

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Wait and See: Altice USA Skeptical on RSN Streaming Efforts

**Altice USA** CFO *Michael Grau* is skeptical that regional sports networks will be able to achieve the same economics in the streaming ecosystem as the ones they have now thanks to distribution deals with MVPDs and vMVPDs.

He said approximately 15% of Altice USA's video customers are reasonably or heavily engaged in watching the RSNs. So when those streaming offerings start to enter the marketplace, Grau said it will create an interesting dynamic for the video consumer.

"You'll notice [the RSNs] are some of the last to come to that game for a reason because they're getting such good prices from distributors like us and **Comcast** and **Charter**," he said. "To the extent a video consumer wants to assemble their own video offering by buying multiple OTT products and self-packaging it, when you put it all together, it's probably more expensive than what we're offering."

Grau also noted that a number of OTT services have been upping their pricing in recent quarters. **Sling TV**, **Philo** and **Hulu + Live TV** are among those vMVPDs that have recently instituted rate increases. **Sinclair's** RSN-focused streaming service, which it aims to launch around the start of next year's MLB season, will reportedly be priced around the \$23/month mark.

"I'm not sure how compelling it will be economically for customers to migrate from our aggregated bundle product to this do-it-yourself, a la carte environment," Grau said. "Having

said that, video streaming is the largest driver of broadband usage that we see among our broadband customers. So to the extent they do that, they become more heavily dependent on our broadband product and we firmly believe we're going to have the best broadband offering in the market by a lot."

Speaking of broadband, Grau said opt-ins to the Emergency Broadband Benefit program have been slow, and many of those that have tried to receive the subsidy have been rejected.

"Only a couple thousand customers of ours have actually qualified. What was surprising to me is the number of applicants who were rejected," he said. "We've engaged a third party firm to validate anyone who is applying for that benefit and we have had to reject a high percentage of them. It's probably early days and learning curves in terms of sufficient documentation and they'll presumably go back, procure that and come in."

He added that most of the 3000-4000 customers who were approved for the program were existing Altice USA customers, so the EBB could prove to be more of a retention benefit to the company than a positive to gross adds.

Over in the world of wireless, Altice is getting to a place where it will once again start pushing its mobile service. It made a splash back in 2019 when it launched with \$20/month unlimited plans for Optimum and Suddenlink customers and \$30/month plans for non-subscribers. If all things go as planned, the operator will start to ramp up its sales and marketing machine later this year.



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Grau said one of the things Altice needs to improve before that happens is the business's gross profit. That was the impetus behind the company's decision to introduce a 1GB/month and 3GB/month data plan alongside its unlimited offering in 2020. Altice also made moves to rightsize some of its pricing earlier this year. Churn rates are improving, and many of its retail locations are also starting to open. All of those signs are positive.

"We're very close to getting to a point where we're saying, 'All right, I'm comfortable with the gross profit, I think we've solved for that. I'm comfortable with churn, I think we've solved for that.' And that's when we'll turn up the sales and marketing machine again," Grau said.

Even with those positive signs, it will take additional time for the mobile product to reach a break even point. Grau said it is realistic to expect that Altice Mobile could break even on a run-rate basis near the end of 2022

#### ZASLAV GIVES TBS, TNT A BIG THUMBS UP

**Discovery** CEO *David Zaslav* spoke highly of **TBS** and **TNT**, two assets that he'll run after Discovery's merger with **WarnerMedia**, during an investor conference appearance Tuesday. They haven't received as much attention as other assets in the WarnerMedia portfolio, but he applauded WarnerMedia CEO *Jason Kilar* and the **Turner** networks as a whole for diversifying the content on those linear networks. "They still have comedies and dramas. They have a great library of content. They have original content. But if you stop and look, what do you got? They have half the **NHL**. They have half the **NBA**. They have **Major League Baseball**. They have the **NCAA** championships shared with **CBS**. They have very quietly aggregated a really formidable

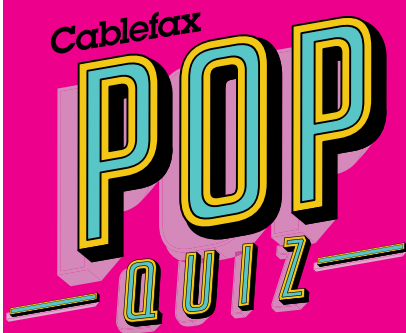
slate of live sports that kind of represents the red, white and blue of America," he said "There is an analysis that you could make that it goes to the appealability of the traditional bundle. And as you do that, the one argument is the heartfelt brands that you love that you watch all day, that's one argument for value. The second argument for value is live news and live sports."

#### KHAN EXPECTED TO CHAIR FTC

As the calls mount for a fifth **FCC** commissioner, the **FTC** has a fifth commish and a new chair. Big tech critic *Lina Khan* was confirmed to the agency by a 69-28 vote in the Senate Tuesday, with reports that President *Biden* intends to appoint her chair of the FTC. Sen *Elizabeth Warren* (D-MA) took to Twitter to express her excitement with Khan's appointment. "With Chair Khan at the helm, we have a huge opportunity to make big, structural change by reviving antitrust enforcement and fighting monopolies that threaten our economy, our society, and our democracy," she wrote. *Rebecca Kelly Slaughter* has served as acting chair of the FTC since January.

#### MORE PRESSURE BIDEN TO NAME FCC NOMINEE

The pressure on President *Biden* to name a fifth commissioner to the FCC is continuing. More than 50 groups including **Public Knowledge** and the **National Hispanic Media Coalition** sent a letter to Biden and Vice President *Kamala Harris* on Friday asking them to quickly nominate a new FCC commissioner. The groups claimed the delay of the nomination was hindering the FCC in its ability to perform actions like approving emergency waivers for E-rate funded infrastructure to be opened for remote education or remedying previous neglect of the Lifeline program. "If we are to reach the goal of having a country where everyone, no matter their address or size of their bank



One winner will be selected each week for a Starbucks gift card

What was the theme song for HBO series "The Sopranos"?

[CLICK HERE TO ANSWER](#)

Last week's answer: The first program to debut on ESPN was "SportsCenter"  
Kudos to last week's winner: Paul Schneider, PSPR

account, has affordable access to high-speed internet, we need a full commission as soon as possible,” the letter read.

### DISH TAKING 5G SIGN-UPS

**DISH** is taking names for potential sign-ups for its 5G service. **Axios** first spotted the **DISH** website, which notifies folks when the service is available in their area. “You’re on the list to be an original founder in Project Genesis, the first true 5G network,” the website proclaims once someone signs up. No word on whether that’s the official name or a placeholder. Some folks may be waiting a bit for **DISH**’s offering. The company has committed to launch in Las Vegas by the end of 3Q. It’ll be the testbed before other rollouts. Chairman *Charlie Ergen* has said once the bugs are worked out, he expects the launches to be pretty brisk.

### SES, COMCAST TECHNOLOGY SOLUTIONS RENEW

**SES** will continue to deliver multichannel video programming through **Comcast Technology Solutions**’ Managed Satellite Distribution service for the foreseeable future. The pair recently renewed their long-term relationship, and as part of that, **SES** will be transitioning the distribution service from the **SES-11** satellite to **AMC-11**. That’s also a part of **SES**’s plan to clear C-band spectrum in the US for the eventual deployment of 5G services. **SES** is also working to launch new C-band satellites that will support services offered through Comcast Technology Solutions.

### BILL AIMS TO BLOCK HUAWEI, ZTE EQUIPMENT

Reps *Anna Eshoo* (D-CA) and *Steve Scalise* (R-LA) introduced legislation Tuesday that would prevent equipment manufactured from Chinese state-backed firms like **Huawei** and **ZTE** from being further utilized or marketed in the US. While the **FCC** has already published a list of telecom companies deemed to be a national security threat and prohibited the use of federal funding for the purchasing of equipment from those companies, private dollars can still be used to purchase that equipment. The Secure Equipment Act of 2021 would block the **FCC** from reviewing or issuing new equipment licenses to companies on the agency’s “Covered Equipment or Services List” that pose national security threats. Sens *Marco Rubio* (R-FL) and *Ed Markey* (D-MA) introduced similar legislation in the Senate last month.

### ECF FUND OPENS JUNE 29

The **FCC**’s \$7.17 billion Emergency Connectivity Fund application window opens June 29 and runs through Aug 13. During that 45-day window, schools and libraries can apply for financial support to purchase laptops and tablets, Wi-Fi hotspots, modems, routers, and broadband connections for off-campus use by students, school staff, and library patrons. The fund was established by The American Rescue Plan of 2021, with **USAC** serving as the program’s administrator with **FCC** oversight. The Commission is hosting a virtual webinar on June 25 at 2pm ET to provide schools and libraries with an overview of the ECF, including applicant eligibility, supported equipment and services, reasonable support amounts, and the application and invoicing processes.

### TNT TOPS PRIME AGAIN

Last week’s weekly ratings pyramid looks a lot like the previous week’s, with **TNT** in the top spot in prime (2.208 million P2+) and

**Fox News** taking the #1 position in total day (1.193mln). Despite the power of NBA action, **Fox News** wasn’t far behind **TNT** in prime, averaging 2.157mln. That put it ahead of third place finisher and NBA playoff destination **ESPN**, which average 2.132mln for the week. **MSNBC** (1.376mln) and **HGTV** (1.177mln) rounded out the top five net in prime. **ESPN** ranked second in total day, with a slight edge over **MSNBC** (783K vs 781K).

### WOW! TALKS IPTV, M&A POSSIBILITIES

**WOW!** CFO *John Rego* is ready to go all IP, all the time, and is hopeful that more customers will start taking up **WOW! tv+** as a video solution. “A real goal for the company is to get all of our services on the IP network, and that opens up a lot of possibilities for us going forward,” he said. “By getting rid of the scrub network component, you get rid of the major issue of bandwidth, which will become important because folks are going to want [1 Gig], and then they’re going to want 2 Gig and 5 Gig and 10 Gig, so that helps us do that,” *Rego* said during an appearance at an investor conference Tuesday. Freeing up that bandwidth will allow the company to build its network out further and go past edge-outs and the periphery of its existing network. Many are expecting merger, acquisition and sale activity to continue to pick up in the wake of deals such as **Stonepeak** and **Astound**, and **WOW!** is open to any options that could help its financial profile. “If we wanted to think about leveraging quicker, faster, we could think about maybe selling a market or two of the 19 we have. We’ve done this before, we’ve bought them and we’ve sold them. So if the right person came to the table, again, everything is always on the table until we take it off the table,” *Rego* said. “Merging in with somebody bigger is always on the table, as well, if the right opportunity came along. We look at all of those things all the time and we’ve had inbounds back and forth for years, so it just depends on when the right moment is.”

### CABLE CENTER, C2HR GO VIRTUAL (AGAIN)

**The Cable Center**’s 23rd Cable Hall of Fame celebration will now be held virtually on October 20, and it’s headed to **C-SPAN**. Seven media industry leaders will be honored as part of the 2020 class: **Baker Media**’s *Bridget Baker*; former **Charter** exec *Jim Blackley*; **Urban One**’s *Cathy Hughes* and *Alfred Liggins III*; *Jeff Marcus*; **Comcast Cable**’s *Dave Watson* and **WarnerMedia**’s *Jeff Zucker*. The **Bresnan Ethics** in Business Award will also be presented to *Ted Turner* during the ceremony, which will air on **C-SPAN 3** at 8pm ET and be available to view on **C-SPAN.org**. The program will also be featured in the **C-SPAN Video Library** immediately following the event’s conclusion. The **Cable Center** is still confirming its plans for its 2021 honorees. – **C2HR** joins a slew of other industry associations in opting to keep big events virtual this year. The **HR** group’s annual **C2HR Con** will take place online August 10-13. With the theme “The Future of Work: Vision for the Next Normal,” the conference will feature nearly 20 sessions on topics such as remote work and global mobility; diversity, equity, inclusion and justice; learning and development; analytics and performance management; recruitment and onboarding; and mental health and wellness.