CFX DAILY
WHAT THE INDUSTRY READS FIRST

WEDNESDAY, JULY 8, 2026
VOLUME 37 | NO. 123
CABLEFAX.COM

DID YOU KNOW?

Gartner projects that by 2035, agentic AI will drive approximately 30% of all enterprise application software revenue, exceeding $450 billion globally (up from just 2% of software revenue in 2025).

CONSUMER CELLULAR'S RETAIL RISE

Consumer Cellular CEO *Ed Evans* has a word for what happens to his company's business when **AT&T**, **T-Mobile** or **Verizon** raises fees, changes a plan or rolls out a policy that frustrates customers: wind.

"When we do our best, [it] isn't when we're marketing better than anyone else or leaning into a spend better than anyone else. When we do our best is when one of the big three just does something crazy, and it drives what I refer to as 'wind' inside of the organization," he told ***CFX***. "It's really windy… and we just benefit by trying to eliminate that friction."

As connectivity and customer service become increasingly digital, Consumer Cellular is bucking the trend and betting on in-person interactions. The company recently opened its 100th retail store in Salem, Oregon, and the timing isn't incidental. Consumer Cellular has spent the last four years building a retail distribution network designed around the customer that modern tech trends alienate: older demographics who want human expertise and a place to sit down while they sort out their phone. The bet is paying off.

Retail-acquired customers have lifetime values Evans described as "almost double" any other channel. That's even taking into account the cash acquisition cost being higher. But that cost isn't double, and it doesn't factor in the fact that those customers tend to purchase better rate plans and churn at a lower rate, he said. Consumer Cellular's retail channel net promoter score is 89. Retail now accounts for 14.4% of all

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new customer acquisitions, up from 6.3% a year ago.

The successful results inspired the company's mission of reaching 120 stores by the end of 2026. Consumer Cellular doesn't plan on stopping there, though, with Evans eyeing 20-30 new locations annually beyond that. Currently, the wireless company has retail locations in 33 states, boasting more than 4 million subscribers.

However, the expansion began not as a strategic bet, but as a survival response. Prior to COVID-19, Consumer Cellular's largest brick-and-mortar partner, Target, contributed 60-65% of gross adds. Once the pandemic struck and stores closed, there was hope that business would return when restrictions went away. Ultimately, that didn't happen, and when Target moved away from consumer electronics, "we had to find a way to make that up."

After looking at alternative routes and even signing a deal to enter Walmart stores, "we just couldn't replace what we were losing fast enough," Evans recalled. That's when Consumer Cellular tested its own retail locations in areas like Florida's The Villages and Surprise, Arizona, quickly finding that the customer quality it was receiving was "by far the best" that it gets. Plus, it helps retail-acquired customers have a 10% higher retention rate in addition to 93% customer satisfaction.

Capitalizing on frustrated customers migrating from larger carriers is a playbook Consumer Cellular takes to the next level by aiming for standout customer service. "It's just amazing to me how repeatedly this industry puts forth something they think is going to help the consumer, when in fact it's not doing anything for the consumer. It's doing nothing but benefiting them on the back end," Evans said. "The more they continue to do that, the more successful we are. Customer service is our value add."

Consumer Cellular aims to make its retail stores the antidote. There aren't ticket queues, and locations often come equipped with seating areas, a coffee bar and staff who don't have large sales quotas hanging over their heads. Evans noted that in some cases, those staff members are recruited from a major carrier whose culture puts more focus on selling specific products.

However, the retail sites are designed with some stats in mind. Consumer Cellular's average retail customer is 67 years old, around three years older than customers acquired through other channels. Specifically with the 75-or-80-plus category, they're disproportionately represented because "they don't want to call in. They would rather have somebody bring them down to the store, sit and go through it."

The same logic governs the company's customer service, which eschews the typical call lengthy philosophy Consumer Cellular's reps don't have a strict time limit to adhere to, and while Evans was initially alarmed by the long call times when he became CEO in 2020, he quickly learned that it's an important part of the company's DNA—hence why the average length is around 10 minutes.

"This person's not calling because they want to know if the bill's in. They're calling because they're lonely, they don't have anybody to talk to and they know every month that we'll talk to them for a few minutes about their grandkids, their bill," said Evans, who claims to have the lowest MVNO churn in the industry and a rate that's getting close to what the MNOs see.

CFX Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC.
cablefax.com

EDITORIAL

Editor
Noah Ziegler, 301.354.1704, nziegler@accessintel.com

Senior Editor
John Saavedra, 908.477.1758
jsaavedra@accessintel.com

Editorial Director
Amy Maclean, 301.354.1760, amaclean@accessintel.com

Editorial Director, Ad Tech & Convergent Media
Sarah Sluis, 212.621.4706, ssluis@accessintel.com

ADVERTISING/BUSINESS

Chief Operating Officer
Jennifer Schwartz, jschwartz@accessintel.com

Chief Revenue Officer
Dave Colford
dcolford@accessintel.com

Advertising and Sponsorship
Vernesa Merdanovic, vmerdanovic@accessintel.com

MARKETING

Senior Marketing Director
Jessica Dombrowski, jdombrowski@accessintel.com

PRODUCTION/CLIENT SERVICES

Sr Production Manager:
Joann Fato, jfato@accessintel.com

Group Subs: Vernesa Merdanovic, vmerdanovic@accessintel.com

Subscription Questions:
Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: $1,999.00/yr

Access Intelligence, LLC,
9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

While **Charter**, **Comcast** and operators across the country are adding mobile options to their product lineups, Evans said he hasn't seen a whole lot of disruption from cable so far. That partially has to do with targeting different customer segments, with **Spectrum Mobile** and **Xfinity Mobile** traditionally going after larger family plans.

Consumer Cellular will soon get involved in the bundling biz to address a retention pressure point. Evans confirmed plans to introduce a broadband bundle offering in 4Q26 as he hopes to tap into other customer segments. He'll also do that through sub-brands that debut either later this year or early 2027.

BROADBAND GROUPS USE SLAUGHTER IN NEXSTAR-TEGNA FIGHT

The **Supreme Court**'s recent ruling that presidents can fire the heads of independent agencies—decided 6-3 last month in *Trump v. Slaughter*—bolsters the argument that the full **FCC** needs to review the Media Bureau decision approving **Nexstar** and **Tegna**'s merger. At least that's how the state broadband associations who've asked the D.C. Circuit to intervene see it. Those groups—which include **Broadband Communications Association of Pennsylvania**, **Indiana Cable and Broadband Association** and **Tennessee Cable & Broadband Association**—are represented by *Paul Clement* of high-profile appellate firm **Clement & Murphy**. He flagged the filing for the D.C. Circuit in a letter Wednesday, writing that the "FCC contends that its Media Bureau can (i) invent a standard to waive a 39% threshold set by Congress; (ii) use that new standard to approve a merger with immediate real-world consequences; and then (iii) evade judicial review indefinitely." While Clement argues that theory was "never correct," it loses all plausibility in a world where "'independent' agencies exercise executive power, 'no ifs, ands, or quasis about it.'" Clement represents just a part of a broader coalition, with **Free Press**, **DirecTV**, **EchoStar**, and **Newsmax** joining the state associations in filing an application for review of the FCC Media Bureau's March order granting approval of the $6.2 billion Nexstar-Tegna merger and seeking to stay the order. They requested an FCC ruling by March 21, and when they didn't get it, they went to the D.C. Circuit for help. The FCC has told the court it's still reviewing the Media Bureau order and expects to rule by the end of the year. As such, the FCC argues the appeal is premature and the court should dismiss the case.

THE FCC'S BET ON A MULTIMODAL FUTURE

Cisco recently reported that AI agents are broadband power users, generating up to 450% more traffic than when tasks are performed by more traditional means. So, what does the **FCC**'s first-ever Chief AI Officer *Arpan Sura* think needs to happen to make sure AI flourishes? "Part of it is allowing for more capacity, and how do you allow for more capacity? You free up more spectrum, you make it easier to build infrastructure, you make it easier to deploy multimodal networks," Sura said Wednesday at a forum hosted by the **American Enterprise Institute**. The FCC's been checking those boxes with items such as this month's vote to get the ball rolling on a C-band auction and at permitting reform measures. When it comes to multimodal networks, Sura pointed to satellite providing a competitive check into residential broadband and suggested D2D, where smartphones connect to LEO satellites, could emerge as a similar counterbalance. "Right now it doesn't offer the same kind of performance as 5G, but this is a technology where we've seen hundreds of billions of dollars in investment in just the last couple of years alone," said Sura, who also serves as FCC Chair *Brendan Carr*'s Senior Counsel. "While it's not our place to make those bets as regulators, it's very exciting to see, and we don't want to stand in the way of what I think is going to be our multimodal future—whether it's satellites providing fiber-like backhaul from bird to bird in space or whether they're providing connectivity to nomadic devices here on the ground."

OREGON MOVES TO PAUSE PSKY-WBD MERGER CLOSE

A coalition of state attorneys general led by California AG *Rob Bonta* are said to be preparing a legal challenge to halt the $110 billion merger between **Paramount Skydance** and **Warner Bros. Discovery**. While the states are yet to launch a full-scale assault, Oregon AG *Dan Rayfield* filed a motion in the Oregon Circuit Court of Multnomah County to require PSKY to turn over documents related to the state's investigation of the merger, including information on the company's contacts with the *Trump* administration regarding the WBD deal and if it played a role in a **DOJ** statement approving the merger. Although PSKY has told the state it will not complete the deal before July 16, Rayfield asked that a judge delay the close for 60 days while the state reviews the requested records. The Oregon DOJ said in a release that PSKY has "spent weeks dodging and delaying a straightforward records request," while Paramount told Reuters that the information Oregon is requesting "has nothing to do with whether this transaction complies with Oregon's antitrust laws and is not a legitimate basis to delay a plainly lawful, pro-competitive transaction." PSKY and WBD expect to complete the merger by Sept. 30, although a state challenge and a potential U.K. intervention could delay things past that deadline, forcing PSKY to pay WBD shareholders a "ticking fee" that could cost it approximately $650 million for every quarter the deal doesn't close.

2026 EMMY NOMS

The nominations for the 78th annual **Primetime Emmy Awards** are in and it's **Warner Bros. Discovery**/**HBO Max**'s "The Pitt" leading the pack in the drama category with 25 noms. The programmer also scored 24 nominations on the comedy side with the final season of "Hacks." **Apple TV** had a big day too: "Widow's Bay" earned 19 nominations, followed by "Pluribus" with 18. **Netflix**'s "Beef" rounded out the top five with 16 noms. In terms of the cable nets, **FX** got 23 noms, including for "The Bear" and "Love Story: *John F. Kennedy Jr.* & *Carolyn Bessette*," while **Paramount** cable nets **MTV**, **Comedy Central** and **BET** got 20 between them. **AMC Global Media** got a VFX nom for **AMC**'s "The Walking Dead: Daryl Dixon" and one for music in **BBC America** nature doc "Kingdom. **A+E**/**History Channel**'s "World War II With *Tom Hanks*" was also recognized for sound editing.

T-MOBILE LEADERSHIP SHUFFLE

T-Mobile appointed *Chris Sambar* as Chief Enterprise Officer, a role he'll step into by Oct. 14. Reporting directly to CEO *Srini Gopalan*, Sambar will lead the uncarrier's small business, enterprise and government businesses while also scaling emerging growth opportunities. He is currently COO of Public Storage but previously spent two decades at **AT&T**, where he led corporate strategy and enterprise sales, including the deployment of the public safety network **FirstNet**. – A couple of other moves at the wireless carrier: Chief Broadband, Enterprise & Emerging Business Officer *Andre Almeida* is shifting to an expanded role as Chief Marketing, Brand & Broadband Officer, partnering with COO *Jon Freier* to oversee the company's consumer wireless and broadband businesses and identify new growth segments. Meanwhile, Chief Business & Product Officer *Mike Katz* will step down, remaining in a strategy advisory role through December.

FAST SHOWS PROGRESS

The FAST space has made a lot of progress on the awareness front. That's according to a **Hub Intel** survey of 3,000+ U.S. TV consumers, 97% of whom said they're aware of free ad-supported streaming options. Usage continues to grow, too. More than half of those surveyed have used at least one FAST service, and 44% watch at least monthly, while 12% watch daily. While FAST is not yet viewed as a replacement for SVOD—only 46% say FAST services are a "must-have" vs the 81% who say the same about subscription streaming services—60% said they now view FAST as a complement to their paid services. The research also dispels the notion that FAST users tune in because they don't care enough about TV to pay for it. FAST users are watching about as much TV per week (24 hours vs 22) and spending almost the same amount on monthly subscriptions ($75 vs $84) as non-users. Sixty-nine percent of FAST users said they would choose an ad-supported TV platform if it saved money, which is nearly identical to the 70% of non-users who say the same. "Whatever is driving FAST adoption, the data suggests it isn't a categorically different—or categorically cheaper—kind of viewer," said the firm.

FIBER FRENZY

Comcast's network in the Greater Phillipsburg, New Jersey, area is now 50%, with more than 15,700 addresses now connected to Xfinity and **Comcast Business** services. Construction in the Warren County communities of Greenwich, Lopatcong and Alpha is also nearing completion. In the last year, the operator has connected an additional 43,000 homes and businesses across the Garden State. – **Race Communications** plans to connect more than 38,000 homes and businesses in Fresno, California, to its fiber network offering up to 10 Gig speeds. The ISP is investing $200 million in 2026 to expand its California footprint.

O'RIELLY'S TMT WHITEBOARD

BY MICHAEL O'RIELLY

Michael O'Rielly is a former FCC Commissioner and congressional staffer who serves as President at MPORielly Consulting. His views do not necessarily reflect the views of CFX.

A TATTERED FCC ENFORCEMENT PROCESS

For all intents and purposes, the FCC took a major hit this year. Its once-unbreakable enforcement structure, deferred to by Congress and the courts, was effectively neutered by the U.S. Supreme Court's location-security case. The Commission arguably "won" this case, but doing so required shedding most of the agency's enforcement function. What remains is the Commission's inability to issue anything more than an enforcement recommendation with the hope that other entities will pursue the case to fruition. For anyone in the Commission's crosshairs, there is little rationale for paying any forfeiture item; instead, they would be wise to withhold payment and seek negotiation or resolution elsewhere.

To put the recent change in context, it stems from an enforcement action dating back to the Biden-era FCC. Specifically, the then-Commission deemed certain wireless carriers in violation of its rules governing location data. After issuing its notice of apparent liability containing its allegations, the Commission declared itself correct and issued a forfeiture order totaling a ludicrous $100 million. The carriers paid their fines and sought review of the decisions on multiple grounds in separate U.S. Courts of Appeals, resulting in split outcomes. The U.S. Supreme Court agreed to hear the case and issued a decision a few weeks ago.

In sum, the Supreme Court untangled the convoluted enforcement process outlined in law. While the carriers sought clarification that alleged violators were entitled to an upfront jury trial rather than the Commission's forfeiture process, the Court disagreed. But in doing so, it made clear that the forfeiture process is utterly nonconclusive and does not create an obligation to pay–a point the government conceded in its brief to the Court. In particular, the Court stated, "And the orders did not reflect the ultimate determination of any fact because, before the carriers could have been made to pay, the Government was required to prove its case to a jury." That is, the parties must have a full opportunity to debate the merits and process before a real panel prior to a single dollar being collected. Moreover, this assumes that the Department of Justice, which is charged with collecting an unpaid forfeiture, can be convinced that the case is justified, winnable and worthy of the Department and a court's time. Good luck with that.

Beyond watering down the efficacy of any forfeiture item, the Court added a kicker. In reiterating existing law that prevents the agency from using an enforcement action against a party in other proceedings, it provided a new legal basis and avenue for court challenges to the agency's behavior. And that's the dirty little secret. Anyone who has participated in an enforcement action knows that when the FCC comes calling and issues a forfeiture order, the alleged violator is stuck in regulatory purgatory for nearly every interested item until it folds its tent and pays the forfeiture. Have a merger, license renewal, or petition before the FCC? Don't hold your breath.

Yet the Court has affirmed that the Commission would become a lawbreaker if it were to abuse a non-final enforcement proceeding. Specifically, Congress–with the Supreme Court's clarification–declared it unacceptable to withhold consideration of other unrelated matters by the alleged violator. This forces the agency to set aside any animosity toward a party fighting its work when considering other items. Justice Thomas, who dissented in the case, seemed less likely to believe that an agency can actually do this.

So, what should parties facing FCC enforcement actions do? Logic would dictate that they withhold any agency payments and seek to engage with the Department of Justice, where they may find a more receptive audience to negotiate a lower settlement or to dismiss the case as unworthy. Even if an action proceeds, they have an opportunity to convince a jury of their peers that the Commission was off its rocker. That's a far better situation for those entities than what existed before the Supreme Court's decision.

None of this can be laid at the feet of the current chairman, who was dealt this hand and fought these enforcement actions. But it's hard to ignore that agency forfeiture orders are no longer considered binding or even solid on the facts. Consider them merely a toothless charge asserted by a bureaucratic process. And the agency must smile while processing other items favored by alleged violators or risk being hauled before Congress or a court to justify its slow actions.