

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Deal Talk: Astound's Holanda on WOW! Transaction, M&A Outlook

Last week's news that **RCN/Grande/Wave** (collectively known as **Astound Broadband**) were purchasing three service areas from **WOW!** for \$661 million was nearly a decade in the making. The two companies have been chatting off and on for years, so when WOW! was ready to sell, Astound was more than ready to buy.

"It looked like they created that Chicago/Maryland cluster on our behalf, which we had very much appreciated," Astound Broadband CEO *Jim Holanda* told **CFX**. "It essentially doubles our footprint in Chicago and, when we're done upgrading it, we'll have a contiguous footprint. And then we'll add almost a third to our footprint in Washington, DC."

The Evansville, Indiana, service area is the only part of the purchase that is not adjacent to Astound's existing footprint, but it stood out due to its historically strong residential business. Holanda hopes that it could become like some of the operator's other tier two and tier three markets where business services are particularly strong.

"I think Evansville adds to that in terms of a lot of the work we're doing on the commercial side for some of the national players that we're doing business with," he said. "We like the market, we liked historically how it performed. Given its proximity to the Chicago market, we thought it made sense."

The news of the WOW! property purchase came as **Stonepeak Partners** is closing its purchase of Astound Broadband. That

deal is expected to close in the next four to eight weeks and is only waiting on approval from the **California Public Utilities Commission**. Following that, all of the RCN/Grande/Wave properties will be rebranded under the Astound Broadband name.

"We've actually been open to doing that for over a year," he said. "Given the timing of all this M&A activity, we thought it would be best to hold off until after the transaction closes."

Holanda and his team have never shied away from M&A. Just in the last 12 months, Astound acquired Houston-based enTouch Systems and California fiber provider Digital West. Don't expect them to take their foot off the gas any time soon.

"We've always been active in the M&A space... when we bought RCN and Grande and put those together, it was just a year later that we did the Wave transaction, which was really a large transformative transaction for us. Since then, we've been doing these smaller tuck-in ones," he said. "I think we will continue to look at both residential and commercial opportunities that would be accretive to our business and I think, in most cases, that those would be things that are close or adjacent to our existing markets and footprint, but it doesn't have to be. Like in the case of Evansville, adding a nice tier two market into the portfolio, we'd look for those opportunities as well."

### FCC SAYS GRAY VIOLATED MEDIA OWNERSHIP RULE

The **FCC** has proposed a more than half million dollar fine against **Gray Television** for "apparently willfully and repeat-

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edly” violating the agency’s prohibition against owning two top-four television stations in the same DMA. The FCC points to Gray acquiring CBS affiliate KTVA in Anchorage, which resulted in the broadcaster owning and operating two of the top-four stations in the DMA. It is proposing the statutory maximum for a single violation by a broadcaster—\$518,283. FCC rules prevent an entity from owning two full-power stations in the same DMA if both commonly owned stations are ranked among the top four-rated stations in the market. Gray acquired most of the non-license assets of KTVA on July 31, 2020. Gray also owns NBC Anchorage affil KTUU-TV, with the FCC saying that KTUU and KTVA were ranked numbers one and two, respectively, in the DMA at the time the sale closed.

**GRAIN MANAGEMENT ACQUIRES CONEXAO GROUP**

It looks like private investment firm **Grain Management** isn’t slowing down its shopping spree. The firm announced its acquisition of Brazilian ISP **Conexao Group** Wednesday. Conexao serves more than 450,000 subscribers and more than 20,000 corporate subscribers in northeast and southeast Brazil. The ISP also owns its approximately 8,400 fiber route mile network. Grain closed its purchase of **Summit Broadband** in late January 2020, completed its acquisition of **Hunter Communications** in April 2020 and closed its **Ritter Communications** acquisition in November 2019.

**WEEKLY RATINGS**

**Fox News** extended its streak to 20 straight weeks of crushing all of cable in total day with more than 1.23 million total viewers last week. Runner-up **MSNBC** averaged 851,000. Over in prime, **TNT** continues to rule as long as it has **NBA**

playoff action. It led with 2.21mIn vs Fox News’ 2.18mIn. Basketball made **ESPN** the third most-watched cable net in prime with 1.59mIn, followed by MSNBC (1.4mIn) and **HGTV** (1.1mIn). Last Wednesday’s Clippers-Sun game on ESPN was the most-watched program for 18-49s, averaging 2.69mIn in the demo. For time-shifted programming for the week of June 14, **TLC**’s “90 Day Fiance: Happily Ever After” led L+7 with 2.63mIn P2 viewers, followed by **Hallmark Channel** original movie “Her Pen Pal” (2.59mIn).

**605 LINKS UP WITH CANOE ADDRESSABLES**

TV and cross-platform measurement, analytics and attribution firm **605** said it will be the first to provide attribution services for all networks and advertisers participating in Canoe’s addressable enablement initiative. **AMC Networks** will be the first company to leverage the attribution tools. Participants will be able to analyze and measure the impact of their addressable TV ad campaigns on consumer behavior and sales using 605 services. The Canoe initiative provides networks with an opportunity to plan and activate addressable campaigns on a national scale through a single partner. 605 also said it will be able to combine ad exposure from Canoe-enabled campaigns with different delivery methods to provide cross-platform insights.

**NEXTGEN TV EXPANDS TO CHARLOTTE**

Five Charlotte broadcast stations— **Cox Media Group**’s WAXN-TV and WSOC-TV (ABC), **Nexstar**’s WJZY-TV (FOX), **Gray Television**’s WBTW-TV (CBS) and **TEGNA**’s WCNC-TV (NBC)—have launched ATSC 3.0 broadcasts. Charlotte joins nearly 40 other cities, including Tampa and Las Vegas,

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**DEADLINE: Friday, July 16**

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where ATSC 3.0 NextGen TV service is available. The stations worked together to ensure that current programming remains available to all viewers, regardless of whether their television service is provided over-the-air or by a cable or satellite company. The NextGen TV feature is already built into select new TVs from **LG, Samsung and Sony**.

#### AT THE COMMISSION

The **FCC** Wireline Competition Bureau is seeking comment on whether it should extend the waiver of letter of credit rules for Connect America Fund Phase II and Rural Broadband Experiment recipients beyond its original expiration of Dec 31, 2021. It asks how the ongoing nature of the pandemic has affected telecom services providers, including whether there is product unavailability or trouble obtaining permits from municipalities. – Nominations for the FCC's Communications Equity and Diversity Council are due by 11:59pm ET, Aug 10. The group, previously chartered under the name Advisory Committee on Diversity and Digital Empowerment, is charged with making recommendations to the Commission on advancing equity in the provision of and access to digital communication services and products for all people in the U.S.

#### PATENTLY SPEAKING

**TiVo** and **Google** reached a long-term renewal of their patent license agreement. Google has been a licensee since 2012. TiVo, an **Xperi** company, said the expanded agreement highlights its continued progress in OTT licensing growth. – **Viamedia's** AdTech video platform, **QTT**, received its third patent for "Integrating Digital Advertising With Cable TV Network and Broadcast Advertising." The platform is a cloud-based solution converting a single digital ad call into a linear advertising placement. By integrating with SSPs and DSPs, QTT facilitates private marketplace deals with local broadcasters and cable networks licensing the platform. The patent enables connection to broadcast and cable programmers and their ad inventory, increasing digital-first advertisers' access to local linear TV inventory to 15 minutes per hour nationally. The access started at two minutes per hour from QTT's previous patent.

#### FREE OLYMPIC STREAMING FOR MILITARY, VETS

**The Exchange**, the retailer on U.S. Army and Air Force installations worldwide, and **Comcast NBCUniversal** will offer U.S. service members and honorably discharged veterans worldwide

free streaming of the Tokyo Olympic and Paralympic Games coverage via The Exchange's website. This is the third time the Army & Exchange Service and NBCU have partnered with local cable, satellite, vMVPD and telecommunications providers on this effort. Service members can also access coverage from their personal devices on the NBC Olympics website or app listing The Exchange as a service provider. The Tokyo Olympics takes place July 23-Aug 8 and the Paralympic Games runs from Aug 24-Sept 5.

#### DISCOVERY 2021 SHARK WEEK PARTNERSHIPS

If you love Shark Week, then chances are there's a **Discovery** partnership that will tickle your fin. This year's lineup includes everything from "shark bite" print underwear from MeUndies to sea-themed dog toys and treats from monthly dog box Pooch Perks. You can even snag a Wilson Sporting Goods limited-edition volleyball with Shark Week-inspired designs. Many of the products donate some of the profits to ocean conservancy efforts. Discovery's partnerships go deep too, featuring conservancy groups such as Oceana, The Ocean Conservancy and Beneath the Waves. With Shark Week kicking off Sunday, fans can text "Shark" to 707070 to contribute to the organizations. **The Paley Center for Media** is also participating again, hosting a tribute on its site including highlights from "Shark Week" since its start in 1988.

#### PROGRAMMING

For the first time ever, **ESPN's** "Sunday Night Baseball" will air exclusively on **ABC**. The broadcaster gets the Aug 8 Cubs-White Sox matchup at Wrigley Field. – **Discovery+** greenlit real estate docuseries "Kendra Sells Hollywood." The show will be available to stream on the service in fall 2021.

#### PEOPLE

**Starz** promoted *Superna Kalle* from evp, International Digital Networks to president, International Networks. She joined Starz in 2018 to lead the international expansion of STARZPLAY, now available in 58 countries globally. – **Media Financial Management Association** elected a slew of new members to its board and announced five officers. Sinclair's *David Bochenek* will serve as chairman; **Hubbard Radio's** *David Bestler* is vice chair and conference chair; **Discovery's** *Lori Locke* was elected secretary and conference co-chair and **Beasley Broadcast's** *Marie Tedesco* is treasurer. **Bonneville International's** *Melissa Mitchell* is immediate past chair.



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## Think about that for a minute...

### Multitasking

Commentary by Steve Effros

We've all seen some variant of this: a person walking along the sidewalk seemingly oblivious to all around him or her, talking, laughing, yelling apparently at no one, looking at their telephone screen and either almost being hit by a car they don't notice as they step off the curb or face-planting into a telephone pole! That's the current state of "multitasking."

For some strange reason the concept of "multitasking," that is, doing more than one thing at the same time, is seemingly now seen as a good thing. I take issue. In fact, since multitasking is actually something originally ascribed to computers, not humans, I don't really think (and there's lots of support for this notion) that people can actually "multitask" at all! Do we "juggle" from one thing to another? Sure. Do we switch our attention back and forth? Of course. But can we actually do what computers do, that is, conduct simultaneous unrelated high-level tasks at the same time without any of the tasks being impaired? Nope, I don't think so.

Why go on like this? Well, it appears that what I would call the myth of multitasking has taken over our efforts at communicating. A few examples should suffice; have you recently watched any of the news on television? Doesn't matter whether it is a cable channel or a broadcast channel these days, they all look alike. There's someone telling you the "news," showing pictures, and there's an entire lower part of the screen with weather information, a scrolling line with different news headlines, the stock market averages and just about any other extraneous information they think you might want, like what program is coming up next!

Do you really think you can focus on what someone is saying, watch the video which enhances that information and also absorb all the other stuff that they are throwing at you at the same time? In other words, multitask? Forget it. Sure, you can focus on one or the other, and yes you can get the gist of two at the same time. But the level and quality of the information, the communication, is seriously eroded. We kid ourselves if we think this is some sort of improvement or advancement in

communication. It's a mind-numbing distraction.

Another example, and one I rail at every year, is the production, here in DC, of the Fourth of July fireworks display by our local PBS station. For some strange reason the production team has long considered it a good idea to not just let us visually enjoy the magnificent fireworks taking place, but also insert a box blocking a little less than a quarter of the screen with various pictures of the symphony orchestra playing the music that is accompanying the display, or the person holding a microphone singing at the same time! Am I the only one yelling at the screen when all that happens? Have we lost the distinction between video presentation and audio background? Is everything now "equal" and presented simultaneously?

OK, that made me feel better. But seriously, folks, if we are still claiming to know something about communications, and we actually want to convey information and entertainment effectively, then it's about time we recognized that this whole idea about "multitasking" is a sham. We are not promoting better communications by aiming a firehose of information and visual effects at the same time. We are degrading the effort to communicate.

I could diverge into a deeply philosophical discussion at this point about what has happened to our ability to communicate, who believes in what, why, and whether it is "fake" or real and how to tell. All of that actually does relate to the simplistic issue above about firing way too much information at the same time, thus devaluing it all. But that's for another time.



*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.)*

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