

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Better Together: Broadcom, VMware Joining in \$61 Billion Deal

Two technology giants are coming together with **Broadcom** announcing early Thursday a deal to acquire all outstanding shares of **VMware** in a cash-and-stock transaction valued at \$61 billion.

The pair hope to create a combined company that can offer its enterprise customers an expanded portfolio of infrastructure solutions. Broadcom's broad portfolio includes DOCSIS modems, gateways and other network equipment. Last month, **Comcast** announced it had achieved 4 Gbps upstream and downstream speeds using a DOCSIS 4.0 prototype device from Broadcom. Meanwhile, VMware specializes in cloud computing, striking partnerships with companies looking to undergo a digital transformation and accelerate service delivery. The transaction is expected to close in Broadcom's 2023 financial year, and following the close of the deal, the Broadcom Software Group will rebrand and operate as VMware.

It only takes one look at the potential synergies to recognize the value of the buy, according to CFO *Tom Krause*. He said during a conference call Thursday the deal will allow Broadcom to effectively marry a direct sales force with really meaningful and significant channel partner arrangements. "One thing we've learned is there's an opportunity to embrace the channel, the two-tier distribution model with distribution partners and key value-added resellers," he said. "What we can't do together

given our scale, we can definitely take advantage of with the newfound scale between the two companies."

Perhaps even more important will be the potential for growth in the combined companies' research and development division. An immense amount of time and energy is needed to support the development of software across both Broadcom and VMware. Ahead of a successful launch, a product is touched by the software business operations team and engineers that are constantly testing it and ensuring it can be delivered in a timely fashion.

"That's expensive and requires having your own private data centers or working with cloud providers, and having the scale to be able to drive that kind of R&D investment over a much larger portfolio is also going to drive significant benefits," Krause said.

Broadcom also used the VMware announcement as an excuse to release its 2Q22 earnings results a week early. It reported revenue of \$8.1 billion, up 23% YOY, and brought in \$4.1 billion in free cash flow from operations during the quarter. Semiconductor solutions revenue growth accelerated 29% YOY to \$6.2 billion while infrastructure software revenue rose 5% YOY to \$1.9 billion. Looking ahead, guidance for 3Q22 includes revenue of approximately \$8.4 billion and adjusted EBITDA of 63.5% of that projected revenue figure.

President/CEO *Hock Tan* did address concerns about supply chain constraints and their potential impacts on Broadcom's order fulfillment capabilities. He said that while the



Nominate for The Diversity List.

Help Cablefax recognize the top multi-ethnic executives based on their influence and power within the industry plus this year, Cablefax introduces its inaugural Pride List, honoring top LGBTQ+ execs who are making their mark on the industry.

Other nomination categories include D&I Mentor of the Year, Public Affairs Campaign and Thrivers Under 30, the industry's rising stars under 30.

Deadline: Friday, June 3 to submit three entries for free.

www.CablefaxDiversity.com

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company is challenged to meet demand in a timely manner, that doesn't necessarily mean that Broadcom's issue is in the supply chain.

"We do not see a challenge necessarily in supply. We rather see a constant demand challenge in the sense that we have to pass through our backlog carefully," he said. "There is demand out there that keeps coming in for products and it's particularly so in a couple of areas." Those areas include infrastructure and networking and are related to the work Broadcom does for telcos and service providers as well as those in the enterprise space.

The company's stock ended the day up more than 3 basis points on the VMware news and the strong balance sheet that's allowing the company to pursue strategic M&A while embarking on activities like share buybacks. Broadcom's board authorized a share repurchase program Thursday for the buy of up to \$10 billion of the company's stock through Dec. 31, 2023. This comes in addition to a share authorized in December, and Broadcom can repurchase a remaining \$3 billion of common stock through that program through the end of this year.

TOM WHEELER JOINS ALEF'S BOARD

Former **FCC** Chair *Tom Wheeler* joined the board of mobile network company **Alef**. "Alef is a pioneer for the kind of competitive offering that we were envisioning when the FCC created CBRS, and thus it is an honor to join this board of directors," Wheeler said in a statement. Alef also announced it has joined the OnGo Alliance, where it will work to drive the deployment of LTE and 5G NR solutions for CBRS.

CARRIAGE

FETV (Family Entertainment Television) broke the 50 million-sub mark, picking up 11 million new households in a carriage deal with **Comcast**. FETV just celebrated its best-month ever in prime in April, with 17,000 18-49s and 20,000 25-54s.

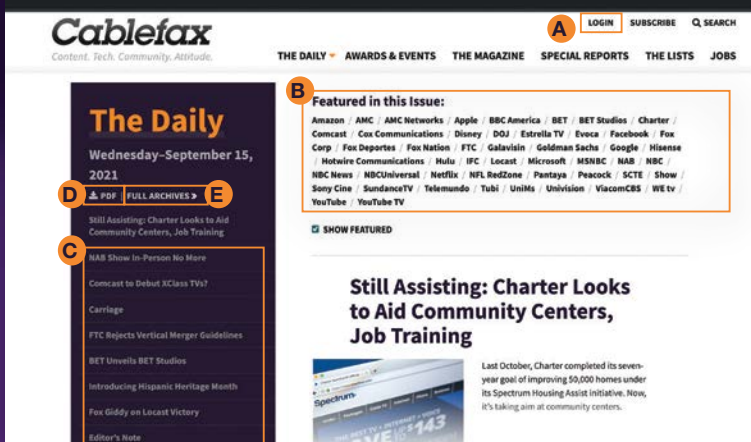
GOOGLE FIBER TO DISCONTINUE SOME AD CLAIMS

The **National Advertising Division of BBB National Programs** recommended **Google Fiber** make modifications and drop some of its claims of superiority over cable after **Charter** filed a challenge against some of its advertising. NAD found that Google Fiber had not supported its quantified speed claims, including the 77x faster upload speeds claim. It also took issue with its claim that "everything you do goes much faster," suggesting it be modified to "everything" that requires upload speeds "goes much faster," including file uploads, gaming, and video conferencing. Google Fiber said it disagrees with certain aspects of NAD's decision, but will comply. NAD did find the company provided reasonable basis for certain superior speed claims. However, it recommended Google Fiber discontinue statements such as "Our 100% fiber optic network means you'll have fewer outages than cable internet" and "Cable internet providers, including Charter, offer old and outdated internet service, as compared with Google Fiber's fiber optic internet."

CTI TOWERS CLOSURES ACQUISITION

Wireless tower owner **CTI Towers** completed its acquisition of **SCI Towers**, an independent communications tower developer with whom it had a JV with since 2016. CTI Towers, founded

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in 2011 with an investment from **Comcast Ventures**, owns and manages nearly 1,200 towers in 47 states and counts **AT&T**, **DISH** and **Verizon** among its lessors.

CTA SURVEY SAYS... LEAVE TECH ALONE

While Dems have introduced legislation that would ban big tech companies from favoring their own products and disadvantaging rivals, new research from the **Consumer Technology Association** suggests it might not have the support of many Americans. Consumers said it would “mostly be a bad thing” if government regulated popular technology services, with 87% of respondents vowing to take some sort of action and 57% less likely to vote for a member of Congress. Respondents ranked inflation as the most important issue facing their household (68%), with antitrust regulation for tech companies a top issue for just 3%. CTA deployed the online survey among 1009 U.S. adults (18+) between May 16-18, 2022, to gather insights surrounding consumers’ engagements with tech services as well as perceptions and sentiments around regulations/policies that might affect them.

MEDIA COMPANIES COME TOGETHER ON DEI

A+E Networks, **Amazon Studios**, **Banjay Americas** and **Warner Bros. Discovery** have signed on to support **Coded For Inclusion**, an initiative that aims to disrupt biased hiring systems in the industry by providing their productions access to the industry hiring platform, Staff Me Up. Staff Me Up currently has more than 380,000 crew profiles listed on its hiring platform, including over 100,000 people from historically underrepresented communities. Coded for Inclusion launched last year to address diversity shortcomings in the entertainment industry. It’s endorsed by **Color Of Change** and led by an alliance of #ChangeHollywood supporters including **Michael B. Jordan’s Outlier Society Fellowship**, **Hue You Know**, **AMC Networks** and **Endeavor Content**.

MEDIA INSTITUTE READY TO GATHER IN PERSON

The Media Institute will hold its first in-person luncheon since taking its monthly D.C. gatherings virtual in 2020 due to COVID-19. The guest speaker for the June 16 event will be **NTIA** Administrator *Alan Davidson*, who is the broadband man-of-the-hour given the agency’s administration of the \$42.45 billion BEAD program. Space is limited and by invitation only. Founded in 1979, The Media Institute is a non-partisan organization that focuses on the First Amendment and communications policy with a program agenda that encompasses virtually all sectors of the media, including print, broadcast, cable, satellite, telecom, digital and online services. Throughout the pandemic, the Institute has held a steady stream of virtual events with prominent officials, including **NCTA** President/CEO *Michael Powell*, former **FCC** Chair *Ajit Pai* and **T-Mobile** SVP of Government Affairs *Kathleen Ham*.

ESPN, WORLD LACROSSE INK MULTI-YEAR DEAL

ESPN agreed to obtain the network global media rights to **World Lacrosse** championships through 2023, putting

246 games across three international events on ESPN networks or **ESPN+**. The network will carry 112 women’s championship games, with six on linear networks. This is the first multi-event, multi-year media agreement for World Lacrosse, which will make it available in over 170 countries and territories.

PROGRAMMING

A June 13 debate between Sen. *Lindsey Graham* (R-SC) and Sen. *Bernie Sanders* (I-VT) will be carried live on SVOD **FOX Nation** at noon ET. The one-hour policy debate, moderated by **Fox News’ Bret Baier**, is part of a series of Oxford-style debates between leading U.S. senators that are meant to “reintroduce the culture of seeking common ground and consensus.” The Bipartisan Policy Center, the Orrin G. Hatch Foundation and the Edward M. Kennedy Institute for the United States Senate are behind The Senate Project debate series. The second debate, hosted by the Bipartisan Policy Center, will be held in July and carried live and on demand across **C-SPAN** platforms, including streamed on C-SPAN Now. A third debate will be held by the Orrin G. Hatch Foundation in Utah this fall. – **Showtime’s** “I Love That For You” co-creator *Vanessa Bayer* will co-host a live one-hour multi-platform shopping show on **QVC** alongside *Jane Treacy*. The show is called “Vanessa Bayer and Jane Treacy’s Must-Haves” and will broadcast Thursday at 1pm, available to stream on QVC’s streaming service. – **National Geographic** greenlit a second season for “Life Below Zero: First Alaskans.” Season 1 will premiere Monday at 8pm with two episodes before weekly releases on Tuesdays at 8pm.

PEOPLE

Armstrong President *Jeffrey Ross* has joined the board of **ACA Connects**. – *Joe Benarroch* was promoted to **NBCU’s** EVP, Communications, Global Advertising & Partnerships, and *Annie Betz* was elevated to Director, Communications, Global Advertising & Partnerships. Betz will lead all communications efforts surrounding developer conferences, while Benarroch will continue to develop internal and external strategy.

OOPS!

In Wednesday’s issue, **Cablefax** wrote **Charter** CFO *Jessica Fischer* indicated at an investor conference that it is seeing increased competition from other gigabit offerings. She was actually indicating that Charter is seeing similar competition in its gigabit and non-gigabit markets.

EDITOR’S NOTE

Cablefax: The Magazine is accepting nominations for its annual Diversity List issue, which recognizes the industry’s top multi-ethnic executives based on their influence and power—as well as their commitment to ensuring that other execs of color receive the same opportunities to grow and flourish. The year’s issue also includes the inaugural Pride List, honoring top LGBTQ+ execs, as well as D&I Mentor of the Year and Thrivers Under 30, celebrating the industry’s rising stars under 30. The nomination deadline is June 3. Enter at CablefaxDiversity.com.

PROGRAMMER'S PAGE

Discovery+ Explores Kids Racing In New Series

Drivers on your mark, get set, go—so long as all homework is complete. **Discovery+**'s "Baby Drivers" premiered Monday, giving viewers a glimpse of the kids' motorsport scene and what it takes for them to get to the top. The series starts at Adams Motorsports Park, a family business in Riverside, California, that *Troy Adams* and his wife *Kara* help operate. Troy also coaches 7- to 10-year olds in the early stages of their journeys to racing stardom. While Adams has seen television crews come to the park in the past, it was Kara's diligence that eventually caught the attention of discovery+. "It was her vision. It was her putting a show out there in the world," Troy told **CFX**. "Because of the track, we have a lot of networks that have come and done shows. She continuously throughout the end of COVID told production companies she would love for the track to be on some type of network and to show it. For whatever reason, we started getting calls like that." There's no feeling like finishing in first, but the cost—financially and mentally—comes at a steep price. Parents can spend up to \$10,000 per weekend to cover travel, entry fees, kart maintenance among other things. Parents like the *Biezonskys* spend three times that amount for a trio of racers. The financial commitment can cause stress for families who dream of making it to the professional ranks. But for the Adams family—whose 10-year-old son *Truly* races as well—it's about the journey and the time spent with family. "What I enjoy more is to see the growth of the families," Troy said. "I really look forward to the transformation of all of our families. I love the fact that my kids were just kids ... I love the fact that the network has allowed us to still let our kids be kids, but yet still work in the industry." – *Noah Ziegler*

REVIEWS

"Frontline: Police on Trial," premiere, 10pm, Tuesday (and streaming), **PBS**. Initially we wondered why this well-done inside look at *George Floyd's* killing wasn't shown May 25, the two-year anniversary of his death. Indeed, with the shooting at Robb Elementary School in Uvalde, TX, perhaps it's best the film premieres next week. Even the passage of time might not help. With myriad questions about police procedure in Uvalde, viewers' appetite for this film, which partially aims a spotlight on former officer *Derek Chauvin*, may be depressed. Still, for those who want an intimate retelling of the Floyd murder, this fits the bill. In typical "Frontline" fashion, it storytells via people who on the ground, in this case reporters from the "Minneapolis Star Tribune," a journalism partner of the venerated PBS documentary series. – "Too Cute!" check listings, **Animal Planet, Animal Planet Go, Discovery Family, Prime Video**. Indulge us this Memorial Day Weekend. Certainly, there are plenty of worthy specials and marathons with Memorial Day themes. On the other hand, some viewers are mentally exhausted from witnessing TV coverage of several awful current events stories, including shootings in Uvalde and Buffalo and the hell of Russia's invasion of Ukraine. If it's a short escape you crave, you could do worse than this 2011 series about puppies. Thank us after the long weekend. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(05/16/22-05/22/22)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
TNT	1.048	3266
FNC	0.724	2255
ESPN	0.672	2093
HGTV	0.289	900
MSNBC	0.272	846
TLC	0.256	797
INSP	0.247	770
HALL	0.245	762
FOOD	0.212	659
DISC	0.209	650
HIST	0.206	643
USA	0.203	633
TBSC	0.201	627
CNN	0.191	595
TVLAND	0.169	526
ID	0.155	483
HMM	0.152	472
FX	0.151	469
LIFE	0.142	444
A&E	0.137	428
FS1	0.132	412
BRAVO	0.127	396
WETV	0.119	372
GSN	0.114	355
AMC	0.113	351
E!	0.102	318
NATGEO	0.096	300
NAN	0.095	295
TUDN	0.093	291
TRAVEL	0.090	281
SYFY	0.086	268
COM	0.084	262
NICK	0.084	262
APL	0.084	262
OXY	0.084	261

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



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