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WHAT THE INDUSTRY READS FIRST

Help Us: RDOF Winners Group Seeks More Money or Amnesty for Defaults

A group calling itself the **Coalition of RDOF Winners** filed an emergency petition at the **FCC** this week asking the agency to grant supplemental funding or a potential amnesty period to allow Rural Digital Opportunity Fund auction winners to relinquish all or part of their winnings without penalties.

The group's been making similar requests in FCC filings for months, saying that the RDOF reverse auction that concluded in November 2020 was based on pre-pandemic broadband construction costs for equipment, labor and materials. "Due to the impacts of COVID along with new, multi-billion dollar federal fiscal policies and pandemic-prompted broadband deployment funding programs, construction costs have skyrocketed—at a minimum of 30%, but some by as much as 100-300%," said the petition, which was filed Wednesday. "These unprecedented costs increases were not—and could not have been—accounted for in the RDOF Phase I cost models designed by CostQuest, which were used to determine reserve prices that dictated the level of federal funding made available to the auction winners."

The filing doesn't list the companies that are part of the Coalition. However, ex parte filings detailing meetings earlier this summer on these concerns have included representatives from **Aristotle United Communications** and **Texoma Communications**, which are identified as members.

The escalating costs of construction have been noticed by some Republican lawmakers as well. In June, Senators *Roger Wicker*

(R-MS), *Cindy Hyde-Smith* (R-MS) and *J.D. Vance* (R-OH) asked FCC Chairwoman *Jessica Rosenworcel* what options are available for providers facing funding shortfalls to complete RDOF projects and whether an amnesty program could be set up if supplemental funding is not made available, noting that **USDA's** Reconnect program already makes such supplemental funding available to RDOF winners and has provided additional money to Reconnect Rounds 1 and 2 grant recipients due to increased construction costs.

The Coalition's emergency petition asks the FCC to provide:

- Supplementary funding to RDOF Winners that have made an affirmative request for same;
- Relief from all, or certain aspects of, the letter of credit requirements on an expedited basis; and/or
- RDOF payments for years 7-10 made accessible by RDOF Winners in years 2 or 3-6. Additionally, as a complementary or alternative form of relief in certain circumstances, the Commission may also consider providing a short amnesty period that allows RDOF Winners to relinquish all or part of their RDOF winning areas without forfeitures or other penalties.

The group offers several examples of price increases, saying underground vaults have increased by almost 200%; drop fiber has increased by 100% and innerduct (conduit) has increased by 44%. Small Horizontal Directional Drills are not available and large ones are \$250,000 and do not fit FTTH projects, while costs of fiber construction have risen from a blended rate of \$9 per foot to upwards of \$18 per foot, according to the petition.

"The RDOF Winners took the initiative to be leaders in

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providing high-speed broadband services to unserved rural areas of the United States before the other federal programs were established. These winners should not now be penalized or otherwise seriously financially disadvantaged as a result of the tremendous cost increases prompted by the new and unforeseeable federal programs and fiscal policies initiated in the wake of the pandemic,” the Coalition said.

The FCC initially planned to distribute \$16 billion of the programs’ \$20.9 billion during RDOF Phase I, but ultimately authorized only \$6.062 billion, leaving \$14.3 billion in the RDOF program. The Coalition wants that money to help fund the gap. In a reply to Wicker and the other Senators, Rosenworcel said that such supplemental funding was not readily available. “Under the law and consistent with the design of the auction, the FCC collects only enough funding through the USF contribution process to match the approximately \$6 billion committed. Thus, we do not have support in reserve readily available for reallocation to the extent that the total amount authorized for RDOF fell below the projected budget,” she wrote. The Coalition suggests the FCC adjust the USF contribution percentage to provide additional money.

The chairwoman’s letter didn’t sound enthusiastic about amnesty either, noting that the default rules are designed to make sure winners meet their deployment obligations. Plus, she noted that areas associated with RDOF defaulted bids are now eligible for support from other federal programs enacted after RDOF was established, including BEAD. As for amnesty, sounds like it may be considered on a case-by-case basis. “To the extent a provider elects to file a waiver request of the Commission’s rules on forfeiture penalties associated with the RDOF auction, FCC staff would carefully consider such requests to determine whether special circumstances warrant a deviation from the general rule, and if such a waiver would be in the public interest,” she wrote.

While the petition was just filed, it seems likely that **WTA – Advocates for Rural Broadband** will oppose it. It’s spoken out at the FCC against the Coalition’s request for additional support, saying its members made low-winning bids and accepted RDOF terms. WTA said its members and others bidding in the RDOF auction were well aware of the likelihood of significant future general price level inflation as well as the likelihood of substantial increases in broadband equipment and construction costs due to burgeoning demand for high-speed broadband during COVID and supply chain disruptions.

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REPORT: PARAMOUNT NO LONGER TAKING BET BIDS

Paramount isn’t accepting bids anymore for a majority stake in **BET Media Group**, according to a [WSJ report](#). The group

would include the **VH1** and **BET** cable networks as well as the **BET+** streaming service. The potential sale garnered plenty of interest with reported bidders including *Byron Allen*, *Tyler Perry* and *Sean “Diddy” Combs*, but Paramount ultimately determined that such a move wouldn’t help it deleverage its balance sheet. Bids for the stake ranged from around \$2-3 billion.

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WGA WEST CALLS FOR FURTHER REGULATION OVER STREAMING

WGA West criticized **Disney**, **Amazon** and **Netflix** in a newly-released [report](#) and called for antitrust agencies and lawmakers to introduce regulations over the streaming ecosystem. The report examines how the three companies have used their power in the content and media landscape to grow exponentially and how that has impacted competition overall. It is asking lawmakers to block further consolidation and proactively investigate anti-competitive issues and outcomes. “Disney, Amazon and Netflix have all demonstrated that they view acquisitions as a key strategy for gaining market power, and Wall Street actively demands consolidation in this market to increase profits,” WGA West said. “These three gatekeepers are likely candidates for future merger activity which would increase their control over what content is made, how consumers can access it, and how creators are compensated for it.” It also asked for increased regulation and oversight in streaming,

Cablefax Executive Round Up

How can Smart TVs evolve to become the hub of the house?



Kaitlyn Collins
VP, Product Marketing
VIZIO

“As viewers continue to shift to streaming, the Smart TV Home Screen is serving as the entertainment hub for millions of homes. With thousands of streaming apps, the Home Screen helps guide the entertainment journey for users, surfacing relevant content experiences based on viewing behavior. And for advertisers, the Home Screen is TV’s mass reach vehicle of the future, with the ability to reach millions of people as soon as they turn on the device.”



David Tice
Senior Consultant
Hub Entertainment Research

“Most homes today have an internet-connected smart TV (83%) and use it for purposes other than viewing (64%). For example, half of smart TV homes use smart sets to stream music. The hub is already there, and the spokes are growing. But increased adoption requires consumer education around hub features and benefits; and importantly, a hub function that works across platforms rather than multiple solutions siloed by TV set OEM.”

saying government oversight is crucial to maintaining effective and healthy competition. “Whether through agency rulemaking or legislation, new rules against anti-competitive self-preferencing behavior or rules requiring a certain level of independent content on streaming services are necessary to level the playing field,” WGA West concluded.

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ESPN'S DTC BLUEPRINT NOT IDEAL

Disney CEO *Bob Iger* and ESPN President *Jimmy Pitaro* have been clear with their intentions to take ESPN to DTC, and **LightShed Partners** sees two potential routes the network can set forth on: They could renew their existing licensing deals in preparation for the eventual move of ESPN away from linear or pare back on major sports rights in an effort to retain as much cash as possible before the network's eventual demise. The firm doesn't think either option is exciting. ESPN has been heavily involved in the merry-go-round of college football broadcasting rights, securing deals with the **SEC**, **Big 12** and **ACC**. But there are still more rights up for grabs in the future. ESPN is expected to be in the thick of the competition for the **NBA's** rights once its current deal expires after the 2024-25 season, and the league is eyeing the \$50-75 billion range for a long-term agreement. ESPN's current \$470 million/year deal with the College Football Playoff expires after 2025-26, but with the playoff format expanding and more games being added, that cost is set to skyrocket. But will ESPN's recent deal with **PENN Entertainment** for the network to enter the sports betting space be a significant boost? LightShed thinks it won't be enough, even with the added \$150 million in zero-cost revenue coming to ESPN. “In turn, the \$150 million is unlikely to be fully incremental. More importantly, even if the \$150 million per year is 100% incremental, it does little to offset the rising sports rights licensing fees highlighted above as ESPN's revenues fall year after year,” LightShed said.

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MAUI WILDFIRE RECOVERY EFFORTS CONTINUE

Wildfires continue to rage on Maui, and providers in Hawaii are still working to assess damage and restore service to customers. According to the **FCC's** Communications Status Report, cable and wireline companies reported 16,700 subscribers out of telephone, television and/or Internet services in the disaster area as of Thursday. As of 6am ET, five of the 21 cell sites serving Kapalua, Napili-Honokowai, Kaanapali, Lahaina, Launiupoko and Olowalu were out of service. Folks from across the industry continue to offer Maui residents a helping hand. **Starlink** has shipped and distributed more than 650 kits to more than forty organizations on the island to support recovery efforts and offer communities access to free WiFi. **T-Mobile** is assisting in the setup of that free WiFi. “Tesla & SpaceX/Starlink doing our best to be helpful to Hawaii,” SpaceX founder *Elon Musk* said in a post on **X**. T-Mobile has also restored connectivity to all impacted sites save one that serves Lahaina. As a temporary

solution, Lahaina is receiving service from a portable cell site. **DirecTV** is automatically issuing 100% credits for service to all consumer and business customers in Lahaina zip codes that began on August 8 and run through October 8. The provider has also stopped collection activities and credit for customers in the impacted zip codes and is working with affected customers individually to help with account suspensions, damaged equipment, billing concerns and more. DirecTV's satellite connectivity is available in shelters across Maui, and DirecTV is donating 1,000 emergency weather radios via the **Satellite Broadcasting & Communications Association Foundation** to provide an alternative method for residents to receive emergency information. **Verizon** has restored network coverage in West Maui and is using satellite backhaul solutions to transport voice and data traffic to and from cell sites that weren't damaged in the fire. However, it did warn customers that these are temporary solutions and engineers are still working to permanently restore the network. That may mean inconsistent network performance, and Verizon is recommending customers only use text and calling functions.

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COMCAST OFFERING EV CHARGING THROUGH PARTNERSHIP

Comcast Smart Solutions struck a reseller agreement with electric vehicle charging provider **NovaCHARGE** to expand its portfolio of smart technology offerings. **Comcast Business** and **Xfinity Communities** customers will be able to add NovaCHARGE's EV charging stations to their properties or communities. Those customers will also gain access to the company's charging platform management system and NovaBOT proactive monitoring and analysis.

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RATINGS

MSNBC was the most-watched cable net for a second day in a row Tuesday in total day and primetime, with 1.5 million and 2 million total viewers, respectively. **Fox News** followed close in Tuesday's total day with 1.38 million total viewers and in prime with 1.92 million, while **CNN** recorded 689,000 in total day and 779,000 in prime. MSNBC's four-hour “Morning Joe” program was No. 1 across cable TV in total viewers (1.5 million) and A25-54 (171,000).

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PROGRAMMING

Showtime's “Fellow Travelers” will premiere Oct. 27 on **Paramount+ With Showtime** in the U.S. It will also premiere on **Paramount+** on Oct. 27 on Paramount+ in Canada and on Oct. 28 in the U.K., Australia, Latin America, South Korea, Italy, Germany, Switzerland and Austria. – The next season of “Love After Lockup” hits **WE tv** Sept. 15 at 9pm ET. New episodes will also be available on **ALLBLK** every Tuesday. – **Hallmark Media** is diving into scripted podcasts with “Crimson Hearts Collide,” a romantic mystery borne of the Mahogany content initiative. The first two episodes will premiere on August 24 with new episodes arriving every Thursday on podcast platforms.

PROGRAMMER'S PAGE

'Depp V Heard' Tackles Toxicity Around Trial

The opening scenes of Netflix's newest docuseries have everything from highly-viewed livestreams, screaming hoards of fans and media attention around one mega-celebrity. It's not the highly-rumored concert film around Taylor Swift's record-breaking Eras Tour—it's "Depp V Heard," a three-part show that aims to break down a weeks-long defamation case and the role social media played in the case into a three-hour package. The docuseries offers Amber Heard and Johnny Depp's testimonies side-by-side for the first time with interstitials showing internet sleuths offering their own takes on what happened inside the Fairfax County Courthouse each day. Of course, it also includes the memes that came to be after the term "megapint" coined by Depp sent shockwaves across the internet. The series attempts to be as unbiased as possible, largely leaving out interviews from experts or observers to allow the content from the trial tell the story. But there is a pro-Depp undercurrent that can't be ignored thanks to the inclusion of the social media commentary. The clips shared are true to the overwhelming dialogue online during the spring 2022 trial with many across the internet attacking and disparaging Heard long before the jury delivered its verdict. On June 1, 2022, the jury ruled with Depp on three defamation charges and with Heard on one, but the debate over the facts of the case still rages online. Depp V Heard will only reignite that spark and lead to a new wave of debate around the couple's tumultuous relationship. For folks that missed things the first time around and still want to form their own judgments, it's still this writer's opinion that they'd be best served by heading to Court TV's archives and watching the more than 200 hours of livestreamed content from the trial without the additional commentary. But there's no doubt that Netflix's latest better captures the spectacle and toxicity that made this case a global phenomenon. — Sara Winegardner

REVIEWS

"Explorer: Lost in the Arctic," premiere, 9pm, Thursday, **Nat Geo**. After living through the warmest July in Earth's history, cooling off with this Nat Geo explorer special is appropriate. It centers on Sir John Franklin who, in 1845, set off from England in pursuit of the Northwest Passage through the icy Arctic. As National Geographic explorer Mark Synnott tells viewers, the expedition was the day's most sophisticated and best equipped voyage. The 2 ships carried 129 sailors and 3 years' worth of provisions. Sadly, the expedition was seen last off Greenland, a few months after the voyage began. It's assumed the 2 steam-powered ships were entangled in ice, though it's uncertain. Ever since, explorers have sailed the area seeking definitive answers. There were discoveries. Remains of 20 sailors, and diaries, were found, in 1859 on King William Island. Other remains were found on nearby Beechey Island, indicating death from tuberculosis. In 2014 and 2016, ships' remains were found off King William Island. This special features explorer Mark Synnott and a small crew retracing Franklin's route, though they embark from Maine. Their goal is finding Franklin's remains and, more importantly, his papers. Ironically, once they've gone more than 2,000 miles and are in the Arctic, Synnott's ship also gets mired in ice, roughly where it's assumed Franklin's did. It's a thrilling voyage, gorgeously filmed. — Seth Arenstein

BASIC CABLE		
P2+ PRIME RANKINGS*		
(08/07/23-08/13/23)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	0.562	1754
MSNBC	0.452	1410
HGTV	0.250	779
INSP	0.229	716
HALL	0.225	703
ESPN	0.225	703
TLC	0.194	605
HIST	0.188	588
NFL	0.188	588
CNN	0.186	581
USA	0.168	523
TBSC	0.163	509
FOOD	0.163	508
DISC	0.161	504
ID	0.159	497
TVLAND	0.152	475
BRAVO	0.122	380
A&E	0.121	378
LIFE	0.119	370
HMM	0.117	366
BET	0.111	348
REELZ	0.111	346
TNT	0.109	341
PRMNT	0.107	334
WETV	0.104	326
AMC	0.101	316
OXY	0.099	310
GSN	0.093	291
FX	0.090	280
NWSMX	0.084	262
SYFY	0.081	252
COM	0.076	238
NAN	0.075	233
NICK	0.074	231
FXX	0.073	229

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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