

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Set Sail: Borrelli to Guide NCTC Into New Waters

Lou Borrelli may not have been the first name you thought of to takeover as CEO of **NCTC**, and to be honest, it didn't immediately occur to him either.

"It wasn't something I was looking for. But when I read about it and *Ann Carlsen* reached out to me, I went through the job description, and it felt right... It was kind of like, 'wow, I think I can really do a good job here and add value,'" he told **CFX** ahead of his June 1 start date.

His 40+ years in the media and cable industry includes stints at **UA-Columbia Cablevision**, **Rogers Cable** and as a founding partner and COO of **Marcus Cable**. After the sale of Marcus to **Paul Allen** in 1998, he went on to work for **AOL**, **NEP Broadcasting**, **NimbleTV** and most recently **Digicel Group**. It's that combination of cable and technology experience that he believes will help him lead NCTC into its next phase.

"I think my mandate is to continue to support innovation and growth, to maintain NCTC's role as an essential service, supporting small operators and to do what we can to improve the value we deliver and extend that value for as long as we possibly can," Borrelli said.

He recognizes that Marcus Cable was a big company, but said the essence of it was really smaller systems like those that make up much of NCTC's 700 member companies. "One of the things that I had to convince the board of, frankly, in the

search was that I really did have an understanding and had experience with systems that served a thousand customers or less," Borrelli said, musing that at one point Marcus probably had as many headends as customers in Wisconsin. "I think it requires you to embrace the community, regardless of size. If you provide an essential service, you're essential and you make an impact on the people you're serving. I think that is maybe the unwritten or underwritten legacy of NCTC."

Of course, the industry is going through a transition now as more video moves to direct-to-consumer and NCTC members themselves lean into IPTV and traverse the **MobiTV** bankruptcy and subsequent **TiVo** acquisition. *Rich Fickle*, who has led the co-op as CEO for the past 10 years, will stay on to help with the **MobiTV project** and the leadership transition.

Asked if video and programming negotiations will continue to play a key role at NCTC, Borrelli was quick to answer yes. "I don't really want to predict for how long because there are trends that happen in this industry that can diverge a bit from location to location. I think that NCTC members are not immune to what's going on with unbundling the bundle or cord-shaving or however you want to present it," he said. "If you believe that trend is going to continue and it has an impact on your financial structure, then you've got to be able to either replace it or adapt and try to lessen the blow."

Borrelli said NCTC's in the early stages of that transition with its work on broadband transport and hardware purchases. But he suggested there are still things NCTC may be able to do

THE FAXIES

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on video to provide a better service for customers. “Perhaps there are actually rights that we could hold or go get that would provide some type of product to augment either people who are staying with video or may be an incentive for our broadband customers to maintain their connection with us,” he said.

NCTC and **ACA Connect**’s Independent Show in Minneapolis Oct 4-6 will be a bit of a welcome party for Borrelli and a farewell for Fickle (Borrelli may be especially celebratory with his oldest daughter getting married on Oct 3). Those who know Borrelli well may wonder how a passionate sailor will adapt to an organization headquartered in landlocked Kansas. He assures us he’ll find a way to divvy his time between Lenexa, KS, and Boston, with sailing in between. “I feel like I have one or two more runs in me. I know I’ve been doing this for a while, but I’m still very motivated and I really believe in the mission of the co-op,” he said. “I appreciate and I understand the value of these businesses sticking together to generate some size that would get them some benefit. Our mission is to keep that going as long and as hard as we can.”

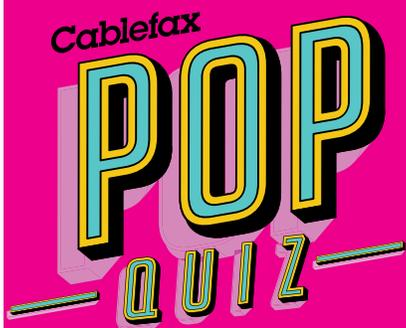
GOEI OK IF VIDEO CUSTOMERS CHOOSE DTC

Altice USA isn’t directly telling customers to drop their traditional video product and replace it with direct-to-consumer offerings, but it won’t be upset if they do. During an investor conference appearance Tuesday, CEO *Dexter Goei* said consolidation amongst programmers is a net positive for distributors, especially if it creates larger platforms that will entice unprofitable video customers to cut the cord. “For us, you either want a consumer that’s going to be a long-term video subscriber that’s a profitable subscriber or you don’t want a video subscriber that’s under 3 years, and those are the ones that are shifting

towards the direct-to-consumer offerings and that’s good for us,” he said. He also said Altice USA will be revisiting every one of its content partnerships in light of the ongoing move to DTC products. While he didn’t specify any single genre of programming that was becoming too expensive to keep offering, he did say the provider will be making some difficult decisions on what should stay in its programming lineup and what’s heading out the door. “Every single one of our partners, effectively, has a direct-to-consumer offering. The one category who doesn’t today are RSNs and that’s their business model in many respects, but that business model, I suspect, is going to have to change as well,” Goei said. “I would call the next 2-3 years where you see a big transformation in the MVPD world as to how we partner with our content providers because it’s not sustainable for us to continue to see price increases every year with viewership following, not only subscriber counts fall on the video side but overall viewership and ratings of the content providers fall as well, at least from a linear standpoint.”

FOX NATION ADDING PRIMETIME SHOWS ON DELAY

SVOD **Fox Nation** will begin offering primetime **Fox News** programs, including “Tucker Carlson Tonight” and “Hannity,” the day after they air for on-demand viewing starting June 2. While this might seem like the latest instance of a programmer shifting content to DTC for cord-cutters, **Fox** doesn’t view it that way at all—portraying Fox Nation as a way to super serve hardcore Fox News fans. And there’s good reason not to upset the linear network, which continues to reign as the most-watched cable network month-after-month. “By the time someone can view it on Fox Nation, you’re literally hours away from the next episode



What TV show introduced the world to Nickelodeon’s green slime and Alanis Morissette?

[CLICK HERE TO ANSWER](#)

Last week’s answer: **The NewFronts** launched in 2008, featuring companies such as MySpace and MTV New Media.

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coming up live. Bear in mind that Fox News is a 24/7 [network] and **Fox Business** is 24/7, and you're talking about an aggregate of three hours of primetime on a delayed basis," *Mike Biard*, **Fox Corp** president of operations and distribution, told **CFX**. And none of the shows are available for on demand viewing via MVPD set-top. This latest move is part of a continuing evolution for Fox Nation, which is offered on a resale basis by **Cox** and **Comcast**. The service originally launched in the fall of 2018 with a focus on opinion content. It has since added more lifestyle and entertainment programming, expanding its portfolio to more than 3200 hours, including longform docuseries "Tucker Carlson Originals" and *Brian Kilmeade's* "What Made America Great." It has kept the initial \$5.99 a month/\$64.99 a year price tag.

PHILO TO INSTITUTE FIRST PRICE INCREASE

Philo is raising its pricing for the first time since its 2017 launch. The vMVPD's new price point will be \$25/month, up from \$20/month, CEO *Andrew McCollum* told *Deadline* in an [exclusive interview](#). He cited higher programming costs as the reason for the new pricing. The 25% increase will take effect on June 8 for new customers. Current customers will be able to retain their \$20/month plan for the time being, but **Philo** is giving them a reason to consider switching to the more expensive plan. Those on the upgraded plan will see the duration of their DVR storage increase to one year, a major increase over the current 30-day limit.

VERIZON'S VESTBERG ON GOVERNMENT SUBSIDIES

Verizon chairman/CEO *Hans Vestberg* believes that government funding for broadband should focus on making networks more affordable rather than expanding access into hard-to-reach areas. Work to reach those parts of the US is already underway, he said at an investor conference Tuesday, while there's still much to do to ensure folks within covered areas can actually sign up for a plan that meets their needs. "When it comes to accessibility, I think that all carriers are building quite extensively... we are clearly doing that and I guess my competitors are doing the same. So accessibility is actually happening," Vestberg said. "Where I want focus, that's around affordability, because we want solutions that are catered for everyone, for their use cases and low-income families might not have those means. That's why I think the government should work on subsidy much more and seeing that they can afford it instead of building products that are actually not meeting the demands of those families."

NAB CALLS TV WHITE SPACES TECH A FAILURE

The **NAB** isn't interested in hearing any more about **Microsoft's** Airband Initiative and the tech company's thoughts on how best to close the digital divide. In a blog post entitled "The (Hot) Airband Initiative," associate general counsel *Patrick McFadden* argued that Microsoft's plans to address the rural broadband gap with TV white spaces technology have been a failure thus far. He said there are just over 300 white spaces devices registered in the US today, and use of the technology has declined over the last four years despite rule changes and efforts at the **FCC** to boost Microsoft's efforts. "The number of FCC filings from Microsoft and its allies are going to exceed the number of functioning white spaces devices in

the country any minute, but we keep being told that just one more rule change is the key to success," McFadden wrote. "At some point, preferably before we dedicate more regulatory time and energy to this particular science fair project (and let's not forget that companies like Microsoft pay zero regulatory fees to the FCC), it would be nice to see something—anything really—come of the Commission's previous efforts."

HOUSE REPUBLICANS QUESTION EMPTY FCC SEAT

House Commerce Republicans *Cathy McMorris Rodgers* (R-WA) and *Bob Latta* (R-OH) urged committee chmn *Frank Pallone* (D-NJ) to schedule an oversight hearing to review their commitment to free speech and the implementation plans for the Emergency Broadband Benefit, Emergency Connectivity Fund and the Broadband DATA Act. They're also concerned about *President Biden's* lack of action when it comes to naming a fifth **FCC** commissioner. "Together the ECB and ECF programs total over \$10 billion dollars and without proper implementation, these programs could be subject to waste, fraud, and abuse," the pair said in a joint statement. "At a time when the FCC is implementing these important, unprecedented programs, the Commission still is without a permanent Chair and short-handed with only four commissioners."

NEW SLING TV APP ARRIVES

Sling TV launched a new app in beta, boasting personalization capabilities and a user-friendly interface. Users can customize the channel guide with filters, and new navigation options will allow users to move between favorite or recent channels quickly. The app is available to select customers using **Amazon Fire TV** devices now and will be arriving on **Roku** devices this summer. Other devices can expect it later this year.

COMCAST DECLARES QUARTERLY DIVIDEND

Comcast's board declared a quarterly dividend of \$0.25 per share on the company's common stock. It is payable on July 28 to shareholders of record as of close of business on July 7.

COMCAST BOLSTERS AD DATA AUTOMATION

Comcast Technology Solutions, Comcast's ad tech division, announced a partnership with **PremiumMedia360** to automate data management through the ad buy cycle. The latter will be integrated into Comcast's ad management platform to allow ad buyers and sellers to automatically synchronize and solve reconciliation discrepancies to prevent revenue loss tied to dropped spots.

PROGRAMMING

Spectrum News NY1 will air the first live televised Republican mayoral primary debate of 2021's election season Wednesday at 7pm ET. The debate between NYC mayoral candidates *Fernando Mateo* and *Curtis Sliwa* will air live on NY1 for Spectrum customers and on the Spectrum News App. The debate will also air at 8pm on **Spectrum News NY1 Noticias** on Thursday. – Former president *Donald Trump* will appear in an interview on "Cortes & Pellegrino" at 9pm ET Tuesday (5/25) on **Newsmax**. – "Golf's Longest Day" returns on **Golf Channel** on June 7 at 7am ET with 10 hours of live coverage from nine US Open Final qualifying sites across the country. Docuseries "From Many, One: Inside the 2021 US Open" premieres the next day at 9pm ET.