

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Musk's Influence: Levin Reads Tea Leaves on Starlink's Place in BEAD

New Street Research analyst and Brookings nonresident senior fellow Blair Levin has been peppered with all sorts of questions about Donald Trump's second term as president. His early take continues to be that the most important person setting telecom policy over the next four years is likely to be Elon Musk.

Musk, who claims satellite broadband provider Starlink among his company holdings, has a largely different business model than terrestrial wireline providers as well as the fixed wireless companies.

"Where the rubber meets the road, of course, is first with the BEAD program and then with USF, and the current BEAD program involves NTIA essentially telling the states that they should prioritize fiber," Levin said during an appearance at the Fiber Broadband Association's Fiber for Breakfast series. "Well, if you're Elon Musk, you don't want that because that is essentially the government funding a competitor to his business... We could argue about the technologies, but the point is if the policymakers believe that satellite is as good as or better than fiber, then you dramatically change how the BEAD program would operate and you would also change how you think about universal service down the line."

Ultimately, the capabilities around fiber, DOCSIS 4.0, fixed wireless or any other technology don't matter if one of the president's top advisors can spin an argument around the merits of satellite-powered connectivity, Levin said. "If the president of the

United States believes that satellite can do the job and connect everyone, and that's what he's hearing and that's what Elon Musk is whispering in his ears... I don't think the president understands the issue of capacity in satellite. I'm sure he's a very smart man, but that's probably not been mentioned to him," Levin said.

He also took a moment to address the shuttering of the Affordable Connectivity Program and where hope lies in terms of reviving the broadband subsidy in some form. Levin does largely see the program as a success in getting low-income households online.

"One of the things I think is important about the Affordable Connectivity Program is it demonstrated that we can get everybody on, we can overcome the affordability problem. But the government has to contribute," Levin said, noting how the government has created the SNAP program and Medicaid to assist in areas like food affordability and access to healthcare. "Broadband is now becoming that kind of essential thing, and what I tried to articulate was that many government services, particularly healthcare, education, job training and job placement, they are going to in the future, even more than now, depend on connectivity."

The tougher question is how the government should act to ensure low-income individuals can afford broadband, and Levin admitted there isn't much political pressure right now to bring back ACP. According to New Street Research, on the wireline side of the equation, 93% of those who were utilizing the ACP subsidy are now signed up for a low-income program being voluntarily offered by cable operators and other providers. At the same time, there are other needs like USF reform that are



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priorities not only for Congress, but also the Supreme Court.

Where things could change is if someone in the top levels of government becomes a major advocate for a revival of some form of ACP. Levin pointed out that Vice President-Elect *J.D. Vance* was the leading Republican senator advocating for an extension of ACP. Recounting a hearing before the Senate Communications Subcommittee earlier this year, Levin said he felt like he and Vance were having a dialogue that was reminiscent of hearings of the past.

“His conversation with me, I thought, was very useful and productive. His questions were excellent. He was really trying to get information, not make a speech unlike some other people at that hearing,” Levin said. “In any event, if he becomes a big advocate, maybe that will help the administration.”

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XUMO COMING TO GCI

A month after revealing it was getting ready to discontinue its cable TV/video service, **GCI** is making the **Xumo** Stream Box available for internet customers. The Alaskan operator is offering the box free with internet service or to purchase at a retail price of \$59.99. Xumo Stream Box is loaded with vMVPD apps such as **YouTube TV**, **Hulu + Live TV** and **Fubo** as well as SVODs like **Netflix**, **Peacock**, **Disney+** and over 350 FAST channels. GCI is the fifth U.S.-based cable operator to offer Xumo Stream Box to customers, joining **Charter**, **Comcast**, **Cox** and **Mediacom**.

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FERGUSON ON DECK AT FTC

Current Republican **FTC** Commissioner *Andrew Ferguson* was tapped by President-elect *Trump* to lead the agency. He would replace *Lina Khan*, whose stance on mergers and an attempt to ban non-competes rankled several GOP lawmakers. Having joined the FTC in the spring as a commissioner, Ferguson does not need to be confirmed. He voted in October against the FTC’s click-to-cancel subscription rule, which **NCTA**, the **Interactive Advertising Bureau** and others are currently challenging in federal appeals court. **Newsmax** is among those cheering Ferguson’s selection, saying he’s “dedicated himself to de-politicize business, end woke policies and end the private censorship cartel that major media and advertising agencies have engaged in.” Ferguson, like incoming **FCC** Chairman *Brendan Carr*, has raised questions over media monitor **NewsGuard**, particularly over whether it can be used to block the flow of advertising to media outlets, particularly conservative ones.

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COMCAST BUSINESS BUYS NITEL

The ink is dry on a deal that’ll see **Comcast Business** acquire

Nitel from private equity firm **Cinven**, boosting its advanced connectivity portfolio and unlocking new opportunities in the enterprise space. Nitel is a Chicago-based managed network-as-a-service provider that specializes in advanced managed services and connectivity solutions for enterprise customers in the U.S. The deal is subject to regulatory approvals and other customary closing conditions, but upon the transaction’s closing, Cinven will sell its stake in Nitel. Financial terms weren’t disclosed.

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PALLONE LEADS DEMS IN ENERGY & COMMERCE COMMITTEE

Rep. *Frank Pallone Jr.* (D-NJ) was once again picked as Ranking Member of the **House Energy and Commerce Committee**. Pallone, who was unanimously voted to the position, was committee Chair from 2019-2023. He’ll be [working with new Republican chairman Brett Guthrie](#) (R-KY), who steps into the role with current chair *Cathy McMorris Rodgers* exiting Congress. “I will fight vigorously to defend all that we have accomplished together in recent years, including historic health care enrollment, lowering prescription drug prices, combating the climate crisis, and investing in American infrastructure and manufacturing,” Pallone said in a statement. Pallone helped pass the Bipartisan Infrastructure Law, Inflation Reduction Act as well as the CHIPS and Science Act. He was also among those advocating for re-upping the Affordable Connectivity Program.

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FCC CHANGES RULES TO SUPPORT BROADBAND BUILDOUT

The **FCC** unanimously voted during its Wednesday open meeting to change the rules around letters of credit to lessen administrative and financial burdens on ISPs receiving certain kinds of high-cost support from the Universal Service Fund. The Report and Order adopted would allow U.S. banks that are well capitalized to issue letters of credit to those support recipients, increasing the base of banks qualified to do so. The change applies to participants in Connect America Fund Phase II, RDOF, the 5G Fund, the Bringing Puerto Rico Together Fund and the Connect USVI Fund. The commissioners also all approved a Report and Order expanding very low power device operations across all 1,200 MHz of the 6 GHz band along with other unlicensed and WiFi-enabled devices.

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CRUZ ADDRESSES FOREIGN CYBER THREATS AFTER ‘SALT TYPHOON’

After a U.S. official confirmed at least [eight U.S. telecommunications](#)

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tions providers were breached as part of a foreign hacking campaign, Sen. Ted Cruz (R-TX) called for more focus on defending state-sponsored cyber threats. But he's not so sure he's in favor of last week's proposed FCC Declaratory Ruling that seeks to help carriers ward off unlawful access and interception. "I have my doubts over whether an annual certification is the right solution, as well as questions about the FCC's technical expertise and legal authority on this matter. The FCC should not be using the waning days of this administration to rush into regulatory expansion," Cruz said. "Rather, the agency should be assisting cyber and national security experts in the Executive Branch to gather and disseminate the information the public and policy makers need to fully address this issue in the next administration." He delivered remarks at a Senate Commerce Subcommittee on Communications hearing in which he referenced the "Salt Typhoon" attack and the group's reported ties to China's Ministry of State Security. Cruz said there's already a regime of cybersecurity authorities across multiple government agencies. "Now is the time to review and align these so they work robustly and efficiently to ensure our nation's cybersecurity is as strong as it can be," he said.

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OAN A YOUTUBE PARTNER AGAIN

It's been just over four years since One America News Network was part of YouTube's Partner Program, which allows creators to earn money from ads on their videos through ad revenue sharing. Now, it's back. After multiple appeals over the years, OAN got word that it's eligible to participate in the program again. "I'm thrilled by the decision by YouTube to readmit OAN into the YouTube Partner Program. YouTube remains the dominant video platform in the marketplace and having the ability to monetize our content is meaningful to the network," President Charles Herring said in a statement.

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FRONTIER BUNDLES WITH NETFLIX

Frontier rolled out a new entertainment bundle for customers that includes Netflix's Premium Plan. The deal comes with Netflix's ad-free tier, Frontier's fiber internet, whole-home WiFi and WiFi Secure. It arrives just in time for Netflix to stream the Chiefs vs Steelers and Ravens vs Texans games on Christmas Day, accompanied by a Beyoncé halftime show during the latter contest.

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RATINGS

This week's Monday Night Football game that saw the Bengals beat the Cowboys drew 18.7 million viewers across Nielsen-rated telecasts on ESPN, ESPN2, ESPN+, ESPN Deportes and ABC. That's good for the most-watched Week 14 MNF game in the ESPN era (since 2006). Viewership peaked at 20.2 million viewers late in the first half from 9:15-9:30pm. "Monday Night Football with Peyton and Eli" garnered 900,000 viewers on ESPN2 and ESPN+. - Fox Nation's Patriot Awards,

which spotlight folks who display American patriotism, reeled in 1 million viewers and 106,000 A25-54 on Sunday on Fox News. On the same night, CNN's "CNN Heroes: An All-Star Tribute" averaged 276,000 viewers and 46,000 A25-54.

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PROGRAMMING

HGTV handed out a 10-episode renewal for "Zillow Gone Wild." The show, which was HGTV's highest-rated new series this year, garnered over 12.5 million viewers across linear and streaming for its debut run. Season 2 will begin in 2025. - The NCAA Men's College Cup semifinals are set for this weekend. Vermont takes on Denver at 5pm on Friday, before Marshall faces top-ranked Ohio State at 7:30pm. Both matches will be available on ESPNU and ESPN+. The championship will take place Monday at 8pm on ESPN2 and ESPN+.

Cablefax Executive Round Up

We asked Cablefax's Most Powerful Women what podcast they recommend for current and/or aspiring leaders.



Celia Bouza
VP, Multi-Platform Video
ESPN

"I recommend 'A Touch More,' hosted by legends Sue Bird and Megan Rapinoe. While it's not a traditional 'leadership' podcast, many of the best leaders I work with are women who played sports. The topics and guests always leave me more informed and challenge my thinking. Bonus: one of my best friends, Jasmine Ellis, is the executive producer."



Rhonda Crichlow
SVP, Chief Diversity Officer
Charter Communications

"I have two recommendations. 'Dare to Lead with Brene Brown,' features an incredible array of individuals sharing their perspectives on leadership, culture and change. The other podcast (which is not leadership specific), 'Wiser than Me with Julia Louis-Dreyfus,' highlights amazing stories of iconic older women who share their perspectives on life and their careers. With both, I leave each episode with a unique take-away that shapes my views on leadership."



Dara Kalvort
VP, Sales & Strategy
Spanish Broadcasting Systems

"I highly recommend 'The Knowledge Project' by Shane Parrish. It offers deep insights into decision-making, personal growth and leadership through interviews with thought leaders across various fields. Each episode dives into practical strategies and fresh perspectives that current and aspiring leaders can apply to become more effective and intentional in their personal and professional lives."



Jennifer Yohe
Chief Procurement & Corporate Administration Officer
Optimum

"The Optimum Insider LinkedIn Series! This is a great video podcast where our Chairman and CEO Dennis Mathew interviews leaders from across the company to give an inside look at what's happening at Optimum."

Think about that for a minute...

Heard Mentality

Commentary by Steve Effros

Yes, I know, when you're talking about going along with the herd, it's spelled "herd." But I really do mean "heard" as well, since what happened this week to traditional cable/broadband stocks could only have happened because folks "heard" something and immediately made assumptions. They followed the herd because of what they heard!

It's all somewhat absurd, and why I have lamented the outsized influence of the stock market, and the decision by companies to "go public," for a long time. But let's back up and take a quick look at what happened: a top executive at Comcast said, during a conference in New York, that Comcast expected to lose around 100,000 broadband customers in the fourth quarter. The "word" went out, and was heard! The almost immediate result? Comcast's stock tanked by close to 10% as did the stock of the other largest cable ISP, Charter.

Let's get a little perspective here. Comcast has over 61 million broadband subscribers. It's a very solid company with solid management and owns extraordinary state-of-the-art infrastructure. Is there any reason to panic about the quality of the Comcast stock? Nope. So why did this happen?

Well, from my point of view this knee-jerk reaction to any negative news from a company is directly related to the unfortunate fact that folks today are far more interested in playing the "stock game" than they are concerned about the quality and longevity of the companies whose stock they buy. It's the trade that's important, not the asset. So if you hear some bad news, you just dump that stock and the company whose assets are still solid and buy something else that you heard is "on the way up," even if the reality is that you are buying into a shimmering bubble. No problem with that, right? Unless, of course, you get your timing wrong!

To be sure, Comcast's broadband business has suffered the past few months for several reasons. One was the end of a massive federal subsidy program that paid most of the subscription cost to get folks to be able to use broadband and

the internet. Not surprising. When folks had to pay the full cost themselves they cut back!

A second reason, and thanks to the Comcast folks for being very open about it, is that there is significant increasing competition in the provision of broadband service. "Fixed wireless" is working well at the moment as it rolls out. We'll see what happens when "scaling" issues potentially arise, slowing down the service. But they may figure that problem out, so, yes, a new competitor results in some subscriber loss for the existing original company. New fiber offerings are also coming online, some of them subsidized, again, by the feds. That, too, is going to have an impact.

What gets me about all this is the seemingly crazy underlying assumption that all companies will, and always must, get bigger. More subscribers, more revenue per subscriber, and so on. The ruinous (from the point of view of the folks actually building these systems and providing service to customers) result is that company honchos, sometimes because of compensation provisions, start focusing on "quarterly results" as opposed to building good companies, good services, good infrastructure and holding on to loyal, happy customers! That was the focus of many of the folks who started cable systems in communities across the country in the "old days," before they went "public." After that, it was the public which lost out to the day traders. It's a real shame.

OK, so where do we go from here? Well, kudos to Comcast for saying out loud that we're in a very competitive business. And hopefully they will stick to being a well-focused company, not merely a stock play.



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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- SATURDAY, DECEMBER 14TH -

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