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WHAT THE INDUSTRY READS FIRST

Ticking Clock: ACP's Fate a Top Concern for Small Operators

ACA Connects members are prepared to lobby on Capitol Hill Thursday, and they're ready to start conversations around the future of the **FCC's** Affordable Connectivity Program. The subsidy program and the Emergency Broadband Benefit program, its predecessor, sparked meaningful sign-ups during the pandemic, and smaller operators have shed blood and tears to establish customer sign-up processes. But the ACP's long-term outlook is growing dimmer by the day with funding expected to run out by early 2024 and no word on when Congress will consider allocating more dollars. During the **ACA Connects Summit** Wednesday, ACAC CEO *Grant Spellmeyer* called ACP renewal the biggest issue for the second half of this year.

"I would say as a general rule, nobody's talking about it," he said during a fireside chat. "It's a \$6-8 billion a year hole that Congress is going to need to fill in a time when Congress doesn't want to spend money and we have a divided government, so there's a lot of risk there."

New Street Research's *Blair Levin* has fears of his own, saying during an appearance that everything related to the federal budget and programs is a problem. That complicates ACP's chances even more, but he hopes he's wrong about his prediction that it will end up on the chopping block.

"I am very nervous, wearing my **Brookings** policy hat, for the 50 million Americans [who could be impacted]. I am very nervous wearing my Wall Street hat for every single company,"

he said. "Y'all don't want to get a call in February where the Chairman of the FCC says, 'Oh, the 20,000 people you have on ACP that we don't have money to give them? You have to keep them on. Give us three months. Don't cut them off.'"

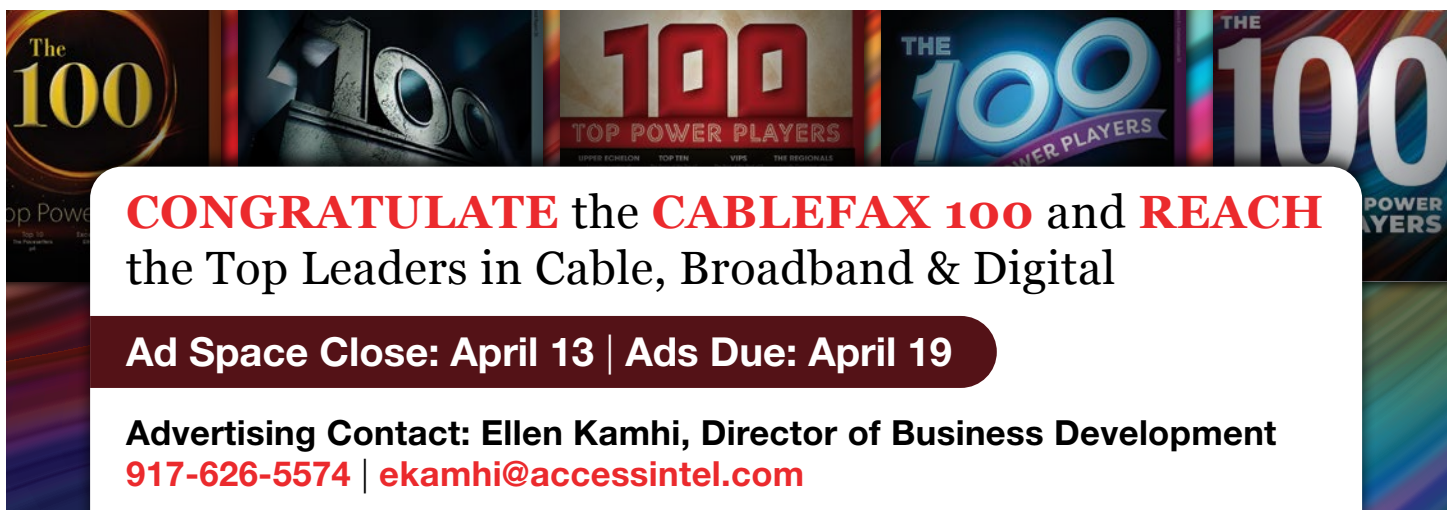
Patty Boyers, ACAC Chairman and **Boycorn Vision** CEO, said 5% of her company's overall customer base participates in the program and there isn't a good answer on what happens to them should ACP shut down. There may be conversions down to lower packages those customers can afford without the subsidy, but there's of course a risk that those become lost customers.

Boyers remains hopeful that Congressional leaders will find a solution, but ACAC is preparing its members for all outcomes. "It has really helped some folks," Boyers said. "I think it was a good government program, and I think they'll find a way to defend it. But in the meantime, we're making preparations."

At a later session, Senator *Ben Ray Lujan* (D-NM) said one thing ACP has going for it is that it was built in a bipartisan way. But he told attendees that the program's future may depend on how many folks continue to raise the issue and demand action from their state's representatives.

"You all may determine whether this gets extended with your conversations with your friends from your states, and I encourage you to do that and help explain it," he said.

More conversation has been happening around the USF program as of late, particularly on steps to modernize the program and expand its financial support base. Lujan has been engaging in conversations with Republican leaders on the topic with



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Magazine Publish Date: May 15

an eye toward social media. FCC Commissioner *Brendan Carr* has also proposed bringing Big Tech into the USF contribution pool, and he's of the mind that action on USF reform and a decision on ACP may come at similar times. "I think there's a window here. But it's going to be tight," Luján said. "This is where all of us across the country are going to be needed to make the keys to success in our program."

TAKEAWAYS FROM STANDARD GENERAL-TEGNA DECISION

When it comes to dissecting the **FCC's** decision to punt Standard General-TEGNA to the agency's administrative law judge, it's a very narrow decision that doesn't really set precedent for the Commission or the courts, according to **New Street Research** Advisor *Blair Levin*. But that doesn't mean there's no precedent established. Instead, he sees it establishing three important outcomes: 1. The FCC has the ability to kill a deal by sending it to ALJ. 2. The FCC chair doesn't have to even consult with other Commissioners to do so. 3. The decision isn't premised on competition concerns, but on the much vaguer public interest standard. "You've got to focus on the chair. It's not really about law. It's about institutional power," Levin said during **ACA Connects** Summit Wednesday. Across town at this week's **NAB State Leadership Conference**, **NAB** President/CEO *Curtis LeGeyt* expressed alarm at the decision to designate a hearing for the merger and called on Congress to consider codifying the FCC's merger review shot clock, which carries no mandate to act within the 180-day timetable. "While NAB takes no position on the merits of the transaction, nothing about the hearing designation required substantially exceeding the FCC's self-imposed 180-day shot clock. The long delay, and now hearing designation, will likely lead to job losses and other damaging cost-cutting measures by the local stations involved to account for the extreme expense of managing the FCC's unwieldy process," LeGeyt said. The ACAC crowd—worried about the deal's potential to send escalating retransmission consent prices even higher—was ecstatic over the news. ACAC President/CEO *Grant Spellmeyer* predicted the deal would die even before its May 22 final transaction extension date. "The opportunity has passed at this point. It is very difficult to get through an ALJ hearing process, let alone try to deal with overhang from being publicly traded," he said.

BEAD SUCCESS RELIANT ON INDUSTRY'S TRUST IN FCC MAPS

The **FCC's** broadband maps are out and open for challenges, and the hope is that they become the national standard that

The WHO and the WHY

CFX's spotlight on recent new hires & promotions



ERIC Ratchman
PRESIDENT, DISTRIBUTION AND BUSINESS DEVELOPMENT
DIAMOND SPORTS GROUP

3 THINGS TO KNOW

- Eric was picked for the newly created role after serving as an independent media and entertainment advisor. He'll collaborate with Bally Sports' distribution partners and assist in further improving its streaming products. Eric will report to DSG CEO David Preschlack.
- He brings 18 years of experience in digital media, content and sports programming, working as the Global Head of Business at IMDb TV (now Amazon Freevee) and Director of Prime Video Direct during a stint at Amazon. Prior to that, he was EVP, Content Distribution for Univision, and he rose to become SVP, Global Business Strategy and Development during his time at Disney/ESPN.
- While he's a veteran in the business world, Eric graduated with a degree in biochemistry from the University of Wisconsin.

everyone looks to when distributing government dollars. But FCC Commissioner *Brendan Carr* has a fear that states will take matters into their own hands and use their own materials to make decisions on how broadband is built out within their borders. During an **ACA Connects Summit** session, he said the best way to avoid government-funded overbuilding in the **NTIA's** BEAD program is to ensure that everyone is dedicated to using the FCC's revamped maps. "If all the states use the FCC map for allocating funds, but then revert to state maps or other methods of distributing where the funds are going to go for builds, I think we're going to be in a pretty bad spot," Carr said. He admitted that the first version unveiled in the fall was a bit of a miss, but with the next version scheduled to arrive soon, there's still time to make some much-needed fixes. In a separate appearance, Commissioner *Nathan Simington* urged attendees to stay in close touch with their state broadband offices and the FCC as the NTIA process rolls on and report what they're seeing on the ground. That includes activity from any fly-by-night ISPs and construction companies that were only formed to get a slice of the BEAD pie. "Whenever you go and spend this kind of money, it's probably inevitable that there are a lot of people that should go to jail," Simington quipped.

REPUBLICAN LAWMAKERS DEMAND ANSWERS FROM KHAN

Reps. *Cathy Rodgers* (R-WA) and *Gus Bilirakis* (R-FL) are asking **FTC** Chair *Lina Khan* to answer a number of questions raised by Republican **FTC** Commissioner *Christine Wilson*'s decision to [resign](#). *Wilson* alleged in a *WSJ* op/ed that her departure from the agency is an act of protest against *Khan*'s running of the agency, making allegations that she centralized power into her office and broke a tradition of bipartisan coordination. In a letter Wednesday, the lawmakers demanded *Khan* answer how she will seek bipartisan input with no Republican commissioners at the agency, provide figures on how many **FTC** employees have resigned or left the agency for other reasons since 2018 and more.

INDEPENDENT SHOW UPDATES

NCTC and **ACA Connects**' annual **Independent Show** heads to Minneapolis July 30-Aug 2, but don't expect a show just like last year's. "I'm using this as sort of a test kitchen," **NCTC** President/CEO *Lou Borrelli* said, explaining that the organizations surveyed attendees and non-attendees alike to guide the event's evolution. "The show floor will be a bit different," he told **ACA Connects Summit** attendees, promising expanded booths as well as demos of services and technologies **NCTC** is evaluating for potential deals so that members can kick the tires as well. "To be clear we're not turning it into **Fiber Connect**. We're not turning it into **SCTE**. We're going to keep the essence of what makes the show special. But I think that we have to evolve the vision of the show and what the purpose is as the industry evolves," *Borrelli* said. With 2023's **Independent Show** a reasonable driving distance away from several states, organizers plan to offer a day pass to widen the breadth of attendees. **NCTC** also has launched the *Mike Pandzik Scholarship* which will cover the costs to attend co-op events. It's named in honor of **NCTC**'s founding president who passed away in November. *Pandzik* served as CEO of the co-op for more than 20 years, retiring in 2005. The scholarships can be used for **Independent Show** as well as **NCTC** regional meetings, with the first recipient to attend next week's meeting in Charlotte, NC.

NCTC MVNO AHEAD

NCTC's Philadelphia regional meeting will focus entirely on its just-inked [MVNO deal](#) with **Reach**. "We're going to have all of our partners there that have been helping to answer every question to make it as easy as possible for you and your staff who are most interested," President/CEO *Lou Borrelli* said during **ACA Connects Summit** Wednesday. He said **NCTC** members represent roughly 40 million broadband customers in the U.S. When you remove those that already have MVNOs or have made selections on where they're going with mobile, **NCTC** believes the co-op has roughly 22 million broadband customers for the MVNO business.

REORG FOR DISNEY, ESPN

Disney Entertainment co-chairman *Dana Walden* made her first big move since becoming the head of the company's TV networks in February. **FX** Chairman *John Landgraf* will add oversight of **National Geographic** and **Onyx** to his responsibilities. EVP, Programming and Content Strategy for **ABC** *Simran Sethi* will be heading up programming and development for **ABC** and **Freeform** now as well, allowing *Tara Duncan*—who previously oversaw **Freeform**'s programming—to focus solely on her role as President, **Onyx Collective**. *Eric Schrier* will continue heading up **Disney TV Studios**, adding global original TV strategy to his purview, and *Debra O'Connell* will add research, labor relations and TV business operations on top of managing networks and **ABC**-owned TV stations. **ESPN** also had a re-shuffling of its own. *Burke Magnus* will move to President, Content and manage the network's studio shows, newsgathering and journalism, live events, talent, audio, social media and films. *Rosalyn Durant* will return to **ESPN** as EVP, Programming and Acquisitions, where she'll oversee rights negotiations, **ESPN+** and **ESPN International**.

MSGN SETS DTC PRICE

MSG Networks is getting ready to release its streaming platform **MSG+** this summer, and those who don't want the traditional pay TV service will have some options. **MSG+** subscribers who just want the DTC offering can purchase a monthly subscription for \$29.99/month or an annual plan for \$309.99/year. Customers who already have **MSG Networks** in their plans will get **MSG+** at no added cost. The app will include **MSG Network** and **MSG SportsNet**, as well as all **MSG**-produced **Knicks**, **Rangers**, **Islanders**, **Devils** and **Sabres** games. Fans can also buy a single-game pass for \$9.99.

RATINGS

The 54th **NAACP Image Awards** on **BET** accumulated 2.9 million viewers P2+ for the live broadcast, a 72% increase YOY. The show—which aired Saturday—was simulcast across 13 **Paramount** networks, as well as **CBS**, which had 1.5 million total viewers according to Nielsen live+SD ratings. An encore presentation hosted by *Queen Latifah* will air Thursday at 9pm on **BET**. – The Loveuary programming event helped **Hallmark Channel** be the most-watched entertainment cable channel in weekend total day among households and W18+ for the month of February. It was also the No. 1 entertainment cable net in weekend prime among households, women and persons 18+ and total viewers, with the channel's four original movie debuts gaining 6.2 million unduplicated total viewers throughout the month. – Monday's contest between the **New York Mets** and **St. Louis Cardinals** became **ESPN**'s most-watched **MLB** spring training broadcast since 2016. The telecast averaged 423,000 viewers and peaked with 475,000 at 2:30pm.

Think about that for a minute...

SPEED KILLS

Commentary by Steve Effros

I can't help but notice these days that there seems to be either an unwillingness or inability to appreciate and acknowledge that things take time. We have entered an era where once something is mentioned, known, developed or announced there is a sudden expectation that whatever it is now must be fully deployed, unerring and, of course, it should be less expensive than whatever the price currently is.

More than two years ago I wrote a column entitled "Instantaneity" about how this was affecting journalism. At the time I was cautioning us to be very careful about the trend toward "instant" reporting about what folks considered newsworthy.

What I said then was: "I raise all this because it's yet another example of what has become an almost demented obsession regarding speed in reporting. As I've noted before, the damage being done by things like Facebook and Twitter feeds instantaneously 'reporting' things that then turn out to be dangerous, erroneous or intentionally wrong, that is, 'fake news,' are often directly related to speed."

Unfortunately, my concern has clearly turned out to be correct. There is little doubt today that we suffer from massive amounts of misinformation and disinformation because of our addiction to speed. It's now spreading into virtually everything we do.

Take, for example, the shifting consensus on electric vehicles. There's a clear trend. We know our use of fossil fuels is creating a problem and we know EVs are one of the ways to reduce that use. Most major car manufacturers are quickly moving in the direction of big increases in EV sales. But the criticism is already getting louder that the lack of recharging stations along the roadways is a significant barrier to faster adoption. That, of course, is true. But the criticism is misplaced.

As the folks who built the last great new infrastructure throughout this country, the cable industry and many of the readers of this column know, it's just not so easy to create nationwide infrastructures! It takes time, it takes lots of money, lots of new skills, lots of errors and lots of patience. We've

done it, we know. But along the way there was a great deal of vilification and finger-pointing about why it wasn't done better and cheaper. Try doing it sometime and you'll find out.

The new charging stations will come, but it won't be instantly. Similarly, expectations about how fast companies or the government can react have also become fodder for political pandering as opposed to reasoned discussion. Take the recent rail disaster in Ohio. The idea that federal emergency workers weren't "fast enough" on the scene when the first crews arrived from around the nation in five hours is just absurd. Again, I would invite journalists or politicians to try organizing and deploying emergency aid and response within a few hours of something happening randomly, anywhere in the country. Our expectations far outstrip reality, and a lot of this is because we have been trained to instantly react with criticism rather than appreciate the difficulties of what we are demanding.

It didn't take more than a month or two for reporters to stress the newly issued "AI" chat systems and get headline grabbing gibberish or even "scary" responses. Why should we expect anything else from a system that is being put out in public specifically to test it and through that testing find out where the problems are so they can be addressed? But no, the reporting and the political posturing is way ahead of reality. Instant perfection? We're already talking about putting constraints on something we can't even fully define.



I have little hope that my periodic rants on this subject will change things, but maybe it will induce at least some folks to slow down. Speed kills.

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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