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WHAT THE INDUSTRY READS FIRST

Broadband Billions: The State Haves and the Have Nots

Not every state is going to benefit from the BEAD broadband grant program in the same way. Some expect to be rolling in the dough, while others say they won't have enough to bring broadband to everyone.

“Kansas is one of the states that is projected to have a shortfall of funding necessary for universal connectivity. We are projected to get anywhere between \$300 to \$350 million, and a strategic broadband plan we did last year put the number needed at \$1.2 billion. And that was before inflation and some of these other supply chain issues that have driven up costs,” Kansas Office of Broadband Director *Jade Piros De Carvalho* said during a panel at the Mid-America Cable Show Wednesday in Tulsa.

On the other end of the spectrum is Arkansas, which is expected to receive \$1.2 billion. It estimates that it will need about \$600 million to finish the infrastructure component, with newly installed state Executive Broadband Manager *Glen Howie* pledging to use that remaining \$600 million for some “really cool, innovative stuff.” He encouraged operators at MACS to reach out to him with ideas, particularly in the target areas of education, health-care, small business and agriculture. “From the discussions that I’ve had with folks that would know, they’ve indicated to me that states that have a surplus will have great flexibility to be able to do very innovative things under the broadband umbrella,” said Howie. He gave the example of telehealth. Instead of merely connecting folks and making it affordable or giving out devices,

he suggested using funding to allow for genetic testing that could make the telehealth experience more meaningful. “If you look at broadband, it’s not just an asset or a platform, but it’s an enabler. What are those extra enabling pieces that we can do?”

De Carvalho couldn't hide her envy. She blamed the formula for BEAD's distribution of some \$42 billion for the disparities. Essentially, every state gets a block grant of \$100 million, then **NTIA** allocates the rest of the money off broadband mapping tied to unserved and underserved premises. "What puts Kansas and states like Nebraska and even Colorado at a disadvantage is that only 10% of the formula is allocated to high-cost areas. And in very rural states, we've got a lot of high-cost areas," she said. "So that's why some states are ending up with this enormous surplus, kind of a slush fund, to be creative with. And then others are ending up with not enough. It's disappointing. I don't think there's anything we could do about it, because would take an act of Congress to change that allocation formula."

Oklahoma has just hired a state broadband director with the legislature funding a broadband office for the first time this year. State House Representative *Logan Phillips*, who co-chairs the state's Rural Broadband Expansion Council, drove home the importance of connectivity during the panel. "I have towns that are thriving, like the town of Okmulgee that you can't run a credit card in the downtown center shopping area because there's no internet capabilities there," he said. "We've seen negative population growth. We've seen negative economic development, and we're seeing the decline in the duration of rural communities

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simply because of a lack of connectivity.”

When the issue of using government broadband money to overbuild existing broadband providers came up, De Carvalho just laughed. “We don’t have the luxury to even consider” such projects given the projected shortfall. While federal standards allow grants for projects that provide 100 Mbps symmetrical speeds in areas that don’t have it, she warned providers that Kansas has to prioritize the unserved.

That brings us to the challenge process. Before Howie took the Arkansas job, he was with Louisiana’s Office of Broadband Development and Connectivity. There have been a lot of challenges in the state, with Sparklight recently [objecting](#) to a \$4 million grant the governor announced last month for Conexon. “It turns into a ‘he said, she said.’ It is so hard to really differentiate the argument sometimes,” Howie said, describing how providers will use different speed tests or proprietary information to back claims. His advice was for states to keep rules administrative as much as possible to avoid challenges in the courts that linger.

De Carvalho acknowledged that the challenge process is very important, but she warned providers to be careful: “I don’t have a lot of patience for providers who over report their speeds and their coverage areas. It leads Kansas into a really bad situation.”

RUTLEDGE STILL HIGH ON VIDEO, MOBILE

Charter CEO *Tom Rutledge* doesn’t see the video business falling apart in the coming years, and he’s optimistic that the provider’s streaming platform joint venture with **Comcast** will breathe new life into that product line. “I think this new platform that we’re developing with Comcast and the joint venture gives us an opportunity to monetize video and to use our customer relationships to drive that platform deeper into the market and to create an advertising business and a transaction business where we monetize the platform by helping direct-to-consumer media companies get more customers and pick a fee for doing that for them, helping sell the product,” he said during an investor conference appearance Tuesday. For now, he’s keeping an eye on major changes in the existing video marketplace and a transition to an app-based environment is taking a significant portion of capital out of the business and consumers tend to own video equipment rather than renting. The provider is also finding ways to make its products more efficient, using funds on initiatives that will cut costs long-term. Charter is also continuing to test CBRS spectrum as a way to offload traffic from **Spectrum Mobile**, and Rutledge characterizes the strategy around CBRS as a cost-saving capital deployment. “It’s very specific, it’s very targeted and you only deploy it if you know it’s going to work. We think, given our current price structure, that we can be more efficient with CBRS,” he said. “If we know where the traffic is and we know what it costs to deploy the radios, and we can actually move the traffic onto

The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



IGNACIO Meyer
PRESIDENT OF U.S. NETWORKS
TELEVISAUNIVISION

3 THINGS TO KNOW

- Ignacio was tapped to lead TelevisaUnivision’s U.S. networks after serving as EVP, Music and Non-Scripted Entertainment for Univision since August 2021. His new role helps fill in for Luis Silberwasser, who departed the company to be CEO of Warner Bros. Discovery Sports. Ignacio will report to CEO Wade Davis.
- He’s spent nearly 11 years at Univision, originally joining in November 2011 as VP Business Development. Ignacio then spent nine years as SVP, Enterprise Development, before taking charge of the entertainment and music division that produced unscripted and live programming, award shows and specials. When COVID-19 shook the world 2.5 years ago, he oversaw the first live awards show during the pandemic “Premios Juventud.” He also looked over the production of “Tu Cara Me Suena” which premiered in October 2020 and outperformed ABC and FOX among A18-34 when it premiered.
- Ignacio’s new role will have him based in Miami, where he went to college at the University of Miami and received a degree in Business and Marketing and Communications.

the radios, we gradually become a fixed mobile provider in the places where it’s economically efficient.”

RAND PAUL’S DEREGULATORY WISHLIST

You can imagine **ACA Connects** is keeping a close eye on legislation recently introduced by Sen. *Rand Paul* (R-KY) that would repeal all broadcast ownership limits. The idea behind Paul’s Local News and Broadcast Media Preservation Act is to exempt print, broadcast and digital news organizations from federal antitrust laws to allow them to compete with national tech companies. It would eliminate the FCC’s limits to multiple station ownership in a local market. Paul is also hoping to prevent government interference in broadcast mergers, with the draft declaring that such deals “would not be considered to substantially lessen competition or to tend to create a monopoly.” Given that it was just introduced last week and has no other sponsors, it’s probably not going anywhere this year. But it could be a point for further conversation, particularly if Republicans gain control of the House and Senate. “Of course, that one scares the heck out of anybody who really understands cable in the video market,” ACA Connects CEO *Grant Spellmeyer* said during a panel at the Mid-America Cable Show Wednesday.

MACS NOTEBOOK

Missed this year's Mid-America Cable Show? Then mark your calendar for April 18. That's when the regional show will head to Omaha for its annual gathering. – During a CEO Panel, **NCTC** Chief *Lou Borrelli* teased that the co-op is even closer to an MVNO deal than it was when he talked about it at the Independent Show in late July. He believes mobile is the new bundle for operators. Once the MVNO deal is done, NCTC is going to look at what else can be tied together. "When I was at Digicel in the Caribbean, we created our own OTT tier specifically for mobile and we used that to effectively tie back to our fiber-to-the-home product," he said. "I think we have the rights and we could secure more rights to be able to do something like that."

MIDTERM MONEY COMING IN

Despite a decrease in cable TV customers, **Viamedia** is set to meet or eclipse its midterm political advertising record thanks to PACs spending in the "Issues" advertising category. That money accounts for 63% of all 2022 midterm political spending managed by the company—a 16% increase from 2020 and 2018. The company's year-to-date political advertising revenue is up 11% from the 2018 midterms and by 2% compared from the 2020 presidential election. Viamedia is also seeing year-to-date ad revenue from digital and CTV spending exceed 61% of the total revenue from the 2018 midterms.

SPORTS CONTENT SHINES

Nearly 80% of cable viewers 18+ see **ESPN** as a must-have channel in their lineup, a study from Beta Research found. The study asked respondents to rate networks on a 1-5 scale with 1 as "not needed on your channel line-up" and 5 as "it's a must have." **Cartoon Network**, **Disney Channel** and **INSP** followed behind ESPN at 73%, with **Comedy Central** checking in at 72%. Of men 18+, 31% put ESPN as their top-ranked basic cable network. History Channel was second at 20%, with **ESPN2** (18%), **Fox News** (17%) and a three-way tie between **CNN**, **Discovery Channel** and **FS1** (16%) rounding the top five. For women 18+, **Food Network** was first at 24% with **HGTV** and **CNN** following at 17% and 15%, respectively. The study was conducted in June and sampled 1,200 cable and satellite dish subscribers 18+.

PROGRAMMERS COME TOGETHER FOR ROYBAL

A group of media companies including **Disney**, **Fox Corporation**, **Amazon Studios**, **NBCUniversal** and **Telemundo**, **Paramount** and **Warner Bros. Discovery** are onboard as founding partners of the Roybal Film and Television Production Magnet Fund. The fund is designed to support an academy, the Roybal Film and Television Production Magnet, that aims to build a more inclusive pipeline of historically underrepresented students interested in below-the-line careers in film and television. Previously announced founding partners include **A+E Networks**, **Netflix** and **Sony Pictures Entertainment**, and the collective group of founding partners are committing more than \$4 million to the school. The academy opened in August with an enrollment of 150 students. **Fox Entertainment** CEO *Charlie Collier*, NBCU EVP/Chief Diversity Officer *Craig Robinson*

and *Marva Smalls*, Paramount EVP/Global Head, Inclusion and Nickelodeon EVP, Public Affairs, will join the Roybal Advisory Board to work alongside other members like A+E Networks Group President/Chairman *Paul Buccieri*. Additional members will be announced at a later date.

BERRY RETIRING FROM CCA

Competitive Carriers Association President/CEO *Steven Berry* announced his plans to retire at the end of the year. The board unanimously appointed *Tim Donovan*, the association's SVP, Legislative Affairs, to succeed Berry. Donovan joined CCA in 2009 after a stint in government affairs at the Direct Marketing Association and has led Congressional advocacy efforts. Additionally, *Lucy Hodas*, the association's SVP, Media & Communications, has been appointed to serve as the company's COO beginning in January.

COMCAST UPS SHARE REPURCHASE PROGRAM

After increasing its share repurchase authorization to \$10 billion in January, the **Comcast** board doubled it to \$20 billion, effective Sept. 13 and with no expiration date. Comcast has repurchased \$9 billion of Class A common stock so far this year.

VYVE INTRODUCES MESH WIFI

Vyve Broadband is teaming up with **eero** to introduce whole-home WiFi services to its internet products. eero's mesh WiFi systems will be used to optimize the performance of Vyve's network based on network layout, data usage and more.

CARRIAGE

Warner Bros. Discovery's MotorTrend is now available on the **Apple TV** app in the U.S. MotorTrend has shows such as "Kevin Hart's Muscle Car Crew," "Motor Mythbusters," "NAS-CAR 2020: Under Pressure" and "Top Gear America," and starting today, customers can get a free seven-day trial before subscribing for \$4.99/month. – **Cinedigm** struck a deal with vMVPD **Vidgo** that will see it distribute ad-supported streaming service **Cineverse** this fall. It will be integrated into Vidgo's mobile and connected TV apps as well as its website, and all Vidgo subscribers will have access to it at no additional cost.

FIBER FRENZY

Comcast Business wrapped a \$2 million fiber network expansion last week that will serve Philadelphia's Food District. It will support more than 70 businesses in the commercial area with speeds of up to 1.2 Gbps for SMBs and 100 Gbps for larger enterprises.

PEOPLE

Comcast Cable's ad sales division **Effectv** named *Pooja Midha* as EVP/GM. She takes the position after *James Rooke* became President, **Comcast Advertising**. She'll continue the company's focus on multiscreen, audience-based advertising. Midha was the first Chief Growth Officer at Comcast Advertising, where she oversaw global marketing for it as well as for Effectv and **FreeWheel**. – *Joni Lupovitz* joined the **NCTA** legal team as VP and Associate General Counsel. Lupovitz was most recently **NPR's** Senior Director, Public Policy, and before that was **FTC** Chief of Staff, Attorney Advisor for Commissioner *Jon Leibowitz* and Assistant Director for Enforcement in the Bureau of Consumer Protection.

Think about that for a minute...

Rethinking II

Commentary by Steve Effros

As promised, this is a somewhat unusual continuation of a series of columns looking at where we've been and where we might be going in the business of video distribution. There's no way to really understand all this without getting some background in how we got here and some clarification regarding the very confusing use of language that has developed.

As already noted in the last three columns, "free TV" is not free, "noncommercial television" is not noncommercial, and "compensation" reversed course from networks to the local broadcasters and now the locals pay the networks! We ended last week with the conundrum of what the heck the term "cable" means these days!

As they have many times, Consumer's Union, (Consumer Reports) proved my point! The newest issue has a huge headline on the cover "Watch Great TV for Less" with lots of logos for all the streaming services. The article ostensibly is about how to make decisions about those new services, but in several places tends to contrast the price of "cable" (even though the author admits his "cable" service is actually DirecTV satellite service!) with the newer streaming services. There's even a full page headlined "Lose the Cable, Not the Shows."

So let's see if we can finally explain to the editors of Consumer Reports, known for their righteous outrage at commercial inaccuracies and "hidden pricing" that they repeatedly are guilty of the same! Comparing "cable" prices with streaming service prices, which are the focus of this article, is totally misleading if you don't also point out that the streaming services don't pay for delivery, while "cable service" does! That's not mentioned anywhere in the article! It suggests "cable replacement services" which stream over the internet, but never mentions that you have to pay separately for getting that internet service, while you don't pay for "cable service" delivery, it's part of the price.

And before anyone says ...well, we have to have internet service anyway, remember that a vast majority of the bandwidth used for internet service is for video streaming! That's what

you're paying for, whether you use it or not. At least CU does mention that you have to have internet service...they just don't mention any costs or add them into the analysis regarding "savings." And by the way, I acknowledge that many cable companies are offering a service that is bloated with channels and costs too much! But there are reasons for that having to do with cable programmers that we'll get into later.

So what does "cable" mean? Clearly, despite all the poorly edited articles, you don't "cut the cord." You have to have the "cord" or the "cable" to get the service whether it is "cable service" or internet streaming services. So one use of the term "cable" is to denote the physical thing (and yes, a fiber optic "cable" is a "cable" just as much as a coaxial cable is.) A second, common use of the term is to refer to the "cable service" that we commonly think of, the aggregated programming delivered to you on a set top box connected to your TV. A third use of the term is the somewhat confusing reality that the programming developed for cable television service delivery; CNN, ESPN, Weather Channel, CSpan, HBO, etc., is often referred to simply as "cable."

There was a time when folks even said they were "hooking up to HBO." Well, no, but you get how the confusion mounts! So as we move along in this review of where we've been and where we're going, I urge everyone to be really careful in the use of the term "cable." Are you talking about the infrastructure? The aggregated program/delivery service? The non-broadcast programming channels? This gets even more confusing when we get to "streaming" which is next.



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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