

# Cablefax Daily™

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What the Industry Reads First

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## Ready to Bid: Comcast Gets Greenlight for CBRS Auction

**Comcast** has a shot at winning some of the more than 22K licenses that will be offered up in the **FCC's** upcoming auction of Priority Access Licenses in the 3.5 GHz CBRS (Citizens Broadband Radio Service). This week, the Wireless Telecom Bureau granted it a waiver to participate even though it has a controlling interest in fellow auction applicant **Midco** (the SD operator is 50% owned by Midcontinent Communications Investor and 50% owned by Comcast Midcontinent, an indirectly owned subsidiary of Comcast). "Comcast and Midco have sufficiently demonstrated that, should they both apply, they will operate independently in the auction based on Comcast's lack of management and decision-making control over Midco and the additional internal controls on communications they assert they have agreed to. Accordingly, we find that waiver of the rule is warranted because it will not undermine the rule's purpose and will serve the public interest," the Bureau said. Comcast's participation wasn't contested. The only comment in the proceeding came from **NCTA**, which naturally supported allowing its largest member to bid. The FCC has delayed the CBRS auction until July 23, with upfront payments due June 19. **The Besen Group**, an international mobile industry data management consulting firm, has estimated that the spectrum auction will bring in \$3.8bln with the average cost of \$0.17 for MHz-POP for the continental US and Alaska. It has developed a spectrum evaluation tool for enterprises interested in participating in the auction. Among cable operators, **Charter** has been pretty vocal in its interest in using CBRS technology to offload mobile data traffic from its MVNO with **Verizon**. "The CBRS spectrum really allows for a more efficient use of the mobile platform, at least the way we look at it," Charter CEO *Tom Rutledge* said during the company's 1Q20 earnings call last week. He was asked if the FCC's decision to free up 1200 MHz of 6 GHz spectrum for WiFi would impact its valuation of CBRS. The short answer is no, with 6 GHz to be used more in the home for a whole new set of wirelessly delivered products (all part of cable's pitch as a connectivity provider). "Although [CBRS] could be used indoors as well," Rutledge added. "We see them as separate notions and separate values and ... one hasn't affected the other." Charter has conducted trials across the country exploring fixed and mobile wireless access technologies using CBRS spectrum, including fixed trials focused on developing a rural broadband solution. Midco also has been active in CBRS testing and plans to use CBRS spectrum to deploy high-speed fixed LTE wireless broadband throughout its rural footprint.

## THE FAXIES

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**1Q – How Bad Was It?:** Pretty bad for pay TV. **MoffettNathanson** issued a report Friday running down the numbers: traditional pay TV subs fell by a record 1.8mln in 1Q20, bringing the annual rate of decline to a record 7.6%. At 63% of occupied households, traditional pay TV penetration has reached a level not previously seen since roughly 1995. Satellite TV lost more than 1mln subs for the third consecutive quarter, for a 14.3% annual rate of decline. “Cable’s decline of 0.6M subscribers in the quarter, for annual growth of -4.0%, looks positively gentle by comparison. But it, too, was the worst on record,” the report said. Virtual MVPDs were not the beneficiaries, with MoffettNathanson estimating they lost around 341K subs in the quarter. The firm raised the notion of a death spiral for the entire category. “Seeing the declines, media companies will inevitably direct their best content to their SVOD and AVOD lifeboats, impoverishing the already-declining cable network category. This will only accelerate the decline,” the analysts wrote.

**Univision 1Q Earnings:** Univision’s reported lower 1Q earnings, with net income falling to \$11.7mln from \$23.3mln. Like most major media companies, the programmer saw a drop in advertising revenue (down 2%), which CEO *Vince Sadusky* attributed to the COVID-19 pandemic. The loss of sports, particularly soccer, hit ad revenue particularly hard, with June’s Euro 2020 postponed until 2021. “Even though sports is having the most significant impact on us, from an EBITDA impact it’s not all that significant versus the negative impact on ad revenue,” Sadusky said on an earnings call Friday. Political and advocacy revenue hit a record of \$20.9mln in 202, compared to \$3.9mln in the same time period. Though there has been a drop-off for Q2, Sadusky remains confident that political advertising will make a strong return in the second half of the year. However, it wasn’t all doom and gloom, as revenue increased by 8%, which Sadusky said was the most significant EBITDA increase in more than four years.

**Roku Surpasses 40 Million Users:** Roku is one of the lucky few to benefit from the COVID-19 pandemic, adding 2.9mln active accounts in 1Q20 and surpassing the 40mln active account milestone in April. Streaming hours grew 80% YOY in April, and Roku CFO *Steve Loudon* said on the company’s earnings call that it has seen an increase in SVOD trials and subscriptions. On the other hand, Roku’s ad business has seen cancellations due to the general decline in marketing budgets. Still, the disruption to the traditional TV upfronts and the pause on programming production has Roku hoping more marketers will begin pointing their dollars in its direction. “We think our offer is especially strong and the stats and the shift in consumer behavior during COVID speak to just how important it is for marketers to move money to reach consumers who are no longer reachable in linear television,” svp/general manager, platform business *Scott Rosenburg* said.

**Federal Officials Up in Arms Over Ligado:** US military officials are still fighting the FCC’s approval of Ligado’s request to launch a 5G network, claiming that the conditions the Commission placed on the deal will not protect GPS from interference. In testimony to the **Senate Committee on Armed Services, Department of Defense CIO Dana Deasy** said the department reviewed the details of the FCC’s decision and found that the final order did not alter its findings that the FCC should have denied Ligado’s request. It also conducted tests simulating the conditions the agency said it would place on Ligado and still found there would be disruptions to GPS. “The Department supports the President’s 5G goals, however, we need to ensure that regulatory decisions that increase wireless industry access do not do so at the expense of GPS user requirements,” Deasy said.

**Spectrum Reach, Waymark Team Up:** Charter’s ad sales business **Spectrum Reach** partnered with **Waymark** to offer free custom marketing videos to every business and entrepreneur in the country through May 31. To date, over 3.1K videos have been produced from the offer. Spectrum Reach is also offering 20% off to any business that uses their new Waymark commercial to buy their first TV campaign.

**Cable in Top Companies for Diversity:** *DiversityInc* released its annual Top 50 Companies for Diversity list, and several industry players made the cut. **Comcast NBCU** came highest on the list at No 7, with **Cox** and **Nielsen** also breaking into the top 20. In specialty lists, **AT&T** was recognized as the No 1 company for employee resource groups, and Comcast, Cox and AT&T were all recognized as top companies for LGBT employees.

**People:** **Andrew Walther** has been named pres/COO of **EWTN News**, effective June 1. Walther most recently served as vp, communications and strategic planning at the Knights of Columbus.

## Cablefax Dashboard

### Hero of the Week



**Reya Sehgal, ViacomCBS Velocity:** Sehgal, manager of cultural intelligence for ViacomCBS Velocity, saw an opportunity to support her neighbors in this time of extreme need through Bed-Stuy Strong, a mutual aid network and support group in Bedford-Stuyvesant, Brooklyn. Bed-Stuy Strong gives local residents an opportunity to provide and seek support through grocery deliveries, personal protective equipment (PPE) sourcing, virtual hangouts, bread baking tutorials and much more. As a group volunteer, Reya dedicates her free time to calling members of her community who are elderly, immunocompromised or those unable to pay for essentials like food and medical supplies and connects them with fellow volunteers that can provide resources and assistance. In addition to fielding calls, she also goes out of her way to purchase and distribute groceries for her neighbors in need who cannot leave their homes.

### Tweet Tweet

**Joy Sims** @JoySims

Live tennis kicks off now! on @TennisChannel from a private court in Florida with several top 50 players. Social distancing precautions, no spectators, no line judges and no ball kids. Women take the court for a mini tourney in 2 weeks.

Tennis Channel @TennisChannel 1h  
Live tennis is BACK with...

@TommyPaul1  
@HubertHurkacz  
@ReillyOpelka  
@MackenzieMcNisic

Hear them speak about the anticipated return to match play.

Watch live, 12pm ET = tennis.ch/app  
@MyUTR | #UTRProMatchGenes

**Cass Anderson** @casspa

Former MTV VJ Kurt Loder turns 75-years-old today. How old do you feel right now?

### Research

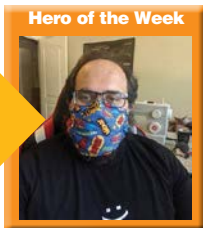
- Two-thirds of consumers believe home internet providers (64%) and mobile phone/wireless providers (66%) are performing well in the current crisis.
- Some 32% of households say they are concerned about their current home internet service in terms of reliability, speed and connection.
- 24% of those households contacted customer service since the beginning of the crisis, mainly for issues around network reliability and performance.
- While 63% of consumers are currently happy with their internet service, 16% are still considering switching soon. **(Source: EY)**

### Quotable

“Three months ago, I could have answered any questions about my business. I don’t know now, but I can tell you this: I’m dying for live sports... live fans is a big part of any sport. I think it’s what makes it so exciting and so fun whether you’re there live or watching on TV, but the reality is we’re in a position now where you can’t have fans there. I think people just want to see some live competition... I feel bad that [the MLB and NFL] can’t come back... Listen, it’s expensive. You’re going to lose your live gate, which is millions and millions of dollars... And it’s going to cost you a lot of money now to put on the sport, to make sure that it is safe. It can be done. The question is are they willing to do it. – **UFC pres Dana White** on **CNBC’s Closing Bell**

## We Want to Feature Your Heroes!

On Fridays, Cablefax will feature a local hero. We’re looking for stories of employees who are going above and beyond. Maybe they are volunteering in their community, sewing mask covers for hospitals, spearheading supply donations, etc.



Please send a photo and 150-200 words about the person to [amaclean@cablefax.com](mailto:amaclean@cablefax.com)

Contact Olivia Murray at [omurray@accessintel.com](mailto:omurray@accessintel.com) to sponsor this feature section