

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Call Waiting: NCTC Deal has Providers Rethinking Mobile

NCTC's recently-unveiled agreements that will eventually allow members to launch mobile service has more small providers rethinking their long-term product plans.

During a panel at BCAP's Broadband Summit Wednesday, top executives from MSOs with a Pennsylvania presence said it isn't something they're necessarily ready to move on today, but that may change further down the road as NCTC allows its members to launch mobile service through its MVNO with **Reach Mobile** and MNO with **AT&T**. For **Shentel**, a former **Sprint** affiliate, the biggest consideration on how to move forward is the customer acquisition cost.

"When you look at some of these deals that **T-Mobile** and others are offering, free phones and all these gift cards with hundreds of dollars on them, those acquisition costs get very expensive," Shentel EVP/COO *Ed McKay* said.

**Breezeline** Director, Regional Operations for the Mid-Atlantic *Shaun Blake* said it's still a bit of a wait-and-see game for the provider, but pressure from mobile carriers that are offering fixed wireless home internet has made the company think more deeply about how and when it could move forward.

"It's not a new dynamic, but at least one that's been pushed from T-Mobile and **Verizon**. We're keeping our eye on that and thinking about how that factors into our business and what the potential market share loss could be," he said. "And then how would you sort of complement that with your own mobile product."

For **Comcast**, the decision to move into wireless was in part because of the dependence many folks have on their mobile devices. There were also synergies between the wireless and broadband businesses that the provider continues to see today.

"It's becoming the device that we cannot live without," Keystone Region SVP *Ray Roundtree* said. "So for us, it's how do we provide this opportunity for our customer, but more importantly, how does that then tie into our WiFi hotspots."

When it comes to how to move forward in the video space, the providers aren't too worried about how to continue to improve quality on the technology side. Those roadmaps, whether you take the path to transition to IPTV or partner with a vMVPD that customers are able to purchase service through, exist. **LHTC Broadband** President/CEO *Jim Kail* has ultimately decided to transition to an over-the-top solution in the coming years, and the challenges there are tied more with ensuring employees are prepared to walk customers, particularly senior citizens, through how to engage with a programming option. "That requires a cultural change with our employees as people were used to this legacy system," he said.

McKay said the decline of video subscribers at Shentel has been considerably slower than leadership expected, and the attachment rate and margin is still high enough that it still has time to decide what it wants video to look like for its customers in five years. A big question mark comes with the shifting business models of many programmers as content costs increase and more programmer-owned streaming offer-



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ings hit the scene.

**Service Electric Cablevision** SVP *Mark Walter* still thinks there is a world where customers ultimately come back to cable as navigating the streaming world becomes more complicated. “Once it stabilizes, there’s an opportunity for some growth,” Walter said. “They’re still trying to rationalize their business models, what’s driving consumers, how they can still handle rate increases... we’re still trying to stay in the game to see what eventually comes out.”

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## NTIA RELEASES DRAFT CHALLENGE GUIDELINES

**NTIA** unveiled its proposed guidance for state challenge processes tied to the BEAD program Tuesday night, and it certainly doesn’t qualify as light reading. The program’s rules require that each state and territory include a challenge process in their initial proposals that would allow a local government unit, nonprofit organization or ISP to challenge whether a location or community anchor institution is eligible for BEAD funding. The proposal is still in draft form, and states ultimately don’t have to follow NTIA’s process. The agency hopes, however, that this gives everybody a unified starting point. “This challenge process creates a pathway for Pennsylvanians to have a transparent way to say we are going to prioritize this,” *Nicole Ugarte*, NTIA’s Federal Program Officer for Pennsylvania, said during an appearance at **BCAP’s** Broadband Summit Wednesday. “This is all to make it a better process for Pennsylvania, to give you more control over how you want to spend your dollars and to make sure folks are getting the resources they need to deploy to these core areas.” At a separate panel at the conference, **ACA Connects** President/CEO *Grant Spellmeyer* and **NCTA** VP/Lead Legislative Counsel *Alex Minard* expressed a number of concerns. Consumers won’t be able to submit challenges through the process, something that has been encouraged when it comes to challenges to the **FCC** map. NTIA is also going to allow the submission of speed tests to support and defend challenges, which the Commission did now allow during the creation of its broadband maps. Ultimately, states will have to decide what’s right for them and commit to those plans. “Do you want to accomplish the most precise data set that you can possibly create, which I’m not sure this process creates... or do you want to get broadband to most of the unserved and underserved areas that you have already identified or can uncover through this process and move expeditiously through that and get to awarding funds so folks can start building,” Minard said.

## The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



**PAUL Woelk**  
SVP, BUSINESS PLANNING FOR CABLE OPERATIONS CHARTER

### 3 THINGS TO KNOW

- Paul was promoted from Group VP, Cable Operations Business Planning and will now oversee all aspects of business planning for the cable operating teams. He’ll also be responsible for the consolidation of budgets and forecasts across the company. Paul will report to VP/CCO Adam Ray.
- He fills in for EVP, Business Planning and FP&A Jim Nuzzo, who is retiring early next year. Paul arrived at Charter in 2016 as part of its acquisition of Bright House Networks. He spent over seven years at Bright House and climbed to VP, Finance and Business Operations. He managed financial, operational, product development, billing and planning support across various areas of what was the sixth-largest cable MSO in the U.S.
- Before Bright House, Paul was at Sprint for nearly nine years. He worked in multiple technology, product management and business development positions. Paul is a two-time University of Kansas grad as he received a bachelor’s in Economics and graduate degree in Finance.

## FOX CREATES TUBI MEDIA GROUP, MASSOUDI STEPS DOWN

**Tubi** founder/CEO *Farhad Massoudi* is stepping down as **Fox** recalibrates its overall digital operations. It’s forming the **Tubi Media Group** to encapsulate Fox’s standalone digital ventures including Tubi, Credible and Blockchain Creative Labs, as well as Fox’s digital teams in sports, news and entertainment. “Building off this momentum, and complementing the strong growth being driven in our company wide digital revenues, now is the right time to bring these efforts together into a new business unit which will be tasked with spearheading our digital expansion and partnering with our brands to drive continued growth,” Fox Executive Chairman/CEO *Lachlan Murdoch* said. The group will be led by *Paul Cheesbrough*, who was most recently Fox’s CTO/President, Digital. Cheesbrough oversaw the acquisition of Tubi in 2020 as well as the subsequent management of the AVOD. He’ll remain based in L.A. and report to Murdoch. As for Massoudi, he’ll remain with Tubi through a transition period until the end of June. His successor has yet to be announced.

## GAO: FCC SPEED REPORTING ‘LACKS TRANSPARENCY’

The **U.S. Government Accountability Office** is calling on the **FCC** to be more consistent with its reporting of broadband speeds. In a report to Congressional Committees, GAO discovered inconsistencies with the Commission's six reports from 2015-21 and their examination of benchmark speeds. GAO found that the FCC reported on whether the current benchmark was sufficient for things like video conferencing in five of the six reports, but didn't for its 2019 analysis. GAO also noted that in 2015, the FCC considered future speed needs but didn't for the other five reports. It has, however, received public comment on the topic. The 2015 report also included a detailed explanation on why the FCC changed the benchmark at the time, but those thorough analyses have become shorter and less transparent. "The extent to which FCC's deployment reports from 2015 to 2021 provided a rationale for increasing or maintaining the broadband speed benchmark, and the types of information they cited to support these determinations, varied from year to year," the report said. "As a result, it is unclear whether FCC consistently used complete and appropriate sources of information." GAO provided a draft of the report to the FCC, **NTIA**, **USDA** and **Treasury** for review and comment, to which the FCC agreed with GAO's recommendation for more consistency. "We will revise [a draft Section 706 Report Notice of Inquiry] to seek comment on ways the FCC can provide consistent and transparent communications to the public about how it reviews, and determines whether to update, the ATC evaluation metrics," Wireless Competition Bureau Chief *Trent Harkrader* wrote in a letter.

## CIRCLE CITY FILES APPEALS

**Circle City Broadcasting** has filed appeals in the U.S. Court of Appeals for the Seventh Circuit following a lower court's [dismissal](#) of its racial discrimination suits against **DISH** and **DirectTV**. On March 31, the U.S. District Court for the Southern District of Indiana granted DISH and DirectTV's motions for summary judgment, declaring that there wasn't evidence of a discriminatory motive for not entering into a contract. Circle City was formed in 2019 by *DuJuan McCoy* to buy WISH-TV and WNDY-TV in Indianapolis from **Nexstar** for \$42.5mln. In separate racial discrimination lawsuits filed in 2020, Circle City claimed DISH and DirectTV offered it what it believes are only a tiny fraction of the fees the satellite provider paid to Nexstar.

## ROGERS LOOKS FOR CABLE BOOST AHEAD OF MERGER

**Rogers Communications** President/CEO *Tony Staffieri* wanted better execution of the company's cable strategy in 2023, but 1Q23 wasn't the start to the year he was hoping for. Cable revenue dipped 2% from \$1.04 million to \$1.02 million, but Staffieri said on the company's 1Q23 earnings call that Rogers' internet offerings can be used in tandem with cable to help regain market

share. "Our cable homes passed grew by just over 100,000, and if we're to look at Internet growth in subscriber [amount], it's 53,000," Staffieri said. "We ultimately have a better product to bring to market. When you combine it with our improving service, we think we have the formula to continue to gain traction." Rogers had 8,000 net video losses, dropping the total to 1.52 million. It did have 14,000 net additions for retail internet to bring the total sub count to 2.3 million. It was the last standalone quarter for Rogers before its merger with **Shaw Communications**. Staffieri said the growth in its footprint gives it a leg up to use with Rogers' other offerings. "We have the best internet in the East, and we have the best internet in the West with the Shaw network. So we will execute on that structural advantage."

## RATINGS

It's **TNT**'s turn at the top of the primetime ratings from last week. It led with 2.78 million viewers P2+ thanks to the ongoing **NBA** playoffs. **Fox News** also breached the 2-million mark with 2.09 million. Fueled by the **NHL**'s Stanley Cup Playoffs, **ESPN** was third with 1.52 million, and **MSNBC** and **TBS** rounded the prime top five at 1.15 million and 806,000, respectively. Fox News claimed the total-day crown with 1.28 million. TNT followed at 932,000, with MSNBC (735,000), ESPN (595,000) and **HGTV** (447,000) behind. – **ESPN**'s broadcast of Game 4 of the Rangers-Devils series averaged 1.04 million total viewers and 466,000 viewers A18-49 on Monday. That's 14% and 16% higher, respectively, compared to Game 4 of the same-seeded matchup from last year (Penguins-Rangers). Through 16 games, the first round of the Stanley Cup Playoffs on ESPN, **ESPN2** and **ABC** is averaging 746,000 total viewers and 327,000 in the A18-49 demo.

## CARRIAGE

**Verizon**'s subscription management service **+play** is adding **UP Faith & Family** to the platform. It joins others like **Netflix**, **Paramount**, **AMC+** and **Starz**.

## ON THE CIRCUIT

We're looking forward to seeing everyone on the red carpet for tomorrow evening's [Cable Hall of Fame](#) at the Ziegfeld Ballroom in NYC. If you can't make it, don't worry. **Cablefax** will have the full download on the festivities. And stick around for **Strong Women Alliance**'s brunch from 9:30am-noon Friday at the NY Hilton Midtown. The power panel includes **Breezeline's** *Heather McCallion*, **BOYCOM Vision's** *Patty Boyers*, **Verizon's** *Monica Hammond* and media consultant *Bridget Baker*. RSVP at [Strongwomenalliance.org/events](https://strongwomenalliance.org/events). – *Alejandra Ortiz*, a news anchor for **Telemundo**'s Los Angeles station, will be the host of **The WICT Network's** 2023 Signature Awards Luncheon. The event will take place May 2 at the Beverly Wilshire Hotel in L.A., the first time in over a decade that the luncheon will be held on the West Coast.



## Think about that for a minute...

### The Thing About AI

Commentary by Steve Effros

Nope, not going to write a column about Tucker Carlson, Don Lemon, the likely Writer's Guild strike, or any of the other headlines demanding your attention. I'd just be saying all the same things you've already been reading about. Sure, I'll get to them and try to put those events in some context. For today, however, I'd like to focus on what else is being written about these days, almost ad nauseam. "AI" is being mischaracterized and therefore fundamentally misunderstood.

I've certainly been on the bandwagon of writing columns and urging folks to focus on the potential, good and bad, of "artificial intelligence." I've also tried to make it clear, as have many others, that the thing we are talking about is not "intelligent." Actually, it's not "artificial" either! The difficulty for those of us charged with trying to make some sense of all this, and for the general public reading about it, is that "AI," which we're going to have to concede is the term that's going to be used, whether we like it or not, is not really a "thing." It's a capability.

What do I mean by that? Well, remember that the popular explosion of the discussion about AI really took off late last year when one company released a free application, "Chat-GPT," and let everyone play with its eye-opening capability to use today's ultra-fast computer processing combined with massive computer server power to manipulate and analyze large language models (LLM) and use newly created simple language algorithms to "create" responses to questions or mimic artistic styles and seem to "intelligently" provide new thoughts, explanations, art, pictures or whatever.

The implications of all this are what's causing all the stir and resulting in lots of somewhat crazy suggestions; everything from "regulating" AI to "putting guardrails" around it, to demanding a "pause" in its development. But none of those will possibly work. Think of it this way; could you "regulate" or put a "pause" or "guardrails" around the industrial revolution? Could you prevent "communication" from being used? Of course not.

What you can do, from a policy perspective, is regulate, or limit or even ban what someone does with the product of that capability. To be sure, libel law will change, copyright law will have to be reconsidered, responsibility for medical diagnosis will have to be re-thought. These are all areas where the new capability heralded by the advent of faster computers, bigger and better storage, accumulation and manipulation of large amounts of data, in shorthand, "AI," will change. But to be clear, those policy changes, guardrails, new assignments of responsibility and so on will have to be applied to the differing uses of this new and rapidly improving capability, not the capability itself. As the old saying goes, "...you can't unring a bell!"

Now all of this doesn't call for a great deal of hand-wringing. It just requires that we focus on the resulting uses, not the newfound and rapidly advancing ability. We're not going to be able to stop that no matter what. It behooves us to focus on what we can do with it, and what is of concern and needs guidance, not the ability itself. That's very difficult when most of the folks writing and talking and stressing about it are still enamored with speculating about the capabilities rather than the actual uses. We can do something about the uses, we can't make believe we can mold, or try to stop the revolution itself.

I'm stressing the importance, here, of how we talk about AI because there's a tendency to fall into the trap of focusing on a mischaracterization and what to do about "it" instead of focusing on the things we can do something about. Just remember; the thing about "AI" is, it's not a "thing!"



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

## TOP OPS & REGIONAL RAINMAKERS AWARDS

The categories recognize excellence in a variety of areas, including, technology, finance, lifetime achievement, customer service and community involvement. Additionally, nominate the **Regional Rainmakers**—those often-unsung heroes who are making a difference on a local level.

**It's free to enter – but you must submit your entries by April 28!**

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