

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Waiting Game: Frontier Continues Strategic Review as it Preps for BEAD

**Frontier Communications** still doesn't have a date set for its investor day, but CFO *Scott Beasley* ensured attendees of **TD Cowen's** TMT Conference Tuesday that the company is working intensely on its strategic review.

The provider formally announced the strategic review in February, saying it was doing so to explore all opportunities to unlock shareholder value. That included optimization of operational and financing strategies, strategic partnerships, joint ventures, divestitures and M&A. The original goal was to host the investor day either in 1Q24 or 2Q24, but a decision has now been made to delay it in favor of spending more time on the review process in case there are additional insights to share.

"We have our 10 million fiber build goal in sight and it's a natural time to look at what's next, what's the next phase of growth, what are additional ways to drive shareholder value," he said.

Frontier has a goal of bringing fiber to 10 million locations by the end of 2025, and it will be about 80% of the way there by the close of this year. Now the big question is what comes next. There are other locations Frontier is looking at bringing fiber to, and it has identified another 1-2 million copper locations where a fiber build would be financially attractive and supply solid returns. Beyond that, there are another 3-4 million locations where the economics are not so enticing, but are largely eligible for BEAD or other grant programs.

Speaking of BEAD, Frontier is still really high on the program

and excited about the opportunities it offers. But that doesn't mean it is going to be throwing its name into the ring for every location it could potentially extend service to. "We'll be disciplined allocators of capital, so where it makes sense to combine our private capital with public capital in a way that can hit the same mid-to-high teens IRRs, then we'll participate in BEAD," he said.

Given Frontier's ongoing strategic review and the looming grant opportunities, there are questions around whether the provider would enter into a JV now in hopes of using it as a vehicle to win more BEAD funding. On the other hand, it could participate in BEAD and secure any winnings, then enter into a JV or other partnership to reach locations outside of that basket. As of now, all options are seemingly on the table.

"There are multiple financing options for BEAD, could be JV, could be additional project finance capital. What we do know is there will be a private capital contribution. The private player has to contribute at least 25%, so you'll need some sort of funding source in order to get matched by the government," Beasley said.

When it comes to other JV announcements like **AT&T** and **BlackRock** teaming up to form Gigapower and **T-Mobile** and **EQT** coming together to acquire **Lumos**, Beasley believes they really show the power and value of FTTH. He sees the amount of white space left for folks to build fiber as a real driver of that flow of private capital and financial sponsors into the industry, particularly in the U.S. But he doesn't expect to see a lot of competition from those entities within Frontier's footprint, and he doesn't see open access deals like those being struck by AT&T



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or T-Mobile as something that would be meaningful for Frontier.

“Now, in that white space, I think market structure is an important determinant of returns, and in 86% of our footprint, we either have zero or one competitor. I don’t think that it’s going to make economic sense in many locations in the U.S. for there to be more than two high-speed options,” he said. “That’s why I compare open access to overbuilders in the sense that there’s a lot of overbuilding activity, but most of that overbuilding activity is just building out what is the second player in a market, not creating a third or fourth or beyond.”

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## XUMO TV ROLLS OUT REFRESH

Xumo TVs are getting a new software and UI update. The platform is making it easier for viewers to find and access the live TV channel guide, placing the option in the third row within the interface. Xumo TV is also bringing new edge-to-edge background imagery that changes upon different content selections, and it’s letting customize the Xumo TV apps row to set the order of their most-used apps. Additionally, Xumo TV’s interface now displays key information such as show synopses, duration and ratings without having to click into the program. Progress bars will appear on programs airing in the channel guide, and additional context will be included in the featured row.

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## PHILO’S NEW PLAN

Philo is making a few adjustments to its Philo Core package starting June 12. The new Philo Core offering will replace the existing base package for new and returning customers and come with a slight price increase from \$25/month to \$28/month. However, on that June 12 date will be the addition of **AMC+** to the base package. Existing customers will be able to choose if they want to upgrade or remain with their current plan. Philo is also now offering over 70 FAST channels for non-subscribers.

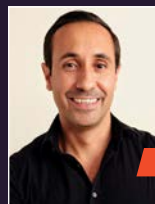
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## DISH, CNZ MUST CARRY BATTLE CONTINUES ON AT FCC

Last month, the **FCC** Media Bureau weighed in on **CNZ Communications’** must carry [complaint](#) against **DISH**, finding that its full-power station WGBP is entitled to carriage throughout the Columbus, GA/Opelika, AL DMA. The Bureau said the station is entitled to mandatory carriage through both its **Nielsen** assigned DMA of Atlanta and the DMA where its community of license is located (Columbus-Opelika). This month, DISH filed a petition for review. “The order extends the statutory mandate where it has never gone before by mandating that, for the first time, WGBP must be carried in two markets, even though no ‘one’ station

## The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



**MIKE Bidgoli**  
CHIEF PRODUCT & TECHNOLOGY OFFICER  
TUBI

### 3 THINGS TO KNOW

- Fox’s ad-supported streamer made another addition to its executive team. Tubi brought on Mike to oversee the product and engineering teams that guide product experience and innovation strategy. He’ll report to Tubi CEO Anjali Sud.
- Mike is quite familiar with Tubi and its goal to reach the “cordless generation” with free TV entertainment, having served as an investor/advisor from 2010-17. “I have had a front-row seat to the rise of Tubi and its category creation of free streaming TV over the years (massive props to Farhad Massoudi and team for creating this iconic company),” he [wrote](#) on LinkedIn. “Can’t wait to help shape up the future of this medium alongside Anjali Sud and the incredibly talented team at Tubi.”
- Mike joins from Meta where he was most recently Head of Product, New Monetization Experiences, a role that had him responsible for the company’s subscription strategy and ad products. He spent 1.5 years as VP, Product for the Instacart app prior to Meta, and 3.5 years as Sr. Director of Product, Video for Facebook, where he led product efforts across platforms like Facebook Watch, Facebook Live and other emerging offerings. The University of California, Berkeley graduate also had stints at Pinterest, LivingSocial and Microsoft.

has ever been afforded such a right to a two-kingdom territory,” DISH said, arguing that the order conflicts with the Communications Act as well as FCC rules and precedent. Not surprisingly, CNZ believes the Media Bureau got it right and accuses DISH of trying to turn the private dispute into a rulemaking proceeding at the FCC. At the heart of the debate is the Satellite Home Viewer Improvement Act of 1999. The FCC’s order on implementing the act found that a local market for mandatory carriage obligations includes “all counties within a market, as well as the home county of the television station if that county is not physically located in the DMA.” The SHVIA Order gives the example of a station licensed to a community in Jefferson County, MO, which is in the Paducah DMA, but assigned by Nielsen to the St. Louis DMA. “In this case, Jefferson County is the home county, and such a county should be treated as part of the St. Louis DMA for satellite carriage purposes. Moreover, since this station is licensed to a community in the Paducah market, it may assert

its carriage rights in that market as well, if satellite carriers decide to provide local-into-local service there.” It’s the words “moreover” and “may” that are under debate. DISH is arguing that the order provides the flexibility to choose which DMA it wants carriage in—the Nielsen-assigned DMA plus the county where its community of license is located, or the entire DMA where its community of license is located— while CNZ and the Media Bureau believe the order means both DMAs.

## CARRIAGE

**Allen Media Group** is rolling out **Local Now**, **The Weather Channel en Español** and 21 AMG TV stations on **Amazon’s Fire TV Channels**. Fire TV and Echo Show users can now access the FAST offerings, which can be found by asking Alexa to “Play Fire TV Channels” or by finding the “Your Apps & Channels” section on Fire TV and selecting the Fire TV Channels app.

## MAY RATINGS

It’s no surprise **TNT** was at the top of the primetime ratings among cable networks for the month of May with the ongoing **NBA** and **NHL** Playoffs. TNT came in at 2.98 million viewers P2+ in May, which brings questions of how TNT and **Warner Bros. Discovery** will make up for viewers in the event WBD loses NBA rights. Nonetheless, its other NBA and NHL broadcasting counterpart **ESPN** came second in prime with 2.21 million viewers. Monday night’s Game 4 Eastern Conference Final between Boston and Indiana averaged 6.6 million viewers across ESPN and **ESPN 2**, up 1% from last year and good enough to rank as the most-watched Eastern Conference Game 4 in six years. As for the monthly ratings race in prime, news nets **Fox News** and **MSNBC** followed with 2 million and 1.16 million, respectively, and **HGTV** capped the top five with 681,000. Fox News (1.29 million) and MSNBC (816,000) led the way in the total-day ratings for May. TNT checked in at third with 706,000, barely edging ESPN’s 705,000. **CNN** came fifth with 468,000.

## BLUEGRASS NETWORK TAPS CIENA

Central Kentucky’s **Bluegrass Network** is deploying a new regional 800 Gbps network, and **Ciena** is providing the coherent optical solution to fulfill that rollout. Bluegrass Network is using Ciena’s technology such as WaveLogic 5 Extreme for the 800 Gbps connectivity and energy efficiency, 6500 ROADM for the flexibility to move capacity, Navigator Network Control Suite for network management and Ciena Services for full turnkey offerings. The new network will be used for connectivity of companies across the financial services, manufacturing and healthcare industries.

## FIBER FRENZY

Regional provider **LiveOak Fiber** has crossed the 50% point for its broadband expansion in Georgia. The company has invested more than \$100 million in the state to date, having

recently made progress in deploying fiber in Glynn, Camden and Chatham Counties. Once complete, approximately 150,000 homes and businesses across coastal Georgia. Next up on LiveOak’s list will be expansion on Tybee Island and in the Bacon Park neighborhood of Savannah.

## FCC LIFTING LPTV CHANNEL CHANGE FREEZE

Beginning Aug. 20, all Class A, low power and TV translator stations can file with the **FCC** to change their existing channels, subject to certain limitations. “This opportunity is a significant development for the LPTV community, allowing for improved service and resolution of long-standing channel issues,” said the **Advanced Television Broadcast Alliance**. The agency has had a freeze on such major modification applications since 2010. Applications will be processed on a first-come, first serve basis. The FCC is not allowing requesting to move a facility greater than 30 miles at this time. The Media Bureau expects to announce plans to lift the freeze on moves greater than 30 miles and other major changes at a future date.

## DOING GOOD

The Human Rights Campaign and **Showtime** are bringing the “Queer to Stay: An LGBTQ+ Business Preservation Initiative” back for a fifth year. The program, which was created to support LGBTQ+ small businesses, was launched in June 2020. This year, the program will reach \$1 million in total distributed funding, having awarded 100 businesses across the U.S. Also coming this year is HRC and Showtime’s partnership with the Accion Opportunity Fund, which is a financial support system for small businesses whose mission is to advocate for economic justice for all. Applications to participate in this year’s program will be open through Aug. 31. – **Vexus Fiber** donated \$37,500 in scholarships to assist students with educational expenses and other post-high school aspirations. The 15 students received \$2,500 each. Vexus Fiber created its scholarship program in 2018 and has awarded over \$180,000 since.

## PEOPLE

**Disney** Advertising Sales EVP, Client & Brand Solutions **Lisa Valentino** has left the company as it goes through a restructuring. *Variety* was the first to [report](#) citing people familiar with the matter. The timing is notable considering the recent upfront presentations and subsequent discussions with advertisers. Valentino had previously been EVP, Revenue Innovation for **Univision**, Chief Revenue Officer, Industry & Agency at Condé Nast and SVP, Multimedia Sales for **ESPN**. – The **Paley Center for Media** made some additions to its Board of Trustees. **AMC Networks** CEO **Kristin Dolan** and **Altice USA** Chairman/CEO **Dennis Mathew** are among those joining the board alongside Pearson CEO **Omar Abbosh** and Paul, Weiss, Rifkind, Wharton & Garrison LLP Chairman **Brad Karp**.



## Think about that for a minute...

### To Be Clear

I've long had a habit of sending a draft of my column to a group of colleagues and friends to review before it's distributed. This helps me assure several things: first, that I haven't made any egregious factual errors. Second, they're free to point out all the grammatical and spelling errors, but I tend to leave those to my wonderful Cablefax editors in any event. And finally, I invite them to send me a note if they think what I'm suggesting is just totally crazy and off base. At least it gives me a brief opportunity to reconsider! It's worked for me for many years.

Most of those getting these drafts are family, friends and especially legal and telecommunications colleagues who have been in the business for a long time. But some are just trusted folks whose experience, expertise and knowledge go far beyond telecommunications law, policy, marketing, politics, engineering and all the other stuff I put in the column. I got a response from one such valued expert the other day that took me a little by surprise, but shouldn't have. He said the following:

"In highlighting legal, management, and financial challenges for your industry, you rarely propose processes to move forward. You seem to be hoping that some collective consciousness will take the role usually provided by leadership. Perhaps you know that the cats who are reading your column will not respond well to herding. Perhaps the leadership simply doesn't exist."

Well, there's a lot packed into that observation. It's certainly true that "herding the cats" in this business is a real challenge, but I think there are some true leaders. I also think the "collective consciousness" of the industry, while currently split into very different schools, certainly exists. But what bothered me most was the reality that while I thought I was being a lot clearer about proposing "...processes to move forward" on some of the major issues, apparently, I was not. So let me be clear.

The two overarching major questions facing us today relate to how we should deal with "AI" development and its potential impacts—and who should do that. The first question is somewhat dependent on the second. Should AI development move as fast as it can regardless of risk, or should "someone"

rein it in, try to control development and slow things down so we can at least get some sense of the potential benefits and dangers arising from it?

That, in turn, depends on the "who" question. I thought I had been clear that in my view the government is not structured or capable of dealing with the questions of such fast-moving companies and technology. Congress? The regulatory agencies beholden to the Administrative Procedure Act? That's just not going to work.

So that leaves the "private marketplace." But do I trust that increasingly consolidated, dominant group? Five of the largest companies, led by Google, Amazon, Apple, Meta and Musk are all edging toward valuations larger than most countries in the world! Nope, I don't think they're up to the task of controlling themselves either.

The answer, it seems to me, is to eliminate the huge loophole that has allowed these companies to get as big as they are, and to avoid the liabilities inherent in a thereby unburdened AI land rush. Again, to be clear: I think we should get rid of the "Section 230" loophole that allows these companies and this burgeoning technology to forge ahead without any potential legal liability for what is being "published" as truth, fact, or accuracy.

The good, old, slow but wide-ranging legal system, with folks bringing lawsuits against the companies that currently need not monitor and curate what is being spewed by their creations should work wonders. A "crowdsourced" guardrail. That's my "leadership" recommendation.



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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