

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Powell: FCC Mapping Issues Won't Be Solved This Fall

Some folks around Washington breathed a sigh of relief when **FCC** Chair *Jessica Rosenworcel* promised that the agency's revised broadband availability maps will arrive this fall. But **NCTA** President/CEO *Michael Powell* is skeptical that every map problem will be solved at that point.

Of course, the maps will be used by **NTIA** to determine what areas are unserved and underserved as it prepares to distribute more than \$42 billion through the BEAD program for broadband buildouts. Powell's primary concern is that the FCC is not just producing one map that serves as a hub of information surrounding broadband availability, active buildouts and areas that will be served by a provider that has been the recipient of government funding. In a perfect world, Powell believes all the maps would be integrated.

"I think the Chairwoman is talking about a set of maps of unserved areas, but not the set of maps that include funding that's already been distributed under RDOF and other programs, which isn't due out until 2023," he said during a panel appearance at the **Free State Foundation's** 14th Annual Policy Conference Friday. "The other question is are the FCC maps pre-empted? Are they the law of the land or if California decides they don't like what the maps say, are they going to use some California map? That's not completely clear."

**Public Knowledge** President/CEO *Chris Lewis* agreed with Powell that incorporating all of that information into one map

could give the agency a powerful tool to ensure that cable operators are living up to any commitments they have made to the FCC, Congress or other government agencies. "We also need to see pricing because in some areas, especially in rural areas where people are paying the same price as folks in urban areas," he said. "So this information is important for the oversight [Powell] is talking about on all fronts, including the consumer protection oversight front."

**CTIA** President/CEO *Meredith Baker* gave kudos to the FCC for finishing mobile broadband maps in August 2021, and said she believes Rosenworcel and NTIA head *Alan Davidson* are "the right leaders at the right time" for their respective agencies. Both have heavy tasks ahead, and Rosenworcel has plenty of other policy areas to address through the rest of her tenure. Some of those she can address with the Commission's current 2-2 split between Democrats and Republicans. During a separate panel, Commissioners *Brendan Carr* and *Nathan Simington* along with former Acting Chair *Mignon Clyburn* all agreed that the agency is still working efficiently even with the split. Simington even called his time on the Commission since 2020 as an "era of good feelings."

"Congress has made it clear... what's important, what we need to do in terms of connecting communities and if there is any tension, it is in attempting to smooth the edges to better define or focus on those needs," Clyburn said.

Still, a 3-2 majority would be preferable if Rosenworcel wants to work on more controversial issues, including returning broad-



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band to a classification as a service to be regulated under Title II. Although Lewis was the lone believer on the panel with Powell, Baker and **USTelecom** President/CEO *Jonathan Spalter* that the FCC should return to a Title II regulation regime, the foursome did agree that the merry-go-round that occurs with open internet rules every time a different party gains control of the agency is a distraction that needs to stop.

“If we could expend some of that energy... in drawing down to the far more fundamental issue of deploying broadband to every American, that would be a much better use of our resources than rehearsing old and stale debates,” Spalter said.

### DISH POSTS BIG SUB LOSSES

**DISH** stock hitting a new 52-week low Friday probably isn't how the company wanted to head into its May 10 analyst day. Alas, its 1Q22 earnings report didn't spark confidence, with the company recording wireless sub losses of 343,000 (compared to 161,000 a year ago) and net pay TV subs fell by 462,000 (vs a decrease of 230,000 a year ago). “When DISH first began talking about their 5G Network business, satellite TV was thought to be more than just a cash flow-generating funding vehicle. It was also thought to be an important cross-marketing engine. It may still be, but that engine is getting smaller. Dish lost more satellite TV subscribers than expected, and Sling utterly collapsed,” **MoffettNathanson** analysts wrote in a research note. The pay TV and **Boost** wireless business was supposed to help provide the funding for DISH's wireless network buildout. How's that going? While some are doubtful, the company says it's on track, including for its upcoming deadline of covering 20% of the U.S. population by June 14. “We don't think we need to ask for an extension. And we want to keep our nose to the grindstone and do what we said we're going to do,” Chairman *Charlie Ergen* said during Friday's earnings call. “This isn't our first rodeo and, and we're just keeping our head down. I know you guys are a bit frustrated, because we don't talk a lot about what we're doing. But every minute that we're not ... at a conference talking about what we're doing and actually doing what we're doing gets us farther down the path where we don't have to ask for an extension.” The wireless network buildout dinged DISH on free cash flow, which swung to negative \$191 million compared to positive \$729 million a year ago. “It's important to note that we have the necessary capital to fund portions of the build happening this year. We are excited to be entering the next phase over deployment,” DISH President *Erik Carlson* said. DISH launched Project Genesis on a commercial basis in Vegas on Wednesday, with details on the retail wireless business expected during analyst day. DISH closed down 19% Friday to \$22.22.

### ERGEN TELLS PROGRAMMERS TO GET OUTSIDE BOX

**DISH's** *Charlie Ergen* has a message for content companies: Help us help you. “I think the video content providers need to help us help them make the product better. If you're watching two hours of **TikTok**, you're not watching two hours of **Discovery**, which you used to do. I prefer my kids watching Discovery than TikTok,” he said during DISH's earnings call. “We've just got to make the product better. The commercial load is still heavy. We just do things that make it frustrating for customers... Maybe we need a bit more of **T-Mobile's** Uncarrier approach to consumers in the video business.” Ergen said DISH has some ideas—which some people have engaged with them on and others have not. With the younger generation spending time on other forms of media, he predicts innovation is coming: “Nothing makes people innovative more than having their trends reversed.”

### FRONTIER'S FIBER MOMENTUM

**Frontier's** fiber expansion continues, with the company building fiber out to 211,000 locations in 1Q22 and adding a record 54,000 fiber broadband net additions. That represents 10.4% fiber customer growth from 1Q21 and means a net broadband add of 20,000 once the copper broadband sub loss is accounted for. Those metrics are here to stay, according to management. “Positive net adds is the new normal. That's the environment we thoroughly intend to stay and continue to deliver quarter-over-quarter,” CEO *Nick Jeffrey* said during Friday's earnings call. Frontier is on track to hit a target of 1 million new fiber passings in 2022 and 1.6 million in 2023. **New Street Research** believes the provider will get to 10 million passings in 2025. “Frontier continues to gain share against all its competitors. Management confirmed that they are seeing the same low switching environment as reported by cable operators and it is depressing gross adds. Once switching activity returns to normal, industry churn will increase, and Frontier will be able to accelerate its share gains,” New Street analysts opined in a note. Frontier's revenue came in at \$1.45 billion, a 10.7% decline from consolidated revenue reported in 1Q21. Consumer revenue of \$776 million declined 4.9% from a year ago, as strong growth in fiber broadband was offset by declines in legacy video and voice. Net income hit \$65 million and adjusted EBITDA was \$509 million. For the full year, Frontier expects adjusted EBITDA in the \$2-\$2.15 billion range, with cash capital expenditures of \$2.4-\$2.5 billion.

### ON THE HILL

Reps. *Anna G. Eschoo* (D-CA) and *Blake Moore* (R-UT) are introducing the Supporting American Printed Circuit Boards Act, bipartisan legislation to bolster domestic printed circuit board

(PCB) production and strengthen supply chain security. The bill will supplement semiconductor incentives by encouraging domestic PCB research and development to alleviate supply chain disruptions.

**PROGRAMMING**

**HGTV** is debuting its first **TikTok** original series with “Help! I Wrecked My House” host *Jasmine Rother* as she surprises her mom with a beach condo. The series begins Sunday and new episodes will release daily through May 15. – “The Retro Plant Shop with Mikey and Jo” with *Joanna Gaines* and *Mikey McCall* debuts May 20 on **discovery+** and the **Magnolia** app. – **YES Network** will broadcast a record 27 New York Liberty games this upcoming season starting Friday at 8pm. All telecasts will also stream on the YES app. This is YES’ fourth season as the Liberty’s regional TV partner. – The People’s Choice Latin Music Awards will air for the first time on **Telemundo** in spring 2023. The awards build off the People’s Choice Awards on **NBC** and **E!** and highlights all genres of Hispanic music, entertainment, style and pop culture, and awards are chosen by the audience.

**BOOMER SOONER**

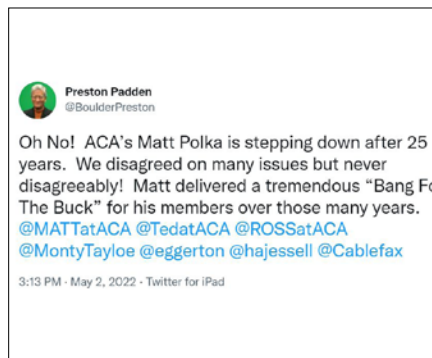
**ESPN+** and the University of Oklahoma reached a multi-year agreement for SoonerVision on ESPN+. The deal includes over 100 annual live events, studio programming and archival content. ESPN+ will stream one regular season football game and the OU spring game, as well as more than 100 competition across other sports. SoonerVision will also have classic content, coaches shows, pro days and more. Content will be available via a SoonerVision landing page beginning in August.

**DOING GOOD**

**Fox News** named *Emmett Gaffney* and *Grace LeCroy* as the recipients of this year’s *Dr. Charles Krauthammer* Memorial Scholarship. The scholarship awards eligible children of network employees a monetary stipend per college year. The winners were [recognized](#) on “Special Report” with *Bret Baier*.

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**Research**

(Source: [Omdia](#))

- > Shipments of 8K TVs only accounted for 0.15% of all TV shipments in 2021. This translated to a little more than 350,000 units globally.
- > Omdia’s research finds that just 2.7 million households worldwide are expected to have an 8K TV by the end of 2026.
- > In 4Q21, 95,500 8K TVs were shipped, up from 81,900 in 3Q21 due to seasonality. Shipments were led by China, although Western Europe and North America saw significant shipment as well.

**Up Ahead**

- MAY 16-19:** The WICT Network’s [Betsy Magness Leadership Institute](#), Denver, Co. I
- MAY 23-25:** Media Financial Management Association’s [Annual Conference](#); Tampa, FL
- JUNE 12:** Cablefax’s Fiber Panels for Cable Operators, [Fiber Connect Pre-Conference](#); Nashville
- JUNE 27-30:** CTA’s [CEO Summit](#), Santa Barbara
- JUNE 29:** Cablefax’s [FAXIES Virtual](#)

**Quotable**

*“The cable industry will miss Matt’s leadership, integrity and effective representation, and I’ll miss his friendship and collegiality that makes him such a great advocate for his members. Matt’s 25 years of leading ACA Connects is a remarkable tenure in which the industry faced significant policy battles and he tackled every issue with a calm demeanor and steady hand. Congratulations to Matt on his upcoming retirement and we wish him all the best in the coming months and the next chapter of his life.”*

– *Michael Powell, President & CEO, NCTA – The Internet & Television Association, regarding Matt Polka stepping down from ACA Connects*