

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Moving Forward: Shentel Focusing on Broadband Expansion in 2021

Shentel is finally selling its wireless business to **T-Mobile**, and it plans to use the deal's proceeds to double-down on its broadband investments. It expects to receive approximately \$1.5 billion in after-tax proceeds, and a sizable portion of that will go towards its fiber and fixed wireless assets.

The company will be sharing its 4Q20 earnings later this month, but the management team revealed that it ended the year with approximately 230,000 homes passed. Shentel is one of many companies that benefitted from the broadband boom that came with the COVID-19 pandemic, and saw almost three times as many broadband net adds as it had in the prior few years.

"This transaction will allow us to fully focus our resources on our regional integrated broadband communications business," CEO/pres *Christopher French* said on an investor call Wednesday. "We plan to invest aggressively in our new Glo fiber and Beam fixed wireless broadband initiatives." He added that the company's mix of cable, fiber and fixed wireless technologies will allow it to serve approximately 700,000 homes in the coming years.

"We'd like to get to roughly 300,000 or so passings with our Glo fiber strategy across a several state region in the Mid-Atlantic... the balance of the target passings is for our Beam fixed wireless strategy," evp/COO *David Heimbach* said. "We have well over one million passing opportunities with our spectrum assets that we've acquired, but we're going to be targeting substantially less than that, mostly where there's

no cable or fiber."

Shentel has been a regular participant in **FCC** spectrum auctions, winning roughly \$500,000 in funding at the RDOF auction and 262 PALs in 74 counties in the CBRS auction.

Per Shentel's credit agreement, it will need to repay approximately \$702 million of outstanding term loans and swap liabilities and to terminate the respective agreements. It is also issuing a special dividend of \$18.75/share to shareholders which is expected to be paid in 2Q21 following the close of the Shentel Wireless transaction.

While Shentel couldn't go into much detail about the remainder of its discussions with T-Mobile, French did say that it will be providing tower co-location and backhaul services to the wireless provider on a going-forward basis. Towers have recently been gaining in value, but Shentel plans on holding onto that part of its portfolio for now. "Towers are not strategic to us, but they're very valuable," CFO/svp *James Volk* said. "In the event that we get into more transformative acquisition, we could certainly think about monetizing them at that point in time and allow us to avoid issuing equity."

The operator isn't interested in pursuing a more transformative acquisition in the near future, but it is exploring smaller opportunities that could be additive to its current business. "Our focus, generally speaking, is on properties that are reasonably adjacent to us geographically, unless there's a sizable one where it would make sense for us to leapfrog several states away," Heimbach said. "At this point, the fun-

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nel is mostly full of opportunities that are more adjacent and less transformational, but we're keeping a close watch there."

For 2021, Shentel offered revenue guidance of \$241-248 million with capital expenditures clocking in between \$157-168 million. Operating income guidance sits at \$7-14 million with adjusted OIBDA estimated at \$69-76 million.

BICKHAM PREPARING TO LEAVE CHARTER

Charter president and COO *John Bickham* announced he will retire at the end of 2022 when his contract expires. He was one of *Tom Rutledge's* first hires after he was named CEO of Charter in 2012. The two had worked together for several years at **Cablevision** and **Time Warner Cable**. "It has been a privilege to work alongside John for nearly 30 of his 35 years in the cable industry," Rutledge said in a statement. "He is widely regarded as one of the best operators in cable and has been instrumental in the successful integration of our three companies, and subsequent trajectory as the fastest growing cable company in the nation." Rutledge's contract with Charter was recently extended through 2024. With Bickham leaving, chief product and technology officer *Rich DiGeronimo* and CFO *Chris Winfrey* will take on additional responsibilities. Bickham has long been Rutledge's right-hand man. When Bickham was inducted into the **Cable Center's** Cable Hall of Fame in 2018, he told *CFX* that two have jived well over the years because of their similarities. "We came from similar backgrounds and we both started at the very bottom of the businesses we joined out of college," Bickham said. "We were both ambitious and willing to make big sacrifices to be successful along the way. We have similar thoughts about leadership and how to inspire leadership.

I think we complement each other in the sense that we each have strengths that complement each other's weaknesses." With the transition, *DiGeronimo* immediately adds oversight of Charter's ad sales business **Spectrum Reach**, which is led by evp *David Kline*. *Winfrey* will add operational leadership for sales and marketing, and **Spectrum Community Solutions** overseen by CMO *Jon Hargis* and *Adam Ray*, evp, Spectrum Community Solutions, respectively. *Winfrey* also will retain responsibility for **Spectrum Enterprise** led by *Bill Archer*. Bickham will continue to oversee the field operations, customer operations, network Operations, and FP&A and business planning teams.

COMCAST CONFIRMS OVERAGE CHARGE DELAY

Comcast already said it would hold off on any overage charges for data usage in the Northeast until August at the earliest, but it's more official now (we guess) with the Pennsylvania Attorney General announcing Wednesday that the operator agreed to delay charges for existing customers. AG *Josh Shapiro* also said that a result of their conversations Comcast will forgo the data threshold for Internet Essentials users, disclose data threshold info more prominently in the contract execution process and waive early termination fees through Dec 31 for anyone who entered into a contract before the caps were announced in November 2020. The rest of Comcast's footprint already has a 1.2 Terabyte data cap. Comcast announced it would expand the cap in 2021 to the Northeast, which also includes DC and Massachusetts.

NETFLIX DOMINATES GLOBE NOMINATIONS

Netflix once again was the award show darling, garnering 20 Golden Globe nominations Wednesday for TV series or programs. **HBO** was the runner-up with 7, followed by **Hulu**

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C-BAND AUCTION HITS \$30MLN
The FCC's C-band auction surpassed the \$30mln mark before Friday's last bidding round ended. Bidding is scheduled to continue through Round 45, which ends at noon ET on Dec 23. The auction will

an ongoing initiative made in partnership with @livingwellsat, to help bolster the works, messages, and careers of Black artists based in the network's hometown of Atlanta, Georgia: bit.ly/AS_ATLMP



intend to get groceries a kets (37%), buying gift local retailers (23%) a their favorite businesses and friends (24%).
(Source: Comcast Busine

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WHAT THE INDUSTRY READS FIRST

Dark Day: Powell Describes Capitol Chaos as Unimaginable
The world watched via television networks and broadband connections as the US Capitol was breached by president Trump supporters Wednesday as the House and Senat debated a move by some Republicans to overturn elction results.
"This is a sad and deeply disturbing moment for r in tion," NCTA pres/CEO Michael Powell told CFX
rans s' wish. They remain could not i (NBC) in
prov

news networks and **Twitter**. When the House and Senat went out of session as a group broke into the Capitol, **C-SPAN** continued with live coverage from its studio (*Greta Brawner* hosting) mixing in interviews with reporters inside and outside the Capitol, members of Congress, live video

RATINGS
Fox News has now officially won prime and total day for 2020, as projected. It became the first cable news net to end a year with more than 3.5mln viewers in prime. It was a pretty good year for all the news nets though. See our story. - Watching **TNT** and **TBS's**

Retrans Agenda: Virtual MVPDs, ATSC 3.0's Role in Retransmission
As we head into 2021, there may not have been a huge retransmission consent blackout to ring in the year (those happened a few weeks early and involved **DISH** and **AT&T**), but there's still plenty for broadcasters and MVPDs to fret about.

Although traditional MVPD subscribers declined d first half of 2020, retransmission consent revenue e major station groups increased in both the first an quarters of 2020 by nearly 20% compared to the second quarters of 2019, according to **S&P Global**. The FCC's newly released Communications Marke port-broadcast retrans consent revenue jumped from

(6), **Pop TV** (5) and **Showtime** (5). Streamers did pretty well overall, with **Amazon Studios** nabbing 3 noms and **Apple TV+** and **HBO Max** each scoring 2. Three cable networks earned 1 nomination each: **AMC** (“Better Call Saul”), **BBC America** (“Killing Eve”), **FX Networks** (“Mrs. America”). **Disney+** also received 1 for “The Mandalorian”, and **NBC** had the only nomination among broadcasters, with the entry going to “Zoey’s Extraordinary Playlist.” All five of Pop’s noms came for “Schitt’s Creek,” with only Netflix’s “The Crown” scoring more nods (6). Netflix also had the most Globe nominations by motion picture distributor at 22, with “Mank” taking 6 and “The Trial of the Chicago 7” earning 5. The Golden Globes will air live from NYC and LA for the first time, Feb 28 at 8pm ET/5pm PT on NBC.

COMCAST MINDS THE GAP

Comcast is upping the speed of its low-income broadband offering Internet Essentials to 50Mbps downstream/5Mbps upstream from 25/3, marking the second speed upgrade for the service in less than 12 months. Internet Essentials keeps its \$9.95/month price tag. The company also is increasing the Lift Zones—safe spaces students can go to for free WiFi. Comcast set up 200 such zones last year, and it now plans to have 1,000 zones in place by the end of 2021. Comcast previously committed more than \$40 million in cash to education and equity-focused partners that share the company’s goals of advancing social justice and equality. This week, it announced that \$3.5 million of that commitment will go to helping more people of color gain the education and workforce development skills needed to access career opportunities in media and technology. It’s donating money to groups such as CodePath, Jobs for the Future, YWCA and Philadelphia Youth Network.

NBCU LAUNCHES DEVELOPER CONFERENCE

Say hello to “ONE21,” a new annual gathering that Comcast NBCUniversal Sky is billing as a way to bridge the gap between consumers and advertisers and “redefine what it means to partner with a leading media and technology company.” It’s NBCU’s version of a **Google I/O** or **Facebook F8**, with an aim at showing off all its various platforms to advertisers. The event is slated for March 22 and will be virtual (natch), with the company looking to show off its local, national and global scale and insights.

SUPER BOWL SHOWDOWN

Still no deal between **AT&T** and **Cox Media Group**, with Sunday’s big game fast approaching. **The American TV Alliance**—which counts companies such as AT&T, **Mediacom** and Charter as members—complained that this is at least the fifth time the station group has either threatened or withdrawn the Super Bowl after previous retransmission consent blackouts involving Charter, **DISH**, **Verizon**, Cable One and AT&T. The spat resulted in AT&T/DirectTV losing 5 CBS affiliates, including in Seattle. “The price-gouging behavior of broadcasters like Cox has become increasingly shameless and exploitative and demands action from policymakers in Washington,” the group said. Meanwhile, **Locast** is reminding folks that they can stream Sunday’s big game through its free app in 28 markets, including Seattle. CBS also expanded the number of free ways to stream the game.

BILL SHINE ADVISING NEWSNATION

Former **Fox News** exec and ex-White House communications director *Bill Shine* is serving as an adviser of **Nexstar’s NewsNation**, the 24-hour news service that **WGN America** is being rebranded as. The news was first reported by the *Daily Mail*. Nexstar said Shine is one of a number of advisers. “NewsNation’s mission is to provide news based on facts, not opinions. Consistent with our commitment to deliver unbiased news to our viewers, we’ve hired a number of employees and consultants with diverse news production and reporting backgrounds from **CNN**, **MSNBC**, Fox News, **Fox Business**, **CBS**, **NBC** and **ABC**, amongst others. All of these news professionals have the best-in-class expertise to allow NewsNation to drive forward our mission of providing high-quality, unbiased, fact-driven news,” the company said.

HISPANIC SHOPPING INSIGHTS

Univision is hoping advertisers take note. Hispanics are more likely than non-Hispanics overall to be first-time online shoppers for many categories, such as pet care (47% vs 37%) and apparel/accessories (38% vs 25%), and they are more likely to have made purchases from sites they hadn’t ordered from prior to the pandemic (80% vs. 61%). That’s according to a proprietary study Univision did in partnership with **MediaPredict** that featured more than 4,000 18+ Hispanic and non-Hispanic consumers who made online purchases in the past six months. The insights were shared Wednesday at CommerceNext, a conference for marketers at retail and direct-to-consumer brands.

PROGRAMMING

Xumo launched three curated channels from **Telemundo** Wednesday: Telemundo Novelas, Telemundo Al Dia Channel, and Telemundo Realities. The launch is the first in a series that will eventually see more than 3,000 hours of content from the programmer arrive on the AVOD. – **Nickelodeon** will kick off Super Bowl weekend with “Super Duper Super Bowl Pregame Spectacular” Friday at 8pm. The half-hour pregame show hosted by Nick stars. CBS’ pregame show on Sunday will feature a specially produced segment of Nickelodeon’s game show “Unfiltered” and a “Nick-ified” highlights package will air as part of CBS’ halftime coverage. – **OWN** remembers *Cicely Tyson* with a special “OWN Spotlight” this Saturday (10-11pm) featuring a never-before-seen conversation with the legendary actress and *Oprah Winfrey*. The special will also stream on OWN’s Facebook page and **discovery+**.

PEOPLE

Comcast named *Shuvankar Roy* vp, connectivity operations (Xfinity Broadband, Mobile, Home Security). He most recently served as vp, Xfinity product operations strategy. – *Robert Mills* was named evp, unscripted and alternative entertainment, **Walt Disney Television**. In this expanded role, he will lead Walt Disney Television Alternative, a newly formed production unit for unscripted programming. He’ll also work on alternative programming, specials and late night for **ABC Entertainment** and **Hulu Originals**, which has been added to his purview. Mills also adds oversight of ABC daytime programming.

Think about that for a minute...

Crash

Commentary by Steve Effros

Have you heard about hollow core fiber? How about ISLLs (Inter-Satellite Laser Links). No? Well, maybe it's time for a little tutorial since as you will see, this stuff is all likely to have an effect on your 401k retirement funds in the foreseeable future, just as the whole mess over "short selling" and "squeezing the shorts" has now become a favorite topic on the front pages of newspapers.

I'm not going to go into the GameStop short selling story here. I have real empathy for the columnists trying to explain "puts," "calls," all the stock market margin shenanigans and the frenzy that has taken place in the past week. I have enough trouble explaining cable, broadband, ISPs, "clouds," middle miles and the like. But of note, as we explore the esoteric subject of telecommunications speed, is that the whole fraught situation with the stock market is being linked to the new ability of individuals, using their computers and broadband, to "play" in the market just like the hedge fund guys do. It's the new technology that is a major factor in changing the game.

And that's also the case with the major investment players. It turns out that "high frequency traders" in the stock market have known for a long time that whoever has the fastest links to accomplish massive buying and selling of stocks, options, and the like gets an advantage over those who have slower connections. And we're talking about really really small speed differences. They're measured in nanoseconds. A reminder; a nanosecond is a billionth of a second!

So now we can start talking about straight-line fiber connections, hollow core fiber and lasers. I wrote a column ten years ago about a company that was spending what turned out to be about \$300 million to construct a fiber optic link between the Chicago and New York markets. The trick was they spent an immense amount of money to make sure the fiber was absolutely pure, and as straight as possible. They cut through mountains to keep that fiber pipe straight! They then sold the faster service provided to traders. It was a success. The trip took 1.3 milliseconds. Later, using newer microwave, it's down

to nine. The speed helped some traders beat the competition. The race was on to find something faster!

Enter, now, hollow core fiber. The glass fiber is filled with tinier glass tubes filled with air. Turns out that "regular" fiber optics, which transmit through the glass, is slower than if you send that same data through air. And so it was that some high frequency traders are now using hollow core fiber connections for short distances (say from their servers to a microwave link) to gain a speed advantage. We're talking about just a hundreds of nanoseconds difference! But it's enough of an advantage to the big boys doing all that trading to make it worth the price.

Then there's Inter-Satellite Laser Links. The ISLL's are in their infancy, and the first one to really try to use them is likely to be Elon Musk as part of his Space-X venture. But I've already been clued in to the fact that laser data moves faster in a vacuum than through regular old air! How many nanoseconds will that cut off?

The idea, from my point of view, that these technological advancements could have a major impact on the stock market (and thus, ultimately, your 401k) is absurd. The costs guarantee that only the biggest firms, the wealthiest traders, will get the advantage. Eventually, just as is now happening with the GameStop saga, the result is predictable; the faster they go, the bigger the crash!



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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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