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WHAT THE INDUSTRY READS FIRST

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30

HAPPY ANNIVERSARY

Over the years, NCTC's partnership with ACA Connects has spanned endless projects to keep our industry vibrant and connected. From our members to our collaboration on key events, we have been there for each other as two powerhouse organizations doing so much good for our respective members. ACA Connects

works to ensure their members are treated fairly in the marketplace and in Washington so that small and medium-sized independent operators may continue to thrive and deliver affordable video, broadband, and phone services. Congratulations on 30 years of service, and here is to a partnership for 30 more.

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WHAT THE INDUSTRY READS FIRST

30 Years: ACA Connects Summit is Back

After a three-year, COVID-forced hiatus from its annual Summit along with the first change in leadership in the organization's history, you could forgive **ACA Connects** if it decided not to bring back its annual conference and lobbying event in Washington, D.C. Instead, ACA Connects Summit is back and ready to celebrate the association's 30th anniversary this week.

"The ACA Connects family has not been together in-person for the Summit since 2019—that's just too long staying virtual for an association like ours that prides itself on the strong person-to-person connections among its members," ACAC President/CEO *Grant Spellmeyer* told **CFX**. "The idea of not having an in-person Summit in 2023 was never on the agenda. We are back to normal, and we expect scores of ACAC Members will be traveling to Washington, D.C., to express their views to lawmakers on Capitol Hill and regulators at the Federal Communications Commission."

ACA Connects was just days away from its 2020 Summit when COVID really made its presence known in the U.S. On March 5, 2020, the same day the FCC announced it was suspending non-critical **FCC** domestic and international travel for staffers, the association announced it was postponing the event. Little did anyone know it would be years before the pandemic allowed the gathering to reconvene.

That canceled Summit was themed "Focus on the Future," and that messaging still remains relevant today as a contingent

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of ACA Connects members prepare to flood Capitol Hill to make their case for preserving a competitive marketplace through balanced regulation and government support—an especially key concern with the \$42 billion in BEAD funding for broadband. Members will also focus on the future of the Affordable Connectivity Program, barriers to broadband deployment and the burden of increasing retransmission consent fees when they lobby the Hill on Thursday.

Wednesday is largely devoted to keynotes and panel discussions with a list of speakers that includes FCC Commissioners *Nathan Simington* and *Brendan Carr*, **Calix** President/CEO *Michael Weening* and **New Street Research** Policy Advisor *Blair Levin*. Also speaking is **NCTC** President/CEO *Lou Borrelli*, whose remarks come on the heels of the co-op inking a deal with **Reach** to allow member companies to soon begin offering mobile phone service (see "NCTC Signs Deal with Reach" below).

There's some fun on tap too, with the ACAC crowd holding a 30th anniversary dinner Tuesday night at the National Museum of American History with former FCC commissioners *Ajit Pai*, now partner at **Searchlight Capital**, and *Mignon Clyburn*, now Principal at **MLC Strategies**, to share remarks.

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Magazine Publish Date: May 15

NCTC SIGNS DEAL WITH REACH

NCTC entered into a preferred partnership agreement with **Reach** to provide its nearly 700 members with the ability to launch mobile services. NCTC will select in the coming weeks the underlying wireless network that will be offered. Reach is compatible with all the major wireless carriers, including **T-Mobile** and **Verizon**. "The main reason why we picked Reach is we have members that count broadband or video or combined customers in the millions and we have them that count in the hundreds. The beauty of this approach is for the smallest of our membership that wants to get into the mobile business, this is sort of like the easy button. You just push it and [Reach] has maybe eight or 10 questions that they have to answer to configure the automated online piece of this and then they're good to go," NCTC CEO *Lou Borrelli* told **CFX**. "As you go up in size, you have the ability to have more custom or more of a presence and for those that would like to have kind of their cake and eat it too, they can decide to take more of the risk, more of the internal machinations if they want, which sort of makes them look kind of like **Charter** and **Comcast**, but maybe not to the full extent." Charter and Comcast have both crossed over the 5-million line mark for their mobile offering. **Cox** has joined the market, completing a rollout of mobile service to all markets in its footprint at the end of last year. Smaller operator **WOW!** recently inked its own deal to launch wireless through Reach. "I think our job here is to make sure that we support NCTC completely in their decision and enable whichever MNO they would like to be enabled for the amount of sites. The good thing is the way our technology is built it's kind of stackable Lego blocks if you will. The members can start to onboard and we can slide in the carrier underneath it," said Reach CEO *Harjot Saluja*. "90% of what it takes to launch a services doesn't have much to do with the MNO itself. Yes, you need the towers, but there's so much more to a service. We need to have billing, invoicing, device ecosystem, website, app... So all of that is built into our platform, and that can be worked upon." There won't be a one-size-fits-all pricing approach, with NCTC members able to set their own pricing competitive to the markets they are in. Borrelli said onboarding could begin in as soon as a few weeks, with launches expected in Q2 or Q3. Members can opt to have their mobile service marketed completely under their brand name or it could be their brand name plus the tag "Powered by Reach," according to NCTC VP of Technology Innovation *Jared Baumann*.

BLAIR LEVIN RAISES ALARM ON ACP FUNDING

New Street Research's Blair Levin doesn't sound very optimistic that Washington will renew funding for the Affordable Connectivity Program. "If you remember nothing else from this speech, remember my Cassandra cry that our country may soon take the biggest backwards step any country has ever taken, increasing, rather than closing, the digital divide. I'm a *Biden* fan, but sad he did not call for re-funding ACP at the State of the Union nor did he cite communications technology as a solution to any problem we face," Levin said in remarks at a **Media Institute** luncheon in D.C. Tuesday. "Next year, about 50 million Americans could find that their communications capabilities become slower, worse or more expensive—if they have access at all." Levin, who was Chief of Staff to FCC Chairman *Reed Hundt* from 1993-1997 and was

Cablefax Executive Round Up

In honor of Black History Month, when was the first time you felt truly represented in television?



Byron Allen

Founder/CEO

Allen Media Group

"I truly felt represented in television by the show 'JULIA,' starring Diahann Carroll, which premiered in 1968. The show felt like a mirror image of my mother and I in a single-parent home. JULIA made me feel normal, seen and heard."

Television is extremely powerful, and it has the ability to change lives for the better each and every day, and television is at its best when used for the greater good."



Angela Cannon

SVP, Multicultural Networks & Strategy

UP Entertainment

"The first time I felt truly represented on TV was 'The Cosby Show' and a 'Different World.' These shows had a major impact on my generation in a profound way. It led to the highest enrollment of Black students in college, the recognition

of HBCU's and the positive depiction of a traditional family with two educated parents. It reflected my life then & now as I continue to bring positive Black representation to our screens."



Nilda Gumbs

Chief of Staff

NCTA-The Internet & Television Association

"In 1984, 'The Cosby Show.' I will never forget seeing a Black family on television every Thursday night. The family was educated, happy and loving. The Huxtables loved their children and were proud to represent people of color in their chosen profession. Their friends were black, their children were taught to be proud of their heritage, strive for excellence and be rooted in family. I saw myself in each of the characters at different points in my childhood."

the Executive Director of the National Broadband Plan from 2009-2010, pens a Weekend Update note for New Street that's become a must-read for many Washington communications wonks. During Q&A at the lunch, he touched briefly on the FCC's decision to send the proposed **Standard General-TEGNA** deal to its administrative law judge. "I can tell you from a Wall Street perspective that the meaning is that any deal involving broadcasters now comes in with much more significant risks than one would have thought a few weeks ago," said Levin. His speech touched on some of the handwringing from lawmakers, including **FCC** Commissioner *Brendan Carr*, over concerns that **TikTok** could serve as a surveillance tool to harvest significant amounts of personal and sensitive data. "The four largest American companies by market cap also fit that description," Levin said. Instead of just focusing on TikTok, Levin suggested turning a lens on Instagram's impact on young women or social media in general causing a Gen Z mental health crisis. "And let's look forward. What will be the biggest social problem in the U.S. in the year 2030 that rides on communications platform? I think the answer is obvious. It's going to be young men gambling online, particularly sports gambling," he said. "What are we doing about it? The *New York Times* reported to reap millions of dollars in fees universities are partnering with betting companies to introduce their students and sports fans to online gambling, and government oversight of sports betting offers scant consumer protections and looks to the industry to police itself."

DISH OUTAGE TIED TO CYBERSECURITY INCIDENT

DISH has determined that a network outage that continues to impact its network was caused by a cybersecurity incident. The impacts of the attack were first felt Thursday morning ahead of the company's earnings call, particularly within the company's internal servers and IT telephony. According to an [8-K](#), DISH became aware Monday that certain data was extracted from its IT systems as part of the incident, and an ongoing investigation could reveal that the extracted data includes customers' personal information. DISH is working with cybersecurity experts, outside advisors and law enforcement authorities on that investigation. "DISH, Sling and our wireless and data networks remain operational; however the Corporation's internal communications, customer call centers and internet sites have been affected," the 8-K said. "The Corporation is actively engaged in restoring the affected systems and is making steady progress."

NEXSTAR FIELDING CALLS FROM TEAM OWNERS AS RSNS STUMBLE

With the RSN business in a state of flux, team owners are building their contingency plans on who will be able to provide the widest audience for their organization's matches. And right

now, those talks include **Nexstar**. On the broadcaster's 4Q22 earnings call Tuesday, CEO *Perry Sook* said leadership has fielded a number of inbound inquiries and is participating in ongoing discussions with team owners. But it may be some time before we hear any breaking news of a deal. "I would expect you'll see us do more deals as time goes on, but I think, to a certain extent, that people want to see how the RSN plays out and what that means to them and therefore how that influences their behavior going forward," Sook said. "But we have a receptive audience, certainly among **NBA** owners and **NHL** owners that see the value of broadcast TV and exposing and distributing their product to a much larger audience than is available in the pay TV universe." Those calls are coming at a time when Nexstar is putting a lot of effort into changing viewers' perception of **The CW** and widening its programming focus. The first weekend of LIV Golf just premiered on The CW over the weekend, and in the first three days, LIV Golf was viewed by more than 1.4 million total viewers across the linear network and the CW app, Sook said. Those numbers beat expectations and have solidified leadership's belief that the CW can and should become a trusted destination for sports content. "It has distribution on par with the Big Four, so our job now is to continue to increase the profile relevance and interest in the programming, offer more varied programming and sports is obviously a big piece of that that can put us more on par with the other network choices that are out there," he said. Preparations for the upfronts are also underway, and Sook said the programming schedule for the fall will likely focus more on unscripted content than the scripted series that the CW has been known for in recent years.

TIME TO TURN PROFIT IN STREAMING AT PARAMOUNT

It's been almost two years since the launch of **Paramount+**, and Paramount's focus is now starting to deliver on the path to profitability for its streaming business. "We have to do a couple of things: Number one, we're very focused on continued revenue and particularly ARPU growth," CFO *Naveen Chopra* said at Deutsche Bank's annual Media, Internet & Telecom Conference. "And then we're also focused on the expense side of the equation and really starting to drive leverage against the investments that we've been making in content marketing." Paramount believes there are about \$700 million in future expense savings from integrating Paramount+ with **Showtime**, with some happening later this year and the remainder realized over time. Those savings will be heavily content-driven as Paramount will no longer need to supply two SVOD services, helping the company place its confidence that the soon-to-be new DTC and linear offering will prove positive in the long term. As proof, the Wall Street Journal reported that Paramount recently turned down an offer [worth over \\$3 billion](#) from former executive *David Nevins* to buy Showtime. Part of the potential profit will come from Paramount+'s ad-supported

tier, but with recent weakness in the ad environment comes headwinds in revenue growth. In Chopra's eyes, however, there are still bright spots within the ad market, specifically in the categories of food and beverage, travel and pharma. "Paramount+ advertising has actually continued to grow at a very healthy clip, and I expect that will continue particularly as the ad market starts to recover ... I don't think it changes the fact that we think we're still going to be looking at the back half of the year before there's a noticeable recovery in the marketplace on a broad basis."

T-MOBILE SAYS CABLE'S MOBILE BOOM COMES AT A COST

T-Mobile doesn't deny that cable's mobile numbers are surging, but thus far it isn't seeing a major impact from any lost customers. "We definitely see a lot of it coming from prepaid to postpaid transference. We see a lot of it coming from Verizon itself, and that can work for them given that they get the service revenues from the MVNO arrangement," CFO *Peter Osvaldik* said during an investor conference appearance. T-Mobile doesn't expect cable net adds to drop anytime soon. According to Osvaldik, the mobile operator is projecting that industry postpaid net adds will be down overall in 1Q23 and that cable will have more of the share of net adds as a percentage of the total than it did in 4Q22. "But that's not coming at a profitable growth strategy, and when you're dropping free lines into everybody's bags as they walk out the door on an exploding promotion, that's not customer love," Osvaldik said. "Yes, you can generate large customer headline growth numbers, but you're doing it at the expense of a future churn event for the customer... and it's not profitable, it's not sustainable in the long run."

CINEDIGM ACQUIRES FAITH AND FAMILY CONTENT

Cinedigm has acquired ratings service **Dove.org** and faith-based streamer **Christian Cinema** from **Giving Company**. The two brands will be incorporated into Cinedigm's existing streaming service **Dove Channel**. Christian Cinema is currently available on Apple TV, Roku, Chromecast, Amazon Fire TV and more.

EPB ENLISTS QUANTUM NETWORK HELP

EPB has selected **Aliro Quantum's** AliroNet solution to provide the quantum network controller for the provider's new quantum network. AliroNet will supply the user interface to network customers, giving end-users the ability to define, validate, schedule, run and control quantum services. It will also provide the network operator's interface, allowing EPB operators to manage and monitor the physical quantum net-

work infrastructure.

INTO THE METAVERSE

Sinclair and **Deloitte** are teaming up to launch a sports fan community experience in the metaverse. The virtual environment, developed in part to accompany the Tennis Channel's coverage of major events, allows fans to take stadium tours, participate in minigames and interact with other fans. The community will launch the week of March 6.

CARRIAGE

Peacock added **Reelz** as a streaming partner, bringing shows such as "On Patrol: First Shift," "Cops" and "Autopsy: The Last Hours of..." Premium and Premium Plus subscribers can view the Reelz channel starting March 1, which will include on-demand access to new episodes of "On Patrol: Live" the day after their release.

FIBER FRENZY

WOW! continued its greenfield momentum Tuesday, announcing it has leased a facility in its Greenville, South Carolina, market to help support expansion in the area. Upon that, the company named *Dominick Silvio* as Regional Director of Operations in Greenville County. He's been with WOW! for more than 18 years, helping with the company's markets in Chicago, Knoxville and Huntsville, Alabama.

RATINGS

Fox News solidified its spot at the top for primetime and total-day ratings for February. It averaged 2.26 million viewers P2+ in prime over the course of the month. **MSNBC** followed behind at 1.17 million, with **ESPN** (979,000), **TNT** (912,000) and **HGTV** (895) rounding the top five. For total day in Feb., Fox led with 1.44 million viewers. MSNBC and ESPN were second and third, respectively, at 711,000 and 515,000. HGTV had 475,000, which barely edged **CNN's** mark of 474,000. It was a similar story for the week of Feb. 20 as Fox News came in first for both categories. In prime, it had 2.09 million average viewers, with its total-day number reaching 1.33 million. – **Spectrum News** averaged 2.2 million daily viewing households across linear and digital platforms in February, beating out the broadcasts nets as well as **CNN**, **Fox News** and **MSNBC**.

PROGRAMMING

"Real Madrid: Until the End," a three-part docuseries, will premiere globally March 10 on **Apple TV+**. – Women of Wrestling, an all-female sports entertainment property distributed by **Paramount Global**, will have two documentary specials "My Road to WOW – The Secrets of the Superheroes" and "The Origin of WOW" air on **Pluto TV's** Fight channel in March.



30 Years of ACA Connects

Three decades of operations makes for a lot of milestones. Join us on a stroll down memory lane to revisit some of foundational moments in the association's history.

1993 – The Small Cable Business Association is founded after 150 independent cable operators hold an emergency meeting in Kansas City to address the 1992 Cable Act and the devastating impact for small providers.

1996 – Passage of the 1996 Telecommunications Act delivers rate de-regulation for independent cable operators.

1997 – The group hires its first full-time head, Matt Polka, general counsel of Star Cable.

1999 – SCBA changes its name to the American Cable Association.

2000 – ACA and co-op NCTC form a strategic membership alliance to help voice independent operators' concerns in Washington and throughout the industry.

2005 – In *NCTA v. Brand X*, the U.S. Supreme Court determines the FCC lawfully construed the Communications Act to not define cable broadband providers as "telecommunications services," thus not regulated as common carriers under Title II.

2006 – ACA and NCTC launch the first "Independent Show" together in Chicago; it's also the first time the ACA PAC surpasses \$50,000 in contributions.

2011 – Colleen Abdoulah, then CEO of WideOpenWest, is elected as the first woman to serve as Chair of ACA.

2014 – Congress passes STELAR, which addresses some of ACA's retrans concerns as well as various set-top regulations.

2015 – The FCC passes the Open Internet Order establishing Title II as the regulatory framework for broadband.

2017 – FCC repeals Title II.

2019 – ACA changes name to ACA Connects – America's Communications Association.

2020 – On March 6, ACA Connects announced it would postpone its 27th annual Summit in DC, originally scheduled for March 17-19, due to rising coronavirus concerns.

2022 – After 25 years leading ACAC, Matt Polka retires in July with former USCellular VP of Government Affairs Grant Spellmeyer tapped as the association's new President/CEO. He's only the second CEO in the organization's history.

2023 – Three years after COVID sidelined ACAC Summit, it's back and celebrating the association's 30th anniversary.



A panel from the 23rd Summit discusses skinny bundles, a la carte and OTT video.



2012 Summit attendees prepare to visit Capitol Hill.

GUEST COLUMNIST

ACA Connects Members Shaping Communications Future

By Grant Spellmeyer

ACA Connects President and CEO



Grant Spellmeyer

Over the past 30 years, ACA Connects has learned that our greatest asset is our Members. These 500 video and broadband providers are truly shaping the communications future of their communities. Since joining ACA Connects last year and visiting so many Members, I've come away deeply impressed with their dedication to deliver world-class communications services, including to rural households and businesses

where they face economic challenges not seen in more densely populated points on the map.

How are ACA Connects Members shaping the future? By continuing to invest billions in advanced DOCSIS and XGS-PON broadband platforms, which will enhance their customers' ability to communicate, share information and plan their digital lives at Gigabit speeds. And, they are expanding their coverage areas, providing greater competitive choice to millions of Americans. These investments showed their immense value during the pandemic in keeping communities connected on a very personal level among friends and neighbors who are also ACA Connects Members' customers.

The data is on our side. A recent ACA Connects study found our Members offer service to nearly 23 million households. That's up from 14 million just six years ago and includes more than 25% of all U.S. rural households. In addition, the study found that virtually all rural households served by our Members can receive 100/20 Mbps service, and an increasing share—about 34% today—can get Gigabit service.

Further, when it comes to competitive choice, the study showed that the overwhelming majority of households served by ACA Connects Members—91%—have their choice of multiple broadband providers, and more than 70% have at least three options.

The market is changing faster than anticipated. Last year,

streaming services like Netflix became the No. 1 source of video programming, edging out both cable TV and local TV stations. Not surprisingly, OpenVault just revealed that household broadband consumption approached a new high of nearly 600 GB per month. Fixed Wireless Access (FWA) providers like Verizon and T-Mobile added 925,000 subscribers in the third quarter last year. And Elon Musk has launched nearly 3,600 Starlink broadband communications satellites into low-earth orbit.

As all of this occurs, the Federal government is injecting unprecedented amounts of funding into broadband deployment, with the goal of closing the digital divide once and for all.

ACA Connects has been closely engaged with the National Telecommunications and Information Administration (NTIA) as it prepares to provide about \$42 billion authorized by the Broadband Equity, Access, and Deployment (BEAD) Program. Money will start to flow from NTIA to the States and Territories as soon as this year. The program holds great promise, as another of our studies shows, to bring fiber connectivity to the vast majority of unserved/underserved locations. But there is a potential for harmful disruption if funds are spent incautiously and indiscriminately, especially to overbuild already served locations. We are committed to working with NTIA, the States, and all other parties to make sure this once-in-a-generation opportunity is not wasted.

Finally, we call on government at all levels to preserve the balanced regulatory environment that has made our nation's broadband networks the envy of the world. With sound policies in place, ACA Connects Members can continue to provide reliable and affordable service that meets the needs of all households in their markets. Yes, the destiny of our industry and the future of our country look bright indeed.

