

DirecTV gears up to escalate its fight with Disney

Article

The news: DirecTV filed a complaint with the FCC over the weekend to fight Disney's ongoing service blackout on the pay TV provider, [escalating their conflict](#) over carriage fees.

- In its filing, DirecTV said Disney was negotiating in bad faith and attempting to gain anticompetitive provisions, such as forcing large package bundles onto consumers rather

than more specific options, and including a clause preventing DirecTV from suing the company.

- As of this writing, the dispute is still not resolved. The **NFL** season kicked off over the weekend and the first **Monday Night Football** match aired last night, both of which were largely inaccessible to DirecTV customers due to the blackout.

Carriage fee clash: DirecTV's FCC complaint shows a significantly different approach than **Charter Spectrum** took in its dispute last year. That conflict ended with [a mostly favorable deal for Disney](#), including access to the company's streaming services for Charter Spectrum customers.

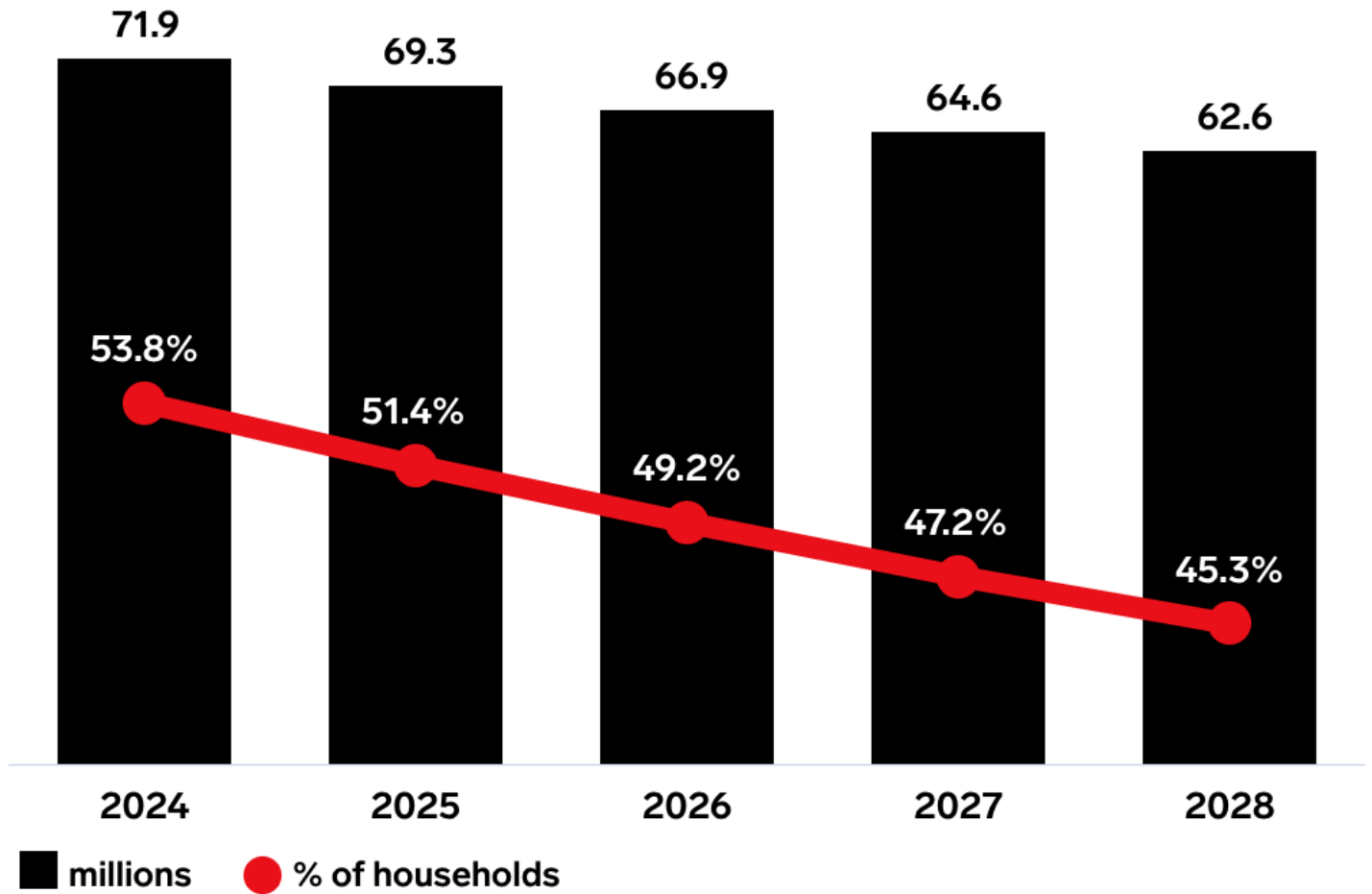
- DirecTV's approach, on the other hand, could signal a potential legal battle over the blackout. If it chooses that path, it could find the wind at its back: **Fubo's** recent lawsuit against Disney, **Fox**, and **Warner Bros. Discovery** over the planned launch of **Venu Sports** [succeeded in temporarily blocking](#) the streaming service.
- The company has framed Disney's blackout as an existential threat. Streaming services have steadily eaten into pay TV's market over the last few years, but the rise of ad-supported subscription streaming and the transition of sports to digital channels threatens to accelerate that trend.
- The number of US pay TV households will decline this year to 71.9 million, falling below 50% of households by 2026 and reaching 62.6 million by 2028.

Our take: Even if DirecTV is able to make a strong antitrust claim against Disney, the blackout will cause significant harm. The NFL makes up the vast majority of the 100 most-viewed broadcasts each year in the US, and customers will likely be upset at the lack of access.

Last year, Charter Spectrum attributed 100,000 subscription losses to its clash with Disney.

Total Pay TV Households

US, 2024-2028



Note: households with a subscription to a traditional or digital (vMVPD) pay TV service

Source: EMARKETER Forecast, February 2024