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WHAT THE INDUSTRY READS FIRST

Supply vs Demand: NTIA Sees Plenty of Middle Mile Grant Applications

For years, broadband providers have said one of the greatest problems in deploying high-speed internet to all is affordability for the middle mile. Of the \$65 billion for broadband, \$1 billion is earmarked for middle mile infrastructure, which connects local providers to larger internet access points. Apparently, that's not enough.

NTIA announced Tuesday that it received more than 235 applications for more than \$5.5 billion in funding for the Enabling Middle Mile Infrastructure Grant Program. Applications for the program were due Friday, with NTIA pledging to evaluate applications and make awards on a rolling basis no earlier than March 2023.

Because of the recent weather events, NTIA has temporarily waived the application deadline for eligible entities that would deploy middle mile infrastructure in Puerto Rico as well as parts of Florida, South Carolina and Alaska impacted by natural disasters. Those entities have until 11:59pm ET to file, but need to send an email notice to MiddleMile@ntia.gov that they intend to use the waiver.

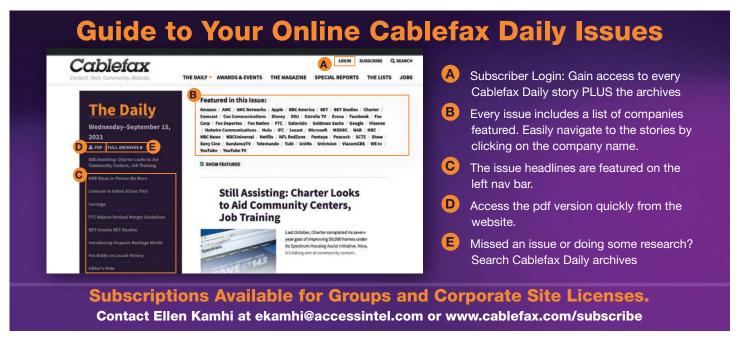
NTIA has requested the **Department of Commerce** waive the "Buy America" preference for recipients of the Middle Mile Grant funding. It said the waiver would provide a limited exemption to limited classes of manufactured products and construction materials, such as broadband routing equipment and microwave backhaul equipment. NTIA proposed having entities who the waiver applies to report purchases of items

from foreign sources. An initial industry assessment found that some key middle mile construction materials are not available in the quantity or quality needed. For example, while optical fiber is produced in the U.S., fiber optic cable assembly generally occurs in Mexico. NTIA noted that much of the network equipment needed is produced outside the U.S. and there continues to be semiconductor supply issues.

"The proposed waiver will (1) promote broad participation in the MMG Program, (2) ensure that non-Federal entities and for-profit entities are able to compete for MMG Program funding on equal footing (especially in light of the very short application timeframe for the MMG Program), (3) ensure that MMG Program awardees will have access to the manufactured products and construction materials necessary to fulfill their obligations under the MMG Program, (4) allow funding recipients to continue to provide economic opportunity through innovation and timely deployment of broadband infrastructure, which is recognized to expand job opportunities, and (5) support the timely development of critical domestic public infrastructure," NTIA wrote.

The proposed waiver would, if granted, be effective for all MMG Program awards awarded from March 1, 2023, until March 1, 2024. NTIA said it would review the waiver within six months of the date it is issued to assess whether it remains necessary.

The NTIA-administered initiative isn't the only funding available to address affordability in the middle mile. States are also getting into the act. Last week, Alabama awarded an \$82.45



million grant to eight co-ops that are forming a middle mile that will connect almost 3,000 miles of existing and new fiber infrastructure within a three-year period. Funds for the project are being provided through the American Rescue Plan Act. More than a dozen electric co-ops came together in Arkansas earlier this year to form <u>Diamond State Networks</u>, which promises to cover more than 64% of Arkansas and 72 of its 75 counties through its fiber-optic middle mile network.

ESPN RATINGS AFTER DISH DROP

Did Disney's brief removal of its channels from DISH and Sling impact Saturday's college football ratings? Numbers were down for **ESPN**, with the Kentucky vs. Ole Miss and LSU vs. Auburn games each scoring 2.8 million viewers vs. the 3.5 million the week before for Notre Dame vs. North Carolina and Arkansas vs. Texas A&M. Saturday's ABC broadcast of North Carolina State vs. Clemson drew 5 million viewers, up from 4.6 million viewers for last week's Wisconsin vs. Ohio State game on ABC. DISH lost the ABC 0&O stations, but some of those markets (NYC and L.A.) are not considered major markets for the DISH provider. Saturday's other big match-up, Georgia vs. Missouri, was on the non-Nielsen rated SEC Network. It was the secondmost streamed game in SEC Network history with 854,000 unique viewers and 31.2 million minutes watched. Even with no DISH/Sling customers for the weekend, ESPN was still able to top last week's primetime ratings. The sports network averaged 2.2 million viewers P2+, squeaking by Fox News which had 2.16 million. MSNBC checked in at third with 1.18 million, followed by **HGTV** with 809,000 and **CNN** at 770,000. For total day, The Weather Channel was the fifth-ranked cable network in total day as many tuned in for coverage of Hurricane Ian. It averaged 662,000 viewers, which wasn't far behind CNN's 670,000 and MSNBC's 779,000. Fox News (1.49 million) and ESPN (815,000) were first and second, respectively.

PEACOCK GROWS AMID CHANGING LANDSCAPE

The downturn in linear cable has led to a big focus on DTC strategies as companies grapple with maintaining value in both. However, it all boils down to content, according to NBCUniversal CEO Jeff Shell. Shell appeared on CNBC's "Squawk on the Street" on Tuesday morning, pointing out that viewers don't go home and ponder if they'd rather watch linear or streaming-they want to watch different programs or events based on mood and availability. That's where Peacock comes in as the parent company begins to shift its linear content to the service. "There's no question the whole television landscape is changing. You just look at how consumers behave and how they watch TV," Shell said. "If you have the right content, and you offer a broad distribution platform, your consumers are going to find you and that's what we're doing with Peacock." As of this quarter, Shell revealed Peacock has 30 million active accounts watching monthly, and over 15 million of those are now paid. That's an increase from 24.5 million accounts (9 million paid) at the end of 2021. Shell outlined four pillars that have helped NBCU create value for its DTC offerings. The first is sports, where NBCU recently inked a deal to make Peacock the DTC home for Big Ten football on top of its agreement to have all Notre Dame football home games. Outside of its NFL, English Premiere League and WWE content, Peacock will also carry Spanish telecasts of the 2022 FIFA World Cup. The other



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pillars—studio, linear and original content—add to enhanced engagement. As of Sept. 19, **NBC**'s current-season shows appear on Peacock the next day instead of heading to **Hulu**. While the ease of access across linear and digital platforms helps fans find content easier, it also helps in the advertising world. "We don't say, 'Here's how much we're spending on Peacock, here's how much we're spending on NBC.' What we're looking to do is build a platform where our content creators can have a platform that offers them the best chance of a hit as they move across different devices for consumers to watch and more importantly, allows advertisers to have that full platform," Shell said.

CUOMO BOOSTS NEWSNATION NUMBERS

Chris Cuomo had his **NewsNation** debut on Monday, and while his premiere numbers were a far cry from what he used to pull on **CNN**, they more than doubled the **Nexstar**-owned net's previous Monday 8pm numbers. "Cuomo" notched 147,000 viewers, just below **Newsmax**'s "Eric Bolling; The Balance," which averaged 151,000, according to Mediaite. While that's nowhere near **Fox News**' Tucker Carlson (2.875 million) or **MSNBC**'s Chris Hayes (1.403 million), it's a huge bump for NewsNation. Someone with knowledge of the show's performance tells **CFX** that a second West Coast feed takes viewership up over 240,000. The night was easily the highest-viewing night in network history.

FCC WAIVES ACP RULES DUE TO IAN

The **FCC** is waiving certain rules and deadlines for the Affordable Connectivity Program as well as E-Rate, the Emergency Connectivity Fund, Rural Health Care, COVID-19 Telehealth, Lifeline and High Cost to assist providers and participants located in areas affected by Hurricane Ian. The wavier specifics vary by program. For ACP, the FCC is temporarily waiving through Nov. 30 for households in affected disaster areas rules concerning the non-usage requirement and de-enrollment for non-usage as well as rules around recertification. "Given the widespread power outages and flooding caused by Hurricane Ian, strict compliance with these rules would be impracticable and would risk harm to ACP subscribers who may be de-enrolled during the rebuilding and recovery efforts in the aftermath of Hurricane Ian," the FCC order said.

LUMEN CLOSES BRIGHTSPEED DEAL

Brightspeed closed on its \$7.5 billion purchase of **Lumen**'s ILEC business in 20 states. The transaction originally came about in August 2021 when Lumen struck a deal with **Apollo Global Management**, who later announced the holdings will be put into a new company (Brightspeed). Lumen will still maintain its ILEC assets in 16 states as well as its CLEC networks, national fiber routes and associated networks in all of those states.

CARRIAGE

Disney+ and **Star+** made their returns to **Sony**'s PlayStation 5 consoles. Any user from around the world can download Disney+, while Star+ is available only in Latin America. Both require a subscription to access and can be found in the PS5 media section.

FCC UPDATES THE COALS MINE

Cable operators and MVPDs that use the FCC's Cable Operations

and Licensing System (COALS) are in for an upgrade. The FCC is transitioning to an updated version of the system that should improve security reliability and performance. The new version of COALS also brings filings for the Cable Antenna Relay Service fully online and hosts the cable Equal Employment Opportunity annual filings. The current version of COALS will no longer accept filings after 5pm ET on Oct. 11. The updated version is set to be activated on Oct. 18 at 8am. A webinar on the updated COALS, recorded for on demand viewing, will be held on Oct. 26 from 1-2pm.

SCRIPPS JOINS IBCAP

Scripps became a member of the **International Broadcaster Coalition Against Piracy** on Tuesday. IBCAP is a group of U.S. and international content owners, broadcasters and distributors that works against illegal streaming services. IBCAP's members include **BBC Studios**, **DISH Network** and **TV5Monde**.

NEW LOOK FOR NBA ON ESPN

Fans will see a few changes when the 2022 NBA preseason tips off Thursday on **ESPN**. The network is rolling out a new creative brand identity for its coverage of the league across all platforms. Made by ESPN's Creative Studio, the new chromelook designs "pays homage to the swagger and personality of the NBA." The updated brand style also includes the WNBA and G-League, the first time the two leagues and the NBA feature a cohesive design across properties.

RATINGS

The **Disney+** original "Hocus Pocus 2" became the No. 1 film premiere on the platform in the U.S. based on hours streamed in the first three days of its release. – Thursday's telecast of the 2022 Billboard Latin Music Awards on **Telemundo** averaged nearly 1.6 million total viewers. It had 600,000 viewers A18-49, which was good enough to beat ABC, CBS and Fox in the same demo. The event had a cumulative audience of 3 million total viewers, with 1.2 million A18-49 tuning in on linear.

GRACIES AWARDS

Journalist and former **NBC** and **CNN** anchor *Soledad O'Brien* will keynote the 2022 Gracies Leadership Awards presentation. Set for Nov. 14 in NYC, the event will honor eight women who have impacted the media industry. **VKB Media Consulting** Principal and former longtime radio executive *Valerie Blackburn* will be given the Alliance for Women in Media Legacy Leadership Award. Among the other honorees are **Amazon** VP, Global Sports Video *Marie Donoghue*; **ABC News** President *Kim Godwin*; **Disney Media & Entertainment Distribution** President, Networks *Debra OConnell* and **iHeartMedia** Chief Communications Officer *Wendy Goldberg*.

PROGRAMMING

HBO Max ordered new comedy "How to Be a Rookie" for an eight-episode season. – *Patti LaBelle* is teaming with **Lifetime** in a new PSA supporting the Breast Cancer Research Foundation. It highlights how early detection is key, also noting that Black women are 41% more likely to die from the disease than white women, despite similar diagnosis rates. It'll run on-air and on Lifetime's social platforms. Short-form videos featuring LaBelle will appear across **A+E Networks**' channels.