

Cablefax Daily™

Friday — May 31, 2019

What the Industry Reads First

Volume 30 / No. 104

New Wave: Steve Weed Rides Again with Frontier Purchase

They say cable cowboys never retire. They just find a new rodeo. So, it shouldn't have been terribly surprising to see *Steve Weed* saddling up again. When **TPG Capital** snatched up his **Wave Broadband** in 2017 for \$2.36bln to combine it with **RCN** and **Grande**, it brought Weed in as a director of the combined company. But that entrepreneurial spirit came calling again. Enter this week's deal to acquire **Frontier Communications'** Northwest operations (Washington, Oregon, Idaho, and Montana) for \$1.35bln in cash. Weed's **WaveDivision Capital**, which has investments in **Hargray**, **RCN/Wave/Grande**, and **Metronet**, is teaming with private investment firm **Searchlight Capital Partners** on the deal. It puts Kirkland, WA-based Weed back on familiar ground. "We grew up in this area, started and ran successful businesses here, and are excited to be able to continue to serve our community through this acquisition," Weed said in a statement. While Weed and his team built Wave into a company with more than 17K miles of fiber and turned it into an aggressive competitor against big players like **Comcast**, he had a future focus long before founding the company. Back in 1996 he became one of the first cable execs to launch high-speed internet service as head of Seattle-based **Summit Communications**, which he sold in 1999. WaveDivision and Searchlight formed a new company to operate the Frontier business after the deal closes. There have been rumblings for some time that Frontier has been interested in selling off assets. *Bloomberg* reported last May that the company met with bondholders after an auction for landline assets in Florida failed to generate an acceptable price. Frontier said the sale will reduce its debt and strengthen liquidity. It will continue to operate the business and serve customers with existing products and services until the transaction closes. Weed banked heavily on fiber early at Wave Broadband, and he's looking to extend Frontier's fiber reach. Across the four states, Frontier's network passes 1.7mln residential and business locations, of which approximately 500K are fiber-to-the-premises capable. "Our plan is to invest further in our markets, specifically by extending fiber to more homes and businesses, to bring them the high speeds they want. Once the transaction closes, we will have more details to share," Weed said. The states have 350K+ residential and business customers and accounted for \$619mln of revenue, \$46mln of net income and \$272mln of adjusted EBITDA for the 12 months end March 31. Frontier counts approximately 150K fiber broadband, 150K copper broadband and 35K video connections in the four states. The deal

Who Are The Most Influential Minorities and Powerful Women?



Cablefax is accepting nominations for the Most Powerful Women & Most Influential Minorities. It's free to enter both of these prestigious programs!

Two Amazing Programs—One Easy Nomination Form!
www.cablefax.com/awards

Deadline: June 7

Questions? Mary-Lou French at mfrench@accessintel.com

Sponsorship Opportunities: Olivia Murray at omurray@accessintel.com

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

is expected to close within a year, following regulatory approvals and other customary closing conditions.

Retrans Beat: Midco's retrans deal with Nexstar expires on Friday at 5pm CST. The broadcaster has started running alerts encouraging viewers to contact the operator. Midco said negotiations continue and "as long as Nexstar continues to negotiate in good faith, we believe we will be able to reach an agreement." Nexstar stations in Midco's footprint include Bismarck, ND, **CBS/CW+** affil KXMB and Sioux Falls, SD, CBS affil **KELO**. Earlier this year, **TDS Telecom** lost Nexstar stations for approximately one month due to a retrans impasse. The broadcaster is currently seeking regulatory approval to purchase **Tribune** for \$4.1bln.

Shull to TiVo: TiVo has finally found a permanent leader with its board unanimously electing *Dave Shull* as pres/CEO and a member of the board, effective Friday. Interim pres/CEO *Raghu Rau*, who has served in the role since July, will then transition to the role of vice chairperson of the board. Shull most recently served as CEO of **The Weather Channel** prior to it being purchased by **Entertainment Studios** chmn/CEO *Byron Allen*. TiVo also announced that it's raising its FY2019 expectations, upping revenue estimates to \$644mln to \$660mln vs the \$640mln-\$654mln it provided on May 9. It now forecasts a GAAP loss before taxes of \$72mln-\$80mln, lowered from \$75mln-\$87mln. Additionally, the company now expects adjusted EBITDA of \$175mln-\$185mln, up from the previous range of \$172mln-\$178mln.

Get the Deal Done: T-Mobile and Sprint are looking at other ways to earn DOJ regulatory approval, including divesting wireless spectrum. *Reuters* has two sources confirming that the carriers were exploring the option while *Bloomberg* reported that T-Mobile and Sprint were considering divesting spectrum back into the government. The government would then sell it to establish a fourth carrier. **Comcast** and **Charter** reportedly met with DOJ officials this week over their possible interest in the airwaves, *Bloomberg* reported.

Locking Down Local: Comments flooded the FCC Thursday supporting and opposing reform of the Commission's local TV ownership rules, with **NAB** calling those that would stand against reform "fundamentally backward." NAB urged the Commission to eliminate the duopoly rule's top four prohibition "allowing stations to realize economies of scale, improve their competitive position and make necessary investments in their operations, local programming and physical plant." "Rather than ensuring that the viewing public is served by strong local TV stations, pay TV providers' proposals are designed to weaken their competitors for viewers and advertising dollars and gain an even greater advantage in retransmission consent negotiations," NAB said in its filing. Plenty of filers stood on the other side of the issue. **WTA—Advocates for Rural Broadband**, a national trade association representing more than 340 rural telecom providers, fought against a relaxation of the top four

**Cablefax Selected by SCTE•ISBE
as Exclusive Partner for the Official Show Daily**



Supercharge Your Exposure!

“As the only official publication of cable's premier trade event, our *Cablefax SCTE•ISBE Cable-Tec Expo Show Daily* editions and video coverage will give advertisers and audiences new opportunities to connect with key decision-makers in the industry”

— *Cablefax* Publisher Michael Grebb.

**Featuring Expanded Coverage in
Print, Online & Video Show Dailies**



Space is selling quickly! Contact Olivia Murray at omurray@accessintel.com or 301.354.2010

prohibition, saying further broadcast consolidation would only exacerbate the issue of rising retransmission consent prices. One WTA member saw per subscriber retrans fees for the top four stations rise from \$1.91/month in 2010 to \$21.35/month in 2019. Another saw its costs grow from \$1.20 in 2009 to \$16.68 in 2020. “In the end, WTA members have to seriously consider how much cost they are willing to absorb as an operating loss or pass onto the consumer,” WTA said in its reply comments. “Unfortunately, these analyses frequently lead to WTA members ending their video service.” According to the filing, five WTA members stopped offering video in 2017 while at least another two members have ended their service within the past year. **Free Press** said that evidence in the docket “strongly suggests that further deregulation would affirmatively reduce diversity in broadcasting.” It also said that as broadcast is uniquely free to viewers, no cable, satellite or digital streaming service could be counted as a genuine substitute or competition. Free Press claimed it was more accessible than even free online outlets due to the continued existence of the digital divide. “Even if they did produce local news—a dubious proposition—these online social media sites are only ‘free’ once you’ve paid to get on the internet in the first place,” Free Press said in its filing.

Data Divide: The **FCC** 2019 broadband deployment report continued to draw critics into Thursday following its reveal, including **Microsoft**. The company, which has committed to serving 3mln unserved people in rural communities by July 4, 2022, has been gathering its own data on the digital divide and the availability of broadband. Its numbers and the FCC’s didn’t match. “We share the FCC’s commitment to closing the digital divide in rural America, but we have concerns that this report continues to rely on inaccurate coverage data,” Microsoft chief data analytics officer *John Kahan* said in a statement to **Cablefax**. “There is strong evidence, including the FCC’s own subscription data and Microsoft data, that broadband is not available to millions of people in America even though the FCC’s data says it is. We hope that, moving forward, the FCC adopts appropriate solutions as we’ve previously outlined to improve the accuracy of broadband mapping so the country can more quickly close the digital divide.”

Map It Out: So far, so good on **USTelecom’s** efforts to gather more accurate data for the **FCC’s** national broadband maps. It’s told the FCC that early data from its mapping pilots in Missouri and Virginia have shown promise with accurate data coming in faster on a more granular level. The Broadband Mapping Initiative, which includes **ITTA**, **WISPA**, **Verizon**, **AT&T**, **Frontier** and more, expects to present its pilot results to the FCC as early as July and estimates that it will release a national broadband map available to the public in 3Q20. It’ll come at a significantly lower cost than the \$350mln allocated to the FCC for its mapping methodology, with USTelecom saying the total cost will fall between \$10-12mln.

5G Footprint: **Sprint** launched its mobile 5G service Thursday in areas of Atlanta, Dallas-Fort Worth, Houston and Kansas City. Joining the city lineup in the coming weeks will be Chicago, LA, NYC, Phoenix and Washington, DC. Sprint claims its 5G footprint after those city launches will total 2180 square miles and 11.5mln people.

Georgia on Their Minds: Content companies are sounding the alarm over Georgia’s recently passed abortion bill. At this point, it sounds like they’re taking a wait-and-see approach. “If this highly restrictive legislation goes into effect, we will re-evaluate our activity in Georgia. Similar bills—some even more restrictive—have passed in multiple states and have been challenged. This is likely to be a long and complicated fight and we are watching it all very closely,” **AMC Networks** said Thursday. The new restrictive abortion law is not slated to be enacted until Jan 1—and court challenges could delay that further. **AMCN** joins **Disney**, **Netflix** and **WarnerMedia** in threatening to pull out of what’s been called the “Hollywood of the South,” with Georgia’s generous tax credits helping it build a booming TV & movie filming business. WarnerMedia said it will watch the situation closely and will reconsider Georgia as the home to any new productions if the law holds. **NBCU** issued a similar statement, adding that it expects the GA law and similar legislation in other states to face serious legal challenges that will stop them from going into effect while the process proceeds in the court.

Getting Kraft-y: **Comcast Business** has entered into an agreement with the **Kraft Group** to increase its businesses’ connectivity speeds up to 1 Gig, a 10-fold increase. It will also bring the X1 for Business experience to the 88 luxury suites at the **New England Patriots’** Gillette Stadium along with video service on more than 1K HDTVs throughout the complex.

Programming: “Shark Week” returns to **Discovery** July 28-Aug 4, with more than 20 hours of shark programming. Last year’s stunt, the 30th for the net, reached 34.9mln total viewers across total day and was the fourth-highest rated Shark Week on record for 25-54s and 18-49s. -- **CuriosityStream** is celebrating the 50th anniversary of the lunar landing with the premiere of 4K film “Return to the Moon” on June 13. The streamer is also launching programming event “New Moon Mondays” on June 17, which delivers space docs, expert insights and analysis and stories from the Apollo 11 mission.

People: **NBCU’s Bryce Gama** has been upped to CFO, NBCU content distribution. Gama first joined NBCU’s content distribution team in 2016 as vp, pricing & strategy. Prior to that, Gama spent 15 years at **Disney** serving in his last role as vp, corporate financial planning & analysis for Disney’s media businesses.

PROGRAMMER'S PAGE

Unplug: An 'American Princess' at the Ren Faire

What if, whenever you needed an escape from reality, you could jump back in time to a simpler age full of noble knights, traveling bards and beautiful queens? Enter **Lifetime's** "American Princess," which follows bride-to-be Amanda (*Georgia Flood*) as she enters a downward spiral after discovering her fiance cheated on her the morning of their wedding. She runs away from the scene towards what she thought was a theme wedding, but turned out to be the local Renaissance Faire. The series (premiering Sunday at 9pm) is based on creator *Jamie Denbo's* own experience of heading to her local Renaissance Faire when she needed a break from her personal life. She, like Amanda, unplugged from all the conveniences in her life, instead focusing on the people around her. "When I did the Faire, we weren't as plugged in," Denbo told **Cablefax**. "I was escaping my own personal life, now as much society's rules for human connection. Amanda's doing both. We're all doing both." And with so many people today focusing on recording whatever live events they're able to attend, Denbo wanted viewers to see through Amanda's eyes what it's like when you distance yourself from those technologies. "We're making a choice to experience it and risking the idea that we're not going to remember it as clearly," Denbo explained. "We don't really need all that stuff. Your brain is the best computer that exists." It's during this time that Amanda meets many of the "rennies," or staff working at the Renaissance Faire. All mean well, working together to entertain audiences on a daily basis, and some were based on people Denbo encountered on her adventures. Denbo hopes that the show will introduce the Renaissance Faire to a whole new group of people, offering them a refuge from their own hardships. "I hope it makes them realize that there's a place they can still go where they're not going to judge you for how you dress or show up that day," Denbo said.— *Sara Winegardner*

Reviews: "Deadwood: The Movie," premiere, 8pm, Friday, **HBO**. Who said you can't go home again? Fans of "Deadwood," the somewhat fictionalized account about a very real place, will feel comfortable quite quickly Friday evening. They'll sink into Deadwood's mud- and blood-filled streets, and quench their thirst at several saloons. When they're tired they can retire to rented rooms above the saloons. What goes on after that is their business. You see, prior to the time this film begins, 1889, Deadwood was largely a lawless territory inside what became South Dakota. Despite statehood and telephone poles, things haven't changed too much from the series three seasons, which ended in 2006. That's one of the joys of this film. Another is that nearly the entire cast, a motley crew for sure, is back. They're 13 years older, though most look well. Even Deadwood's spirit, the salty, unscrupulous saloon proprietor Al Swearengen (the wonderful *Ian McShane*), appears trim, his foul mouth in fine form. Little more than 90 seconds into this 90-minute farewell, Al utters the first of multiple F bombs. Thing is, they sound like Shakespeare in the stylized language *David Milch* lovingly resurrected for this movie. Also a treat is *Gerald McRaney*, who plays a bad guy with aplomb. It's not a blockbuster film, but a satisfying one. Enjoy. — *Seth Arenstein*

Basic Cable P2+ Prime Rankings* (05/20/19-05/26/19)		
Mon-Sun	MC	MC
	US	US AA
	AA%	(000)
TNT	0.801	2,447
FNC	0.753	2,301
ESPN	0.596	1,821
MSNBC	0.529	1,615
USA	0.380	1,160
HGTV	0.373	1,140
TBSC	0.331	1,010
HALL	0.326	997
HIST	0.313	955
ID	0.277	847
TLC	0.262	801
DISC	0.262	801
FOOD	0.255	780
CNN	0.254	776
A&E	0.246	752
NICK	0.216	661
TVLAND	0.193	591
INSP	0.192	588
BRAVO	0.189	577
ADSM	0.186	567
NAN	0.176	538
FX	0.173	527
APL	0.164	501
DSNY	0.161	492
HBO	0.153	466
AMC	0.145	444
MTV	0.145	444
LIFE	0.142	433
WETV	0.139	424
SYFY	0.138	421
FRFM	0.135	414
DSJR	0.135	411
VH1	0.133	406
GSN	0.132	404
NATGEO	0.127	389
TRAVEL	0.124	379
NKJR	0.117	358
PARA	0.117	357
HMM	0.116	355
COM	0.115	350
E!	0.106	325

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

THE FAXIES

RECOGNIZING EXCELLENCE IN PR, MARKETING & CONTENT

In 2019, The FAXIES have expanded to include content & design. The FAXIES mission to find the best of the best regardless of where it originated or how consumers watch it.

**PR & Marketing Categories
Still Open for Entries**

- Deadline: June 21

Content & Design Categories

(Formerly the Program & Trailer Awards)

- Early Bird Deadline: June 14
- Deadline: June 21

Take advantage of the early bird pricing to save \$275 per entry!

www.TheFAXIES.com