

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Endgame: Starry Looks for Savior Amid Money Woes

**Starry** is in survival mode. It has put a halt on all expansion plans, withdrawn from the **FCC's** RDOF program, instituted a hiring freeze and cut 50% of its workforce in an effort to cut costs, but that won't be enough to save the company if it doesn't get help fast.

"We're not at a stage where we could save our way to prosperity. It's a network business, so it needs a certain amount of subscriber revenue to absorb the fixed costs," CEO **Chet Kanojia** said during an appearance at the **New Street Research** and **Boston Consulting Group's** Innovation Conference Monday. "If you're going very immediately, that number is probably 130,000, 140,000 customers, somewhere in that range. If you're growing at the pace that we were, that number is about 230,000-240,000."

It's been two weeks since Starry announced the hiring of investment bank **PJT Partners** to advise the company and its board on M&A, capital raising and balance sheet solutions. Kanojia acknowledged that the phrase "exploring strategic options" tends to be viewed as a euphemism for a sale, but the leadership team is staying open-minded. The certainty of getting a transaction that gives Starry the financial backing it needs to push forward remains the highest priority, and everything else will be considered based on what makes sense for the business.

Among the situations that could make sense would be

for a wireless company with a fixed wireless solution like **T-Mobile**, **Verizon** or **AT&T** to incorporate Starry into their existing divisions. They also all tout caches of millimeter wave spectrum, the key to how Starry is able to deliver speeds and capacity that are competitive with those being offered today by cable and fiber providers. The case for buying a company like Starry today becomes even stronger, Kanojia said, when one looks at the cost to serve a customer in one of its markets.

"Everybody's cost structure is going up, not down. It's just the reality of the situation, a combination of inflation, labor, cost to construct, just too many variables," he said. "I think having access to this technology for some portions of those markets where there is density in urban parts. Even if you're doing it preemptively while you think long-term and in five, seven or 10 years rebuild fiber there, getting the customers in now at a very low cost point makes a ton of sense to me."

Outside of finding a partner, Starry's focus is on driving penetration in the six major markets it already operates in. Subscriber additions are continuing in line with the company's previous numbers. "We didn't provide any guidance to the market on what we're going to do in Q4 just because the situation is just too at the moment, but we continue to add subscribers, continue to maintain the network," he said. "Customer sentiment, partner sentiment is incredibly high. People are rooting for us, I think. Let's see what transpires."

Kanojia believes that Starry has enough time to find, ne-

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gotiate and complete a transaction that will right the ship, but the pressure mounts with every passing day. The fixed wireless provider received a deficiency letter from the **New York Stock Exchange** notifying the company it is not in compliance with continued listing standards. As of Nov. 7, the average closing price of Starry's Class A Common Stock was less than \$1 per share over a consecutive 30 trading-day period. Starry has six months from receipt of the letter to bring its share price and average share price back above \$1.

## FWA OPENING DOORS FOR VERIZON

**Verizon** wants to continue gaining market share in its business division, and while the path forward may be difficult, it does have a strategy to put the pieces in place. It starts with mobility, an area that has achieved between 44-45% market share according to Verizon Business EVP/CEO *Sowmyanarayan Sampath*. That number is as much as 60 or 70% in some segments such as the public sector. A key area of growth is fixed wireless. “It is one of the fastest growing products I have ever seen in my lifetime,” Sampath said during an investor conference Monday. Verizon recorded 108,000 fixed wireless net adds in 3Q22, and he said this quarter is tracking much the same. As for the long-term enterprise strategy, fixed wireless is capable of fulfilling the needs of a business of that size. Sampath said nearly 85% of all FWA is primary use cases, and within that number over half is a takeaway from cable providers with the other half being opportunities cable usually can’t reach. That focus on FWA doesn’t mean it’s ignoring fiber—in fact, it’s the opposite. Sampath said as the company’s FWA and mobility business grows, it’s going

to need more fiber. Verizon kicked off its One Fiber project in 2016 to bring fiber to markets outside of the company's ILEC footprint. Currently, that spans 60 markets that are primarily **NFL** cities and Tier I markets. The company has the capability of building out the last mile near the edge in 30-60 days, but when it comes to opportunities outside the 60 markets, it doesn't have a set guideline to follow. It looks at ROI calculations to determine what opportunities make sense. Like its competitors, Verizon is facing short-term uncertainty with the economy. That's led to slightly longer decision-making cycles when companies are considering partnering with Verizon on digital transformation initiatives, but deals are still going through because of learnings from the pandemic. "I think COVID did give people a shock that they hadn't invested enough in digital and cloud migration and things like that," Sampath said. "So anytime you hear the words 'digital transformation,' [or] 'cloud migration,' you've got to get a better network to do all of that."

## IDAHO GETS TURN AT NTIA GRANTS

**NTIA** okayed the first Internet for All grants for the state of Idaho Monday, allocating more than \$4.94 million to the state. Of that, \$4,376,087.09 will come from the BEAD program for identification of unserved and underserved locations, the building of a state broadband infrastructure map, surveys of communities to establish a better understanding of barriers to adoption and more. Additionally, \$564,706 will come from Digital Equity Act funding for the development of a statewide digital access plan, community and stakeholder engagement and data collection.

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**HULU + LIVE TV ADDING HALLMARK, ESN**

**Hulu + Live TV** is bolstering its lineup with 14 new channels by Dec. 1. Launching Monday on the vMVPD were **Hallmark Channel, Hallmark Movies & Mysteries** and **Hallmark Drama** (with the \$7.99/month Entertainment Add-On). A larger drop on Dec. 1 will include six channels from Vevo as well as a selection of networks from **Entertainment Studios Networks—TheGrio Television Network, JusticeCentral.TV** and **The Weather Channel en Español. The Weather Channel** and **Comedy.TV** arrived on Hulu + Live TV on Nov. 1.

**CTIA STUDY ATTACKS CBRS, NCTA FIGHTING BACK**

CBRS spectrum is failing to meet expectations and is underutilized according to a new study commissioned by **CTIA**. Conducted by **Recon Analytics**, the study said the most prevalent use cases for the 3.5 GHz band that's shared between government and commercial users are traditional wireless deployments rather than those that drive innovation. It also claims that the complications that come with spectrum sharing are discouraging adoption. The paper takes a liking instead to exclusive-use licensed commercial spectrum, finding that wireless providers have increased their spectrum efficiency by 42% over the last decade with spectrum auctions delivering more than \$177 billion to the U.S. Treasury. **NCTA** found fault with the study's findings and implications, arguing that it is discounting the possibilities of CBRS while the idea of spectrum sharing is still in its early stages. "A zero-sum, exclusive-licensed-only strategy is not a solution. There are many creative ways to approach the spectrum crunch, and the CBRS model offers a compelling and innovative basis for doing so," NCTA said in a statement. "CBRS is still in the early stages, with initial licenses issued only last year and the **FCC** just recently issuing additional licenses last month. Yet well over 228,000 CBRS devices are already in use, and significant investments in licenses are being made by various industries and we have only begun to reap their full benefits."

**READY FOR THE WORLD CUP**

With less than a week to go until the 2022 FIFA World Cup kicks off, **Tubi** announced it will have all match replays broadcast in 4K for free on 4K supported devices and operating systems. The replays will be released on the same day the matches occur, and Tubi will also produce extended highlights for every game. The AVOD will have multiple FAST channels dedicated to the tournament, including "FIFA World Cup Qatar 2022: Qatar Prepares," "FIFA World Cup Classics" and "When the World Watched." The first match is Sunday at 11am. – **DirectTV** customers will be able to watch all World Cup matches in 4K on **FOX, Fox Sports 1, Telemundo** and **Universo**. Viewers can access matches on **DirectTV Stream**, which will come with additional interactive enhancements. DirectTV will also allow customers to watch multiple matches at once and display group stage standings, results, box scores, brackets and upcoming matches on channels 205 and 600.

**FIBER FRENZY**

**Altice USA's Optimum** upgraded its local network in Kaufman, Texas, to full-fiber technology Monday, making its services available to local residents and businesses in the area. Optimum's network comes with gigabit symmetrical speeds, increased bandwidth, unlimited data and Smart WiFi. – **Vexus Fiber** is breaking ground on a fiber network build in Nacogdoches, Texas. The 10-gigabit network is privately funded by Vexusm and residents in construction areas will receive a 30-day advance notice via email and mail about activity in their neighborhood.

**CARRIAGE**

**Chicken Soup for the Soul Entertainment** is expanding its deal with **Vizio** to put the free streaming apps **Redbox** and **Crackle** onto Vizio remote controls starting in 2H23. Customers who purchase Vizio TVs will get the two AVODs via dedicated buttons, giving them access to more than 150 FAST channels and an array of shows and movies.

**DOING GOOD**

**Breezeline** is teaming up with the U.S. Marine Corps Reserve's Toys for Tots program to provide additional toy drop-off locations at several Breezeline facilities and a \$100,000 donation. Locations include Rochester and Concord, New Hampshire, Altoona, Pennsylvania and West Palm Beach Florida. Additionally, Breezeline and iHeartRadio will host community collection drives in Columbus, Ohio, on Dec. 13, Cleveland on Dec. 14 and Morgantown, West Virginia, on Dec. 15.

**PROGRAMMING**

"Elton John Live: Farewell from Dodger Stadium" will be streamed Sunday at 11pm on **Disney+**. Stars such as *Dua Lipa*, *Kiki Dee* and *Brandi Carlile* will be alongside *Elton John* for his final performance in North America. The stream will begin with "Countdown to Elton Live," which will have interviews with John and *David Furnish* as well as well wishes from celebrities across the globe. – Season 5 of "Murder in the Heartland" begins Wednesday at 9pm on **ID**. That will be followed by the Season 2 premiere of "Murder Under the Friday Night Lights," which begins at 10pm. – **CNBC's** "Money Court" featuring *Kevin O'Leary* and *Bethenny Frankel* will premiere Nov. 30 at 10pm. It'll have seven one-hour episodes where O'Leary and Frankel discuss an array of financial disputes that small/growing businesses face. – **ESPN2** will have a behind-the-scenes special "Drive To The XFL Draft" to premiere Tuesday at 10pm, available to stream on **ESPN+**. – **ESPN** signed former NHL All-Star *P.K. Subban* to a multiyear contract for the network's hockey coverage. He'll primarily be a studio analyst as well as an in-game analyst for select regular-season games.

**PEOPLE**

**Roy Restivo** is joining the **Allen Media Group** family as EVP, Research. He'll oversee the area for the company's 12 television networks, 27 broadcast stations and streaming platforms. He joins after spending 20 years at **NBCUniversal's** Domestic Television Distribution unit, most recently as SVP, Research & Sales Strategy.