

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Tale of Two Operators: The Why Behind FTTH Upgrade Plans

Most operators with an existing HFC plant are opting to use DOCSIS to upgrade their networks to multi-gig speeds, but in some instances, they are taking a rip and replace approach. **Shentel** is swapping coax with fiber in some markets, but it's a very careful decision.

"Based on our initial analysis, we think a fiber-to-the-home overbuild is going to be three to five times more expensive than a DOCSIS 4.0 upgrade," Shentel EVP & COO *Ed McKay* said during an investor conference Tuesday. "In our markets, it's only in the most dense areas where we think [fiber] makes sense, and that includes your commercial areas. We think there's significant upside for commercial business as we build out fiber into some of these more dense areas."

Of course, **Altice USA** has been the outlier among operators with legacy HFC networks, announcing plans in 2017 to scrap its coax network in favor of an entirely fiber network. It's on pace to get about 70% of the footprint fiberized by 2025. That's behind schedule, with initial estimates that the project would be done this year or next. Altice has blamed the delay on a lengthy permitting process, particularly in New York, as well as shutting down work for about a year due to COVID-19 and competing projects, such as Altice Mobile.

Nick Brown, EVP, Corporate Finance & Development, said that DOCSIS upgrades requiring pushing more fiber into the network. "So, actually the FTTH end-to-end glass network that

we're deploying here in the U.S., for us is pretty much the logical end state of a coax network upgrade anyway," he said at the same **NewStreet Research** conference Tuesday.

Brown has a different view than Shentel, declaring that the costs to go to FTTH are "pretty similar," particularly with fiber offering cost savings on the customer network operation side. "For example, we have a lot of technical incidences on the coax that are the cause for customers to have to call us to see what's going wrong, or that we may have to send engineers to go and fix issues with the outside plant or within the inside of the home," he said. "When you go fiber-to-the-home, you take out all the active pieces of equipment in particular, which is normally where things may go wrong."

Shentel doesn't think fiber is the right fit in most of its existing cable markets even with FTTH's 10-Gig capacity and operational savings through fewer electronics in the field and less cable replacement. At the end of 2021, Shentel had roughly 300,000 broadband passings, with 200,000 of those in its DOCSIS-enabled cable markets. About 75,000 passings were in its Glo Fiber overbuild markets and 30,000 were in fixed wireless. It intends to grow its passings from 300,000 to more than 700,000 in the next five years, and that's driven almost entirely by fiber.

When it comes to fixed wireless, don't look for Shentel to add more customers through the tech. "Once we saw all the government funding that was coming in to our markets, we believe with the funding that's out there today that it will justify

ANNOUNCING Cablefax's TOP OPS Nominations

The Top Ops categories recognize excellence in a variety of areas, including marketing, technology, finance, lifetime achievement, customer service and community involvement. Nominations are open to all operators.

Help Cablefax choose the MSO and Independent Operator of the Year!

Submit Today at: www.CablefaxTopOps.com

Questions: Contact Mary-Lou French at mfrench@accessintel.com or 301.354.1851.



It's free to enter – but you must submit your entries by April 1, 2022!

The Independent Operator of the Year Award (IOY) is presented in conjunction with ACA Connects and NCTC

building fiber to the vast majority of the homes we previously targeted for being fixed wireless,” McKay said. “We stopped our fixed wireless deployments because we don’t believe that competes well with gigabit fiber to the home or gigabit over a DOCSIS system.”

Part of the Shentel’s strategy is reclaiming capacity that’s currently being used by linear video, so it plans to launch an IP-based streaming service in its cable markets similar to what is already available in its FTTH overbuilding markets.

As for Altice’s decision to go for FTTH while its peers like **Comcast** and **Charter** are opting to upgrade with DOCSIS, company management points to Altice’s experiences in Europe, saying it’s not afraid to make the investment earlier than others in the U.S. Plus, there’s the fact the Optimum footprint is heavily overbuilt by **Verizon**’s Fios fiber service.

Brown said Altice is already seeing benefits where it has deployed fiber, with churn running 3-4 percentage points better on an annualized basis than the coax customer base and 6-8% higher ARPU levels. The NPS score for fiber customers is 55% better than coax, with technical incidents on the fiber network some 30% lower than coax, he said.

PRIVATE EQUITY NABS NIELSEN

A week after turning down a bid from a consortium of private equity investors, **Nielsen** said yes to a bigger offer from the group. The consortium, led by **Elliott Investment** affiliate **Evergreen Coast Capital** and **Brookfield Business**, will acquire the measurement giant for \$16 billion, up from a previous \$14 billion offering. The consortium is paying \$28 per share in an all-cash deal that includes the assumption of debt. The Nielsen board voted unanimously to support the acquisition proposal, which represents a 60% premium over Nielsen’s stock price as of March 11. The deal is expected to close in the second half of the year. Nielsen is willing to entertain other offers, with the agreement including a 45-day “go-shop” period to solicit other bids. A competing bidder who makes a superior proposal would bear a \$102 million (1% percent of equity value) termination fee that is payable by Nielsen.

THE FIBER FRONTIER

Fiber is the future for **Frontier Communications** as the company sets its sights high on its build goals. Chief Network Officer **Veronica Bloodworth** spoke at a **NewStreet Research** conference Tuesday, discussing how Frontier’s already large footprint sets itself up for continual growth. The company wants to reach 10 million locations by 2025, but Bloodworth said Frontier won’t stop there. The first batch of locations are ones Frontier wants to reach as soon as possible before entering more nuanced locations. However, Bloodworth said labor and materials are potential roadblocks in Frontier’s expansion. The company is planning ahead to counter

The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



HENRY Ahn
CHIEF BUSINESS OFFICER, FUBOTV

3 THINGS TO KNOW

- After nearly two years on fuboTV’s board, Henry is giving up his seat and getting back to the day-to-day work of a media executive. This newly created post will have him overseeing fuboTV’s content strategy and licensing as well as business development. He’ll report to CEO David Gandler when he starts the job next month. There’s plenty to do, not only in terms of licensing programming, but as the virtual pay TV service expands its business into the world of sports wagering.
- Henry is a familiar face in television circles, having most recently served as President of Distribution and Content Marketing at Univision. He left the Spanish-language programmer in January 2021 after former Viacom CFO Wade Davis and partners closed on their acquisition of the company. Henry spent nearly seven years at Scripps Networks Interactive before it was acquired by Discovery. He was a leader in expanding the programmer into digital, striking deals early on with vMVPDs such as Sling and the now defunct Playstation Vue. He also made sure Food Network was one of the first publishers at the launch of Snapchat Discover in 2015. Before joining Scripps, he forged a 17-year career at NBCUniversal, serving in various roles from affiliate sales to financial management to EVP of TV networks distribution.
- Henry’s made many appearances on the Cablefax 100 over the years. As a result, we know he’s a big fan of Showtime’s “Billions,” a lover of blackjack and has a self-proclaimed “voracious” appetite, once boasting to us that he could probably put anyone under the table in an eating competition. He’s mentored many over the years and has been active in the T. Howard organization.

supply chain disruptions. “We focus on fiber and network electronics. Fiber is tight, but there are capacity additions coming online now,” Bloodworth said. “That should ease the supply chain challenges by 2023.” Bloodworth added because of other companies diving into fiber, the labor pool will expand to align with the overall demand. In terms of network speeds, Frontier recently announced its network-wide 2-Gig internet, but is in position to bump that up. The network is capable of offering 5-Gig or 10-Gig speeds, but routers would need to be up to date to handle it, and currently, those routers stand at a high price. Frontier would also have to add more capacity from its OLTs toward the internet so that they

aren't lagging behind in the event sales take off.

FOX NEWS TAKES 1Q RATINGS

The College Football Playoff, Monday Night Football and the return of the **NHL** weren't enough to knock **Fox News** off the 1Q22 ratings pedestal. The newser averaged 2.55 million total viewers in prime for the quarter, putting it ahead of runner-up **ESPN** (2.06 million), according to **Nielsen**. **MSNBC** (1.2mln), **HGTV** (1.09mln) and **TBS** (931,000) close out the top five cable nets in prime. And move over *Tucker Carlson...* for the second consecutive quarter, Fox News' 5pm talker "The Five" was the most-watched cable news program, averaging 3.68 million viewers. Carlson was just behind it at 3.62 million and "Tucker Carlson Tonight" was the most-watched news program 25-54s (626K). In total day, Fox News again took first place, but with a wider gap over **ESPN** (1.61 million vs 809K). **MSNBC** edged out **CNN** for third place (712K vs 653K) for the quarter.

SHARING ACCOUNTS AN ISSUE FOR STREAMERS

Data from **Leichtman Research** shows 83% of U.S. households have at least one video streaming service from top DTC and SVOD providers. **Netflix** is in 67% of all households, but 33% of its services are used in more than one household, fueling Netflix's concerns regarding users sharing accounts. Of that 33%, 15% of Netflix's services are used and paid for by people who share them with someone outside of their house, another 15% are used in one house but borrowed from another household paying for the service and 3% are used by multiple houses that share costs. The study also found 29% of all DTC services are shared with others outside of their household and 34% of adults 18-34 have at least one DTC service fully paid for by someone else. For vMVPDs, 23% of all services are shared by multiple households. The study surveyed 4,400 households in the U.S.

LAUNCH DAY FOR CNN+

CNN+ is finally here—unless you want to watch it on **Roku** or **Google TV**. At launch, the service is available on the CNN app on **Apple TV** and **Amazon Fire TV** as well as through the CNN mobile app on Android and iOS. It's slashing the monthly \$5.99 subscription fee to \$2.99 "for life" for those who sign up by April 26. **CNN+** also offers an annual subscription of \$59.99. Along with weekly programs from talent such as *Anderson Cooper* and *Don Lemon*, **CNN+** features the interactive "Interview Club," which lets users submit questions that mods will share with expert guests.

SIMPLEBET, YES NETWORK READY TO PLAY

Simplebet and **YES Network** are launching "Pick-N-Play Live" on Tuesday night, the first in-game prediction game to be integrated in a live sports broadcast. The free-to-play game will be available on the YES app to YES Network viewers in conjunction with telecasts of Brooklyn Nets and New York Yankees games. The game lets users compete against others and make predictions on in-game occurrences such as possession result or player points for basketball and at-bat results and pitch predictions for baseball. Prizes include gift cards, team merchandise and in-person experiences.

STREAMING M&A

Cinedigm closed its \$16.4 million acquisition of **Digital Media Rights**, scaling it up to more than 30 streaming services, 46,000 hours of content, 40 million monthly viewers, approximately 18.5 million social subscribers, and 4+ billion views. With DMR's proprietary channels now in the house, Cinedigm will have 15 wholly-owned streaming services, which comprises more than 50% of its channel portfolio.

COMCAST ADDS LIFT ZONE IN KC

Comcast made the Olathe Unit of Boys & Girls Clubs of Greater Kansas City a Lift Zone, providing free WiFi access as part of Comcast's Internet Essentials program. This marks the third Lift Zone in the greater Kansas City area, which has already connected over 20,000 Kansas and Missouri residents.

RATINGS

More than 1 million people tuned in to the U.S. men's national soccer team's World Cup qualifier against Panama on **FS1**, a 23% increase from the last USMNT World Cup qualifying match aired on the channel. Columbus was the top market to watch the U.S. defeat Panama 5-1 with a 1.43 rating. Kansas City (1.39), Cincinnati (1.29) and Salt Lake City (1.24) followed, with Seattle rounding out the top five at 1.22. – **Formula 1** continues to break records as the Saudi Arabian Grand Prix became the largest F1 audience since 1995 with an average of 1.445 million viewers. **ESPN's** broadcast peaked with 1.82 million in the 2:15-2:30pm frame, and overall audience improved 54% compared to the race's last running in Dec. on **ESPN2**. After two races, the 2022 F1 season averages 1.4 million viewers, up 52% compared to the first two races in 2021.

PROGRAMMING

Hallmark Channel is releasing the sixth and final season of family drama "Chesapeake Shores" later this summer. Seasons 1-5 are available for streaming on **Hallmark Movies Now**. – **ESPN** will commemorate the 75th anniversary of Major League Baseball's *Jackie Robinson* by debuting a season-long project on April 4. The initiative includes a 10-part short story video series of interviews with prominent athletes and public figures reflecting on the lasting impact of his legacy and the opening of the Jackie Robinson Museum.

AWARDS

SCTE unveiled the winners for the 2021 Chapter Awards, with the Rocky Mountain Chapter taking home the Chapter of the Year. The Gateway and Mt. Rainier chapters earned first place in compliance and membership categories, respectively, and the Lighthouse chapter was named the most improved. The full list of winners can be found [here](#).

PEOPLE

Andrea Clarke Hall has left **Tubi** after six years, completing a tenure that saw the AVOD grow from under 1 million monthly active user more than 50 million today. She was most recently Head of Global Business Development. More to come in the next few weeks on what's next for Hall.