

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Closing Time: Some Operators Ending QAM Video, Forcing IPTV Switch

While many consumers are choosing to drop traditional cable video service, a few operators are giving them a push to IP video. **GCI** is perhaps the largest example, with the company planning to end traditional video at the end of 1Q22 and transition customers to IPTV service **Yukon TV**. But **Cable One's Sparklight** also has started down a similar path in a handful of markets.

Cable One was one of the first cable operators to de-emphasize video, focusing for years on the higher margins that come with broadband. It went one step further last year launching **MobiTV-backed Sparklight TV** as an offering for brand new customers. In mid-November, it started rolling the service out to existing customers in a few markets: Altus and Duncan, Oklahoma, and Bisbee, Arizona. The transition process is ongoing, but upon completion, Sparklight will only offer IPTV video in those markets.

The company is using multiple touchpoints, including letters, postcards and emails, to explain the transition. It's also highlighting the benefits of using the internet to watch TV, such as no cable boxes or cords to worry about. It's throwing in a free Amazon Fire TV stick for its \$106.50/month Standard TV offer (100 channels, including CNN, ESPN, HGTV and local broadcast).

A Cable One spokesperson said there isn't a set timeframe for transitioning all markets to Sparklight TV, but expects it

to be a 2-3 year process. Currently, from start to finish, the transition process for existing customers in these first three markets is approximately 11 weeks (from first touchpoint to transition).

WOW! is taking a different approach with its IP-delivered video product **WOW tv+**. It's directing new and existing customers to IPTV, but it's continuing to offer traditional QAM video service. "Among other reasons, [IPTV] helps free up bandwidth on our network. WOW! tv+ is our proprietary video product but we also want to offer our customers choice so we have established streaming partnerships with other IPTV platforms like **YouTube TV, Fubo, Sling, and Philo,**" a spokesperson said.

Partnerships with vMVPDs have become popular for a subset of operators. **Frontier** has struck agreements to offer YouTube TV and **DirectTV Stream** to its internet customers. "It makes sense for smaller operators for whom video isn't profitable anyway. Let YouTube handle it and focus on the services like broadband that offer the potential for competitive advantage," said **MoffettNathanson's Craig Moffett**.

GCI had originally planned to force all customers to switch to IP-based Yukon TV by Dec. 31, but decided to move the deadline to late March. There have been problems along the way, with some customers [complaining](#) the service isn't ready for primetime.

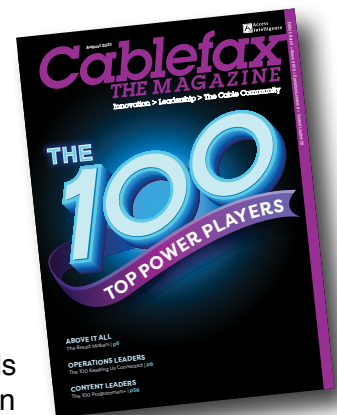
GCI has a dedicated customer service group within its CSR department to guide the transition, and it has created a 20-page brochure online to walk folks through the process.



Who Deserves to Rank Among Cablefax's Annual Top Power Players?

The Cablefax 100 salutes the most influential executives whose leadership continues to take the industry to new heights. We will rank the top professionals in the media, cable & broadband industry and publish the list in the June edition of Cablefax:The Magazine.

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Nominate at www.Cablefax100.com | Questions: Mary-Lou French at mfrench@accessintel.com

Other educational elements have included public webinars, which about 700 people have attended. The early adopters jumped into the process, but more work has been needed for some customers. “In some situations, we need to describe to people how to download an app, because they’ve not done that before,” said *Heather Handyside*, GCI’s Chief Communications Officer. “If people are still having difficulties making the switch or need help, we’ll send a tech out to their home.

The transition hasn’t been without hiccups along the way, but Handyside said explaining the ‘why’ behind the switch helps. “Part of the why is that it’s the way the industry is moving to streaming. Customers want to have more choices and have a curated experience,” she said. GCI is also pointing to supply chain issues. “People have an increased awareness of supply chain issues and the fact is, we’re having some difficulty getting actual set-top boxes right now and getting the equipment. People get that because of our size that in a global market, GCI may not be at the top of the list to get existing equipment or new orders.”

AT&T TOPS 3.45GHZ AUCTION SPENDING

AT&T was the big spender at the **FCC**’s 3.45GHz auction, which closed as one of the highest grossing auctions in the agency’s history. Gross proceeds from the auction AT&T’s total gross winning bids came in at \$9,079,177,491 with 1,624 licenses won. **DISH** also dedicated a significant chunk of change to purchase spectrum to support its growing wireless operations. It came in as the second-highest bidder with \$7,327,989,290 in gross winning bids for 1,232 licenses. **T-Mobile** followed far behind in third, with \$2,898,418,995 in gross winning bids for a total of 199 licenses. Rounding out the top five in terms of spend were **Three Forty-**

Five Spectrum LLC with \$1,379,489,483 in successful bids and **U.S. Cellular** putting up \$579,646,526. The auction saw winning bidders in the clock phase for all but 19 of the available 4,060 generic blocks in the 3.45-3.55GHz band. The FCC claimed this auction was more diverse than previous auctions for spectrum for 5G applications with some 13 of the 23 companies with winning bids qualified as small businesses or as entities that serve rural communities. Over one-third of the top 100 markets have at least four winning bidders compared with 10% of the top 100 markets for the C-band auction. “This is a direct result of the Commission’s efforts to structure this auction with diversity and competition front of mind,” FCC Chair *Jessica Rosenworcel* said in a statement.

NETFLIX RAISING PRICES AGAIN

Netflix is upping its pricing plans for customers in the U.S. and Canada to help offset growing content costs. *Reuters* was first to report the change. The streamer’s standard plan now starts at \$15.49/month, up from its previous price of \$13.99/month. Netflix’s premium plan, the only offering that includes Ultra HD content and allows customers to watch four screens at once, has risen from \$17.99/month to \$19.99/month. These are the first increases for U.S. and Canadian subscribers since Oct. 2020. They’ve already gone into effect for new customers, and existing customers will see them roll out during the upcoming monthly billing cycle. More information on Netflix’s content spend is likely to come during the company’s 4Q21 earnings call on Thursday.

CARR CRIES OVERBUILDING FOUL

Republican **FCC** commish *Brendan Carr* is taking aim at rules for spending the \$350 billion in American Rescue Plan Act

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funds on broadband projects. “Rather than directing those dollars to the rural and other communities without any Internet infrastructure today, the Administration gives the green light for recipients to spend those funds on over-building existing, high-speed networks in communities that already have multiple broadband providers,” Carr said in a statement Friday. “It gets worse. The Treasury rules allow these billions of dollars to be spent based on bad data. It does this by authorizing recipients to determine whether an area lacks access to high-speed Internet service by relying on informal interviews and reports—however inaccurate those may be—rather than the broadband maps that the federal government has been funding and standing up.” He’s calling on state, local, and Tribal governments that receive ARPA funding to direct broadband dollars to unserved communities or risk deepening the digital divide.

VIACOMCBS’ CDN IP TRANSITION

ViacomCBS migrated its DABL and select Showtime linear channels from satellite to CDN IP distribution thanks to a partnership with CommScope. The programmer used CommScope’s DigiCipher Streaming system to complete the migration and to launch FAVE. This marks the first full transition of ViacomCBS services from satellite to CDN IP, using existing CDN IP infrastructure for service distribution to CBS broadcast stations, DABL affiliates and Showtime MVPDs in its U.S. footprint.

OZARKSGO HITS 30,000

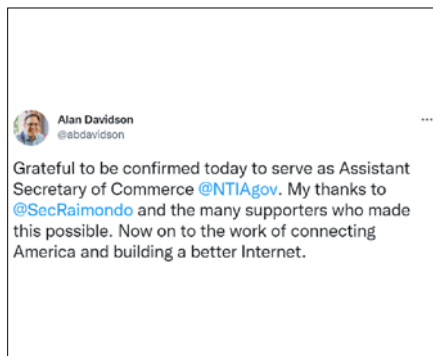
OzarksGo, a fiber provider and subsidiary of Ozarks Electric Cooperative, celebrated the connection of its 30,000th customer. Dorothy Harris of Fayetteville, Arkansas, received a 55-inch television along with her internet and television service to celebrate the milestone. OzarksGo connected its first customer in 2017 west Springdale, Arkansas, and has expanded operations into Oklahoma. The provider offers residential internet speeds of up to 1 gig along with video and voice service.

EDITOR’S NOTE

Your next issue of Cablefax Daily will arrive on Tuesday, Jan. 18 in observance of Martin Luther King, Jr Day.

CABLEFAX DASHBOARD

Twitter Hits



Research

(Source: [December's The Gauge from Nielsen](#))

- > Streaming in the U.S. for the week of Christmas reached an all-time high of more than 183 billion video minutes. That gave OTT platforms 33% of total TV viewing during the week of Christmas.
- > Prior to December, the previous high was the 160 billion minutes streamed during March 2020.
- > Overall, the percentage share of streaming for December remained flat from the previous month at 28%.
- > Broadcast viewing dropped one share point. The “Other” category, which includes on-demand content, cable set top box streaming, gaming and DVDs gained 1.6% share.

Up Ahead

- JAN 21:** [Cablefax 100 Nomination Deadline](#)
- JAN 27:** [FCC Open Meeting](#)
- FEB 4-20:** [Beijing Winter Olympics](#)
- FEB 8:** [INCOMPAS Policy Summit, DC](#)
- FEB 28-MARCH 3:** [Mobile World Congress Barcelona](#)

Quotable

“The first step in our migration of a software stack out of pay TV was to build a dongle, which is sold at retail and competes obviously with things like the Fire Stick and Roku Stick. We’ve seen good traction and good results from people using that product. We’ve continued to evolve it obviously as one does with a software-based product over time, but it’s really not the end game... What it’s done though is it’s helped establish with various ecosystem partners as we look at bringing the stack directly into TVs that we obviously have a product that is... offering real value... so we’ve been working on building the ecosystem, whether it’s content companies, TV-related partnerships, to potentially launch embedded Stream OS.” – Xperi CEO Jon Kirchner at the Needham Virtual Growth Conference discussing the embedding of TiVo Stream OS into Smart TVs