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WHAT THE INDUSTRY READS FIRST

Go Time: FCC Gearing Up for EBB, ECF Implementation

The FCC's Emergency Broadband Benefit program kicks off Wednesday, and the Commission wants to ensure everyone is following the same playbook from the start to the EBB's unspecified end date.

Providers are not allowed to opt-in customers without their consent, and customers with a history of bad debt cannot be denied the \$50 broadband discount (\$75 discount for those residing on tribal lands) or the subsidy towards the purchase of a connected device. The FCC issued an enforcement advisory Tuesday to remind the 825 participating providers of those rules.

One of those rules is that households must be charged a co-pay of anywhere between \$10-50 by the broadband provider towards the cost of a subsidized connected device. "Advertising 'free' connected devices as part of the EBB program is inconsistent with the program rules, misleading to customers, and could provide an unfair competitive advantage over other participating broadband providers charging the required co-pay," the advisory said.

Of course, the big unanswered question is just how long the funding will last. That will all depend on how many customers hear about the program, take the steps to determine their eligibility and reach out to their current provider or a separate provider participating in the program to receive the discount.

The FCC doesn't have a goal for sign-ups for the program

or for how many unconnected households gain access to broadband through the EBB. A senior FCC official said on a press call Tuesday that in some ways, a shorter program could actually be a signal of its success with many more households having taken advantage of it.

The Commission will know a lot more in the coming weeks as applications start to come in, including more on the overlap of and potential conflicts for those families that qualify for both the Emergency Broadband Benefit and the \$7.17 billion Emergency Connectivity Fund. Again, answers will come as the agency gets deeper into implementation of the ECF, which will offer funding to schools and libraries for the buying of laptops and tablets, WiFi hotspots and broadband connectivity for students, school staff and library patrons during the COVID-19 pandemic.

Acting chair *Jessica Rosenworcel* is hoping to start taking applications for the ECF in June. The Commission will be opening two application windows for the program: the first for expenses to be incurred after the ECF's start date, and the second for reimbursement of charges made since the end of February 2020.

"The idea was we want to make a difference and get more students connected than are right now, so that's why we put a premium on kids getting connected going forward and have the prospective window run first," Rosenworcel said on a call Tuesday. "That was the compromise we reached and I think it's a good one."

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Speaking at a **Media Institute** lunch Tuesday, FCC commissioner *Geoffrey Starks* said one of the most important parts of the ECF's implementation will be the granular data the Commission will be able to gather about the digital divide through the program. As part of the application process, the FCC is going to collect school districts' best estimates of the number of students in their district that lacked adequate connectivity or devices when the pandemic began and how many students will benefit from the ECF.

"School districts, at a very granular level, know which students are connected, which students have devices and which ones don't," he said. "The original draft was not collecting that data and I thought that was an omission and an oversight that I wanted to correct, and so more accurate information about the number of students without connected devices and broadband services is going to be important."

FUBOTV UPS GUIDANCE AFTER 1Q SUB GAINS

Virtual MVPD **fuboTV** reported 43,000 net additions in 1Q21, taking its sub total to more than 590,000. Total subs are up 8% over 4Q20 and 105% compared to a year ago. Revenue was up 135% YOY to \$119.7 million, while ad revenue of \$12.6 million was up 206%. The quarter marked the first time fuboTV achieved sequential subscriber and revenue growth in any first quarter. As a result, fuboTV is increasing guidance for full year 2021 revenue to \$520-530 million, the midpoint of which represents an increase of 101% year-over-year, up from an increase of 78% in prior guidance. It is increasing end-of-year subscriber guidance to 830,000-850,000, up 53% YOY at the midpoint, compared to an increase of 40%

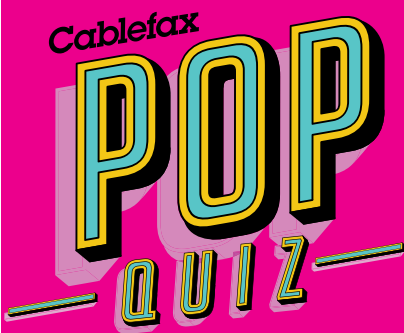
in prior guidance. This subscriber outlook implies full year 2021 net additions of at least 282,000, 22% higher than full year 2020 net additions of 232,000. Earnings per share in the quarter was negative \$0.59 and included \$0.02 negative impact from expenses incurred for the launch of fubo's wagering business and \$0.02 negative impact from the amortization of the debt discount related to senior convertible notes.

CURIOSITYSTREAM GROWS SUBS, GOES SHOPPING

CuriosityStream is building up its factual content stable with the acquisition of **One Day University**, which provides access to more than 500 talks and lectures from professors at more than 150 US colleges and universities. The programmer said the transaction provides proprietary, highly differentiated and complementary SVOD programming for its direct services and helps it connect directly with new audiences in new formats. One Day University will continue to operate as a standalone business, but CuriosityStream intends to leverage synergies on a number of fronts. On Tuesday, CuriosityStream reported paying subscribers grew 28% in 1Q21 to approximately 16 million. Revenue was up 33% YOY to \$9.9 million, while EBITDA grew to \$15.1 million compared to \$12 million in 1Q20. For the full year, CuriosityStream expects revenue of at least \$71 million (80% YOY growth). The company's net loss in 1Q grew to \$18.8 million vs \$11.8 million a year earlier.

FEDERAL FUNDING ACCEPTS 25/3 STANDARD

The US Treasury issued guidelines Monday for the \$350 million in funding that the American Rescue Plan allotted for uses including broadband. Unserved and underserved



Which channel would you associate with the tagline, "There is no box"?

[CLICK HERE TO ANSWER](#)

Last week's answer: Political comedy "Battleground" was Hulu's first original scripted series.

households are both defined as lacking a wireline connection that reliably delivers minimum speeds of 25Mbps down/3Mbps up. “If such a definition is repeated in the infrastructure legislation, areas with standard cable networks would not be considered unserved and therefore the risk of federal funding going to overbuilding such cable networks would be reduced to a non-material level,” **New Street Research** said in a note. Additionally, while the messaging from the Treasury does encourage funding be spent on projects that would deliver 100/100Mbps speeds, there is no mandate forcing such builds. The agency will begin reviewing applications for funding this summer and will issue additional guidance before those dates.

CISCO TO BUY SEDONA NETWORKS

Cisco announced its intent to acquire startup **Sedona Networks** Tuesday. In a company blog, Cisco’s vp, networking for the Mass-Scale Infrastructure Group *Kevin Wollenweber* highlighted Sedona’s NetFusion product as a primary reason for the deal. The product includes a Hierarchical Controller (HCO) that enables multi-vendor and multi-domain automation as well as software-defined networking. “HCO is the brain that enables transformation like 5G network slicing, routed optical networking, and disaggregation,” he said.

NAB'S POLICY TO-DO LIST

Gordon Smith’s remarks at **NAB**’s State Leadership Conference Tuesday centered on COVID-19, much like everything else has these past 14 months. “We ended last year with a major victory on Capitol Hill, ensuring COVID-19 stimulus relief for all broadcasters, including expansion of Paycheck Protection loans,” he said in his last address to the conference as president/CEO. Smith also praised local broadcasters for their efforts in covering the pandemic and sharing information on vaccines. While COVID continues to dominate a lot of thoughts, NAB’s legislative priorities do expand beyond the virus and include urging legislators to cosponsor the Journalism Competition and Preservation Act, which would grant a safe harbor from antitrust laws so news publishers can band together to negotiate with large platforms, like **Facebook** and **Google**. NAB also wants to halt proposals to alter the tax treatment of advertising expenses, including for specific types of products. “This would ultimately make advertising more expensive for small businesses, threaten local jobs and have a devastating impact on local stations that rely on advertising revenue to survive — all during a post-pandemic economic recovery,” said Smith, who will transition to an advisory role at the end of this year. “I know that our industry will continue to achieve great success under the strong leadership of *Curtis LeGeyt* as the next NAB president and CEO. He is the right man for the job, and this is the right time for him to take the reins.”

BIPARTISAN COPPA UPDATE BILL

Sens *Ed Markey* (D-MA) and *Bill Cassidy* (R-LA) introduced a bill to update online data privacy rules and protect kids and teens online. The Children and Teens’ Online Privacy

Protection Act aims to update the Children’s Online Privacy Protection Act (COPPA) by prohibiting internet companies from collecting personal information on 13 to 15-year-olds without user consent and creating an “Eraser Button” to require companies to allow users to eliminate personal information for a child or teen. The bill will also create a “Digital Marketing Bill of Rights for Minors” that limits the collection of personal info from teenagers and a Youth Privacy and Marketing Division at the **FTC** responsible for addressing and marketing towards the privacy of minors. “Parents don’t want internet companies targeting their children online. We protect young children’s privacy, we should protect teenagers online too,” Cassidy said in a statement.

COMCAST TEAMS UP WITH LIFEMOVES

Comcast Business will supply an upgraded internet and integrated network to **LifeMoves**, a community outreach and temporary housing organization for homeless people in Silicon Valley. Comcast Business already supplied the organization with its Business Internet, Ethernet Dedicated Internet, VoiceEdge and advanced SD-WAN solutions across 17 of its sites in January 2020. Now, LifeMoves opened two interim housing sites, which Comcast Business will provide with internet and SD-WAN service.

CARRIAGE

True crime network **Law&Crime** is now available on the **Roku Channel**. The service will add the network to its lineup of more than 190 free, live linear TV channels. Law&Crime features multiple trials daily and programs include “Trial File,” “Prime Crime” and “Brian Ross Investigates.”

PROGRAMMING

AMC Networks greenlit series “Moonhaven” for AMC+ and AMC to premiere in 2022. Created by *Peter Ocko* (“Lodge 49,” “Black Sails”), the series is focused on a utopian colony on the Moon that may hold the keys to preserving life on Earth. – **ESPN** re-signed reporter and host *Marty Smith* to a multi-year contract extension. He’ll continue his work on a variety of sports and properties like college football and basketball, the NFL draft, motorsports and more. – **Disney Junior** is set to debut animated, preschool series “Alice’s Wonderland Bakery” next year. Sister net **Disney Channel** is bringing back “BUNK’D” with a week of new episodes on May 31. This leads up to the premiere of the series’ 100th episode on June 3. – **MTV**’s “Jersey Shore Family Vacation” kicks off with new episodes June 3. – **FX** ordered animated comedy series “Little Demon.” It will be available to stream the following day on **FX on Hulu**. – **Peacock** ordered four-part series “Unidentified with *Demi Lovato*.”

AAPI HERITAGE MONTH

Charter is celebrating AAPI Heritage month with an On Demand collection of movies under “Asian Pacific Month.” Highlights include “Parasite,” “Minari,” “The Farewell,” “Crazy Rich Asians,” “Linsanity” and “To Be Takei.”