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WHAT THE INDUSTRY READS FIRST
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DID YOU KNOW?

"By 2035, one-quarter of network traffic is projected to be AI inference. These flows don't behave like the web. They live longer, demand more upstream capacity and operate at software speed, not human speed. The connectivity between agent logic and AI models effectively becomes the agent's 'spinal cord'—a critical dependency whereby any network degradation directly impairs agent functionality." - Cisco AI traffic report

AI AGENTS RESHAPE NETWORK TRAFFIC

Non-human network traffic is surging as agentic AI usage in the home continues to grow. Web services provider **Cloudflare** estimates that more than 50% of internet traffic is now non-human, with daily AI agent requests on its network growing by 1,700% between June 2025 and May 2026. But what does this look like at the home network level?

Plume, a SaaS company providing network services to more than 450 ISPs globally, including **Comcast** and **Charter**, analyzed household traffic patterns to see where AI app usage trends are today. Since it operates at the network layer, Plume can see the connected devices actually using AI apps: 22% of active Plume-enabled homes show regular LLM traffic as of April, up from 19% a year ago. Notably, usage has surged among those households—total data volume grew by roughly 2,000% YOY, while time connected to these apps is up 364% YOY.

The company notes that, while the first wave of AI adoption revolved around simple "text-in, text-out" exchanges with LLMs (e.g. asking and receiving an answer from **ChatGPT**) with "modest network impact," the second wave shows more usage of agentic tools that perform multi-step tasks autonomously and can execute recurring workloads without human prompting.

"People are getting agents to go do work and they're no longer there, so overnight, the networks are being consumed for different jobs and exercises, and if you plot that forward, you start to think about a world where more things that we do are managed agentically," Plume Chief Product Officer *Alan Coleman* told ***CFX***. He predicts AI adoption in Plume homes will be closer to 50% in a year's time, and as more of that penetration moves toward agentic use, it could pose a problem for ISPs. "We have developed and designed networks to match human behavior. We have not developed networks to think about how agentic behavior might evolve and what that means for levels of latency, capacity and things like that."

Cisco recently ran tests that found that agents generate up to 450% more total traffic per task vs humans. The tech firm also projects AI use will increase consumer-driven network traffic by about 6.6x in the next decade and reshape the way the connectivity industry approaches optimizing networks for agent traffic.

Coleman sees "decisioning"—where a WiFi network intelligently manages network resources in real-time to ensure reliable performance—as pivotal to meeting this new era of AI traffic demand. "If I know what applications and what devices are on a network, and I know the sort of behaviors I should expect from that household, then I can make better decisions about how to prioritize packets and which applications need low latency," Coleman explained.

The connectivity industry is already rolling out advanced WiFi features that provide a look at a more dynamic network experience in action. A recent example is the Smart-Boost feature Comcast rolled out for Xfinity customers watching World Cup games in RealTime4K. Smart-Boost allows you to prioritize a 4K stream over other tasks on your home network by pressing OK on an on-screen notification from your TV box.

Charter says its network is already adapting to the shift. "As AI's share of upstream traffic on our network nearly tripled over the past six months, our customers continued to see [among] the fastest speeds in the industry, and we're well-positioned to continue doing so," said Charter EVP, Technology Strategy & Innovation *Justin Colwell*.

And while talk grows louder about FWA eating a bigger slice of the cable pie, Colwell asserts that WiFi wins on the AI front. "WiFi is built to handle AI's transformational demands on network traffic: our access points sit in the room with the user device, fiber-backed, with no macro-cell distance to cover, versus cellular networks that are a mismatch for AI because they have to push a signal from an indoor device all the way back to a distant tower—a fundamentally harder problem that will continue to worsen as AI drives more upstream traffic."

Charter is also in the process of upgrading its network to provide symmetrical, multi-gig speeds, with 50% of the footprint expected to be fully upgraded by EOY. The rest will be completed in 2027. Charter and Comcast are also working with **Nvidia** to build the "AI Grid," an infrastructure initiative that will support latency-sensitive apps and compute-heavy use cases

Optimum is thinking of AI as "the next evolution of the connected home," according to Chief Product and Technology Officer *Luciano Ramos*. "Over the last few years, we've been hyper-focused on future-proofing our network and technology. We've made significant investments across our fiber and HFC infrastructure to increase capacity across upstream and downstream, improve reliability and deliver the low-latency performance that emerging technologies require.

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At the same time, we're leveraging AI and automation within our own operations to proactively monitor network health, optimize performance, and stay ahead of customer needs."

NEWS 12, NY1 CARRIAGE RETURNS FOR CHARTER, OPTIMUM

It's been more than a year since **Optimum** subs lost **Spectrum News NY1** and Charter customers lost Optimum's News 12 in the New York market, but the drought is about to end. The companies will restore their reciprocal carriage of the news nets in September. ***CFX*** broke the news last year that Charter wasn't renewing the nearly eight-year-old reciprocal carriage agreement with Optimum, citing the company's lack of participation in cable industry collective arrangements. Charter declined to comment on whether anything had changed on that front. The new agreement goes further, giving Optimum customers in Texas and North Carolina access to local Spectrum News nets. As part of a separate agreement, **Spectrum Reach** will provide advertising sales representation for Optimum's West markets, which include approximately 30 DMAs across the central, southern and western United States.

INDEPENDENT SHOW TOPS 1,200 ATTENDEES AS NCTC RETIRES WEC

More than 1,200 attendees turned out for last month's **Independent Show**, **NCTC** and **ACA Connects**' annual gathering for their independent service provider members. The show was held July 26-29 at **Disney**'s Yacht & Beach Club Resorts, with the conference typically getting a boost in years it's held at Walt Disney World. More than 120 member companies attended along with 75 partner and supplier organizations, including 10 first-time partner/suppliers. Next year's Independent Show is set for Aug. 1-4 in Nashville. NCTC is retiring its technology showcase, the **Winter Educational Conference**, to channel all of its efforts into one event—the Independent Show. There was a bit of that WEC flavor already at this year's Indy Show, with a host of tech companies on the exhibit floor, including an elaborate **Eero** booth. The co-op expanded its partner ecosystem by adding **Geospatial Analytics**, **Minerva**, **Ozmo**, **Telgoo5** and **WISI**. The Independent Show also welcomed three new NCTC members: **HES EnergyNet** of Hopkinsville, Kentucky, **Ocala Fiber Networks** of Florida and **ThinkSpace IT** of Walnut, Iowa. NCTC CEO *Lou Borrelli* told the ***CFX Download*** podcast that the org has been working on member development for about a year, which includes being a part of events such as **Fiber Connect** (slated for June 13-16 in Nashville) and **Metro Connect USA** (Feb. 8-10, Hollywood, Florida).

FORMER DISNEY CEO TO WRITE MEMOIR

His CEO stint might've been brief, but *Bob Chapek* is writing all about it and the three decades he spent at **Disney**. Chapek, who succeeded *Bob Iger* and led the House of Mouse from early 2020 until late 2022 when Iger ultimately returned, is set to release a book titled "Behind the Castle Walls: My Thirty Years at the Happiest Place on Earth" on Sept. 29. Per the description, Chapek will offer a behind-the-scenes account of what his tenure endured, such as the COVID-19 pandemic and a shifting political landscape. Preorders are available now.

DIRECTV WON'T STOP FIGHTING TOP-FOUR DUOPOLIES

DirecTV's war against top-four duopolies rages on. While the **FCC** Media Bureau has granted several broadcast transactions in recent months, the provider has filed applications for review of bureau-level decisions in the **Sinclair**-**Cunningham**-**Roberts** and Sinclair-**HSH**-Cunningham-**Deerfield** matters. This week it filed a reply doubling down on its argument that the Media Bureau's order approving **Heritage Broadcasting**'s acquisition of **Cadillac Telecasting**'s WFQX and WFUP in the northern Lower and eastern Upper peninsulas of Michigan exceeds its delegated authority and disregards the public interest harms this transaction will cause Michigan consumers.

VERIZON OFFERING $25K FOR FIBER CUT INFO

Verizon customers in Southern California experienced an outage over the weekend after vandals cut multiple fiber lines. The wireless operator's mobile and internet service went down briefly early Sunday afternoon, before being restored hours later around 4:30pm PT. Verizon said it is working with law enforcement and is putting up a $25,000 reward for anyone able to provide information about the individual(s) responsible for the fiber cuts. "Acts of network theft and vandalism represent a direct threat to the safety and security of our communities, emergency services, healthcare and all who rely on critical communications. Vandals also put their own lives at risk when perpetrating these crimes," Verizon said in a statement.

PSKY, BONTA ON WHAT IT WOULD TAKE TO SETTLE ANTITRUST LAWSUIT

Paramount Skydance legal chief *Makan Delrahim* and California AG *Rob Bonta* both appeared at a *Politico* conference in Sacramento on Tuesday and asked whether they'd be open to settling an antitrust lawsuit seeking to block the $110 billion **Warner Bros. Discovery** merger. "Everything is on the table. We would be delighted to engage and discuss any resolution to get this merger, to get this closing after all this time, in order to repair the industry, create more jobs, bring more jobs and production back," Delrahim said according to accounts of the event. This came as reports swirled that PSKY is considering moving its business out of California if it can't settle the lawsuit before Oct. 1. Bonta called PSKY's alleged exit plan "blackmail" in a fiery post on **X**. But at the conference, Bonta suggested, "there's ways where the issue could be resolved with potentially structural remedies." The AG stopped short of naming specifics, but said the states were interested in "keeping certain corporate entities separate in the markets that we have challenged in our complaint" and that PSKY CEO *David Ellison*'s pledge to release 30 movies a year post-merger wouldn't cut it as it would be difficult to enforce. One of the states' chief concerns is how a PSKY-WBD combo would impact the cable ecosystem, noting that the combined company would control one-third of basic cable channels. But Delrahim expects the cable argument "will fall apart because of the market definition," declaring that "there is no such thing as basic cable anymore." The case is set to go to trial in March.

AOI TAPS PEDERSON TO LEAD BROADBAND ACCESS AS CATV HITS RECORD

AOI promoted *Steve Pederson* to SVP, GM of Broadband Access with *Todd McCrum* retiring to spend more time with family after more than 30 years in the cable industry, including time at Scientific-Atlanta and **Cisco**. The promotion comes as AOI's cable broadband business is riding high, posting a record $80.6 million in revenue in 2Q26—up 43.8% YOY and slightly ahead of its $75 million-$80 million guidance. AOI expects 3Q revenue between $100-$110 million for the segment. Driving growth is high demand for AOI's 1.8 GHz amplifiers. Mediacom selected AOI as the primary vendor to accelerate its DOCSIS 4.0 network upgrades. Cable products accounted for 42% of AOI's $191.9 million in 2Q revenue, while data center products made up 56%. Pederson joined AOI in 2023 after more than two decades of HFC experience, including leading go-to-market for Cisco's launch of the GainMaker amplifier line and the GS7000 Node.

HORNETS NEXT NBA TEAM TO TAKE LOCAL RIGHTS OTA

The **NBA**'s Charlotte Hornets have inked their local media rights for the 2026-27 season, signing a deal with **Cox Media Group** to air non-nationally televised regular-season games on WSOC (**ABC**) and TV64. Both channels will carry pregame and postgame coverage in addition to live game telecasts, though a specific schedule will be revealed at a later date. Initial distribution partners include **DirecTV**, **Dish**, **YouTube TV**, **Fubo** and **Hulu + Live TV**. The Hornets and CMG have already partnered for the past two seasons to simulcast select games. Stations in markets beyond Charlotte, in addition to a DTC streaming platform, will also be announced in the future.

IGER, KUSHNER ENTER DEAL TO PURCHASE L.A. LAKERS

It was reported earlier this summer that **Disney**'s twice-former CEO *Bob Iger* was interested in being part of the ownership group that'd oversee the **NBA**'s future Las Vegas expansion franchise. Now, in a surprise pivot, Iger is taking a piece of one of the league's most storied teams, joining forces with venture capitalist *Josh Kushner* to purchase the L.A. Lakers. "As lifelong NBA fans, we are deeply honored for the opportunity to become stewards of the Los Angeles Lakers, one of the most iconic sports franchises in the world," Iger and Kushner said in a joint statement. Per **ESPN**, the fee is $12.5 billion, so not quite the $71 billion it took to buy 21st Century Fox in 2019 but more than the $7.4 billion Disney shelled out for Pixar 20 years ago. Iger and Kushner are set to get the Lakers from *Mark Walter*, who only obtained his controlling stake a little over a year ago for $10 billion (even Bob Chapek would call that a quick turnaround). Iger already has experience in sports ownership, having bought a majority stake in the **NWSL**'s Angel City FC two years ago. The NBA's media rights deal isn't up until after the 2035-36 season, but we'll come back to this item when the time comes—assuming Iger is still an owner. See everyone next decade!

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.

MAKING A TROUBLED BROADBAND PROGRAM WORSE?

The last days of Congress' summer work session produced one relevant outcome for broadband policy: the Senate Farm Bill stalled. But like most hotly lobbied bills in Washington, its likely to be back someday. When it returns, the bill includes an effort to entrench ReConnect, a troubled broadband program that administrators have used to duplicate existing efforts, send conflicting policy signals, reject technology neutrality and risk over-subsidizing communities. Worse, advocates pushed an amendment for the ultimately incomplete bill markup from Senator Peter Welch (No. 41) that would effectively make the program less effective, costlier, and more dangerous.

Let's be clear: critiquing ReConnect, as I have before, is not intended to belittle the importance of broadband (still not essential) or deny that rural Americans deserve the full ability to access it. Few have pushed harder for private broadband access solutions across the country. But good intentions do not justify countless subsidies, duplicative programs, or policy shortcuts. Here, support must have necessary limits.

The Senate Agriculture Committee and Chairman Boozman deserve a good bit of credit. The base Farm Bill text includes several important ReConnect fixes. But by further codifying the program and authorizing $500 million over five years, it dodges the bigger question: why aren't the roughly 130 other federal broadband programs enough? The public has been told, essentially, that only USDA understands "our" people. The facts undermine that claim. The FCC spends about 9X a year compared to ReConnect—$45 billion over a decade—on these same areas. Is FCC staff not sufficiently caring about broadband progress in rural America despite regularly funding the exact thing? That's a silly assertion.

ReConnect's core flaw is that it has been administered by USDA to overlap with—and often contradict—other broadband programs. It claims the same mission as many others: bringing broadband to rural America. But it adds just enough twists to let bureaucrats steer money to preferred providers. In practice, it functions as a Rural Utilities Service slush fund for a narrow class of recipients, mainly telephone cooperatives. In the past, USDA never saw this as a bug or flaw but a feature to bring fake competition where the market doesn't support it. Sensible safeguards against cross-subsidies and overbuilding have never been meaningfully built into the program, despite repeated attempts and complaints, although the bill's improvements may rectify some of this. But then it raises a fundamental question: what is intended by running a separate USDA program? Either it's unique and troubling or identical and superfluous. Perhaps it's telling where some farm advocates want to take the program.

During the Farm Bill's consideration, Senator Welch filed an amendment to set ReConnect speeds at 100/100 Mbps, imposing a new symmetrical standard at odds with other broadband programs. That may sound like progress, but it is really a technology mandate dressed up as modernization. Its practical effect would be to keep funding fiber projects by a favored set of companies. Other technologies—e.g., fixed wireless, mobile wireless, and satellite—often do not offer symmetrical speeds, especially 100 Mbps uploads, because most consumers do not need or use them and the technology has capacity constraints. That does not diminish the consumer experience. The only reason to require such symmetrical speeds is to shrink the pool of eligible providers.

This would not be the first attempt to hijack RUS programs to benefit a select few. But consider what it would mean for Congress's larger and more immediate broadband subsidy program: BEAD. If added to the Farm Bill, the amendment would effectively brand BEAD-funded households as receiving inferior service at 100/20. If 100/100 became the new benchmark, would NTIA have to reopen and upgrade broadband builds? Should Congress prepare another $20 billion to $40 billion check for unserved areas before the vast majority of these households are even connected? Fiber is wonderful technology, but running fiber to every inch of farmland is neither feasible for cost and logistical reasons nor appropriate. Alternative broadband technologies are actively growing market share to become bigger players in the arena and that shouldn't be lessened by artificially and gleefully subsidizing their competitors.

We have too many federal broadband programs. One reason is simple: politicians keep creating small fiefdoms to steer federal largesse to favored constituencies. The Welch amendment is a backdoor attempt to lock in bad policy for the benefit of a select set of companies. If the Senate Farm Bill remains stalled, that may not be a complete setback if it prevents efforts to make ReConnect worse.