

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Next Steps: CBRS a Spectrum Sharing Success

2020 closed with a bang thanks to the auctioning off of two huge swaths of midband spectrum across the FCC's CBRS and C-band proceedings. For the former, the agency adopted a new method of spectrum management that allowed for the dynamic sharing of spectrum between incumbent users of the band and those seeking to utilize it for commercial uses. It has been such a success that now industry analysts and technologists are looking for the next spectrum gold mine.

"We have actually had no reports of interference from any of the incumbents, which includes the [Department of Defense] as well as the satellite operators," **CommScope** senior director, business development & spectrum policy *Mark Gibson* said during a panel at **NTIA's** virtual 2021 Spectrum Policy Symposium.

Quadra Partners co-founder *Ruth Milkman* added that the lower barriers of entry to spectrum access have allowed the CBRS band to become the chosen home in the U.S. for private 5G industrial networks capable of enabling applications like smart manufacturing and agriculture.

Even cable operators have been anxiously anticipating the fruits of their investment into CBRS spectrum, particularly those that have taken a dip into the mobile market. Their hope is to pair it with their existing wireless offerings to offload network traffic.

Charter is in the process of building its first infrastructure

project that will utilize its CBRS spectrum bank and aims to have it completed in early 2022. It will still be some time before it sees the fruits of its labor, with CEO *Tom Rutledge* saying during the company's 2Q21 earnings call in July that he doesn't expect to see meaningful national mobile traffic offload until 2023.

So what can follow in CBRS's footsteps? The panel identified two spectrum bands that could be next to get the shared treatment. The first is the 3GHz band, which contains the 3.55-3.7GHz CBRS band, as well as the 3.45-3.55GHz band set to be auctioned off next month at the FCC. **AT&T, T-Mobile** and **DISH** will all be submitting bids while **Charter, Comcast** and **Cox** were among those that have opted out of participating.

The second is the lower section of the 37GHz band, from 37.0GHz to 37.6GHz. "That's 600MHz of spectrum designated for sharing between the federal government and commercial uses, and the technical characteristics mean that it should be possible to have multiple users in the same frequencies, the same geography, and the low amount of incumbent use provides a greenfield opportunity to build in bidirectional sharing from the very beginning, which is an opportunity we really haven't seen before," Milkman said.

Spectrum demand has been arguably higher than ever before in recent years as companies and associations fight for the future of 5G and the continued strengthening of WiFi services. But will there soon come a point where enough spectrum is made available that overall demand would start to decline?

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“Don’t count on it. As a telecom guy with an eight-year-old that one day wants to go to college, I hope it doesn’t diminish any time soon,” **Verizon** svp, federal regulatory and legal affairs *Will Johnson* said. “One recent projection said that the wireless industry is going to face a 500%+ growth in traffic by 2026. That’s against a backdrop where traffic has already increased 100-fold since 2010. That level of growth is really pretty mindblowing... to not only keep pace with the growth, but to continue to maintain the quality of service and ever increasing reliability that people really expect.”

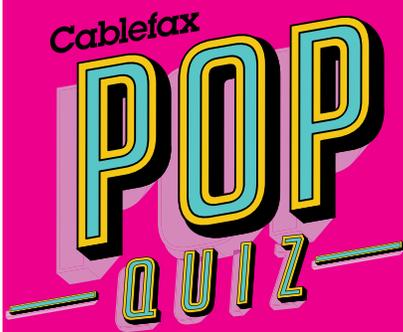
INFRASTRUCTURE DOLLARS NOT COMING SOON

It has been two weeks since the Senate approved a \$1 trillion version of *President Biden’s* infrastructure package, but it will be quite a bit longer before broadband providers start receiving pieces of the roughly \$50 billion he has proposed for internet expansion into unserved and underserved areas. And it’s not just the House, which has yet to pass the bill, that’s to blame for the delay. During a panel at **NTCA’s** Fall Conference, communications lawyer *Steve Coran* and **ACA Connects** svp, government affairs *Ross Lieberman* estimated dollars will begin to flow in the second half of 2023. A number of factors play into the slow pace, including when the **FCC** completes the updates to its broadband availability maps that will allow agencies like **NTIA**, which has been charged with the management of the funds earmarked for broadband deployment, to understand where connectivity is still needed. “They’re still in the vendor selection process. And obviously, the vendor hasn’t really started the work on building the type of databases that are going to be necessary to collect the

information from operators,” *Lieberman* said. His guess is that the maps will likely be done in mid-2022 at the earliest. But after that, **NTIA** will need to begin developing its rules for the grant program through which it will distribute \$42.5 billion in funding to eligible states through a new grant program. *Lieberman* and *Coran* agreed that the **FCC’s** fumbling of the **Rural Digital Opportunity Fund** likely played a role in the **Biden Administration’s** decision to choose an **NTIA-led** grant program over a Commission-managed reverse auction. “One of the benefits of auctions is there’s not really a lot of subjectivity,” *Lieberman* said. “With a grant program, they’re going to have to measure between all these different priorities, there’s going to be politics involved... there’s going to be a lot of uncertainty. That goes with the process.”

DISCOVERY+WARNERMEDIA = IP-PALOOZA

Still trying to wrap your head around the pending **WarnerMedia-Discovery** merger? **Discovery** and **WarnerMedia’s** top execs took their case to the **Goldman Sachs** Communacopia Conference, with **AT&T** CEO *John Stankey* acknowledging that there’s a lot of uncertainty in the stock right now as investors fret over the deal’s chances of regulatory approval, what the direct-to-market strategy looks like and how the new structure shakes out. “The good news is... they’re all things that we, over the course of the next several months, will resolve,” he said, reiterating **AT&T’s** stance that separating the communications and media businesses will build up shareholder value. **Discovery** chief *David Zaslav* appeared at the same investor conference, hyping the combined company as an IP giant with **WarnerMedia’s** content library taking **Discovery’s**



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

What fictional cafe was the preferred haunt of Jerry Seinfeld, George Costanza and their friends?

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Last week’s answer: Geller is the last name of Monica and Ross in “Friends.”

Kudos to last week’s winner: Kimberli O’Meara, INSP

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IP from good to great. “The question that we have is, [does Discovery] have something that people are going to leave dinner at 8:00 for and go..., ‘I got to go because I got to see this’? Do we have enough of the explosive content that’s going to bring a huge number of people in? And the answer is, in the U.S. at least, we don’t,” he said. “We don’t have Batman. We don’t have Elvis with Tom Hanks...So with the combination of the two, we have all this unbelievable nourishment. So when somebody comes in, they’re staying.” While WarnerMedia boosts Discovery’s IP, Discovery helps **HBO Max**’s global expansion. “These two companies together are going to allow it to hit that upper threshold that’s necessary to compete with what I think are going to be the global platforms moving forward,” Stankey said, projecting HBO Max to hit 120-150 million subs by the end of 2025. Neither company saw a lift from Tuesday’s investor appearances, with AT&T shares down almost 1% to \$26.96 and Discovery off more than 3% to close at \$25.15.

DISNEY’S GARY MARSH GOES HIS OWN WAY

After 33 years at **Disney**, Gary Marsh will step down as Disney Branded Television’s president and chief creative officer at the end of the year to start his own production company. He’ll have a warm welcome at the House of Mouse, with Disney General Entertainment inking a multi-year deal with Marsh for content across Disney platforms. Marsh shaped some of Disney Channel’s most iconic franchises, including “High School Musical,” “Descendants” and “That’s So Raven.” An integral part of the Disney family, he’s been discussing the move to production for more than two years. “Gary is a valued leader and good friend, and we’ve been talking about this move for years. So when he decided to focus solely on producing after three decades of an amazing executive career, I jumped at the opportunity to keep him among us,” Disney General Entertainment chair Peter Rice said. Right now, Marsh is finalizing the first few projects under his production banner, including two new “Descendants” movies and a “Beauty and the Beast” prequel. Others to come are “Tink,” “School for Sensitive Souls” and “Witch Mountain.”

DISH SUES ISTAR, ATLAS

DISH filed a lawsuit seeking more than \$24 million in damages from a company that it claims is pirating some of its international content. The complaint, filed Tuesday in US District Court for the Eastern District of Michigan, accuses IPTV service **iStar** of illegally transmitting channels exclusively licensed to DISH. The lawsuit also names Michigan-based reseller **Atlas Satellite** and iStar owner *Ahmed Karim*. The copyright infringement suit involves several networks, including **Al Arabiya** and **India Today**.

TEGNA ON THE PATH TO ACQUISITION?

TEGNA has attained popular kid status once again. The company confirmed Tuesday that it has recently received a number of acquisition proposals that its board is carefully examining. The announcement comes 18 months after several TEGNA suitors came out of the woodwork. The broadcaster received four unsolicited acquisition proposals in the weeks prior to the shutdowns tied to

the COVID-19 pandemic that began in March 2020. It engaged with two of those parties, offering them non-public due diligence information, but both bidders ceased discussions in light of the uncertainties surrounding the pandemic. Among those rumored to be in that bidding pool were **Apollo Global Management**, **Gray Television** and *Byron Allen*.

COMCAST IE ADDS PELL GRANT AWARDEES

Comcast’s low-cost broadband program Internet Essentials unveiled its latest eligibility expansion, with all Federal Pell Grant recipients within its service area now qualified to receive the offering. The announcement comes as Comcast reaches the 10th anniversary of the Internet Essentials program. To date, the program has connected a total of more than 10 million people to the internet at home. The operator also pledged to donate \$15 million worth of internet service and devices to low-income students, seniors, veterans and adults in cities nationwide. The pledge is part of Project UP, Comcast’s initiative to advance digital equity.

PARAMOUNT+, SHOWTIME BUNDLE UP

ViacomCBS is pairing **Paramount+** and **Showtime** in two of its subscription plans. The ad-supported Essential Plan is available at an introductory price of \$9.99/month and features marquee sports like NFL games and more than 2,000 soccer matches each year, with on-demand offerings of the full suite of current and upcoming shows and films. Subscribers will also get **CBSN** access. The commercial-free Premium Plan, available at an introductory price of \$12.99/month, allows consumers to view content in 4K, HDR and Dolby Vision, receive mobile downloads, access an extended roster of sports and live streams of local affiliates in over 200 U.S. markets.

PROGRAMMING

A+E Studios made a multi-year overall development and production deal with “The Big Sky” and “The Lincoln Lawyer” producer *Ross Fineman*. Per the agreement, Fineman will continue to develop and produce projects for A+E Studios for sale on all global and domestic platforms and services. Current projects at A+E Studios from Fineman include thriller “The Fall,” drama series “Elsewhere” and character drama “Beautiful Strange.” – **HGTV** picked up a second season of “Bargain Block” for a slated premiere in summer 2022. – **Disney Channel** is debuting series “The Ghost and Molly McGee” on the night of Oct 1 followed by the series premiere “ZOMBIES: Addison’s Monster Mystery.” – **Tubi** launches true crime docuseries “Meet, Marry, Murder” October 6, with all 13 episodes dropping on the AVOD. A preview will be available on **Amazon Fire TV** starting Oct 1. – **Paramount+** renewed the “Rugrats” reboot for a second season. The next eight episodes of the first season will be available to stream exclusively on the platform Oct 7. – **Discovery** series “Street Outlaws: No Prep Kings” will premiere for a new season Oct 11 at 8pm on Discovery and will be available to stream on **discovery+** the same day. Sister series “Street Outlaws No Prep Kings: Team Attack” will immediately follow every Monday at 10pm.