

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

No Longer Quiet: Winners of FCC's RDOF Auction Start Making Plans

The quiet period for the **FCC's** Rural Digital Opportunity Fund auction has ended, with the winners of \$9.2 billion in support from Phase 1 starting to open up about their plans. **Charter**, the auction's biggest winner with 1.1 million locations and \$1.2bn in subsidies over 10 years, announced Monday it expects to invest approximately \$5 billion (offset by the RDOF support) to expand its network to lower-density, mostly rural communities and offer starting speeds of 200Mbps with 1Gbps access.

Charter said it expects to hire more than 2,000 employees and contractors to support the RDOF and future rural buildout initiatives. In addition to Charter's ongoing network expansion, the RDOF program alone will drive a 15% increase in the company's network mileage coverage while expanding service to more than 1 million previously unserved homes and businesses across 24 states as estimated by the FCC.

"The upfront investment will likely pressure free cash flow per share estimates over the next several years as Charter fulfills its buildout requirements; however, the near-term impact is modest and FCF per share growth will accelerate after the build phase is complete," **New Street Research** said.

Other RDOF winners **Cablefax** spoke with offered some detail on their plans. **Mediacom**, which won \$2.25 million in support over the 10-year period, plans to use the CBRS spectrum it won last year to offer a fixed wireless product with a top speed of 100Mbps by 20Mbps. The company plans to

leverage existing towers where possible and build some new towers to fill in any holes.

Cox said the \$6.6 million in support it won in the auction is to provide the highest level of service supported by RDOF (1Gbps/500Mbps). "Participating for the first time in an FCC broadband expansion auction—the Rural Digital Opportunity Fund auction—provided us with an opportunity to expand our network into currently unserved areas and to connect existing hard-to-reach areas," a spokesperson said. "Through broadband expansion programs like RDOF, public-private partnerships, and our low-cost Connect2Compete program, we remain committed to helping bridge the digital divide and create stronger, connected communities."

Midco was awarded 133 eligible areas in the RDOF auction, totaling 6,506 locations. Over the next 10 years, RDOF will award Midco more than \$4.9 million. "We're pleased with our auction results, knowing how vital our services are to people living in more rural areas. In addition, the 133 RDOF areas align with our strategy to grow," said Midco's director of corporate development *Steve Bruch*. All 133 of Midco's areas will receive wireline service, with most receiving 1,000/500 Mbps.

CenturyLink won more than \$262 million in support in RDOF Phase 1. "As a disciplined company, we only pursued Rural Digital Opportunity Fund obligations where we could deliver great broadband service economically," a spokesperson said Monday. "We look forward to using fiber to deliver gigabit service to many currently unserved households across America

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via RDOF. We continue to focus on delivering the services our customers want across our world-class network.”

Windstream's support totals \$523 million as it seeks to bring FTTH service to nearly 200,000 homes in 18 states over 10 years. “This is an exciting expansion of our long-term fiber build plans, enabling us to bring gigabit-speed broadband to rural communities that would have been too expensive to serve without a public-private partnership,” said *Jeff Small*, president of Windstream's Kinetic business unit, said in a statement. Windstream said it also has met its obligations under the Connect America Fund Phase II program. Separately, Windstream is embarking on a nearly \$2 billion initiative to continue expanding its fiber footprint and gigabit services.

Friday was the deadline for winners to submit long-form applications to the FCC. A bipartisan group of 157 members of Congress have called on the Commission to thoroughly vet the winning bidders in Phase 1 to ensure they have the technical, financial, managerial, operational skills, capabilities and resources to deliver the services promised. No specific companies are singled out, but it's a safe bet some of those questions will be aimed at *Elon Musk's* fledgling **Starlink**, which won nearly \$886 million for delivery of broadband by satellite. **SpaceX** began a public beta trial of Starlink in October, with service costing \$99/month plus \$499 in upfront costs. SpaceX did not respond for requests for comment.

SMALL ISPS GONE FROM NETFLIX SPEED INDEX

Netflix's ISP Speed Index has returned, but the smaller ISPs who once dominated it did not. Netflix paused its monthly ISP speed index in February last year, with the streamer saying it

would instead focus on work with governments and ISPs around the world to temporarily reduce strain on telecom networks during the pandemic. The index is now back, but with some changes—most notably it now includes only broadband ISPs that consistently have >1% of Netflix view hours in the country. That eliminates companies like **Hotwire**, which ranked as the fastest ISP in the US since September 2018 save for February 2020 when Texas-based phone cooperative **GVTC Fiber** stole the crown. Both Hotwire and GVTC were clocking average speeds of more than 5Mbps. On the new Netflix index, it was a seven-way tie for first place with **Comcast, Cox, Mediacom, Optimum, Spectrum, Suddenlink** and **Verizon Fios** all averaging 3.8Mbps. **AT&T U-verse** was next at 3.6Mbps, followed by Verizon DSL, Frontier and **Windstream** at 3.4Mbps. Netflix didn't respond by our deadline as to why it made the changes.

GRAY PURCHASES QUINCY STATIONS

Gray Television entered into an agreement to acquire **Quincy Media** for \$925 million in cash. Quincy is a family-owned media company that owns and operates television stations and local digital platforms in 16 markets, primarily those in the Midwest. In an effort to fast-track the regulatory approval process, Gray is divesting six Quincy stations in markets in which Gray also owns a full-power television station. Upon the transaction's closing, Gray will own television stations serving 102 television markets that collectively reach 25.4% of US television households. In addition to the stations, Gray will acquire Quincy's Heroes & Icons affiliate WSJV in South Bend, Indiana, as well as WGEM(AM)/-FM in Quincy, Illinois. It will not acquire Quincy's newspaper operations, which will

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be divested prior to the deal's closure. The deal is expected to close by the end of 3Q21.

MEDIACOM ASKS HEAVY USERS TO CALM DATA USE

Mediacom is contacting heavy uploaders and asking them to make changes to their current usage levels or face certain consequences. "This letter serves to inform you that your account's usage is greater than 99.5% of all Service customers," one letter received by **Stop the Cap** stated. "Due to your excessive use, you are negatively impacting Mediacom's network and other users of the Service." The operator said it is a violation of its acceptable use policy to use excessive bandwidth that places an unusually large burden on the network and that it has the right to impose limits on excessive consumption via any means currently available. Mediacom said this is something that it has done for years and doesn't impact the vast majority of its customer base. "It is really a very small group of customers who are regularly using excessive amounts of upstream or downstream bandwidth that have been contacted," a Mediacom spokesperson told **CFX**. "Our outreach to them is intended to be educational and help them manage the issue."

GOOGLE FIBER ADDS 2 GIG CITIES

Google Fiber is now offering 2 Gig service in Atlanta as well as Utah's Provo and Salt Lake City. They join Nashville and Huntsville in offering the new service, which retails at \$100 a month vs the \$70 monthly charge for 1 Gig.

UNIVISION DOUBLES DOWN ON AVOD WITH VIX

Univision has acquired **VIX**, an AVOD service that offers video-on-demand content to US Hispanics and consumers throughout Latin America. Univision is launching its own AVOD, **PrendeTV**, within the first quarter and VIX will be integrated into the service in the US. VIX CEO *Rafael Urbina* will now serve as Univision's gm/evp, AVOD Streaming, reporting to chief digital officer *Sameer Deen*.

DIGITAL DIVIDE

The **World Economic Forum** launched the **EDISON (Essential Digital Infrastructure and Services Network) Alliance** with a global mission of accelerating digital inclusion and addressing inequality. **Verizon** CEO *Hans Vestberg* will serve as chair of the Alliance and board. Other board members include **Mastercard** executive chair *Ajay Banga* and **Vista Equity Partners** CEO *Robert Smith*. The Alliance is also supported by a group of "Champion Leaders," that includes execs from **Alphabet/Google**, **American Tower** and **Ericsson**.

FCC SEEKS COMMENT ON E-RATE

The **FCC** is seeking comment on several petitions requesting permission to use E-Rate program funds to support remote learning during the pandemic. The E-Rate program provides universal service discounts on broadband services for eligible schools and libraries, and the petitions are seeking emergency relief so those facilities can assist students who lack internet access at home. "We need to get to work to update E-Rate funding so all our students can be connected to virtual classrooms, no matter who they are or where they live," acting FCC chair *Jessica Rosenworcel* said in a statement. Democratic lawmakers

have asked the FCC to change the E-Rate program to allow it to provide funding for in-home connectivity and connected devices at different times throughout the pandemic, but former chmn *Ajit Pai* argued that language in the Communications Act directs E-Rate funds to be provided for connectivity in classrooms alone.

A+E TRANSITIONS TO TOTAL AUDIENCE

A+E Networks Ad Sales announced their intent to transact on a Total Audience currency leading into this year's upfront negotiations. The network group representing **A&E**, **Lifetime** and **History** will be outlining new primary audience guarantees against A18+ with partners ahead of its virtual upfront on March 3.

NCTI, NCTC INK DEAL

Training firm **NCTI** boosted its deal with **NCTC**, offering the co-op's members exclusive training features and new or returning members get 90-day access to deep-seated discounts on select courses. "With our new agreement, members gain special access to co-produced webinars and quarterly educational programming focused on their needs and interests," said NCTI CEO *Stacey Slaughter*.

VERIZON BACKING SMALL BUSINESS

Verizon will kick off its program to help small businesses cope with the pandemic through Super Bowl afterparty "The Big Concert for Small Business," Sunday at 11pm ET. The concert, featuring *Alicia Keys*, *Brandi Carlile*, *Eric Church* and others, will be livestreamed on Yahoo, Fios, @Verizon on Twitter, Twitch, YouTube and TikTok, and broadcasted on **BET**, **CBS Sports Network**, **CMT**, **MTV2** and **MTV Live**. Verizon is committing \$10 million to provide grants to small businesses through LISC, a nonprofit that invests in affordable housing, economic development, health, education and jobs nationwide, and will launch a customized multi-week training program for small business owners.

PROGRAMMING

National Geographic Documentary Films is developing a feature on infectious disease expert *Dr Anthony Fauci*. – New **Magnolia Network** originals are premiering on every Friday of February as part of the Magnolia Network Preview on discovery+. The first preview episodes will be added this week.

PEOPLE

Longtime **Golf Channel** president *Mike McCarley* will exit the network this spring, with his responsibilities to be assumed by other NBC Sports Group evps (*Will McIntosh*, *Molly Solomon* and *Tom Knapp*), *Sports Business Journal* reports. His exit follows the recent transition of all of Golf Channel's linear studio productions to Stamford. – **Crown Media Family Networks** upped *Casey Gould* to svp, ad sales and advanced advertising. The promotion will add the development and execution of strategic advanced advertising opportunities to Gould's purview, which already includes digital and linear sales. – **WWE** named *Christine Lubrano* as svp, creative writing operations. Lubrano launched **Lubrano Media** in 2019 and previously served as svp, original programming at **IFC**. – **Disney** veteran *Nancy Kantar* signed an overall development and production deal with **Netflix**. She'll be working to create both animated and live-action projects targeted at kids and families through her company **Available Light Productions**.