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WHAT THE INDUSTRY READS FIRST

The Swamp: Impending Washington Shutdown Means Trouble for Operators

We're not all in this together. That's the overwhelming feeling in Washington right now, according to **Alpine Group** Principal/Chairman *Rhod Shaw*, and that dissatisfaction within the parties and across the aisle could lead to even more dysfunction in the months ahead.

"We're going to have a government shutdown more likely than not on the first day of October because even Republicans with a very small, narrow margin can't agree on what is success in the budget, and that will ripple down to us both as citizens, but also in this room as broadband providers, cable providers, etc.," he said during a policy-focused panel at **The Independent Show** Tuesday. "How does the government that cannot agree on basic things, teams that can't agree on basic decisions, now reconcile how to oversee the BEAD money or find replacement money, new money for ACP and other issues?"

Kelley Drye & Warren Partner *Tom Cohen* encouraged everyone to pay attention to the BEAD process whether they intend to vie for a portion of the funding as no matter what, more than \$40 billion is about to be directed to closing the digital divide.

"Everyone in this room is going to have to play defense so you don't get overbuilt," he said. Challenge processes are likely going to take place in the first half of 2024, and Cohen believes most of the money will really flood the country in 2025. But expect parties to be pushing for that money to flow earlier in swing states that will prove pivotal to the outcome of the 2024 election.


"This program was driven by Democrats who wanted this money out the door and they're looking at 2024," Shaw said. "They want to be at ribbon cuttings, they want to be making these announcements. So no matter what, you're going to see the spigot open full throttle long before we get to the first week of November 2024."

Turning to the **FCC** and its final commissioner seat, **ACA Connects** Chief Regulatory Counsel *Brian Hurley* expects a vote on *Anna Gomez* to come when the Senate is back in session in September. That could also be pushed depending on how bad talks around a government shutdown become. If she does receive the votes needed to be confirmed (and he expects she will), prepare for a major shift in the types of issues the Commission begins to take a closer look at.


"I think it's really going to change the dynamic," he said. "There's a lot of pent-up demand for this FCC to pursue partisan priorities on the Democratic side, and on top of the list is going to be efforts to reclassify broadband as a Title II telecommunications service."

The size and nature of **NCTC** and **ACA Connects** members could actually be a political advantage, especially if member companies take action to speak to their Congressional representatives as well as the FCC and share anecdotes from the field. Cohen and Shaw both noted that one of the few things Democrats and Republicans can agree on right now is a dislike or distrust of the bigger players in any particular sector.


"I think that is something we're going to see be successful because big is bad, and one thing that is a common denomi-




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nator in this room is ‘not big,’” Shaw said.

The panel was not optimistic about the prospects of the Affordable Connectivity Program with Alpine Group VP *Curtis Philp* saying Republicans in the House that aren’t paying attention to it likely won’t come around in time to refill the coffers for the program before the money runs out. The outlook looks even more dire when you consider that tough legislative landscape that is sure to become reality when Congress comes back into session. Hurley has restarted a working group inside of ACA Connects to both continue to apply pressure for a reappropriation of funding from Congress, but also to think about contingency planning and how to manage a potential end to that program.

“It’s really tough right now and it’s basically going to take an important need from the Senate to try and jam the House and have to consider this on something that’s got to pass by the end of the year,” Philp said. Should a deal be struck, he’s also of the mind that Congress would likely lower the monthly subsidy amount from its current \$30 level.

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MVPDS NOT ALL IN ON FCC ALL-IN VIDEO PRICING PLAN

Comments were due this week in the FCC’s NPRM that would have cable and DBS operators provide an “all-in” price for video service in promotional materials and on subscribers’ bills, and MVPDs aren’t fans of the idea. **ACA Connects** complained that the proposal would redirect consumers away from the source of their inflated rates—the escalating cost of programming. Some ACAC members feel it’s important to explicitly pass through the costs of retransmission consent fees and some other programming fees, such as RSN fees, as line items on subscribers’ bills. “Their practice is a concession to the harsh reality of the video marketplace, and it promotes transparency by helping customers understand why their cable bills keep increasing and who is responsible,” the association said in its FCC filing. Unsurprisingly, **NAB** doesn’t like such fees, saying they appear incorrectly to be regulatory fees or taxes and single out certain programming while failing to itemize the costs of all other video programming. “There is no way for anyone to know whether the itemized ‘fees’ appearing in advertisements and on consumer bills correlate to any actual retransmission consent payments. It is unclear what the fees cover or how they are established, and the methods of calculating and publishing the fees likely varies significantly among MVPDs,” the broadcast association said. **Consumer Reports** also pushed back against broadcast fees, citing that **Charter’s** fee jumped from \$1/month when introduced in 2010 to \$22.50 starting next month. “This increasingly expensive company-imposed fee increased by \$9 or nearly 67% in less than the four years since CR published its original cable bill report, and by a mind-boggling 2150% increase since it was

first introduced in 2010. These numbers beg the question: have retransmission consent payments paid by MVPDs to broadcasters increased by these same astronomical values? Data collected by the FCC suggest the answer is no,” the group said in a joint filing with **Public Knowledge**. **DirectTV**, currently in a month-long retrans blackout with **Nexstar**, believes mandatory “all-in” pricing on bills and in advertisements will inadvertently undermine precisely what the FCC is trying to achieve. It said a better approach would be to prohibit use of the terms “taxes,” “surcharges,” or “government fees” when describing programming-related fees—though it added that it doesn’t believe the Commission has the legal authority to require all-in pricing for DBS providers. **NCTA** said MVPDs are already providing pricing transparency and questioned the legality of the FCC proceeding. “That Congress has already considered and addressed pricing transparency for MVPD services, in the recently enacted TVPA, raises serious questions about the lawfulness of the Commission’s proposal,” it said. “Moreover, contrary to the contentions in the Notice, uniquely regulating cable and DBS advertising and pricing disclosures would not facilitate comparison shopping but would instead skew the video marketplace to the detriment of consumers. For these reasons, the proposal also raises serious First Amendment issues.”

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INDEPENDENT SHOW NOTEBOOK

It wouldn’t be **The Independent Show** if we didn’t talk about retransmission consent, and **ACA Connects** Chair *Patty Boyers* was more than ready to dive in during a panel Tuesday. “If they let me go to Congress, I would get retrans fixed,” she said. “It wouldn’t be a fix. It wouldn’t be a reform. It would be a repeal.” And while no solution to the problems of retrans were stumbled upon during the 45-minute session, she and **Alpine Group** Principal/Chairman *Rhod Shaw* told the audience that some members of Congress have interest in the issue again thanks to infighting at **NAB** between the little guys and the big corporations like **Nexstar** and **Sinclair**. “They’re eating their own young,” Boyers said. “They have actually taken these retransmission consent dollars, [and] just give the local guy a sliver of it and then it all goes to the big networks... I don’t really know what they expected, for those boys to live on advertising? Because no one is advertising anymore.” With the general grumpiness around big platforms in Washington, Shaw believes it is time to strike and make Congress aware that the complaints local broadcasters have about how tough negotiations can be with Big Tech and Big Networks are similar to the ones MVPDs have around the retrans consent process. “For something to happen in Washington, you need two things to happen and they have to happen concurrently. You need a crisis and you need a consensus,” Shaw said. “When you see local broadcasters panicking on a couple of fronts as a crisis and all of a sudden you see us walk in and say what you’re

trying to do for them could actually be helpful to us, it could be a version of consensus. That could be an opportunity for something to occur.” – **NCTC** CEO *Lou Borrelli* is fine and well after having to be assisted off stage Tuesday during the opening session of the show. He was back in action by lunchtime, to everyone’s delight. “Mitch McConnell called to make sure I was alright,” he quipped. “I told him so far, so good.”

CHARTER’S NEW EMPLOYEE EDUCATION OPPORTUNITY

Charter is taking its support for higher education to a new degree, announcing it will cover 100% of tuition costs for full-time employees pursuing select degrees and certificates through the new Charter Education Benefit powered by **Guild**. The operator already had a tuition reimbursement program in place that would provide up to \$10,000 per year at the college or university of the eligible employee’s choice. That benefit continues, but this new offering should make it easier, particularly for frontline workers, to pursue educational opportunities completely online. “Classic tuition reimbursement programs are exactly what the word is. You put out the money for the course credits, and the company will reimburse you usually after this semester is completed... In this model, really all that is taken away,” Charter EVP and Chief Human Resources Officer *Paul Marchand* told **CFX**. “The manager approval process has been streamlined. The employees can go online and sign up, the course is paid for by the company, and there’s no dollars they need to lay out.” The Charter Education Benefit includes a catalog of over 300 online programs and degrees from more than 30 universities and learning providers including eCornell, University of Denver, Ohio University and Spelman College. Charter also will cover qualified program-related expenses such as books, supplies and enrollment fees. The program is open to all 101,000 Charter employees and includes degrees and GED courses to help them grow at the company. “Together, we’ve harnessed that mentality to equitably design a program that serves as a foundation for the company’s internal career mobility strategy with a focus on skills such as business acumen, frontline leadership, project management, and technology,” said *Rachel Romer*, CEO of Guild, a career opportunity company that helps employers invest in tuition-free education and career development. Marchand, who was just named [Cablefax’s HR Exec of the Year](#), said this is the latest effort really focused on the frontline (Charter boosted its minimum starting wage to \$20 an hour last year): “It’s really how to help and better those frontline workers, whether it’s pay and benefits to career progression and now with education advancement. We really think like our job is to help them become better people and education is a component of that.” Guild said 74% of employees enrolled in Guild Learning Marketplace programs are first-generation college students and that on average, employees enrolled in its programs were 2.2x more likely to change roles internally and 2.1x less likely to leave their employer compared to peers who didn’t use Guild over the last 12 months.

FUBO STEPS INTO WNBA

The **WNBA**’s Chicago Sky named **Fubo** its official streaming partner, making it the vMVPD’s first partnership with a WNBA franchise. It’s a similar deal to the ones Fubo’s made with **MLB** franchises like the Boston Red Sox, Seattle Mariners, Cleveland Guardians and St. Louis Cardinals. Season ticket holders for the Sky will get extended free trials, while non-season ticket holders can still get a free, 14-day trial. Those who subscribe to Fubo after the trial will be eligible to receive game day discounts at the Sky’s arena, where Fubo branding will be present in various areas including the jumbotron. Fubo carries Sky games through the RSN **Marquee Sports Network**, **CBS**, **CBS Sports Network**, **ION** and **NBA TV**.

PLUME ROLLS OUT TWO FEATURES AMID 50 MILLION MILESTONE

Plume revealed it eclipsed the 50-million mark for locations managed by Plume Cloud, and the company is keeping the momentum going with other solutions. It released application prioritization and application performance capabilities to its adaptive WiFi service managed from within the Haystack Support Suite. The new features are part of Full Stack Optimization, which is an AI-powered application prioritization enhancement that automatically optimizes home WiFi performance. Full Stack Optimization detects and optimizes the performance of each individual application traffic flow and improves latency. The new features are also implemented in the open-source networking framework OpenSync, allowing CSPs to test different OpenSync-certified networking devices like gateways and extenders.

INVINCIBLE ACQUIRES EVERYDAY NETWORKS, REVIVES FUEL TV

Invincible Entertainment used **The Independent Show** to announce the acquisition of **Everyday Networks**, a vertically integrated media, information and tech company whose focus is on digital media and all-screen TV. Invincible will move its broadcast and FAST channel operations under the Everyday Networks name. Some of the linear nets Invincible currently operates include **YTA**, **Frightflix**, **Cinepride** and **Slopes TV**. Additionally, Invincible revealed it’s bringing back **FUEL TV** to broadcast TV in North America. The network will have live sports events, interviews and original programming involving action sports.

PROGRAMMING

The first-ever Super Bowl alternate telecast will be on **Nickelodeon** this year. The kids and family-centric showing will air Feb. 11 at 6:30pm, using similar on-field graphics, guest reporters and virtual filters that the network used in its previous telecast of the 2021 NFL Wild Card game. – **NewsNation** will host a live town hall on Aug. 14 at 9pm featuring Republican presidential candidate *Vivek Ramaswamy*. An encore presentation will air at midnight.