

# Cablefax Daily™

Tuesday — July 30, 2019

What the Industry Reads First

Volume 30 / No. 144

## Rural Broadband: Operators on the Ins & Outs of Building Out

While there's a lot of emphasis on closing the digital divide, operators in the trenches caution that it's not as simple as just adding broadband. "You can't take the field of dreams approach of if we build it, they will come," **Buckeye Broadband** pres/gm *Geoff Shook* said at the opening session of **NCTC** and **ACA Connects'** Independent Show Monday morning. "We don't want to put at risk our ability to serve current customers unless we have a pretty rock solid use case because it's not cheap. There must be a way to yield a return on that investment, and relatively quickly too." Last year, **MCTV** converted a really old analog system to FTTH. "We thought they would flock to us because they have DSL and now would have synchronous fiber speeds," said MCTV pres *Katherine Gessner*. But when the Ohio operator started calling to convert customers, it found they weren't really interested. There was a lack of understanding of what quadruple the current speed could offer. Plus there was a waitlist for the area's DSL offering—meaning people were concerned that if MCTV didn't work out, they wouldn't be able to go back to DSL, she said. That doesn't mean operators are shying away from building out to rural markets. MCTV bought a couple of small Ohio systems last year (its first acquisitions in some 30 years) and rebuilt them with fiber. In seven months, they went from no broadband penetration to 20%, according to Gessner. "It really opened our eyes to the need for rural broadband," she said, adding that the company has identified about 4K homes it wants to build out to. Buckeye's Shook recommended operators establish a use case for products and services first in rural markets instead of investing a lot of money and then trying to convince people to subscribe. Shentel has many rural areas in its footprint and has committed to DOCSIS 3.1 upgrades and digital conversions that will be complete by the end of this year. "Folks irrespective of where they find themselves in the economic landscape or where they live, they all the same needs we all do with respect to consuming content and broadband," said **Shentel** evp/COO *Dave Heimbach*. "Our industry in particular is in such a unique position to be a catalyst for economic development." **Schurz Communications** has taken the approach of partnering with various entities—including telephone and electric co-ops, local governments and Native American nations—when it comes to rural expansion. "All of these are structured differently, so there's no one model that works for everything," said Schurz pres/CEO *Todd Schurz*. Like the other operators on the Indy Show panel, Schurz Communications has been reluc-



## CONGRATULATIONS TO ALL THE HONOREES!

Cablefax's 2019 Top Ops Magazine is tipping its hat to the operators that have hit it out of the park this year including MSO of the Year Altice USA and Independent Operator of the Year Vast Broadband.

Read the digital version and check out the shareable profiles at [www.CablefaxTopOps.com](http://www.CablefaxTopOps.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 ● 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

tant to dive into CAF funding and other government broadband grant programs. Rather than be the applicant for that money, it's allowing its partners to take that role and it steps in as the service provider. Another piece of advice was to make sure independent operators are capitalizing on the personal support they can offer. About four years ago, Buckeye created its own version of the Geek Squad called Brainiacs. It's in the process of rebranding its retail stores from Buckeye Broadband to Brainiacs and calling them tech hubs. Employees can solve a variety of problems, including a cracked smart phone screen. Anyone can use the tech hubs, but Buckeye Broadband customers will pay a lower price. "Most of our competitors are going to support service right up to the demarc, to the side of the house. To the modem, if they are one of our cable broadband competitors," Shook said. "We can support to the tip of the fingertips."

**Altice USA, CBS Sign Retrans Deal:** CBS may be nine days into its retrans dispute with AT&T, but that's not stopping it from successfully negotiating with other providers. CBS and Altice USA have agreed to a multi-year content carriage agreement that covers retrans consent for CBS-owned stations and carriage of **Showtime, CBS Sports Network, Pop TV and Smithsonian Channel** on the **Optimum** and **Suddenlink** systems. Altice will also be allowed to continue offering the Showtime streaming service to its broadband customers. Financial terms of the deal were not revealed.

**Indy Show Notebook:** You can't have independent operators gathering in Chicago this week without some retrans talk. When asked about AT&T's \$500m investment in broadcast streaming app **Locast**, Buckeye Broadband's *Geoff Shook* said that's "sofa cushion" money for the telco giant. He characterized it as a "very tepid entry" to gauge the response. "It's like a teenager trying to figure out what their real curfew is," Shook quipped. -- As **Sprint's** largest affiliate, Shentel has a front-row seat for 5G and is currently trialing the tech. That doesn't mean its abandoning its other businesses. "It's really unclear to us as a mobile operator what the mobile use case will be," said Shentel evp/COO *Dave Heimbach*. "We don't perceive it personally as a big threat to our terrestrial cable business or our fiber business because our subscribers on our cable networks use 20x the data every month than our mobile subscribers." -- Lunch included **NCTC's Frank Hughes** accepting **Cablefax's** Lifetime Achievement Award. Hughes is just a few weeks into his retirement and just short of 27 years with the organization. Cablefax also recognized **Vast Broadband** on stage with its Independent Operator of the Year Award. Read all about Vast, Hughes and are other honorees in the just-released **Top Ops issue** of Cablefax: The Magazine. -- **ACA Connects** took the opportunity to announce new leadership to its board, naming **Boycom Vision** pres *Patricia Jo Boyers* chairman of the org, and *Mike Bowker*, COO of **Cable ONE**, was tapped as vice chmn. The pair were elected for a period of one year, the remaining time period of former

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chmn *Robert Gessner's* time after he retired in April as chmn and pres of **MCTV**. -- Vast Broadband CEO *Jim Gleason* received the ACA Connects Chairman Award, recognizing his tenure as chmn of the group from 2002-2006. **ImOn** CEO *Patrice Carrol* was recognized for her leadership in PAC fundraising with the ACA PAC Award, while **Crown Media/Hallmark Channels** received the ACA Connect Partnership Awards. ACA gave a special salute to Crown's *Christine Delestowicz, Patrick Van De Wall* and *Erin McIlvain*.

**DISH Likely to Leave Fox RSNs Off Lineup:** It's been a summer full of carriage and retrans disputes, and **DISH** is suggesting that the blackout of 21 **Fox** RSNs on **DISH** and **Sling** could be a permanent one. During the company's 2Q19 earnings call at our deadline, **DISH** evp *Warren Schlichting* said that he has made a recommendation to chmn *Charlie Ergen* to leave the RSNs off the service long-term. Ergen said that while he would like to engage in a business relationship with **Sinclair**, the new owner of the RSNs, it doesn't make sense when looking at viewership data and the demographics of **DISH** or **Sling**. He'll be taking it to the board later this week to make a final decision. "It doesn't look good that regional sports will ever be on **DISH** again," Ergen said." Looking at the business it already has, **DISH** ended the quarter with \$3.21bln in revenue. Net income dropped to \$317mln compared to \$439mln YOY. Pay TV subs fell by 31K, leaving **DISH** with 12.03mln subscribers total (including 2.47mln **Sling** subs). That's up from a 151K drop in 2Q18 which saw **DISH** caught in a carriage dispute with **Univision**. That dispute ended in March, but pres/CEO *Erik Carlson* wasn't ready to make a statement related to how many customers have returned to **DISH** following the dispute's resolution, only saying that **DISH** is making "good progress" in its partnership with **Univision**. As for **DISH's** continued **HBO** blackout, it doesn't seem like the premium net will be back anytime soon. "We just don't have a relationship with **AT&T**," **DISH** chmn *Charlie Ergen* explained.

**Getting Generational at Indy Show:** With this year's Independent Show branching into issues operators face, including their workforce, attendees got a dose of HR advice from keynote *Jason Dorsey*. As a leading expert on Gen Z and Millennials, he gave tips on how to hire across these younger generations. It's key to have an intriguing first sentence in a job description. Then provide specific examples of what performance employers expect, and finally give more frequent feedback, he advised. "Millennials and Gen Z need much more frequent feedback at work. If you only give annual reviews, change the name. Call them 'exit interviews,'" Dorsey said. He also offered some insights that could help with reaching out to customers. "In this industry, it's all about connecting and influencing," he explained. The number one trend that shapes generations that isn't often discussed is parenting, and the second is technology. "What we have covered at our research center is that every generation has a natural relationship with technology that is largely driven by our age. Our relationship with technology is invisible until we're forced to interact with people of a different generation, then it shows up," he said.

**Winfrey Promotion Leads to Charter Finance Flip:** **Charter** is revamping its finance department as CFO *Chris Winfrey* expands his responsibilities to include **Spectrum Enterprise** and **Spectrum Reach**. *James Nuzzo*, evp, financial and business planning, will now also oversee **Charter's** business intelligence and corporate services functions. *Charles Fisher* has been upped to evp, corporate finance & development. Investor relations will now also fall under *Fisher's* purview. *Kevin Howard* has been upped to evp, chief accounting officer and controller.

**TDS TV+ Receiving a Little Help from Arris:** **ARRIS** and **TDS Telecom** have teamed up to deploy an Android TV set-top solution for its cloud TV platform, **TDS TV+**. **TDS** plans to launch the IP video delivery solution later this year, beginning deployment in its cable footprint in central Oregon.

**AT&T Tapped to Update DOJ Tech:** The **DOJ** has picked **AT&T** to modernize its communications platform, which supports more than 120K employees across more than 2100 locations. The fully-managed solution includes IP voice, data, cloud access and professional services. It will also include access to **AT&T's** mobility network and **FirstNet**. The work is valued at approximately \$984mln over 15 years.

**Honors:** The nomination deadline for **MFM-BCCA's** People to Watch in 2020 has been extended until Aug 2. The program recognizes financial managers who are advancing the profession's role in the media industry.

**People:** *Benjamin Moskowitz* is joining **Consumer Reports** to direct its Digital Lab initiative. Moskowitz will oversee the lab's work to expand **Consumer Reports'** work on privacy and digital security. Moskowitz previously served as director, development for innovation at the **International Rescue Committee**. -- Former **BET** CEO/chmn *Debra Lee* has joined **AT&T's** board, upping the board's number from 12 to 13. -- **AccuWeather** has hired *Scott Mackaro* as its vp, science & innovation. Mackaro has held roles at the **National Oceanic and Atmospheric Administration** and **ClearAg** and is very active with the **American Meteorology Society**.

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