

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Memo Madness: OMB Notice, BEAD Dominate Lutnick Confirmation Hearing

The confirmation hearing of Commerce Secretary nominee *Howard Lutnick* was almost jovial at times as members of both sides of the aisle commended his turnaround of financial services firm **Cantor Fitzgerald** after 9/11 as a personal and professional feat. But tensions grew as Democrats grew concerned over how Lutnick would respect funding that had already been appropriated by Congress, including for broadband buildouts.

He scored points with both sides of the aisle when he vocalized support for the bipartisan CHIPS and Science Act and the need to supercharge the domestic manufacturing of semiconductors. He also pushed for America to lead when it comes to policies surrounding artificial intelligence. But things started to get sticky when the topic of broadband funding came up.

Lutnick voiced his commitment to ensuring that BEAD funding was only used for actual broadband infrastructure builds. He also said he and *President Trump* are fully supportive of efforts to connect America, but he also believes waste and abuse of resources needs to come to an end.

"I'm going to work to make sure that Congress gets the benefit of the bargain. You want to get broadband into the hands of low-income people, let's go do it. But let's do it efficiently and let's do it swiftly. Let's use satellites, let's use wireless and let's use fiber, and let's do it the cheapest, most efficiently we can," Lutnick said. "I commit to working with you to make sure the states

execute and deliver on the promise that Congress has made."

Sen. *Ben Ray Lujan* (D-NM) pressed the nominee further on the topic, asking if Lutnick would follow the orders of President Trump if the president directed him to cut BEAD program funds already appropriated by Congress. Lujan became visibly upset when Lutnick said he worked for the President of the United States and was there to execute his policies. Lutnick clarified that he would work with Commerce Department lawyers to execute what has been appropriated correctly and that if President Trump had other objectives, he would talk to him about those. Lujan was unimpressed.

"It's not just that you work for Donald Trump, sir. You work for the American people if you get this position. You told me that in my office. It's for the American people to bring the genius that you have brought to your success, to deliver the grand bargain, to get things done. That's the conversation we had," Lujan said. "I'm beside myself with this little exchange."

Some of that tension was tied to confusion and chaos around an **OMB** memo issued Tuesday directing agencies to temporarily freeze federal grant programs while programs were reviewed and the impact of executive orders signed by President Trump were measured across the executive branch. That memo was rescinded in the latter half of the hearing, bringing some levity back to the hearing room.

But the relief that washed over Democratic senators participating in the hearing was short-lived as the White House clarified that the federal freeze was still in place, causing further confusion.

"It is simply a rescission of the OMB memo," Press Secretary

Cablefax Daily

**Partner
with
Cablefax
Daily**

Contact Ellen Kamhi at
917.626.5574 or
ekamhi@accessintel.com



Karoline Leavitt said in a post on X. “Why? To end any confusion created by the court’s injunction. The President’s EO’s on federal funding remain in full force and effect, and will be rigorously implemented.”

That statement and reports that some funding streams remained inaccessible were enough to encourage state attorneys general to move forward with a hearing Wednesday afternoon regarding their request for a temporary restraining order related to the pause on the distribution of federal funds. District Judge *Loren AliKhan* did temporarily block the OMB memo from going into effect, but the states instead seek to enjoin all of the agencies to ensure there is no pause to any federal funds across the executive branch.

Chief Judge *Jack McConnell* of the District of Rhode Island questioned the states as to why the TRO should still be considered given the request for it was largely centered on the OMB memo. *Sarah Rice*, representing the Rhode Island Attorney General’s Office, argued the statements from the Trump Administration indicate the policy behind the OMB memo has not changed. “And that policy, to sum it up, is freeze first, ask questions later,” she said. “That is the source of our harm.”

Daniel Schwei from the **Department of Justice** argued the states were effectively trying to broaden their lawsuit into a much larger beast and seek relief from all of the executive orders highlighted within the OMB memo.

“If the plaintiffs here want to challenge the effect of either the executive orders or some subsequent agency decision taken at a later date pursuant to the executive orders, that’s just a different claim than what is presently before the court,” Schwei said.

Ultimately, Judge McConnell sided with the states, saying Rice had convinced him that while the OMB memo may no longer exist, there is sufficient evidence that agencies are withholding funds in accordance with that directive.

“I am, and was when we were dealing with the directive, very concerned at the irreparable harm that has clearly been put forth,” he said. “I’m worried about the effect to the people the states represent on irreparable harm.”

However, given the speed in which the court had to hear the case, no temporary restraining order will go into effect immediately as Judge McConnell wants to be careful around the breadth of the order. For now, the states were asked to submit a proposed TRO as quickly as possible following the hearing. The DOJ will then have 24 hours to submit a response.

COMCAST GOES LOW ON LATENCY

Comcast is touting what it says is the first ultra-low lag connectivity experience for when customers are using interactive apps such as gaming, video conferencing and VR. The feature currently is

available when using FaceTime on **Apple** devices; apps on **Meta’s** mixed reality headsets that support this technology; **NVIDIA’s** GeForce NOW; and many games on **Valve’s** Steam games platform. Comcast plans to eventually bring low internet latency to other applications that leverage this open standard technology. When fully deployed it will be available to all Xfinity Internet customers, but initial rollout includes Atlanta, Chicago, Colorado Springs, Philly, San Fran and Rockville, MD—**CFX’s** HQ (coincidence!?). The operator has spent the past year testing low latency DOCSIS, which allows app developers to mark traffic as latency sensitive so the

Cablefax Executive Round Up

With President Trump’s second term underway, we asked executives what advice they would give the new administration to ensure a healthy, competitive landscape within their industry. Here’s what they had to say.



Michael Powell
President/CEO
NCTA

“First and foremost, the new Administration should prioritize removing regulatory and logistical barriers that are delaying broadband deployment to rural and unconnected communities. Equally important is fostering an environment where proven providers—those with track record of building networks on-time and on-budget—can thrive and expand. Finally, ensuring sufficient spectrum availability to meet the ever-growing demands of the future is critical to driving innovation and connectivity. With the right focus, we can accelerate the delivery of high-speed internet to every corner of the country, and we are eager to work with the Administration to make this vision a reality.”



Gary Shapiro
CEO/Vice Chair
CTA

“We have and can lead the world in innovation with products and services making life better and reversing inflation. Government can help entrepreneurs and innovators by cutting unnecessary rules, reducing incentives for litigation and returning us back to antitrust standards and laws focused on what is best for consumers rather than interfering in the marketplace to protect status quo industries. If technology must be regulated, the rules should be clear and performance- rather than design-based and they must be created so new competitors and entrepreneurs can enter the marketplace. The next administration should work with Congress and American technology leaders and stakeholders to move forward policies that support free and fair trade and promote autonomous driving, digital health, and cybersecurity. The new administration should also urge Congress to pass a national preemptive privacy law and an AI regulatory framework that is technology-neutral and risk-based.”

Cablelabs technology standard can then manage low latency flows to optimize application performance.

NEW PIRACY BILL INTRODUCED

Rep Zoe Lofgren's (D-CA) unveiled the Foreign Anti-Digital Piracy Act, which is described as a way to prevent foreign-run piracy sites from exploiting loopholes in existing law. Lofgren was actually among those who successfully lobbied against SOPA (Stop Online Piracy Act) in 2012. There was a ton of drama over that failed bill, with **Wikipedia**, the **Consumer Technology Association** and others taking their websites dark to protest what they saw as censorship of the web. Lofgren said her bill alleviates concerns by targeting foreign piracy websites only, requiring blocking orders to go through a U.S. court and refraining from mandating specific technical measures for blocking. "After working for over a year with the tech, film, and television industries—we've arrived at a proposal that has a remedy for copyright infringers located overseas that does not disrupt the free internet except for the infringers," she said. It has the support of the **Motion Picture Association**, **SAG-AFTRA** and the **Authors Guild**. **Public Knowledge** is not on board, arguing that the entertainment industry can already go after broadband providers to disconnect subs over copyright concerns (see the Cox-Sony [lawsuit](#), which has made it to the U.S. Supreme Court). "Site-blocking orders force any service provider, from residential broadband providers to global DNS resolvers, to disrupt traffic from targeted websites accused of copyright infringement. More importantly, applying blocking orders to global DNS resolvers results in global blocks. This means that one court can cut off access to a website globally, based on one individual's filing and an expedited procedure," said a PK statement.

T-MOBILE ENDS '24 ON A HIGH NOTE

T-Mobile's stock received a jolt Wednesday after the uncarrier reported 4Q24 earnings that surpassed expectations in a number of areas. The company had 903,000 postpaid phone net customer additions in 4Q24 and ended the year with 3.1 million, while postpaid net customer additions came in at 1.9 million for the quarter and 6.1 million for the year. It's the third consecutive year T-Mobile recorded over 3 million postpaid phone net adds. High-speed internet net customer adds were 428,000 and 1.7 million in 4Q24 and 2024, respectively. T-Mobile EVP/CFO **Peter Osvaldik** said the company saw strong demand for its high-speed broadband product from existing customers, and though that trend will vary from quarter to quarter, it's given the uncarrier confidence that it can further drive ARPA growth. Looking ahead to this year, T-Mobile expects postpaid net customer adds to be between 5.5-6 million—its highest-ever guidance range issued at the beginning of the year—and core adjusted EBITDA to be between \$33.1-33.6 billion. Net cash provided by operating activities is anticipated to fall between \$26.8-27.5 million, and adjusted free cash flow is expected to land between \$17.3-18 billion. Firms like **MoffettNathanson** and **New Street Research** both have been high on T-Mobile

ahead of competitors **AT&T** and **Verizon**, but how can it stay stop of its magenta mountain? "The source of competitive advantage in wireless may be shifting—owning the best mobile assets may no longer be enough. Instead, the next phase of industry leadership could be defined by fixed-mobile convergence," New Street Research said in a note. "If T-Mobile aggressively pivots toward deeper integration of fixed and mobile networks, we believe it could unlock even greater long-term shareholder value. However, such a move may face near-term resistance from the market. Achieving true convergence would require transformative acquisitions, which may only be feasible under the current regulatory environment (now is the time to strike)." In MoffettNathanson's eyes, it expects pressure on T-Mobile's net adds during 2025 as a result of more strict immigration policies, but that's an issue that'll affect the big three wireless companies. And as for the C-word, "We're still in the camp that says none of the Big Three telecoms can benefit from convergence. It's cable's game to lose. But if convergence really does become a 'thing,' T-Mobile's positioning is the weakest of the Big Three," MoffettNathanson said.

MORE RANGERS TV INFO

The Texas Rangers' broadcast plans for 2025 are taking shape. In addition to having the **Rangers Sports Network** add **DirecTV** as an [initial traditional TV partner](#), the RSN will be available to **Charter** customers. Each distributor will have a specific channel for RSN that'll go live for the Rangers' pregame show, the game broadcast and postgame programming, with customers also having access to streaming options on **Victory+**. The Rangers have plans for at least 15 OTA broadcasts, nearly all being home Friday games. RSN has deals with **Nexstar** and **Gray** to put games on stations in Texas, Arkansas, Oklahoma and Louisiana. The first game slated for OTA viewing is March 28 against the Red Sox.

COMCAST, DIRECTV MAKE MLS SEASON PASS INTEGRATIONS

With **MLS** preparing to celebrate its 30th season come Feb. 22, **Apple TV** is trying to grow the audience base of **MLS Season Pass**. All of **Comcast's** Xfinity customers will get an integrated viewing experience for MLS Season Pass that'll allow users to directly sign up for the product and have live matches incorporated throughout the X1 and Xfinity Stream app UIs. MLS Season Pass goes for \$14.99/month or \$99/season. **DirecTV** is kicking it with Apple TV, signing a multi-year deal to make MLS Season Pass available to satellite and streaming customers beginning Feb. 22. Residential and commercial satellite customers get a free preview Feb. 22-March 1. Residential streaming customers can sign up for \$14.99/month and watch matches on DirecTV or in the Apple TV app. However, satellite customers can only use the \$99/season deal or spread the payments over three installments of \$33. DirecTV already holds the exclusive commercial rights to MLS Season Pass and is the inaugural front-of-kit sponsor for the league's newest expansion team San Diego FC.