

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Hello 2022: FCC Chair Tees Up Apartment Broadband Competition Item

With no Democratic majority at the **FCC**, there wasn't much regulatory drama for cable to deal with at the agency last year. While the third Democratic seat is still empty, 2022 is already off to a more contentious start.

On Friday, FCC Chair *Jessica Rosenworcel* announced that she had circulated a proposal aimed at increasing competition for those living in apartments, condos and other multiple tenant environments (MTEs). If adopted, it would end what Rosenworcel describes as "loopholes," and includes prohibiting broadband providers from entering into graduated revenue sharing agreements or exclusive revenue sharing agreements with building owners. **NCTA** has defended such practices, including exclusive wiring deals, saying they help to keep rent and broadband prices lower for MTE residents.

With the proposed order not yet public, the association is taking a wait-and-see approach. NCTA has urged the FCC to instead use the rulemaking to expand the ban on exclusive access agreements for MVPDs and telecoms to all providers. There is uncertainty over whether broadband-only providers fall under the exclusion. Last week, NCTA representatives met with FCC staffers to press that point, according to an ex parte filing. They also used the meeting to argue that arrangements between broadband providers and building owners, including term wiring, revenue sharing, and exclusive marketing agreements, "would jeopardize rather than enhance the availability

of advanced broadband to MTE tenants."

Rosenworcel's proposal also would require providers to disclose to tenants in plain language the existence of exclusive marketing arrangements that they have with property owners and would end "a practice that circumvents" the FCC's cable inside wiring rules by clarifying that existing Commission rules prohibit sale-and-leaseback arrangements that effectively block access to alternative providers.

"With more than one-third of the U.S. population living in apartments, mobile home parks, condominiums, and public housing, it's time to crack down on practices that lock out broadband competition and consumer choice," Rosenworcel said in a statement. "Consumers deserve access to a choice of providers in their buildings. I look forward to having my colleagues join me in lifting the obstacles to competitive choice for broadband for the millions of tenants across the nation."

It is not clear if she has the votes to approve the order. There is still no vote scheduled on *Biden* FCC nominee *Gigi Sohn*, who would give Dems a majority if confirmed. There's a push for **Senate Commerce** to hold a vote by the end of the month. In recent days, Senate Commerce Ranking Member *Roger Wicker* (R-MS) has called for a new hearing on Sohn, saying he wants to look closer at a \$32 million settlement between broadcasters and **Locast**, of which Sohn was an adviser.

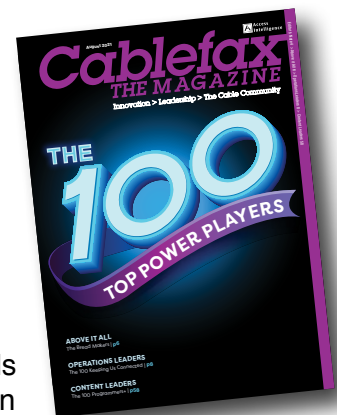
Rosenworcel's MTE proposal follows an FCC vote in September to refresh the record on a 2019 MTE proceeding that produced comments on many of the same issues, but resulted in no FCC action.



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.

It's free to enter — but you must submit your entries by January 21!



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

The docket's reopening has once again brought a flurry of comments. Just this week, the **Office of Advocacy**, an independent office within the **Small Business Administration** that represents the views of small business, told the FCC that the record supports the conclusion that there are significant barriers to competition in MTEs that the Commission may be able to eliminate through its regulatory authority. For example, it said if there are situations where an MTE would not be served at all absent exclusive agreements, the Commission should consider whether there are better means to support broadband deployment, such as broadband grants.

NETFLIX STRIKES FEAR WITH LOW GUIDANCE

Netflix stock lost nearly a quarter of its value Friday in the aftermath of a 4Q21 earnings call where the C-Suite guided to an underwhelming 1Q22. The streamer forecasted 2.5 million net adds, down from the 4 million it saw in 1Q21. **MoffettNathanson** lowered its target price from \$460 to \$375, calling out a number of red flags that it said will make even the most bullish analysts rethink their thesis. "Imagine what will happen when the content slate is not this strong and/or the Western Hemisphere is not battling a pandemic?" the firm said in a note. "As such, isn't the 1Q 2022 net sub add guide of only +2.5 million worrying and evidence of that risk?" On the company's earnings call Thursday, CFO *Spencer Neumann* said there's no reason for investors to worry about larger threats to the business. "What's reflected there is pretty much the same trends we saw in Q4—healthy retention with churn down, healthy viewing and engagement with viewing up and acquisition just growing but a bit slower than pre-COVID

levels," he said. Neumann said the company still hasn't been able to pinpoint why its acquisition trajectory hasn't returned back to pre-COVID levels, but he largely attributes it to ongoing impacts from the pandemic and macroeconomic strain in areas like Latin America. Netflix Chair/Co-CEO *Reed Hastings* also said there's more competition than there's ever been, but the impact of that is no more than what it has been for the last decade or so. "Confidence in streaming becomes all of entertainment. Linear dissipates over the next 10-20 years, very high confidence in that thesis because everyone's coming into streaming," he said. "COVID introduced so much noise, it just wants us to give it some pause as we work on everything we've always worked on." The company is continuing to explore new types of services or programming that it can incorporate into its subscription. But don't expect Netflix to add VR content or dive into the metaverse without thought. Hastings only wants to do it if Netflix can be great at it. "It took us several years to get great at English original series... We're definitely crawl, walk, run and let's nail the thing and not just be in it for the sake of being in it for a press release," he said.

NEXSTAR RENEWS CBS AFFILIATIONS

ViacomCBS and **Nexstar** have agreed to multi-year deals renewing the existing CBS affiliations in 39 U.S. markets. The markets included in the deal serve 17.4 million television households. As part of the agreement, Nexstar's CBS affiliates will continue to be locally available to **Paramount+** subscribers and widely distributed across vMVPD platforms.

EVOCA LAUNCHES IN DENVER

ATSC 3.0-powered video service **Evoca** launched in Denver

Help Save Lives. Donate Blood.

Schedule at RedCrossBlood.org



American Red Cross

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Friday. The \$25/month service (plus receiver) features 60 channels, including RSN **Altitude Sports**. **Comcast** and **DISH** haven't carried the Nuggets, Avalanche and Rapids net since September 2019. Evoca is offering a price-lock guarantee for two years. Next month, the service is rolling out "Evoca Replay," which allows viewers to access fully recordings of games they may have missed from the previous three days. Evoca premiered in October in Colorado Springs, which also has access to Altitude. Evoca's video subscription service is also available in Boise, Idaho, and Phoenix, Arizona. Last year, Evoca CEO *Todd Achilles* told CFX the provider has tried to get a deal to offer **Bally Sports Arizona** but has been unable to agree to terms with owner **Sinclair** insisting carriage be tied to retransmission of broadcast stations.

COMCAST, NOKIA FOR 5G

Comcast Business is partnering with **Nokia** to deliver 5G private wireless networks. The non-exclusive agreement will allow Comcast to expand its offerings to include those private networks using Nokia's Digital Automation Cloud private wireless solution and digitalization enabler platform. The first deployment will launch at the Wells Fargo Center in Philadelphia during 1Q22.

PROGRAMMING

Showtime is letting everyone sample the "Billions" Season 6 premiere, making the episode available for free on Showtime.com, Sho.com and YouTube as well as through MVPDs' platforms and partners such as Roku and Amazon Prime Channels. The ep debuted Friday and will be available for free through April 10. It makes its official Showtime premiere on Sunday at 9pm.

PEOPLE

Peacock President *Kelly Campbell* is drawing from the **Hulu** bench, tapping *Annie Luo* to serve as EVP, Global Partnerships and Strategic Development. Luo served as Hulu's SVP, Business Development at Operations. At Peacock, she'll focus on driving growth and strategic partnerships while reporting to former Hulu President Campbell.


CABLEFAX DASHBOARD

Twitter Hits

Rich Greenfield, LightShed @RichLightShed

In 2013, Netflix **\$NFLX** suffered an investor confidence crisis. **@reedhastings** ended Netflix's "Long Term View" letter with an Airplane movie quote essentially asking investors if they trusted him to fly & land the plane safely:

"we have clearance, Clarence." Roger, Roger."



CableLabs @CableLabs

A lot happened for #10G in 2021! Let's take a moment to recognize and celebrate those milestones! A few of CableLabs' members had some pretty memorable moments... **@comcast**, **@followarmstrong**, **@CharterNewsroom** and **@10Gplatform**



Mike O'Reilly @MPOReilly

Setting aside the massive FAA-induced RA fiasco, we can't lose focus that yesterday was a wonderful spectrum & technology day: turning 5G on in C-Band. After so many years advocating for it, I'm very proud it's finally operational. Outstanding!

Research

(Source: [Cisco's Kenna Security Prioritization to Prediction Report](#))

- > A record-breaking 20,130 software vulnerabilities were reported in 2021. That's 55 a day, but only 4% pose a high risk to organizations.
- > 95% of IT assets have at least one highly exploitable vulnerability.
- > 87% of organizations have open vulnerabilities in at least a quarter of their active assets, and 41% of them show vulnerabilities in three of every four assets.
- > Prioritizing vulnerabilities to fix is more effective than increasing an organization's capacity to patch them, but having both can achieve a 29x reduction in exploitability.

Up Ahead

- JAN 27:** [FCC Open Meeting](#)
- JAN 28:** [Cablefax 100 Nomination Deadline](#)
- FEB 4-20:** [Beijing 2022 Winter Olympics](#)
- FEB 8:** [INCOMPAS Policy Summit, DC](#)
- FEB 28-MARCH 3:** [Mobile World Congress Barcelona](#)

Quotable

"The real question is is this a deal that could substantially lessen competition or tend to create a monopoly. And there's also indication that Congress wanted enforcers not just to act when the third and fourth companies are merging or the first and second, but actually in the incipency... I think part of this process of revising the merger guidelines was doing these studies to understand what did we miss?.. The project to potentially revise the guidelines is to basically identify what are the blind spots right now, what are the questions that we haven't been asking that we should be asking? Some of those are in the tech context, but others are relating to what's known as monopsony or labor effects."

- **FTC Chair Lina Khan** on CNBC's **"Capital Exchange"** discussing merger guidelines and how the agency will be evaluating large transactions moving forward.