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WHAT THE INDUSTRY READS FIRST

New Look: Frontier Aims for Healthier Future Post-Bankruptcy

Frontier Communications is finally preparing to emerge from Chapter 11 bankruptcy, marking an end to a year-long journey for the company. It has shed \$10.2 billion in debt and proposed a modernization plan that would see it deploying fiber across its footprint, but will it be enough to turn the company around? Initial reactions from investment firms seem optimistic.

New Street Research said this isn't the first time an operator entered bankruptcy and emerged with plenty of promise on the other side.

"Like Frontier, Charter emerged from bankruptcy in poor shape, but with a new mgmt team with an excellent track record. They invested heavily to upgrade the infrastructure which allowed them to drive higher penetration, ARPU and margins," New Street said in a research note. "The successful turnaround gave the team license to acquire Time Warner Cable and Bright House Networks, and they improved the value of acquired assets just as they had with Charter. For those that missed Charter at \$35 in 2009, or for those that didn't and wish they could do it again, Frontier is the same kind of opportunity."

MoffettNathanson declared that now is a great time to be in the communications infrastructure sector, characterizing Frontier as a semi-precious stone in the rough. Investors have become more and more interested in the space in recent years,

particularly in fiber-to-the-home and what the firm referred to as copper fixer-uppers.

"That was the motivation for **WaveDivision** and **Searchlight** buying Frontier's Pacific Northwest assets, and for Searchlight investing in **Consolidated Communications**. It prompted **Macquarie** and **Brookfield** to fight over **Cincinnati Bell**, and **Shentel** to embark on fiber deployments. It drove interest from new entrants in the Rural Digital Opportunity Fund auction several months ago," the firm wrote. "This heightened interest in infrastructure generally, and FTTH specifically, could present a risk or an opportunity for Frontier's shares."

Both firms acknowledged that there are some risk factors that could slow Frontier's transformation. New Street said the company will need to develop the capability to deploy fiber at a pace of 1 million lines/year across multiple states efficiently to meet its targets. And MoffettNathanson pointed out that essentially everywhere Frontier deploys fiber will overlap with a cable operator operating a physical plant. Both also said that Frontier will need to re-energize its employee base and work hard to recruit top talent that may be more inclined to look for similar jobs at one of the company's competitors if it hopes to execute the plan successfully.

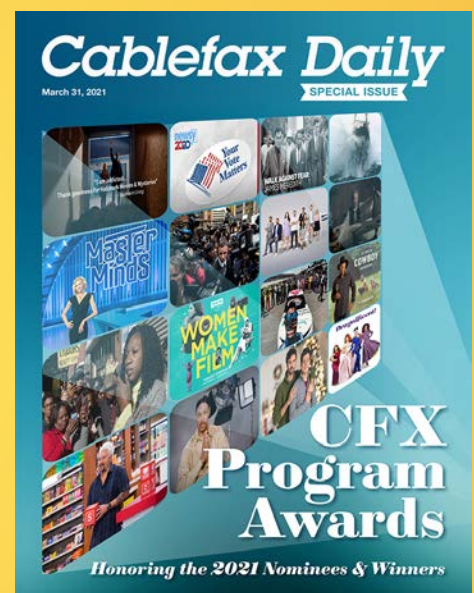
There are those that doubt that Frontier can right the ship and execute on their proposed modernization plan. Sen *Shelley Moore Capito* (R-WV) wrote a letter to then-**FCC** chairman *Ajit Pai* containing her concerns about Frontier's ability to meet its RDOF obligations within the state. The company won \$370.9

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million in support for 127,188 locations across eight states. She cited the company's prior mismanagement of federal funding through the Broadband Technology Opportunity Fund program, which resulted in \$4.7 million in funds repaid to the federal government for improper uses, as reason enough to give their long-form application a second look.

"The stakes are simply too high to provide nearly \$250 million to a company that does not have the capability to deliver on the commitments made to the FCC. West Virginia cannot afford to be let down, yet again, by the failure of Frontier to deliver on promises made to federal partners," Capito said.

NY'S \$15 INTERNET LAW

A bill signed by New York Gov Andrew Cuomo Friday requires ISPs to offer broadband access to low-income families for no more than \$15 a month (\$20 for a 200Mbps service). Most large operators, including Charter, Altice USA, Verizon and Comcast, already have low-income broadband offerings in place. But that doesn't mean there aren't concerns, with New Street Research analyst Blair Levin declaring that legal challenges are inevitable. For one, the law only applies to fixed providers rather than any provider capable of delivering the minimum speeds. There's also the concern that as with net neutrality and privacy, it could create a patchwork of state-by-state regs that providers will have to contend with. Levin added that the industry is also concerned about government stepping in to regulate prices. "Acceding to such a regulatory framework is likely, in the eyes of investors, to put a cloud on the long-term terminal value calculations that investors rely on to calculate stock values," he wrote.

FCC LAUNCHES LOUD TV AD PROBE

Days after Rep Anna Eshoo (D-CA) called for the FCC to probe loud TV commercials, the agency's Media Bureau issued a notice seeking comment on the CALM Act and potential updates to the rules. The FCC is inviting consumers to describe their experiences watching programming provided by broadcasters and MVPDs. The law, which prevents television stations and MVPDs from transmitting commercial advertisements at louder volumes than the program material they accompany, doesn't apply to streaming services. The notice also seeks input from all stakeholders on whether the Commission's CALM Act rules are effectively serving their intended purpose and on specific areas that need updates. The act, which Eshoo authored, was enacted over 10 years ago and has been revisited only once at the FCC for minor tweaks. Comments are due June 3, with replies due July 9.

BROADBAND PROVIDERS TESTING EBB

The FCC opened the Emergency Broadband Benefit Program to the more than 600 participating providers for testing. A list of participating providers by state can be found at the FCC's website. The test phase will let ISPs familiarize themselves with the systems ahead of the consumer launch. The exact launch date hasn't been revealed yet, but consumers are expected to be able to sign up by the end of the month. The \$3.2 billion program, established by Congress, provides a monthly discount on broadband service of up to \$50 per eligible household (or up to \$75 per eligible household on Tribal lands). The participating broadband service provider will receive the funds directly from the Emergency Broadband Benefit program. Some industry observers have estimated the \$3.2 billion will be used up in 4-6 months.

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TOKYO OLYMPICS

We are 95 days away from the opening ceremonies of the Tokyo Olympics and **NBCU** is ramping up. *Rob Hyland*, who has been with *NBC Sports* since 1997, was named producer of the NBC Olympics' primetime show, beginning with Tokyo. NBC Olympics' primetime show will air live across all time zones each night on **NBC** from July 23 through August 8. **Telemundo Deportes** plans more than 300 hours of coverage of the Tokyo Games, promising the most extensive Spanish-language Olympics coverage ever. On most days Telemundo and Universo will present at least 12 hours of live sports coverage throughout the night and early morning. Broadcaster Telemundo will present 187 hours of live competitions and daily recap specials, while cable network **Universo** will provide 122 hours of live coverage. The entire linear offering will also be available live via TelemundoDeportes.com and the Telemundo Deportes app. As part of its countdown to Tokyo, streamer **Peacock** ordered 6-ep docuseries "Golden: The Journey of USA's Elite Gymnasts," which follows top American gymnasts as they compete for four roster spots on Team USA.

BUST UP BIG TECH ACT

Sen *Josh Hawley* (R-MO), fresh off of introducing a bill with Republican colleagues to remove **MLB's** antitrust exemption, is looking to break up big tech. His "Bust Up Big Tech Act," would prevent companies like **Amazon** from marketing their own retail goods alongside those of other sellers. It also would ban major companies in the business of offering search engines, marketplaces, and exchanges from expanding their power and creating anticompetitive conflicts of interest by providing the online hosting and internet infrastructure services for third parties. Under the bill, the **FTC** would be empowered to monitor compliance and strengthen antitrust enforcement.

LEGISLATORS CALL FOR MORE NTIA LEADERSHIP

Reps *Frank Pallone* (D-NJ), *Cathy McMorris Rodgers* (R-WA), *Mike Doyle* (D-PA) and *Bob Latta* (R-OH) wrote to the **NTIA** Monday urging it to further embrace its role as the manager of federal spectrum use. The legislators said several agencies haven't respected NTIA's role in recent years, appealing their spectrum cases directly to the **FCC**. Maintaining NTIA as the authority on all federal spectrum management issues would ensure individual agencies do not improperly elevate their own spectrum needs over other agencies. "The NTIA should continue to work with federal agencies and the FCC to ensure all spectrum resources are being used as effectively as possible, and we look forward to working with the NTIA as it continues this important work," the letter read.

RATINGS

The 2021 Latin American Music Awards last Thursday on **Telemundo** delivered 1.6 million total viewers and 641,000 18-49s. The show reached a cumulative audience of 3.3 million total viewers with the simulcast on Telemundo and **Universo**. It delivered 42.4 million engagements across television, digital

and social. – The debut of "Mare of Easttown" on HBO Sunday delivered 1 million viewers across linear telecasts and digital. It is the second best start for an HBO Original on HBO Max, second only to last week's "The Nevers." – **INSP** said final **Nielsen** data for its April 11 debut of docudrama "Wild West Chronicles" make it the highest-rated original to debut on the network. It generated a .441 average HH rating. New episodes will air each Sunday, and the series runs through July. – **HGTV** competition series "Rock the Block" wrapped Season 2 on April 12 with a record 4.9 million total viewers. It notched a 1.13 L+3 rating among 25-54s.

CHARTER REVEALS NOTE OFFERINGS

Charter announced its subsidiaries **CCO Holdings, LLC** and **CCO Holdings Capital Corp** will offer senior unsecured notes due 2033. They intend to use the net proceeds from the sale of the notes for general corporate purposes, including potential stock buyouts. **Moody's** assigned a B1 rating to the notes, saying it views the transaction as credit neutral.

PROGRAMMING

FX set June 16 as the premiere date for Season 2 of "Dave." The series became FX's most-watched comedy ever in its first season, averaging 9.4 million total viewers. – **AVOD Tubi** is honoring Earth Day with a collection of free nature docs, such as "Carbon Nation" and "Cosmos: A Spacetime Odyssey." – **Fox News** signed KTTV-TV (FOX) investigative reporter *Bill Melugin* as a national correspondent. He begins the role May 3 and will be based in L.A.

HONORS

Perhaps the **MTV** Movie & TV Awards should change its name to incorporate the word 'streaming'... **Disney+**'s "WandaVision" leads the 2021 nominations with five. It's followed by **Netflix's** "Emily in Paris" and **Amazon** Prime Video's "The Boys," which each took 4. Netflix's "Bridgerton," Amazon's "Borat Subsequent Moviefilm" and Disney+'s "The Mandalorian" all earned 3 noms. The awards air live May 16 at 9pm. MTV will air the inaugural "Movie & TV Awards: UNSCRIPTED" on May 17, celebrating all things reality and the winners of the unscripted categories. **VH1's** "RuPaul's Drag Race" leads the unscripted noms at 4. **TLC's** "90 Day Fiancé" Netflix's "Bling Empire" and "Nailed It!"; **HBO Max's** "Legendary," VH1's "Love & Hip Hop: Atlanta," and **MTV's** "Ridiculousness" and "The Challenge" all have 2 noms. Fan voting is open through April 30 at vote.mtv.com.

PEOPLE

Comcast Advertising upped *Tony Sanchez* to vp, customer experience. He joined the company in 2017 as vp, operations for the customer experience product team and is a 13-year Navy veteran. – *Jane Gould* was elevated to evp, content research, insights & scheduling for **Disney General Entertainment**. Under her leadership, the team will work across DGE's content and marketing teams at Hulu Originals, ABC Entertainment, ABC News, Disney Branded Television, FX, Freeform and National Geographic.