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WHAT THE INDUSTRY READS FIRST

Money Problems: States Air Grievances on Broadband Dollars

More federal dollars than ever before are being directed towards closing the digital divide, but a lack of clear communication between Washington and state governments could mean those monies aren't being effectively allocated.

During a panel discussion organized by the **Pew Charitable Trusts**, state legislators and broadband office leaders alike aired their frustrations and said the only ones that will suffer if things don't improve will be consumers.

"We've invested and made significant investments in addressing the digital divide in Virginia. We're three times more efficient than the federal programs in terms of our investments," *Tamarah Holmes*, director of Virginia's office of broadband, said.

She added that oftentimes the states have a much better idea of what census blocks are already served or are recipients of grant funding. When the areas that were available for the $20 billion RDOF fund were released by the **FCC**, many of them were already on the receiving end of state investments and Virginia had no way of communicating that to the Commission.

"While there's been a lot of money actually deployed… there needs to be more collaboration between state and federal government agencies on future efforts," Holmes said. "It's gotten better, but I think it can be better as we both continue to invest in our deployments."

Some states are still looking for more clarification on exactly how the funding included in proposals like *President Biden*'s infrastructure plan could be used for broadband expansion.

"It seems like there may be some conflict in what the intent of the Congress was and perhaps the means by which the rules are currently proposed to allow this to happen," West Virginia state delegate *Daniel Linville* (R) said. He's hoping that his state uses the funding for regional projects that take advantage of both mapping efforts and recent speed tests performed by West Virginia residents.

He also had an opinion on the recent debate as to whether the FCC should update its definition of broadband from 25Mbps download/3Mbps upload. While there may not be as many people living in rural areas, that doesn't mean that those folks don't also need higher speeds to work, learn or access telehealth services, he said.

"It really bothers me seeing a discussion that certain rural areas don't need these speeds. Perhaps we don't need the same capacity… but you still need that fiber and you still need that speed," Linville said.

West Virginia state senator *Robert Plymale* (D) agreed that the 25/3 broadband standard is just too low to make a meaningful impact. He said that even when there are speeds of 25/3 being offered in areas of West Virginia, his constituents said it isn't enough to complete basic digital tasks. "When you have three or four people in a household accessing it and students accessing it for schooling, we found that we were so woefully underserved," he said. "I can't find an area of West Virginia that is properly served, to be quite honest with you."

That definition has also been a problem in Colorado as well as the overall affordability of high-speed internet. Some of those issues have become too large for the states to handle on its own, but officials said that doesn't mean all authority should be handed to federal entities.

"Look at the Emergency Broadband Benefit program, for example. $3.2 billion, only 8% of the eligible households in the state of Colorado are even applying for that program right now today as it stands," said *Teresa Ferguson*, the director of federal broadband engagement at the Colorado Broadband Office. "On infrastructure investment dollars and subsidy programs, the feds have a role to play in that. They can paint the frame. Let us fill in the details. We know how to do this."

NFL EXPLORES SELLING STAKE IN MEDIA BIZ

The **NFL** has hired **Goldman Sachs** to explore options for its media businesses, including **NFL Network** and **NFL RedZone**. The league informed team owners Wednesday, with the *WSJ* the first to report the news. "As the media industry continues to evolve, the NFL is exploring a strategic partnership to best position our owned and operated media assets for future growth," the league said in a statement. "The NFL has a proven track record of creating leading media platforms that develop significant audiences so we anticipate speaking to a number of interested parties. We do not intend to provide an update on this process until it has concluded and will not speculate about potential outcomes." The WSJ said the league stressed it isn't looking to sell the outlets outright, but selling stakes is possible. When the NFL announced its $100 billion media rights package in March, it said NFL Network would remain the exclusive broadcaster of a select schedule of NFL games on a yearly basis, with NFL Media evp/COO *Hans Schroeder* saying the league believes the network is a key part of its strategy and it believes there's an opportunity to do more with media assets to build a direct-to-consumer presence. That certainly opens the door for players like **Apple** and **Amazon** as potential strategic partners.

CABLE TO DBS: PAY UP ALREADY

NCTA and **ACA Connects** have had enough of **AT&T/DirecTV** and **DISH** bellyaching over the **FCC**'s attempt to establish regulatory fee parity between cable, IPTV and DBS providers for fiscal year 2021 and beyond. DBS has consistently argued it shouldn't pay the same Media Bureau regulatory fees as cable/IPTV, claiming the two satellite operators don't generate anything approaching the regulatory costs of hundreds of cable operators. The fees cover Bureau expenses such as salary, rent, utilities and cover fees for those that are exempt from paying, such as nonprofits and governmental entities. For the past six years, over DISH and DirecTV's protests, the FCC has steadily increased DBS's obligations to bring satellite's fees up to par with other operators. The phase-in process has increased the DBS regulatory fee by 12 cents per subscriber per year since 2015. For FY21, DirecTV and DBS are facing a proposed 24-cent per year increase—a figure they call "dramatic" and "unjustified." The FCC has proposed a seven-cent per subscriber increase for cable/IPTV providers in FY21. "Given this context, it is more apt to characterize the proposed FY 2021 DBS regulatory fee increase as a 17-cent increase, a mere five cents more than in previous years," NCTC and ACAC said in their joint filing. They also said the larger increase is due primarily to the "unusually long phase-in period" DBS

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providers enjoyed. The associations dismissed DBS claims that cable is more burdensome on the Media Bureau, saying the FCC has found it not to be true. "Even if the DBS providers were correct that Media Bureau employees spend more time on cable issues (which they are not), the statute does not require that the fees be set according to a precise level of regulatory activity or identical regulatory burdens," they said.

ABOUT THOSE GOVERNMENT BROADBAND BUCKS...

Senate Commerce Ranking Member *Roger Wicker* wants an account of how government agencies have disbursed funds received for broadband deployment, adoption, etc from COVID legislative relief packages. "It is critical that both Congress and the agencies ensure that these funds are distributed in a way that avoids overbuilding, duplication of funding, and wasteful spending," Wicker wrote in letters sent to the **Department of Education**, **Department of Agriculture** and **Department of Treasury**. By July 7, Wicker wants Education Secretary *Miguel Cardona* to share steps taken between the Department and state grantees to coordinate with the **FCC** to avoid duplicative efforts and wasteful spending as well as details on funds awarded and how they've been spent. Agriculture received $635 million in the Consolidated Appropriations Act of 2021 for rural broadband deployment and $100 million for the Broadband ReConnect program. Wicker applauded Treasury for already issuing a detailed report on funds disbursed to this point, asking it to continue to do so quarterly.

C-SPAN BUYOUTS ON THE TABLE

C-SPAN confirmed a *TVNewser* report that it has offered long-tenured staff voluntary buyouts. Given the number of folks who've made a career at the public affairs programmer, the eligible pool was well over 100. We're told the final number who accept buyouts will be far smaller. "C-SPAN faces the same strategic business challenges that are disrupting for-profit cable networks, the decline of traditional video subscribers—C-SPAN's primary source of revenue—and changing media consumption habits. Together, these trends make it necessary for C-SPAN to retool to be leaner and quicker to adapt," C-SPAN said. "Regrettably, this evolution includes staff reductions, the most difficult aspect of our belt-tightening measures. With the support and guidance of our board of directors, C-SPAN is working to optimize efficiencies and effectiveness. Our aim is to secure an ongoing role for C-SPAN's unique journalism that serves traditional linear audiences as well as our growing digital audiences. We will not comment on any individual personnel matter except to say that we will certainly miss every colleague who departs as a result of this process." The buyouts follow C-SPAN's decision earlier this year to retire the 26-year-old C-SPAN Bus—though it's keeping its mission of spreading C-SPAN and cable awareness alive through other (cheaper) means. It's not all cutbacks. C-SPAN's currently hiring for a couple production jobs and recently filled an opening on the finance team.

NBCU LAYS OUT PEACOCK OLYMPICS PLANS

NBCU is going big when it comes to its Olympic coverage on **Peacock**. An Olympics destination is launching on the streamer on July 15 and users will be able to view live coverage of events like gymnastics, track and field and men's basketball. Most of the content will be available on Peacock's free tier along with highlights, replays and a number of original series featuring Olympic hopefuls. Peacock had 42 million sign-ups when **Comcast NBCU** revealed numbers during its April earnings call. Direct-to-consumer chairman *Matt Strauss* was mum when asked what his goals were for growing that number with the Olympics at a press event Wednesday. "Part of the reason for putting so much emphasis on the Olympics for Peacock is that it's one of the unique things we can do as a company to help us continue to build out our platform," he said. "We are very optimistic that this is going to bring in a new audience to Peacock and continue to help us grow as we continue to add more and more subscribers." On the pay TV side, Comcast is again creating an Olympics destination for its X1 users and has struck partnerships with a number of distributors to help with search and discovery. **Hulu**, **DISH**, **DirecTV**, **NCTC**, **Altice USA**, **AT&T** and **Cox** have all signed on for the effort. The ultimate goal is that anybody who wants to take part in the global event will have all the tools needed to do so effectively. "With the proliferation of all these different platforms, it allows us to cater to both the super fan with everything streaming all the time, but then you can come over to the network in primetime and get the highly curated, most popular sports," NBC Olympics producer *Molly Solomon* said. "And then you can go over to the cable channels, and that real estate really allows us to show long-form coverage of games and events on **USA** and **NBCSN**."

CARRIAGE

BNC said it is now in more than 50 million linear homes, thanks to **Verizon Fios** launching the network Wednesday. The channel launched in February 2020 as Black News Channel, initially with a reach of just 2 million homes. It's steadily signed distribution agreements with **Charter**, **Comcast**, **DirecTV** and others. It also has OTT deals in place with **Roku**, **Pluto**, **Tubi**, **Vizio** and others. Verizon launched the network on Channel 612 as well as through the Fios TV Widgets menu. – **INSP** is now on **Sling TV**, making it the 7th vMVPD to carry the network. Additionally, **DISH** subscribers now have access to INSP in high definition.

CONTENT LEADERSHIP SHAKEUP AT VIACOMCBS

ViacomCBS is creating a new content leadership structure for its global streaming services. *George Cheeks*, president/CEO, **CBS** added chief content officer, news and sports, **Paramount+** to his nameplate. *Tanya Giles* rose from gm, **MTV Entertainment Group** to chief programming officer, streaming. *Jim Gianopolous*, president/CEO, **Paramount Pictures**, expanded his role to include chief content officer, movies, Paramount+. *Bruce Gillmer* has been tasked with all things music, and will serve as the streamer's chief content officer over the genre. Chairman and CEO, **Showtime Networks** *David Nevins* expands outside Showtime to include chief content officer, scripted originals, Paramount+. *Nicole Clemens* will expand her responsibilities as president, **Paramount Television Studios** to include president, Paramount+ original scripted series. *Brian Robbins* was given control over all things kids and family entertainment and will serve as the chief content officer of the genre at Paramount+.

Think about that for a minute...

Name Game Redux

Commentary By Steve Effros

I wasn't planning on dwelling on the subject of the language we use to describe our business and how others use (or misuse) it for a second week in a row. However I wound up reading so many strange things this past week that reflected the problem I thought a little more exploration might be useful.

Let's start with the newly announced "Gauge" issued by Nielsen. You know, the folks the television industry has relied on for years to prop up their advertising values. When the shows didn't get good numbers, Nielsen was to blame. When they were gangbusters, you can be sure the TV ad folks waved the "Nielsen Book" for everyone to see.

Well, Nielsen has been having trouble since cable came along and the counting of who was watching what got more difficult. That was especially true when broadband streaming hit the scene and organizations like Netflix refused to divulge any numbers about how many folks even subscribed, let alone what they were watching. That's now in the past, apparently, as Nielsen claims to have figured out a good way of counting and measuring and even Netflix seems to have accepted the numbers. Netflix doesn't really care, I might note, because they don't sell ads.

But back to the numbers. It shouldn't surprise you that even though we all hear about "massive" cord cutting and the "streaming boom," the majority of television watching is still done on "broadcast" and "cable." About 64% of the viewing is still done that way, with 26% going to streaming. To be sure, the trend line is clear especially since first broadcast and then broadcast/cable had 100% at one point! But then things get more complicated.

Here's where language gets in the way. The reporting on the Nielsen numbers start talking about things like "cable channels." Well in this context, what does that mean? If someone watches CNN on "cable," meaning it is delivered as part of an aggregated package by the company that also owns the wire delivering it in town, is that different from watching CNN on a "steaming" basis on broadband delivered by the same wires? When we start reading about "streaming" of "cable channels' somehow "winning" over "cable," what does that mean? I would suggest the answer to that question is; not much.

We are all familiar with the numbers coming out that suggest that broadband delivery as a service has excellent margins. It's a good business. So, apparently, is "cable." If you're a consumer reporter how do you navigate this stuff and still make some sense of it? I don't know the answer to that one, but I can assure you it's going to confuse a whole lot of folks for quite some time!

And then there's the whole issue of broadband. I've been saying for a long time that folks don't understand the distinction between "fiber" and "hybrid fiber-coax." Nor should they. But it has become a political and economic fight with many being convinced that "fiber" is magic. As we all know, that's simply not true. For different applications different technologies are appropriate. But how do you explain that?

I read a report the other day on the many new types of broadband builds; using ONT, GPON, DAA, XSPON and the list goes on! No, I'm not going to get into a lexicon of what all that means. That's for the engineers. The challenge for us is to explain what these technologies can do, not what they specifically are and how they work. Try to do that and you will be doomed.

We still have a basic challenge; explaining our business, our service, what we offer and why. If we can do that and stay away from all the jargon we'll be a lot better off.

Steve

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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.)