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WHAT THE INDUSTRY READS FIRST

Power Up: Dark Fiber, Data Centers Could Unlock New Biz For Verizon

With the amount of innovation happening every day, it could be really easy for C-suite executives to get overwhelmed by the plans that need to be developed around AI, cybersecurity, network virtualization and more. But the uncertainty around what comes next isn't all stressful.

"There's a lot of tech and choosing the right path is tricky, but also that's what makes it fun," **Verizon Business** Group EVP/CEO *Kyle Malady* said during an appearance at Oppenheimer's 27th Annual Technology, Internet & Communications Conference. "If we can navigate this in a way that really helps our customers and leads to more profitability for us, that's the kind of goal."

It's no surprise the rise in conversation around AI dominated Malady's appearance, and he spoke of the likelihood that the ongoing adoption of the technology will lead to another dramatic increase in overall network traffic. That's not only because of the training AI models need to undergo before they go to work, but also because of the inferencing they will be tasked with once they've undergone enough training. Malady has seen a number of different studies on how much AI will impact network traffic. He's ready to write off some of them, but not all.

"I also have to tell you that I've been doing this for a long, long time, and every time I think usage and demand will maybe slow down a little bit, it only increases. And it's all because... technology keeps changing," Malady said. "People find ways

to leverage it, and it just ends up being more data traffic. So I don't think we're anywhere near the end of data growth."

It is Malady's personal belief that as the desire to utilize AI increases, that will also drive demand in the IoT space because individuals are going to want to measure more points across the network. There will be far more that can be done on an automated basis. He's also excited about the opportunities that could unlock for Verizon as folks need more resources to power AI models.

"AI, just how it works and the need to have a lot more of the workloads distributed is actually an opportunity for us. We have a lot of fiber, not only long haul fiber, not only last mile fiber, but the middle mile," he said. "And I think in the new world as AI gets more and more traction and it gets more and more usage, the need for more metro middle mile not only fiber, but power, space and cooling and putting those things together and networking them... there's going to be some great opportunity for us."

He anticipates a resurgence in private data centers as companies decide they don't want to have their data running outside of their premises. Once the middle mile, data center and cloud stakeholders start really collaborating and pushing things forward, Malady is confident more innovation will be occurring on the edge. "The next 5-10 years are going to be really exciting in this area for us," he said.

Verizon also has the opportunity to increase the amount it does on the dark fiber side. It is already striking a few of those deals, but it isn't a hugely meaningful part of the business yet.

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Malady said Verizon could repurpose some of its old center offices to create additional data center capacity to bolster this business, and it already has thousands of locations throughout the country that have latent power, capacity and more.

"We have a lot of fiber in many, many metros around the country where we deployed millimeter wave and then ultimately C-band and other small cells, and we can leverage that," Malady said. "When we see some of these tenders coming out, and if we can have a good bit of the fiber in the ground already that we can leverage, then we can do these deals and we can make a good dollar on it. And they're long-term deals."

VENU COULD MAKE AN EARLY ARRIVAL, PER REPORT

The launch date of **Venu Sports** has been planned for the fall since the jv's announcement, but a *Front Office Sports* [report](#) is signaling that it may come sooner than anticipated. According to FOS, which cites a source close to the jv, **Disney, Fox** and **Warner Bros. Discovery** are now eyeing to launch Venu by the end of this month. It makes sense given the **NFL** begins its regular season on Sept. 5 in addition to college football kicking off Aug. 24 and the **MLB** Playoffs looming large. However, it remains to be seen if the [ongoing lawsuit](#) by **Fubo** to block the jv from launching will impact that new target launch period.

BIDEN CRACKS DOWN ON CUSTOMER SERVICE HEADACHES

The *Biden* administration on Monday debuted "Time is Money," a government-wide effort to crack down on the way corporations give folks the runaround—from waiting on hold for a refund, to hurdles around canceling a subscription, to streamlining parent communications with schools. The White House specifically called out customer service "doom loops," where consumers are sent through a maze of automated recordings when trying to seek assistance from a real person. The **FCC** will launch an inquiry into considering a rulemaking process that would require phone, broadband, and cable companies under its jurisdiction to let customers talk to a human by pressing a single button. Other agencies, including HHS and Consumer Financial Protection Bureau, will also look at ways to make it easier to talk to a customer service agent. On Monday, FCC Chairwoman *Jessica Rosenworcel* said she's shared a Notice of Inquiry with commissioners that would seek info on ways to ensure that consumers have appropriate access to customer service resources when working with their phone, cable and broadband providers. In addition to access to live reps, the NOI would look at the simplicity of cancellations; establish-

ing uniform rules for installations, outage and service calls; automatic renewal of service or price increases and more.

STARZ SPLIT STILL ON TRACK

The full separation of **Lionsgate's** studio business and **Starz** is still on track to wrap up by the end of 2024. Lionsgate CEO *Jon Feltheimer* said on the company's fiscal 1Q25 earnings call that it's made good progress toward full separation, having raised over \$300 million in gross proceeds from equity financing, completing a bond exchange agreement and closing a \$340 million IP-backed facility. "The separation of our Studio business and Starz will allow our two companies to pursue the strategic agendas that are right for them in the current environment, scale their respective businesses and focus investor intention on what makes them special and unique within their own ecosystems," Feltheimer said. Starz expects to see sequential OTT subscriber growth, even as it has plans to increase the price of its subscription service from \$9.99/month to \$10.99/month. While Starz President/CEO *Jeffrey Hirsch* acknowledged there will be continued pressure on subs this quarter, he's confident in the slate of shows Starz has in store for the second half of 2024. "It's a really robust opportunity to grow the business in the back half of the year, so we feel very confident that we'll have healthy OTT growth in quarters three and four, and we also will come out with revenue growth for the year," Hirsch said. Starz North America finished the quarter with 21.3 million total subscribers—13.2 million of which were OTT subs and 8.1 million being linear subs. However, that's down sequentially from 21.8 million and down from the quarter prior year with 21.99 million. Media networks revenue in North America grew 1% YOY to \$345.3 million, driven by price increases in June 2023 and OTT subscriber growth. Segment profit grew 54% to \$58.5 million thanks to lower content amortization. Feltheimer also revealed on the call that there will be a new bundle in town next quarter: Starz and **BritBox**. The respective services will be offered directly through Starz.com.

SUNDAY TICKET UPPING PRICE

Time is running out for fans to lock in the current price rate of **NFL Sunday Ticket**. Currently, the out-of-market game offering goes for \$349/year with a **YouTube TV** subscription or \$449/year for those wanting Sunday Ticket only. However, starting Thursday, those prices will increase by \$30 to make it \$379/year or \$479/year, respectively.

SCRIPPS SHAKES THE TREE

Lisa Knutson will step down at the end of the year with **Scripps**

eliminating the role of COO. “When I asked Lisa Knutson to be chief operating officer in 2022, her role was to combine our businesses into one media operation, setting us up for success today and into the future. Now that she has completed that work, we are preparing for our next chapter by considering how our company is organized, especially as the media landscape continues to evolve and new challenges are brought to our doorstep,” President/CEO Adam Symson said in a note to employees Monday. The company reported 2Q24 results last week, with revenue of \$209 million, down 9.7% from the prior-year quarter, and said progress continues on its planned divestiture of Bounce television network. Knutson joined the company in 2005 to oversee HR and subsequently served as CAO, CFO and President of Scripps Networks. With the changes, CFO Jason Combs will oversee distribution and the enterprise strategy team in addition to financial planning and analysis, while CMO Keisha Taylor Starr will take on the additional role of general manager of the networks portfolio. Dean Littleton, SVP, social media, will expand his role to include streaming and digital as well as local and networks engineering and operations. CAO Laura Tomlin assumes a new title and role as chief transformation officer, and Beth Welter has been named Chief of Staff.

EFFECTV HELPING OUT POLITICAL ADVERTISERS

Comcast Advertising’s ad sales arm Effectv is rolling out a suite of new, multiscreen TV advertising solutions built to assist political advertisers in connecting with voters and potential voters. Those solutions entail new political audience segments in which advertisers can activate more in-depth standardized audience segments such as partisan and donor attributes. Effectv is also expanding the capabilities of its cross-platform ad analytics solution LENS to include a custom set of solutions for political advertisers, which will allow marketers to create custom segments to plan, activate and measure campaigns. Effectv is teaming up with the first-party data company Dynata to help advertisers tap into brand lift insights. Additionally, streaming buyers can now see ad impression delivery on a geographical basis.

CARRIAGE

Gray Media finalized a comprehensive deal to renew 38 CW Network-affiliated stations. The deal encompasses over 12 million TV households, or nearly 10% of the U.S. audience. Financial terms weren’t disclosed.

FIBER FRENZY

Over 2,200 homes and businesses in Waterbury and Moretown, Vermont, now have access to Fidium Fiber services. The company’s total footprint in Vermont now spans more than 110,000 homes and businesses. Fidium offers symmetrical speeds from 100 Mbps to 2 Gbps.

COACH PRIME JOINS DIRECTV’S PIGEON AD CAMPAIGN

DirectTV’s pigeons are back. This time football legend Deion Sanders joins Frank and Bobby (voiced by Henry Winkler and Steve Buscemi) as Coach Prime, who calls a play to a different kind of bowl game. The pigeons spots are part of a national ad campaign showcasing satellite-free DirectTV through DirectTV Stream. The campaign will begin with a 30-second TV spot, digital out-of-home radio spots and experiential elements to be announced in the upcoming weeks.

AWARDS

Nominations are now open for the Mid-America Cable Telecommunications Association’s Customer Service Excellence Awards. The awards, which are open to telecom industry companies across the U.S., include four categories: Sales, Service, Extra Mile and Leadership in Customer Care. Multiple award levels will be granted, and this year’s honorees will be announced during the MACTA Fall webinar on Nov. 13. Nominations close Sept. 13 and can be submitted online [here](#).

RATINGS

The U.S. men’s basketball team’s dramatic gold medal win over France on Saturday was the most-streamed event of the Paris Olympics across NBCUniversal platforms, recording an average minute audience of 2.7 million viewers. Total viewership for the game came in at an average of 19.5 million viewers on Peacock and NBC. That’s good for the most-watched gold medal game since the 1996 Atlanta Olympics. Earlier Saturday was the U.S. women’s national soccer team’s gold medal match against Brazil. That averaged approximately 9 million viewers across Peacock and NBC, making it the most-watched gold medal soccer game since the 2004 Games. Stay tuned for the Closing Ceremony ratings, but the 16-day total audience delivery average was 31.3 million across Paris Prime and U.S. prime.

PROGRAMMING

The Little League Baseball World Series will kick off with eight hours of coverage starting Wednesday at 1pm on ESPN. ESPN, ESPN2 and ABC will team up to broadcast all of the tournament’s 38 games. The championship will take place Aug. 25 at 3pm on ABC.

PEOPLE

Charter selected Simon Cassels as SVP, Chief Creative Officer, charged with evolving the Spectrum brand identity. He served as Creative Director of TBWA\Media Arts Lab, where he oversaw the marketing launch of iPad and iPad mini and created the longest running Apple commercial campaign, “Shot on iPhone.” Cassels joins Charter from GoodRx, where he most recently served as Chief Brand Officer, SVP of Marketing since 2020.