

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Step By Step: WBD On High After Early Linear Renewals

The linear side of the video business may be challenged, but **Warner Bros. Discovery** is celebrating a series of wins for its distribution team. CEO *David Zaslav* and CFO *Gunnar Wiedenfels* applauded their teams during the company's 4Q24 earnings call Thursday for striking a flurry of multi-year renewal deals with five of the six largest pay TV providers in the U.S.

Many of those deals were renewed a year early and all commanded overall rate increases. Zaslav said the renewals give WBD a sense of stability that's hard to find given the shifting video landscape.

"In all of my experience, we've never had this secure of a base where almost all of our deals are done with increases with all of our channels carried for a period of years," Zaslav said. "That gives us, I think, a real advantage... it takes one issue off the table for us."

In the fourth quarter, Wiedenfels noted WBD saw close to 6% rate increases in its domestic affiliate business. In WBD's international footprint, he's already seeing positive net revenue impact from affiliate renewals.

"In many of these renewals, we're working together with our affiliate partners to make some concessions on the linear side where they're facing not as pronounced but similar pressures as domestically here," he said. "We're cooperating through soft or hard bundles on the DTC side and net-net in the aggregate, we're growing. Across our international affiliate portfolio, we're up in revenue. That's the kind of crossing of the line that we're looking for." In the soft bundles, there are no penetration or carriage commitments while those do exist in what WBD is calling the hard bundles.

That's not to say WBD doesn't have ongoing concerns about the linear business. It had weaker ad sales than it initially hoped for, particularly at **CNN** where it hoped for a greater

benefit from the elections. Wiedenfels is seeing some mild positive signs from the ad market, including less upfront cancellations than the prior year.

Total revenue for WBD was \$10 billion with distribution revenues up 2% and advertising revenues falling 11%. With the release of its 4Q24 earnings, WBD also released a shareholder letter expressing that it has a clear path to reach 150 million global DTC subscribers by the end of 2026.

WBD's overall DTC business ended 2024 with 116.9 million subscribers across more than 70 countries. It added 6.4 million subscribers in the fourth quarter, and there's still plenty of opportunity ahead to introduce its streaming portfolio to new markets. Key markets like the U.K., Italy, Germany and Australia are set to launch over the next few years.

When asked about potential acquisition opportunities, Zaslav said there continues to be a lot of pressure on regional streaming services to build their own platforms and produce or acquire local content. He does believe there will be consolidation, and that may come just in the form of a bundle rather than traditional M&A.

"We're already having a number of discussions, and we'll just have to assess how strong we are alone and who and when we need them. In the end, we'll always do what's right," Zaslav said.

He added that sports will always be a pressure point on regional players, particularly those that are becoming more dependent on that programming to attempt to draw an audience and build a base. "The ability to really build a long-term platform on short-term sports rights has not been a good story in the past, and it's unlikely to be a good story in the future," he said.

CARR PUTS VERIZON ON DEI WATCH

FCC Chair *Brendan Carr* is following President *Donald Trump's* executive order cracking down on DEI, and **Verizon** is the lat-



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est company to win his focus. In a letter to Verizon CEO *Hans Vestberg*, he applauded other companies for “ending invidious forms of DEI discrimination” following his [warning to Comcast](#), but said there’s been an apparent lack of progress on this front at Verizon. He highlighted [reporting from Business Insider](#) indicating that Verizon was promoting its DEI policies to stand out from its competitors, among other evidence on the company’s website that the provider is promoting the practices. “In order to aid the FCC’s resolution of these matters, please reach out to the agency personnel that have been working on Verizon’s pending transactions at the FCC. They are the FCC personnel most familiar with Verizon’s operations due to their merger review activity,” Carr said in the letter. Notably, Verizon’s acquisition of **Frontier** has not yet been approved by the FCC. The deal is expected to close by 1Q26, subject to regulatory approvals. FCC Commissioner *Anna Gomez* addressed the agency’s rollback of DEI efforts during a press briefing Thursday, calling it an “unfounded effort to micromanage employment decisions within private companies.” She said it’s not in keeping with the duty under the law to ensure nondiscriminatory access to communication services and to support diversity in media ownership and representation.

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MICHAEL POWELL READY TO HANG UP HIS NCTA SHOES

After nearly 15 years as president and CEO of **NCTA**, *Michael Powell* is ready to retire. A search is set to begin for his successor as he prepares to depart the trade association made up of cable operator and cable programmer members. NCTA didn’t give a specific date of retirement, just later this year. When **CFX** chatted with Powell in early 2024, he said retirement hadn’t become a material question in his life and that he would definitely be in the job at least for all of the year. “I think the day I would retire here, I probably will be really retiring. And I have a lot of other interests that are not about having a nine-to-five job. At some point, those things will become meaningful enough, satisfying enough, and I’ll be tired enough to say I’d like to convert,” Powell said at the time. That day seems to have arrived, though we’ll be watching close to see if he really can step away! During his tenure, Powell guided a strategic restructuring and rebranding to modernize NCTA. That included a name refresh that moved the association away from the word cable along with the elimination of its 50-year-old annual trade show, most recently known as INTX (before that it was referred to as The Cable Show or the National Show). He also has shepherded the industry through multiple fights over Title II regulation for broadband, championed polices for expanding broadband access and was a leader in the industry’s

10G initiative. Last month, Powell testified before the House Communications subcommittee, pushing for more unlicensed spectrum as well as mechanisms for spectrum sharing to fuel improvements to the technology. “Michael has been an exceptional champion of our great industry for the past 15 years—through both the substance of his leadership and talented communication skills,” **Charter** CEO *Chris Winfrey* said. “He has led the NCTA and our industry through a period of incredible growth and change, and adeptly navigated the many regulatory and legislative matters, allowing our businesses to best serve our customers’ connectivity needs. We wish him well and look forward to continuing our partnership with the NCTA.” His thoughts were echoed by fellow NCTA board member *Sandra Howe* of **ATX Networks**: “I’ve seen firsthand how his vision and dedication have transformed our industry. More than just a passionate advocate, he’s been a catalyst who challenged us to think boldly about the future. The cable industry is losing a giant, but his fingerprints will endure. I wish him all the best in his next chapter.”

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NEXSTAR READY FOR M&A ACTIVITY, CW MONITORS MLB RIGHTS

Nexstar’s stock received a jolt of energy Thursday morning after revealing its 4Q24 earnings. It saw a 13% spike shortly after market open fueled by a record fourth quarter in both net revenue and distribution. That positive energy was felt on the company’s earnings call led by chairman/CEO *Perry Sook*, who touted the notion of deregulation being felt under the new administration. It’s no secret Nexstar has been a vocal proponent in bringing down certain regulatory barriers pertaining to broadcast ownership rules—a topic **NAB** President/CEO *Curtis LeGeyt* [discussed](#) at last week’s **Media Institute** luncheon—but Sook said Nexstar is getting ready to pounce on acquisition opportunities that may arise. “The excitement around M&A opportunities is palpable,” he said. “We’re actively working with lawmakers, through the NAB and our in-house government relations team, to create more equitable broadcast ownership rules ... M&A has been the key driving factor of our stock over the last 15 years, and as it becomes more of a possibility with the current **FCC** and the potential for deregulation, we look forward to further prepare our balance sheet for these kinds of opportunities.” Sook went as far as to say that the prospect of deregulation is as good as it’s been in his career and predicted further action at the FCC and **Department of Justice** “in terms of understanding that current regulations are outmoded.” 4Q24 net revenue came in at a company-high \$1.49 billion in addition to record distribution revenue of \$714 million, good for 14.1% and 1.4% improvements YOY, respectively. President/COO *Michael Biard*

noted that the distribution revenue boost came from contract renewals in 2023 on terms that were favorable to Nexstar as well as annual rate escalators, growth in vMVPD subscribers, the addition of CW affiliations and the [return of stations](#) on **Optimum** lineups. **The CW Network** was another aspect of Nexstar's business that carried momentum into 2025. In 2024, cash flow was improved by \$127 million, which exceeded the company's goal of more than \$100 million in improvement and reduced CW's 2023 losses by approximately 50%. Nexstar expects to cut CW's losses by over a quarter of its 2024 levels this year, and Biard flagged that 2H25 will also see the reset of affiliate agreements representing over 2/3 of CW's subscriber base. While CW is enjoying its ACC college basketball and football, **NASCAR** and **WWE** properties leading its sports portfolio, that doesn't mean the network isn't interested in stepping up to the plate for more sports rights. When asked about **MLB** and **ESPN's** split, Biard said the company is confident MLB will look to ink deals with broader platforms. "We're less interested in the local opportunities given the fact that the RSNs seem to have kind of gotten back on their feet, and at least for the time being, taken the lion's share of the local games," Biard added. "At the national level, we think there will continue to be opportunities, and we certainly think that our performance at the CW has put us on the map for any rights holder out there looking to do deals in the future."

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CARR PROMISES PUBLIC INTEREST ACTION, DETAILS DOGE DOINGS

Yes, there was an **FCC** meeting Thursday, but the most interesting moments came after when reporters quizzed Chairman *Brendan Carr* on everything from the public interest standard to DOGE efficiencies. Carr suggested something will be coming soon on the public interest obligation, with him noting that he's open to seeking comment eventually to see if there's a way to reinvigorate it. "When it comes to broadcasters, they have something special that distinguishes them from lots of other speakers. They have this right to use the federal spectrum, which is a scarce resource and license body of the FCC. They have to operate in the public interest," he said. "For a lot of years, the FCC walked away from enforcing the public interest obligation. One of the things you would see in the next week is we will continue to enforce it." Carr talked about Americans' lack of trust in national news media, but said local broadcasters still have a tremendous amount of trust and he's doing things to help empower them to serve their communities. Asked about President Trump's executive order reining in independent agencies like the FCC by having them submit draft regulations for White House review, he said there's always been a role the executive branch plays. He gave the example of the agency sending proceedings to them after the fact for review for the Paperwork Reduction Act. "With respect to executive orders, there is more guidance coming down. We are complying and we will comply entirely with the approach. I think it can help inform the outcomes of the FCC and be a really good

thing," he said. Carr didn't detail if or how many agency staffers may have been impacted by government layoffs, but said there is work being done for greater efficiencies. That's included some reductions and cancellations of various contracts. He expects DOGE to interact with the FCC in some not-too-distant future. Commissioner *Anna Gomez* later told reporters she expects the FCC will lose "very talented, very expert staff." She personally hasn't seen any DOGE-related activities because she's not in the Chairman's office. "I do know we have had some staff affected under the DEI cuts, some very long-standing civil servants who have done their jobs. I hope they're doing well and I hope to see them back soon," she said.

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UNANIMOUS VOTES, ROMANIAN & MUGS AT CARR'S FIRST MEETING

Brendan Carr started his first open meeting as **FCC** Chairman on Thursday with the Pledge of Allegiance, announcing it would be a new practice at the beginning of Commission meetings going forward. From there, it was a series of unanimous votes for items to help set up reauction of AWS-3 spectrum and to open a new proceeding on updates needed to protect consumers from loud commercials. Unanimous votes are par for the course when the Commission is split with two Dems and two Republicans. President *Trump* has nominated former Senate Commerce Policy Director *Olivia Trusty* to fill the fifth seat. This week a group of tech policy advocates, including **Free State Foundation** Senior Fellow *Michael O'Rielly* and **Digital First Project's** *Nathan Leamer*, urged **Senate Commerce** leadership to expedite Trusty's confirmation. On the AWS-3 item, Commissioner *Geoffrey Starks* thanked Carr for working with him and fellow Dem *Anna Gomez* to include language to look at whether a tribal priority window might be leveraged to boost connectivity on tribal lands. Carr gave praise to former Chairwoman *Jessica Rosenworcel* and her team for moving quickly to prepare a document that allows the FCC to conduct this auction. There were a few surprise moments sprinkled in during the meeting, such as Commissioner *Nathan Simington* delivering his remarks on a proceeding to explore Upper C-band spectrum in both English and Romanian. He said the item represents the kind of practical, results-oriented action with significant impact that he feels has been missing lately from the Commission. Gomez, who regularly provides comments in English and Spanish, joked with him a little, but called his Romanian "super cool." Astute observers may have also noticed that Carr was drinking from a small Reese's peanut butter coffee mug, a hat tip to the giant Reese's mug former FCC Chair *Ajit Pai* would often use during meetings. While the meeting was cordial, Gomez complained to reporters afterwards during a press briefing that this FCC has been stoking partisan culture wars and "taking unilateral actions often decided behind closed doors without public scrutiny." She complained about potentially weaponizing broadcast licensing authority based on content decisions and actions on 230 that could have the Commission try to control online speech.

DIRECTV INTRODUCES GENRE PACKS

2025 may very well be the year of the skinny bundle. **DirectTV** continued the wave of tailored channel offerings with the revelation of Genre Packs, building off the success it's had so far with its MySports offering. Consumers can subscribe to the packs separately or together, but any subscription will also grant access to the channels available on **MyFree DirectTV**. The initial Genre Packs span MyEntertainment, MyNews and MiEspañol. The entertainment pack not only comes with over 40 channels such as **A&E, Bravo, FX, HGTV, TLC** and more, but also the basic **Disney+** and **Hulu** tiers at no added cost (normally \$10.99/month). MyEntertainment will run at \$34.99/month. MyNews features 10+ national networks—including the mainstays **Fox News, CNN, MSNBC** and **CNBC**—and select local channels where available, running at \$39.99/month. MiEspañol will also be available for the \$34.99/month rate, boasting more than 60 channels featuring Spanish-language programming. Additionally, DirecTV added two mini packs: MyCinema, which has **Great American Family, Turner Classic Movies** and five other channels, and MySports Extra, coming with **NFL RedZone, MotorTrend** and more. Those will go for \$9.99/month and \$12.99/month, respectively. And the MVPD didn't forget about MySports, having announced that **ESPN+** will be included at no added cost starting today.

ECHOSTAR TALKS NEW BUNDLES

DISH continues to face challenges with its satellite TV business, finishing 2024 with approximately 5.69 million subscribers. EVP/Group President, Video Services **Gary Schanman** said on the company's 4Q24 earnings call that teams are continuing to optimize the costs associated with the business, and they've been able to use proprietary AI and machine learning capabilities to better identify, attract and retain quality customers. That's ultimately leading to a significant reduction in churn. **Sling TV** wrapped up the year with 2.09 million subs and its lowest churn levels since the COVID pandemic. A huge effort this year will be to better integrate and cross-sell those products with the **Boost Mobile** and **Hughes** product portfolios. "Our first effort is the recent launch of Sling within our Boost Mobile app, providing our wireless customers

added value with free content, and we'll continue to more deeply integrate our content experiences into Boost Mobile to support wireless growth," Schanman said. **Echostar** CEO **Hamid Akhavan** said he doesn't want to set any particular expectations for the results to come from the bundling opportunities, but said the team has only just begun finding ways to tie together its content, 5G, satellite and cloud-based experiences. "I think the cable companies have been doing that to some degree, selling their broadband connectivity with content," he said. "Within that market, we do a version of that between Hughes and DISH, but that's just a couple of small examples. We expect a lot more to happen this year." At Boost Mobile, Akhavan highlighted a focus on optimizing marketing and acquisition techniques while delivering on simplified and differentiated consumer offers. He also highlighted its expanded relationship with **Apple** that allows customers to now purchase and activate Boost Mobile service through the tech giant's retail channels. Boost Mobile closed out the year with 6.995 million wireless subs with 90,000 net additions in 4Q24.

PEOPLE

Fox appointed a familiar face to oversee its upcoming direct-to-consumer venture. **Pete Distad**, most recently the CEO of the defunct **Venu Sports** jv, was tapped to handle the reins of Fox's yet-to-be-named DTC product. He'll report to **Tubi** CEO **Paul Cheesbrough**. Before Venu, Distad was part of the original **Hulu** launch team as SVP, Marketing and Distribution. After joining Apple in 2013, he would go on to play a key role in the launch of the **Apple TV** app, Apple TV+ and the subsequent sports additions of MLS Season Pass and MLB Friday Night Baseball. – After the retirement of **John Quigley** last month, **Charter** is promoting **Mike Matson** to become Spectrum's SVP, Field Operations. His purview includes the Northeast, NYC, mid-South, Southeast and Texas-Louisiana Regions, and he'll report to EVP, Field Operations **Tom Monaghan**. Matson has been Regional VP for Spectrum's Texas-Louisiana Region since 2021, having overseen regional operations, network maintenance and construction teams while Charter executed its rural expansion and market fill-in projects across the Lone Star State.

BASIC CABLE		
P2+ PRIME RANKINGS*		
(02/17/25-02/23/25)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	0.975	3092
ESPN	0.356	1129
MSNBC	0.341	1082
HGTV	0.213	674
HALL	0.163	517
CNN	0.163	517
USA	0.162	513
DISC	0.155	491
INSP	0.152	484
FOOD	0.147	467
HIST	0.131	414
TNT	0.128	407
TLC	0.127	403
TBSC	0.110	349
ID	0.108	344
A&E	0.100	318
HALLMY5	0.098	312
GSN	0.096	304
BRAVO	0.094	298
FX	0.094	298
NWSMX	0.094	297
TVLAND	0.088	279
BET	0.088	278
WETV	0.086	274
AMC	0.081	257
LIFE	0.077	246
NAN	0.075	237
OXY	0.070	222
PRMNT	0.067	212
REELZ	0.066	210
NATGEO	0.060	189
ADSM	0.058	183
TRAVEL	0.056	179
COM	0.055	174
FETV	0.052	166
ESPN2	0.051	162
SYFY	0.050	158
MGNLA	0.047	150
APL	0.047	149
FXN	0.047	148
HLN	0.046	147
IFC	0.045	143
MTV	0.045	143
SNDNCE	0.044	140
FS1	0.042	134
FRFM	0.041	129
LMN	0.041	129

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