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With the baseball regular season fast approaching -- Opening Day is officially April 1 -- several regional sports networks are facing deadlines to hammer out deals with over-the-top players and streaming services, but according to some observers, they shouldn't hold out too much hope of landing a deal by the first pitch. Satellite TV giant Dish Network and its OTT arm Sling TV, have set an April 1 deadline for dropping three NBC Sports RSNs -- NBC Sports California, NBC Sports Washington and NBC Sports and NBC Sports Bay Area. Dish already dropped the remaining NBC Sports channels -- NBC Sports Chicago and networks in Philadelphia, Boston, and the Pacific Northwest -- in 2019.

If the recent blackout threat holds, Dish and Sling TV customers will miss baseball from the San Francisco Giants and Oakland A's, hockey from the Washington Capitals and San Jose Sharks, and basketball from the San Francisco Warriors and Washington Wizards. "As of 4/1/2021, NBC Regional Sports Networks will no longer be on SLING. We are committed to providing the best value with the flexibility our customers deserve and, unfortunately, we were unable to come to an agreement on those terms," Dish said in an email to customers, according to The Streamable.

Pricing is the main culprit in the failure to reach a Dish deal. Dish Network chairman Charlie Ergen has battled with programmers -- particularly sports programmers - for years over what he believes are exorbitant fees. If Dish drops the NBC Sports networks it will be totally devoid of RSNs, having dropped others like MSG Network decades ago.

Ergen has said he has nothing against sports, but it's evident that most pay TV customers don't watch them and in turn don't want to pay for them. "I think

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you've got to change that model," Ergen said of RSNs on Dish's Q3 earnings call in November, adding that the value of regional sports to his customers was "overrated." While most RSNs have managed to hammer out agreements over the past couple of years with traditional distributors, the failure to launch with streamers should be especially troubling. RSNs like YES Network and Sinclair Broadcasting Group's Fox Sports Networks (rebranding as Bally Sports on March 31) still don't have deals with the likes of Sling TV, FuboTV, Hulu Live + TV and YouTube TV (although YES recently agreed to stream 21 Yankees games on Amazon Prime Video). Streaming services are supposed to be the future -- it's the way all the kids are watching content today -- and failure to land carriage could hurt the networks in the long run.

According to The Streamable, AT&T TV is the only OTT service provider that offers access to every RSN. But AT&T TV is priced at about $84.99 per month, making it eerily close to the traditional TV package that most youngsters abhor. While distributors are trying to find programming that people are compelled to watch, and sports is still a ratings grabber, it doesn't always justify the cost. RSNs have been under fire for their pricey affiliate fees and operators have begun to push back.

Sports consultant Lee Berke, president and CEO of LHB Media & Entertainment (shown here on right, with SECV's Bob Wieand, as a 2016 Cable Academy presenter), said the current stance by streamers harkens back to their early days. When streamers like Hulu Live and YouTube TV launched, they avoided RSNs because of their high price. The turning point was in 2016 when Sling TV agreed to carry some Fox RSNs. Now that most of the vMVPDs have national deals with sports networks like ESPN and FS1, local broadcast deals that also include games and out-of-market packages with several leagues, the strategy has shifted. "I think they are trying to see if they can get by without the RSNs," Berke said of the streaming services, adding that the start of the MLB season could be the moment of truth. "That's the crunch point," Berke said. "Will the overwhelming number of games that are being offered up by the league cause enough grief with the streamers to say they'll come back in and strike a deal."

In the past many of these deals with traditional MVPDs were done literally seconds before the first pitch of the regular season, mainly because ultimately those distributors realized that sports was the glue that held the bundle together. Streamers don't feel the same way. "Maybe one of them will," Berke said on the possibility of a last-minute streaming RSN deal. "It's difficult to see all three of them coming back in."

Unlike the dynamic between MVPDs and RSNs, streamers seem to hold the advantage, at least for the short term. Berke pointed to Minnesota Twins president Dave St. Peter, who complained recently that fans on his Twitter feed are frustrated they can't see games on Fox Sports North because the RSN doesn't have a streaming deal, over which the team has no control. The RSN is available through a traditional pay TV subscription. "I don't enjoy going to my Twitter account as often as I used to because there are some people who are taking it out on me," St. Peter told the *Minneapolis Star-Tribune*. "That's OK. I've got a thick skin. Look, life is hard in a lot of cases and people want to be able to watch their teams. I don't think that is an unrealistic or unfair expectation from our fans."

That should be a wake-up call to both streamers and traditional MVPDs. "People who are on his [St. Peter's] Twitter feed are relatively younger and tech savvy," Berke said. "They could watch Twins games on Comcast or Spectrum or whatever on a linear pay TV service, but that's not part of who they are anymore. They stream. So if they're not getting it as part of Hulu or YouTube TV, from their standpoint they can't see those games."

While Berke added that a big enough drop in subscribers could force the streamers to the table, eventually the model will have to shift to direct-to-consumer. Already a few RSNs have set the stage for such an offering. Earlier this month, YES Network debuted a dedicated streaming app that offers a 24/7

feed of the network, including live games from the New York Yankees, Brooklyn Nets, NYFC and New York Liberty. Viewers still need to authenticate through their pay TV subscription to see the programming, but that could easily change in the future. Sinclair has said it plans to launch a DTC app next year.

Berke added that direct-to-consumer should be the goal for RSNs and distributors alike. "From a streamers standpoint, from a network standpoint from an RSN standpoint, you have to be able to say, 'I'm going direct-to-consumer,'" Berke said. "And by the way, when you're negotiating with Comcast, they're going direct-to-consumer as well. We're trying to defend the bundle, meanwhile we're doing everything possible to undercut it. But that's fair enough, that's what they should be doing. That's the way media technology works."

He added that the shift to streaming is in part being done because of necessity. Pay TV subscribers are declining at an accelerated rate that doesn't seem to be slowing. "There's a reckoning that is coming to pass for every network," Berke said. "You're seeing the strategies being laid out with all the streamers and how they are laying out programming, how they're categorizing it, how they're pricing it, how they're producing content, sports entertainment and news. But when it comes to sports in particular, when it comes to the RSNs in particular, they are going to have to make those moves in the next few years, and they are going to have to start preparing for it now." – ***Next TV***

Madison Square Garden Entertainment Corp. has agreed to acquire media operator MSG Networks Inc. for more than $900 million in a deal that reunites the two companies and is aimed at tapping into the rise of sports gambling. MSG Entertainment, whose venues include Madison Square Garden and Radio City Music Hall, has seen its business hurt by temporary shutdowns of its places because of Covid-19. The company said Friday that the acquisition of MSG Networks would give it more financial flexibility and tax efficiencies to support its live entertainment business and fund projects like its new venue in Las Vegas.

The combination of the companies' media, digital and venue assets also will help MSG Entertainment capture more revenue emerging from the potential expansion of legalized sports gambling, the company said. MSG Networks operates two regional sports and entertainment networks and a streaming service in the New York area. Madison Square Garden in 2015 spun off its sports and entertainment businesses from its media business, making MSG Networks a stand-alone media company. In 2020, Madison Square Garden spun off its entertainment businesses from its sports businesses. Madison Square Garden Sports Corp. owns the New York Knicks and New York Rangers, among other teams and assets.

Under the deal announced Friday, MSG Networks stockholders will swap each of their shares for 0.172 MSG Entertainment shares. The terms value the media operator at about $922 million, based on the company's total shares outstanding. The deal offers a roughly 4% premium to MSG Networks' stock price on March 10, before a media report on a possible deal, MSG Entertainment said. The acquisition is expected to be completed during the third quarter. – ***Wall Street Journal***

A group of Senate Democrats is seeking a $6 billion cash infusion for an emergency broadband program that would more than triple federal connectivity subsidies for families hard hit by the coronavirus pandemic.

Introduced Thursday by Sen. Ron Wyden, D-Ore., the Emergency Broadband Connections Act would expand the original $3.2 billion pool for low-income broadband subsidies while also making it easier for states to enroll eligible households in the national program. "Democrats made a massive down-payment on broadband in the last relief package," Wyden said in a statement.

"This bill will make sure that the families who need broadband the most don't lose access just as our country can see the end of the COVID-19 pandemic." The Federal Communications Commission is in the middle of rolling out the Emergency Broadband Benefit program, which will soon begin subsidizing up to $50 of a qualifying household's monthly internet bill, or up to $75 of monthly internet service on tribal lands. The program can additionally cover $100 toward equipment, such as laptops and tablets, if a household purchases the equipment through their internet provider. The EBB is modeled after the FCC's Lifeline subsidy program — which generally offers $10 monthly phone and internet subsidies to low-income households — although the EBB applies to a larger swath of Americans and offers more money than the base program. Congress authorized the EBB with a $3.2 billion appropriation as part of a larger COVID-19 rescue package in late December, but advocates subsequently raised concerns that the program wouldn't stretch far enough. Language in Wyden's bill would additionally make it easier for states to onboard residents that already qualify for low-income benefits, providing funds to link databases like that of the Supplemental Nutrition Assistance Program with the FCC's Lifeline eligibility database. "This bill represents a direct, meaningful and effective way to help our most vulnerable Americans affected by the COVID-19 crisis stay connected to the internet," said Consumer Reports senior policy counsel Jonathan Schwantes. "Providing continued federal support to help consumers pay their monthly internet service bill is a straightforward solution and will help immediately."

The bill is co-sponsored by Sens. Jeff Merkley, D-Ore.; Amy Klobuchar, D-Minn.; Ed Markey, D-Mass.; Richard Durbin, D-Ill.; Raphael Warnock, D-Ga.; Cory Booker, D-N.J.; Kirsten Gillibrand, D-N.Y.; Robert Menendez, D-N.J.; Tammy Baldwin, D-Wisc.; Chris Van Hollen, D-Md.; Tammy Duckworth, D-Ill.; Dianne Feinstein, D-Calif.; Bernie Sanders, I-Vt.; Richard Blumenthal, D-Conn.; and Patty Murray, D-Wash. As the FCC stands up the EBB program, lawmakers are calling on internet service providers to do their part to ensure consumers know about the forthcoming discounts. House Energy and Commerce Committee leaders sent out a blitz of letters to nine ISPs and their respective trade associations on Wednesday that demanded the companies "raise awareness about the availability of the EBB program, consistent with applicable law and regulations."
So far, nearly 400 companies have applied to participate in the program, acting FCC Chair Jessica Rosenworcel said Wednesday. According to trade group ACA Connects, more than 100 of those companies are small cable providers. "The significant number of our member companies gearing up for the Emergency Broadband Benefit Program is not surprising given the great work they have already done to help their customers and their communities throughout the COVID-19 pandemic," said ACA Connects President Matthew M. Polka in a statement. "Their participation in this new program will allow them to greatly expand upon these efforts. Consumers should know, more help is on the way." – ***LexisNexis***

BCAP
Broadband
Cable Association
of Pennsylvania
127 State Street Harrisburg, PA 17101
717-214-2000 (f) 717-214-2020
bcapa.com
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