." **NAB** alleged that the reporting could incentivize MVPDs to purposefully increase blackouts in order to gain support for retrans consent reform. The FCC rejected that claim and argued broadcasters already have avenues to fight back. "Aside from the market incentive, the Commission already has in place a complaint process to address retransmission consent impasses," the FCC said. "Any broadcaster who believes that an MVPD is not negotiating for retransmission consent in good faith can file a good faith complaint with the Commission."

ROSENWORCEL MAKES MOVES FOR RIP AND REPLACE AUCTION

The **FCC** is ready to take the next steps to fund the Rip and Replace program thanks to much needed Congressional action. FCC Chair *Jessica Rosenworcel* introduced rules that would allow the Commission to launch the AWS-3 spectrum auction to fully fund the removal, replacement and disposal of insecure **Huawei** and **ZTE** equipment and services from U.S. networks. If adopted, the NPRM would propose updates to competitive bidding rules to grant licenses for spectrum in the FCC's inventory in the AWS-3 spectrum bands. Generally, that includes the 1695-1710 MHz, 1755-1780 MHz and 2155-2180 MHz bands. The notice also updates the definitions of small and very small businesses in those competitive bidding rules. The auction, made possible thanks to the inclusion of the Spectrum and Secure Technology and Innovation Act in the recently passed National Defense Authorization Act, will be the agency's first spectrum auction since its general auction authority lapsed in 2023. Rosenworcel used the moment to call once again on Congress to restore the FCC's full spectrum auction authority.

COMCAST, NBCU READY FOR CES

As **CES** week gets underway, **Comcast** is celebrating with the unveiling of its new Universal Ads platform that'll be rolled out sometime in 1Q25. The product enables advertisers of any size to purchase premium video directly from companies at scale. Comcast plans to offer free, automated AI creative production of TV commercials to the solution. Universal Ads builds on top of **FreeWheel's** ad technology that lets ad buyers and sellers transact in one place. It's also the first time Comcast has introduced a cross-industry collaboration at this scale, with **A+E, AMC Networks, DirecTV, Fox Corp., NBCUniversal, Paramount, Roku, TelevisaUnivision, Warner Bros. Discovery** and **Xumo** signed as launch partners. More partners will be announced in the coming months. NBCU also got in on the CES festivities Monday after releasing new engagement tools within the One Platform technology stack and success metrics pertaining to TV advertising. **Peacock** will be getting a "Live in Browse" feature that automatically plays live events in the top row as soon as a viewer opens the app. It'll become available to marketers beginning this month, as will the Pause Ad format within live events feature. Peacock will also pilot new features on its iOS and Android mobile apps this month to help increase fan engagement around popular titles, including daily mini-games and prediction contests.

TIVO OS HEADS TO U.S. SMART TVS

Xperi is bringing the **TiVo** OS to the U.S. television market thanks to deals with two major OEM partners. Xperi has released the name of one of those partners, **Sharp Home Electronics Company of America**. The expectation is that Sharp smart TVs Powered by TiVo will be available in the U.S. market starting next month. Xperi also

offered an update on its TiVo Broadband platform, which offers options specifically tailored to operators' broadband-only customers. More than 20 operators are now utilizing the solution, which debuted at CES 2024 and includes advanced search and personalized recommendations to FAST, AVOD, SVOD and live TV options.

QUICKPLAY ADDS 'SHORTS' TOOL

With vertical short-form content on the rise, **Quickplay** introduced a new product that targets the content for streaming services called Quickplay Shorts. It creates and syndicates vertical short-form content from live and VOD long-form video platforms as well as an infinite vertical scroll front-end experience. The product helps accelerate streamers' roadmaps to short-form content experiences, using generative AI to identify, create and distribute vertical format content derived from traditional live streams and VOD programming. Other features include custom models for specific content types, audio and video transcoding, automated workflow triggers and more.

SCRIPPS, NBC SHAKE HANDS

Scripps completed a multi-year affiliation agreement with **NBC** covering 11 television stations. Effective Jan 1., the deal included WGBA (Green Bay, Wisconsin); WTMJ (Milwaukee); KRIS (Corpus Christi, Texas); KTGF (Great Falls, Montana); KTVH (Helena, Montana); WLEX (Lexington, Kentucky); KOAA (Colorado Springs); KJRH (Tulsa); KSBY (Obispo, California); WPTV (West Palm Beach); and KSHB (Kansas City, Missouri).

RATINGS

CNN rang in 2025 with its annual "New Year's Eve Live with Anderson Cooper and Andy Cohen" from Time Square. The show was the No. 1 program on cable TV when the ball dropped at midnight, recording 3.7 million viewers P2+ and 1.36 million P25-54 from midnight-12:30am. The full 8pm-12:30am run averaged 1.88 million viewers P2+ and 649,000 P25-54, good for No. 2 in all of cable in both categories and only trailing college football coverage on **ESPN**. The show was also **CNN Max's** fourth biggest day on record and ranked among its top five days since launch. In total, the show reached 15.8 million viewers P2+ across TV and CNN Max.

GOLDEN GLOBES

Netflix and **FX** were among those collecting trophies at Sunday's 2025 Golden Globes ceremony. **FX**, led by "Shogun," was the top network/streamer with five wins. **Max** followed with four, including "Hacks" taking Best Television Series – Musical or Comedy. **Netflix** tied for the most wins by movie distributor with four, including "Emilia Pérez." "Baby Reindeer" helped Netflix nab three more series wins after taking Best Television Limited Series, and having **Jessica Gunning** earn Best Performance by a Female Actor in a Supporting Role on TV.