

## The 'Disney vs. Spectrum' Dispute Could Be the End of Cable Television



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On Friday, September 1st, roughly 32 million Americans received an email from Spectrum (Charter Communications) announcing that Disney was pulling the plug on a partnership that provided buyers with channels such as Disney, ESPN, ESPN2, ESPN Deportes, FX, FXX, National Geographic and Nat Geo Wild. The "Disney-Spectrum" blackout caused an abrupt service stoppage that occurred hours before the college football season kicked off, affecting nearly 15 million viewers. Disney earns about \$2.2 billion per year from its partnership with Spectrum. On the contrary, executives at Spectrum are claiming that they endured a 25% loss in revenue due to the popularity and expansion of Disney-owned streaming services such as Disney+ and Hulu. Now, the two major media conglomerates are at a contractual impasse regarding the future of their partnership. According to Spectrum, the financial stalemate stems from Disney's desire for "higher license fees" and "less packaging flexibility." While Disney argues that allowing Spectrum to broadcast their most popular channel, ESPN, "does not make economic sense."

"[Disney] wants to require customers to pay twice to get content apps with the linear video they have already paid for," Spectrum (Charter Communications) said. "This is not a typical carriage dispute. It is significant for [Spectrum], and we think it is even more significant for programmers and the broader video ecosystem."

Thus far, the dispute has caused Disney's stock to fall about 2.6%, while Spectrum (Charter Communications) has seen a 3.4% decrease in shares. Therefore, if the two sides do not resolve their disagreement soon, some insiders are predicting that it could signify the end of Cable Television. During the ongoing blackout, Spectrum has encouraged its customers to sign up for Sling and FuboTV in order to watch the Disney-owned channels that they lost. On the flip side, Disney has capitalized on the blackout by heavily promoting their Hulu+ plus bundles, which includes live sports, live television, premium channels, and more.

The pivotal rift between Disney and Spectrum has galvanized the nation, prompting commentary from several notable names in the media and politics. On Tuesday, [Stephen A. Smith](#) (an on-air personality with ESPN) shared his thoughts via Twitter.

"Don't know if y'all heard all the news going on in the Charter Markets with Spectrum, but folks are once again coming after the World Wide Leader," Smith wrote. "Fans currently don't have access to live games on ESPN Networks — or any content from Disney-Branded Channels Freeform, FX, and Nat GEO. If you are personally affected, if you want to see ESPN for LIVE games, the US OPEN, or anything else your heart desires from the sports world, you can visit this website <http://keepmynetworks.com> for information about where you can get it. Bottom Line: YOU HAVE CHOICES!!! DIRECTV Stream, Hulu + Live TV, YouTube TV, Sling, and Fubo are all available. Just download the app and sign up with no service call."

In addition to the commentary from Stephen A. Smith and politicians like Governor Kathy Hochul (who recently ordered New York's Department of Public Service to pursue refunds for Spectrum's customers), there appears to be a class-action lawsuit against Spectrum on the horizon. Right now, Spectrum could be the last line of defense between streaming services and the dismantling of Cable TV entirely.

About two years before launching Disney+ in 2019, Disney had a similar contractual dispute with Netflix before deciding to end their partnership by removing their Marvel-based shows from their competitor's platform. Since then, Disney has made a solid push to overthrow Netflix in the streaming department as well.