

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Wait and See: CommScope Delaying Spin-Off, Ready for RDOF Support

Supply chain problems continue to plague **CommScope**, and it is now pushing back the spin-off of its Home Networks business as a result. The leadership team now believes chip shortages will extend through 2022, and unneeded risk would come with executing the spin-off before a more normalized supply is flowing into the company.

“Although Home Networks ended 2021 with a backlog in excess of a billion dollars, the business has been contending with an acute shortage of semiconductor chips and higher input costs that have resulted in revenue and adjusted EBITDA significantly below our expectations for 2021,” CEO *Charles Treadway* said on the company’s 4Q21 earnings call Thursday.

Home Networks remains the black sheep of the CommScope family, having a largely negative impact on the company’s bottom line due to those supply chain challenges. For the Home Networks segment, net sales of \$477 million were down 18% YOY. Video product sales were up modestly from the prior year, but that was more than offset by a drop in sales of broadband gateways that is directly attributable to the chip shortage. Conversely, the rest of the company, what is now called Core CommScope, saw net sales of \$1.75 billion, a 12.8% YOY increase thanks to higher sales activity across the Outdoor Wireless Networks and Campus Networks segments.

Treadway held that CommScope is fully committed to its previously announced CommScope NEXT plan, a proposal that

aims to drive profitable growth in the business through organic growth, cost efficiency and portfolio optimization. That scheme was the driver behind the Home Networks spin-off, but there’s no timeline right now for when that will actually be executed.

Other aspects of CommScope NEXT remain on track with much of the work now being done within the company’s sales organization. Treadway said investments have been made in new fiber production capacity that’s already begun driving revenue growth, and new pricing and quoting tools have allowed CommScope to reprice a number of its products.

CommScope is gearing up for a major round of activity that will come courtesy of the government grant and subsidy programs for broadband deployment. Treadway is keeping a close eye on the money that will eventually be flowing out of NTIA for the building of fiber and other networks in unserved and underserved areas. In the nearer term, the Rural Digital Opportunity Fund poses a huge opportunity for CommScope. RDOF funding approvals increased during the fourth quarter, and the company has legacy customer relationships with many of the larger RDOF funding winners. “As RDOF funds are dispersed... we should see strong order flow from Tier II and Tier III service provider markets during ‘22 and for many years to come,” Treadway said.

ALTICE USA STOCK DROPS AFTER 4Q21 REPORT

Altice USA’s leadership team has a plan in place to spark new customer growth and reignite its wireless business, but it has to execute before Wall Street will offer it any love. Its

Guide to Your Online Cablefax Daily Issues

The screenshot shows the Cablefax website interface. At the top, there's a navigation bar with 'THE DAILY', 'AWARDS & EVENTS', 'THE MAGAZINE', 'SPECIAL REPORTS', 'THE LISTS', and 'JOBS'. Below this, the main content area is titled 'The Daily' for Wednesday, September 15, 2021. On the left, there's a sidebar with a list of headlines, including 'Still Assisting: Charter Looks to Aid Community Centers, Job Training'. A 'PDF' icon and 'FULL ARCHIVES' link are also visible. The main article preview shows the title 'Still Assisting: Charter Looks to Aid Community Centers, Job Training' and a small image of a computer screen.

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stock was down nearly 18% at market close on Thursday, and **Pivotal** announced plans to drop its target price to \$18 for Altice USA in light of the 4Q21 results, citing the acceleration in capex investment for its fiber buildout. “Even with our new conservative estimates ATUS shares are cheap, but as we said in our last note the shares are cheap and built to stay that way until management shows they can return to growth which realistically will take most (if not all) of ‘22,” Pivotal said. **MoffettNathanson** said Altice USA’s problems are unique, but fixable. But it’s challenging to see what the company will be able to bring in the near-term since it failed to offer guidance during the call. Instead, investors will have to be patient to see what CEO *Dexter Goei* can deliver, particularly through the rest of 2022. “Longer term guidance for lower capital intensity and higher margins after the fiber build will be reassuring to some, perhaps, but Altice is a show-me story now, and what happens over the next year will matter far more,” MoffettNathanson said. It continues to give Altice USA a “Buy” rating with a target price of \$33.

COX INVESTING BILLIONS TOWARDS 10G NETWORK

Cox Communications is pushing toward the future, announcing a multi-billion dollar, multi-year infrastructure investment in the bailout of a 10G-capable fiber-based network. The network will feature a mix of a fiber-to-the-premise build and DOCSIS 4.0 technology that will allow the operator to deliver multi-gig symmetrical speeds to both residential and business customers in the coming years. At the same time, Cox has committed more than \$400 million over the next three years towards expanding its footprint into underserved and rural communities. It plans to partner with local communities to leverage various funding opportunities and hopefully better meet the individual needs of those towns and cities.

AMCN GOES BIGGER ON ADDRESSABLE

Addressable advertising has really arrived... **AMC Networks** is offering addressable ad slots in every hour of its original programming on **AMC** and **WE tv** in 2022, and it’s already snagged **Amazon** as the first client. Offered in partnership with **Canoe Ventures**, the spots will run on **Comcast**, **Charter** and **Cox** cable systems, reaching more than 35 million homes in the U.S, with further expansion through the Go Addressable initiative. Data company **605** will help measure results. Amazon signed a year-long deal that will have it use addressable slot across various series, including “Better Call Saul” and “The Walking Dead.” AMC Networks has been a leader in the addressable space. It was the first programmer to join the “On Addressability” initiative founded by **Comcast Advertising**, Charter’s **Spectrum Reach** and **Cox Media** in 2019. It ran its first national addressable campaigns with

Canoe in late 2020 and earlier this year.

IMON TO BE ACQUIRED BY GOLDMAN SACHS

Just when we thought the M&A train was slowing down, **ImOn** has agreed to be acquired by **Goldman Sachs Asset Management’s** infrastructure investment business. As part of the transaction, Goldman Sachs Asset Management has agreed to make new investments to help ImOn on its journey to growth across its data, video and voice services to homes and businesses in eastern Iowa and the surrounding markets. ImOn, which was founded in 2007, currently reaches more than 60,000 homes and businesses with its more than 2,000 mile network. The deal is expected to close in the first half of 2022.

COMCAST COMES TO AIKEN, S.C.

There’s been a few stories over the years of **Breezeline** (formerly Atlantic Broadband) moving into **Comcast** markets. Sometimes it works the other way. Comcast announced this week that it’s expanded its broadband offering into Aiken, S.C., offering service to 1,500 businesses. It plans to expand to 5,000 residential homes in the area by year-end. Breezeline serves the Aiken region, launching gigabit internet in the area in 2018.

Cablefax Executive Round Up

Do you see a future for NFTs within the media space?



Melody Hildebrandt

President, Blockchain Creative Labs
Chief Information Security Officer, Fox Corporation

“Absolutely. From ‘The Masked Singer’s’ MaskVerse and the WWE to South by Southwest and Dan Harmon’s upcoming animated comedy ‘Krapopolis,’ NFTs are opening up a whole new world of monetized content, distribution and fan experiences and engagement. The incredible Web3 technology we’re harnessing for these efforts places Blockchain Creative Labs at the forefront of what we’re sure will be an exciting frontier for the entire media industry and mainstream consumers.”



Chelsey Rushworth

SVP, Sales
LiveLike

“We see many opportunities for NFTs with media companies, who are uniquely positioned to take advantage of this technology because of their content and mass audience reach. With NFTs, it’s not only expanding their ability to reach and connect with their users, but it’s also moving them to the new frontier of engagement touchpoints such as the metaverse. In fact, we have been rolling out new tokenization capabilities that—as an extension of the interactivity, community, rewards, and loyalty relationships that our platform helps content creators and marketers create—are opening new doors for us that weren’t possible just a couple of years ago. Beyond new revenue streams, NFTs, if embraced in the right way, can help media companies build brand loyalty, awareness as innovators, and expanded audiences.”

SAFETY FIRST IN THE METAVERSE

Over the years, Sen *Ed Markey* (D-MA) has sounded the alarm over threats to children online, on television and through advertising. So, it's hardly surprising the co-author of the Children's Online Privacy and Protection Act is joining with Reps *Kathy Castor* (D-FL) and *Lori Trahan* (D-MA) to raise similar concerns about the metaverse and VR platforms. The trio of lawmakers wrote to the **FTC** Wednesday to ask that the agency ensure children are protected from threats of manipulation and privacy invasions in the virtual and augmented reality environment. "Children's increasing use of VR warrants serious concerns about new threats to young users' wellbeing. Many VR platforms and headsets currently do not have basic parental controls, and reports point to harms such as harassment and unsafe content in the metaverse," they wrote. "While policymakers, parents, and pediatricians would all benefit from increased understanding about the effects—positive and negative—that VR may have on children, sufficient information exists to warrant the FTC's vigilance in this area."

GCI 2G UPDATE

GCI has the answer to the question: "if you build it, will they come?" ... It upgraded the remote Alaskan communities of Nome and Kotzebue to 2 gig internet service late last year. In January, internet usage for the two communities increased by more than 560%, according to the operator. GCI has pledged to deliver 2 gig speeds throughout the state, with 80% now there. Next up is the Aleutians, with 2 gig service expected to launch in Unalaska later this year. While GCI is relying heavily on fiber and microwave networks, it's also invested \$150 million in a partnership with **Intelsat** and is in discussions with Low Earth Orbit providers.

NBCU, ISPOT.TV INSIGHTS ON OLYMPICS NUMBERS

NBCUniversal is enjoying the fruits of its test and learn partnership with **iSpot.tv**, and advertisers hopefully are too. During primetime hours of the 2022 Winter Olympics, the Games have had 24% less ad load and delivered 327% more ad impressions per unit than the other three broadcast networks combined, according to the latest data from NBCU. NBCU has generated 14.9 billion household TV ad impressions since the start of the Olympics on Feb. 2. Looking more closely at Wednesday, all programming had a 98% completion rate, whereas the average completion rates for digital were closer to 50%. The Olympics were the No. 1 program by ad impression delivery across all TV on Tuesday.

AD-ID TEAMS WITH UNIVISION FOR ASSET TRACKING

Ad-ID announced a partnership with **Univision** to support advertising asset identification and tracking across Univision's media portfolio. Ad-ID, a standard for identifying ad assets across all media platforms, will allow the programmer's advertising partners to improve their targeting and measurement abilities on Univision properties. Thanks to the deal, advertisers will be able to utilize real-time metadata creative lookups and other web-based tools to measure campaign performance.

FCC TAKES ACTION AGAINST VONAGE, BANDWIDTH

The **FCC** stripped voice providers **Vonage** and **Bandwidth** of certain privileges after failing to meet commitments to introduce STIR/SHAKEN robocall blocking standards into their networks. Large providers were required to implement the protocols in the IP portions of their networks by June 30, 2021, but providers that committed to and met early implementation goals in December 2020 were given flexibilities in their implementation plans. Due to their inability to meet their deadlines, Bandwidth and Vonage have now been referred to the Enforcement Bureau. "We will not turn a blind eye to providers that have not done enough to protect consumers from spoofed robocalls," FCC Chair *Jessica Rosenworcel* said in a statement.

FOX NEWS EXPANDS TO AFRICA

Fox News International will extend distribution into Africa. The service will be available in Egypt, Ivory Coast, Kenya, Nigeria, Rwanda, South Africa and Zambia starting Thursday, bumping the network's reach to 44 countries. Consumers can stream on iOS, tvOS, Android and Fire TV. Priced at \$6.99 per month, FOX News International features live streams of **Fox News** and **Fox Business Network** along with a catalog of on-demand programs.

RATINGS

Viewership of **ESPN's** "NFL Live" was up 54% from last year's Super Bowl, completing a trifecta of multi-year highs with its regular season, playoffs and Super Bowl audiences. The three episodes filmed on-location in the buildup to the Super Bowl averaged 386,500 viewers. ESPN's "NFL PrimeTime" and "Postseason NFL Countdown" averaged 1,164,000 viewers and 1,117,000 viewers, respectively, making them the two-most viewed cable programs on Super Bowl Sunday.

PROGRAMMING

FX announced limited series " Fargo " will return for a fifth season. – **Lifetime** greenlit "Wrath" and "Greed" as the next two movie installments from the "Seven Deadly Sins" franchise. "Wrath" will premiere April 16 and "Greed" on April 23, both at 8pm. – The 15th season of "Heartland" will arrive on **UP Faith & Family** on March 17. New episodes will be added to the streamer weekly.

PEOPLE

Charter upped *Satya Parimi* to SVP, Product and Strategy for **Spectrum Enterprise**. She'll lead strategy and assist in expanding the company's portfolio of product solutions and features. Parimi joined Charter in 2016 as Group VP, Enterprise Data Products for Spectrum Enterprise following Charter's merger with **Time Warner Cable**. – **Disney Branded Television** promoted *David Cobb* to SVP, Operations and Content Planning. He's responsible for strategic oversight and content planning for Disney Branded Television and will also oversee studio operations and technology teams supporting Disney Television Animation. – **Magical Elves** promoted *Ron Mare* to SVP, Casting. He'll lead the casting department and oversee casting for all series. Mare was previously involved in **Bravo's** "Project Runway" and "Top Chef" as well as **Netflix's** "Nailed It!"

PROGRAMMER'S PAGE

EPIX's Chilling Monsters 'From' Within

As the opening scenes unfold of the first episode of **EPIX's** "From," *The Animals'* hit "We Gotta Get Out of This Place" plays in the background. We soon understand why. As the sun sets, the trapped residents of this small town go into hiding from the terrifying monsters that come out after dark. These nightmare creatures aren't werewolves or vampires though. They're something even more terrifying. "The monsters walk. They're not what you always see. They seem to be these lovely people who seduce you and bring you in, and the moment they hook you, it's not good," Executive Producer *Jack Bender* said during a recent **TCA** panel. Why don't the residents of this dilapidated town just call an Uber and split? The mysterious town and its eerie forest won't let them—though that doesn't stop folks from trying. "The show really began with the idea of what it would be like if the reality that you knew were taken away and your day-to-day reality literally became a nightmare. What kind of person would you be? What kind of person would you become?" said Creator and Executive Producer *John Griffin*. "That idea was really at the heart of where the show first began and everything kind of grew from that." From's team is well-versed in mystery and intrigue. Griffin wrote the script for **Disney+**'s upcoming, big budget sci fi film "Crater," while Bender is known for his work on "Lost" and "Mr. Mercedes," the latter based on the novel trilogy by *Stephen King*. Speaking of the master of horror, King has blessed the new show. "Stephen King has written me many emails. He saw our first four episodes, and he's a massive fan of this show," said Bender. "He's the master of what makes you want to hide under the bed. In the world of Stephen King... what fascinates me is the monster inside the characters. Not the monster outside the characters. And that is very much the focus of our show." From debuts on EPIX Sunday at 9pm. – *Amy Maclean*

REVIEWS

"Traces," Season 2 debut, streaming on **BritBox** from Tuesday. At the very least, the English know football and crime thrillers. While it's helpful to have watched Season 1 of this Scotland-based procedural about forensic specialists who toggle between academia and police work, it's not necessary. The bulk of Season 2 looks at a crime that viewers will witness in the opening moments of episode one. It seems open-and-shut, but isn't. Besides a strong cast and gorgeous scenes of the Scottish countryside, "Traces" works because its characters are more than police personnel. They're professionals with anxieties at home and on the job. – "The Beautiful Lie," **Amazon Prime**. For viewers suffering from "Succession" deprivation, stream this 2015 series from Australia. Based on *Leo Tolstoy's* "Anna Karenina," this look at modern-day, middle-class life stars *Succession's* favorite daughter, *Sarah Snook*, as Anna. Here she's a retired tennis star who regretfully gets entangled in something that breaks up her bucolic home life. In typical *Tolstoy* fashion, there are a lot of characters in play, so it's lean-in viewing, especially during the first 30 or so minutes of episode one. Snook's character here is nothing like Shiv Roy, which makes the viewing enjoyable. – *Seth Arenstein*

BASIC CABLE P2+ PRIME RANKINGS* (02/07/22-02/13/22)		
MON-SUN	MC US AA%	MC US AA (000)
FNC	0.740	2304
USA	0.476	1482
MSNBC	0.311	967
INSP	0.300	935
HALL	0.288	896
HGTV	0.280	873
HIST	0.232	723
ESPN	0.229	712
DISC	0.206	642
FOOD	0.191	596
TNT	0.183	570
TLC	0.183	569
ID	0.178	553
LIFE	0.167	519
TVLAND	0.161	503
TBSC	0.160	498
A&E	0.157	487
SYFY	0.156	485
CNN	0.153	476
WETV	0.127	397
HMM	0.118	367
GSN	0.117	365
AMC	0.111	347
FX	0.108	335
BRAVO	0.101	315
NAN	0.101	313
TRAVEL	0.100	311
NATGEO	0.100	310
OXYGEN	0.095	295
BET	0.095	295
CNBC	0.084	262
NICK	0.080	250
ADSM	0.078	244
MTV	0.077	239

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

Mark Your Calendars!

Cablefax 2022 Award Submission Deadlines

The FAXIES Awards	Deadline: March 11 Final Deadline: March 18
Top Ops Nominations	Deadline: April 1
The Diversity List Nominations	Deadline: June 3 Final Deadline: June 10
Most Powerful Women Nominations	Deadline: August 12 Final Deadline: August 19