

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Deal Talk: RCN/Wave/Grande CEO Dissects \$8.1bn Stonepeak Deal

News broke Sunday that **Stonepeak Infrastructure Partners** is buying **Astound Broadband** (made up of **RCN**, **Grande**, **Wave** and **enTouch**) for \$8.1bn (\$3.6bn in cash and \$4.5bn of assumed debt) from private equity firm **TPG** and management company **Patriot Media**. Astound has more than 1m customers across Chicago, Eastern Pennsylvania, Massachusetts, NYC, Northern California, Oregon, Texas, DC, and Washington, and is the sixth largest US cable company.

The Patriot team will continue to run the company after the deal closes, which is expected to happen in 2Q21. Patriot CEO *Jim Holanda* told **CFX** that he views the transaction as a positive for the industry. “I think private equity infrastructure investors—that by their nature maybe have a longer-term time horizon than regular private equity investors—realize the value of the assets that underlie these networks, in terms of fiber and conduit rights and strand. This is infrastructure that is very difficult to replicate or go build in a cost-effective manner,” he said, pointing to recent deals between **Digital Colony** and **EQT** for **Zayo** and **Lightpath** and the **Altice USA** partnership with **Morgan Stanley Infrastructure**.

Stonepeak’s deep pockets could also help Astound make some more acquisitions. It closed on Houston-based **enTouch** with its 22K customers about five weeks ago, and it recently filed with the **FCC** to buy a small fiber company in central

California called **Digital West**. “They [Stonepeak] bring a lot of money and horsepower. They had raised a big fund two years ago and just finished completing another even larger fund as we speak,” Holanda said. “Our ability to continue to grow through small M&A and more transformational M&A, and our ability to continue to be able to expand our residential and commercial fiber networks into more areas close to where we already do business is where Stonepeak is going to be very advantageous.”

With the drama that’s unfolded between Altice USA and **Cogeco**, it may not seem like there’s much on the market. But the Astound team sees things differently, looking to forge a path similar to **Cable One**, which recently brokered deals for fiber providers, fixed wireless ISPs and a stake in **Mega Broadband Investments** that could grow to be the whole enchilada. “There are still 740-member companies within **NCTC**. I don’t think the rest of the world knows there are that many small- and medium-size cable companies that are still out there, and many of them are family owned. You add to that layer the smaller or regional fiber players, and there are a lot of those as well,” Holanda said. “I think there are M&A possibilities. Obviously, nothing of the scale of when we put RCN and Grande together and added Wave. But I think there could be some exciting opportunities.”

While many might consider Astound an overbuilder, Holanda said that 50% of the company is an incumbent cable operator. Like many of its peers, it has emphasized broadband for



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some time now. “We became very broadband centric five years ago, when we knew DOCSIS 3.1 was coming out and we knew we had a path to probably be the first in all our markets to execute on that strategy,” Holanda said. “Video becomes less important, and in that regard, we have less exposure. Only a third of our customers even still take video.”

Don’t take that to mean Astound has given up on video though. It was an early adopter of **TiVo** Stream and sells streaming apps, including **Sling** and **fuboTV**, to its customers. “We were the first to have launched our entire channel lineup in IPTV format in all of our RCN markets. And Grande is getting ready to launch here in the fourth quarter. Wave will launch early next year,” the CEO said. “We continue to try and be innovative and embrace these varying video technologies so we maintain and win the broadband connection into the home because that really is the core business.”

**AMC NETWORKS PREDICTS 5 MILLION SVOD SUBS**

**AMC Networks** is expecting to report 5-5.5mln paid SVOD subs by the end of 2020, the company reported as part of its 3Q20 earnings Monday. In terms of revenue, AMCN’s streaming biz will generate approximately \$200mln, a roughly 100% increase YOY. AMC Networks CEO *Josh Sapan* identified the company’s MVPD partners as a huge area of opportunity for its streaming services, particularly **AMC+**, a rebranded version of **AMC Premiere** that just launched in June. “We think that we are particularly well-suited to bring our content to bear in service of MVPDs’ evolving needs as they themselves expand their businesses to capture opportunities not only in traditional bundled linear video, but also to the broadband-only subscrib-

ers, which are growing,” Sapan said during Monday’s earnings call. AMCN COO *Ed Carroll* was questioned about the rationale of AMC+’s price point, which can vary dramatically depending on pay TV operator. **Comcast** subs can get the service for \$4.99/month, for example, while **Amazon Prime Video** customers must pay \$8.99/month. “We did a fair amount of modeling and determined that \$8.99 was the right introductory price point and will be migrating some of those AMC Premieres at lower price points to higher price points over time,” Carroll said, adding the discount for Comcast makes sense after all the work the operator did as a co-architect of the concept of taking AMC content and making it available in a binge-friendly format. At the end of the day, Carroll said it is the power of the content and the passion of fans of shows like “The Walking Dead” that allows AMC+ to own its \$8.99/month ticket price. “It’s the Comic-Con crowd that has embraced our zombie series and shows like ‘Preacher’ and ‘Into the Badlands’ and ‘A Discovery of Witches,’” he said. AMCN saw total revenue drop 9% to \$654mln in the quarter, with revenue at its national networks falling more than 17% to \$462mln. Domestic ad revenue fell 15.5%, a drop AMC said is due to the impact of the COVID-19 pandemic and the timing of the airing of original programming.

**LLA COMPLETES BUY OF AT&T PUERTO RICO**

**Liberty Latin America** completed its acquisition of **AT&T**’s wireless and wireline operations in Puerto Rico and the US Virgin Islands on Saturday. AT&T is receiving \$1.95bln in cash for the assets. “This is a great day for Liberty Latin America, the employees that will be joining us from AT&T, and most

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importantly the consumers and businesses in Puerto Rico and the US Virgin Islands who will realize the benefits of this transaction,” Liberty Latin America pres/CEO *Balan Nair* said in a statement.

### CONNECTING PUERTO RICO

The **FCC's** Wireline Competition Bureau announced Monday that funding through Stage 2 of the Uniendo a Puerto Rico Fund will result in all locations in Puerto Rico having access to fixed broadband service with speeds of at least 100Mbps. Nearly one-third of those locations will have service with speeds of at least 1Gbps. **Liberty Communications** and **Puerto Rico Telephone Company** won \$71.54mln and \$55.56mln, respectively, through the Uniendo a Puerto Rico Fund to provide high-speed broadband access to more than 1.2mln locations. “As most people know, the island has suffered so much devastation to communications infrastructure from hurricanes in recent years, and even before that, connectivity was a challenge for many,” FCC chmn *Ajit Pai* said in a statement. “Our decisive actions to enable the deployment of resilient, next-generation broadband networks throughout Puerto Rico reflects our determination to close the digital divide, which has been my top priority since becoming Chairman.”

### GET OUT THE VOTE

The last day to vote in the 2020 general election is Tuesday, and networks are doing everything they can to get out information to vote. “This is something we’ve always done, but the environment right now is divisive,” said *Judi Lopez*, SVP of content marketing & distribution for **Fuse Media**. “With what’s going on, our audience is looking to brands and networks that are speaking to them and connecting to them, and this has been an extraordinary election cycle, and we want to make sure we’re getting out the information everywhere.” **OWN** has been hosting virtual town halls with *Oprah Winfrey* in battleground states as part of its “OWN Your Vote” initiative. *Joe Biden* made a surprise appearance in the one featuring voters from Pennsylvania, Michigan, Minnesota, and Ohio. Even the streamers are working to get out the vote. **HBO Max** is offering a free viewing of “A West Wing Special to Benefit When We All Vote” for non-subs, working to remind everyone of the power of their vote. While there are a lot of voting efforts out there, programmers are trying to focus on their wheelhouse. At Fuse, that’s included drilling down on LGBTQ+, Latinx advocacy, immigration rights and climate change through a town hall. “When you program to and your mission is to target an underserved audience, and a young one, they’re looking for speakers and talent who are credible, and long-time activists on these subjects,” said Lopez. Over at **Telemundo**, the Spanish-language programmer has been polling Latinx voters in battleground states as part of its “Decision 2020” initiative. On election night, the net will have broadcast coverage from 7pm-3am and its digital news team will provide multimedia content throughout the day with real-time updates.

### DISH TAPS INTEL FOR 5G O-RAN

**DISH** is partnering with **Intel** to integrate the latter's 5G in-

frastructure technology into DISH's buildout of its open radio access network. DISH has selected the Intel Xeon scalable processor, the Intel Ethernet 800 Series network adapter, the Intel vRAN Dedicated Accelerator ACC100 and Intel's FlexRAN software reference architecture for its deployments. The two companies are also collaborating to enable edge applications for enterprises and driving O-RAN standards, and are cooperating in the areas of data optimization and machine learning for future phases of the network buildout.

### ANTIETAM HELPING WITH AMBER ALERTS

**Antietam Broadband** has become a secondary distributor of AMBER Alerts. Effective immediately, all field technicians will receive AMBER Alerts on their company issued devices when there is an active alert in Maryland, DC, Virginia, West Virginia and Pennsylvania.

### RATINGS

**Fox News'** pre-election coverage on Sunday delivered the highest-rated average for a pre-election Sunday in network history in total day and primetime, according to early Nielsen numbers. From 8-11pm ET, special editions of “Tucker Carlson Tonight,” “Hannity” and “The Ingraham Angle” averaged 3.9mln viewers (up 58% from 2016) and 768K in the A25-54 demo (up 32% from 2016). In total day, FNC beat **CNN** and **MSNBC** combined in total viewers, delivering 2.2mln.

### PROGRAMMING

**AMC's** annual “Best Christmas Ever” programming is back this year with a slate of 835 hours of holiday classics airing every day from now through Dec 25. This year, streaming service **AMC+** will also feature select holiday films and exclusive specials during that time. – **Haystack News** introduced 16 24/7 live channels on its AVOD platform, just in time for the election. Now viewers can watch news from channels such as **ABC News**, **CBSN** and select local broadcasters.

### PEOPLE

**Crown Media Family Networks** named *Hilary Silverboard* svp, brand strategy. In the newly created role she'll lead all strategic brand initiatives and oversee the development and execution of creative brand assets. She comes over from new CEO *Wonya Lucas'* old stomping ground, **Public Broadcasting Atlanta**, where she served as chief marketing and development officer. – **Captify** tapped *Brendan Condon* as its global CRO. He was most recently the CRO for **Comcast Cable's Effectv**. – *Kamala Avila-Salmon* is joining **Lionsgate Motion Picture Group** as its first head of inclusive content. She previously launched a marketing inclusion team within the consumer marketing team at **Facebook**.

### EDITORS NOTE

Notice something a little different? We hope you find the redesign easier to read. Another change is that the issue date now matches the date that **CFX Daily** hits your inbox. – **Cablefax's** Program Awards are [open for entries](#), and we're ready to recognize powerful programming across every content niche! Entries are due Nov 30.