

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Buy America: NTIA Releases Proposed Waiver for BEAD Projects

We're getting closer to clarity on what Build America, Buy America will mean for BEAD projects. On Tuesday, NTIA released its proposed five-year waiver for recipients of funding under the \$42 billion BEAD program, giving stakeholders until Sept. 21 to comment on the proposal. NTIA is expected to release the final waiver rules this fall.

"Under this Buy America approach, based on the analysis that we do when we estimate that on a per project basis, we think that close to 90% of BEAD equipment spend will be on American-made products materials. That means more good jobs domestically, more success for local businesses and as we saw during COVID, a more resilient domestic supply chain," NTIA Policy Advisor *Will Arbuckle* said during a keynote at Fiber Connect Wednesday. "We are seeing companies step up and I would say I am very confident that there's more companies that are going to be announcing domestic manufacturing expansion and onshoring in the near future." **Corning, ComScope, Prysmian, Nokia** and **Adtran** have all made recent announcements about U.S. manufacturing.

So, what's the waiver plan? Fiber optic cable has been defined as a construction material of consequence and is thus required to be made in the USA. There is an exception. "While there is broad agreement across industry stakeholders that domestic production of optical fiber and fiber optic cable exists today, there is concern that there will not be sufficient

supply, especially for small- to medium-sized ISPs, during peak demand for construction materials during the rollout of the BEAD Program," NTIA said, proposing that non-optic glass inputs be waived.

Electronics are likely to be the second largest segment of equipment used in BEAD fiber broadband deployments, and there's recognition that integrated circuits are largely made in Southeast Asia. NTIA has proposed waiving all electronics from Buy America except four categories: optical line terminals, OLT line cards, optic pluggables and optic network terminals. There's a caveat there as well. The Buy America provision has a two-part test: 1.) was it made in America? 2.) are the cost of components of the product that produced in the U.S. greater than 55% of the total costs of all components?

"While the Biden-Harris administration is deeply engaged in efforts to bring back semiconductor manufacturing to the U.S., we have determined that for the time being we're going to waive that 55% component test" for those four electronic categories that must be made in the U.S., Arbuckle said.

This month, Nokia announced its Kenosha County, WI, facility would manufacture fiber-optic broadband network electronics products and optical modules, including OLT line cards, an outdoor-hardened optical network terminal and OLT optical modules. It was a significant announcement that prompted **New Street Research** analysts to declare that combined with the limited NTIA waiver, Buy America requirements should not cause delay for any projects.



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Enclosures, such as pedestals and terminals, are not waived. But NTIA is proposing a limited waiver of the 55% test since producers frequently rely on inputs that are not currently produced in sufficient quantities in the U.S. Other network equipment that is not electronics (such as splitter modules, and ancillaries like vaults, conduit, lashing wire and mounting brackets) make up a small percentage of network expenditures and thus can be applied toward the de minimis waiver. “Within this waiver, it’s just sort of this catch-all category of other network equipment... There’s a cap to how much of that de minimis waiver you can use. But the goal here again is to make as much of this equipment in the U.S. and we’ve heard across industry that a lot of this is already made in the U.S., but you do have some flexibility here with this de minimis waiver,” Arbuckle said.

All in all, the NTIA proposal seems like fairly good news for ISPs. The five-year waiver period is longer than some feared it would be and is well aligned with the expected buildout timeframe. And it’s good that NTIA recognized most electronics required for BEAD are made in the U.S., though there is some uncertainty over whether the manufacturing processes required to be completed in the U.S. for electronic components will be an issue.

One of the questions from a Fiber Connect attendee is how can a service provider be assured that its suppliers are in compliance with Buy America. “We will publish a list where an officer at a company will have to certify at the risk of penalty that the products they are making are Buy America compliant,” Arbuckle said. “Our goal is that this list gives confidence to companies that are thinking about making stuff in the U.S. and not being undercut by a company that’s falsely representing their products, as well as being a guide for companies or distributors or state broadband offices, whoever is making purchasing decisions.”

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## BEAD TIMETABLE WATCH

While states have until the end of this month to submit their five-year BEAD plans, that’s not really the key deadline to watch for. That date is Dec. 27. That’s when states must submit their initial proposals, which contains their list of unserved and underserved locations as well as their challenge process, application process and scoring criteria. “What’s due in August is more like a mission statement. It’s high level. It doesn’t need to be approved. The initial proposal contains the details,” said **Altice USA** Federal Affairs VP *Cristina Chou* during a Fiber Connect breakout session. “My sense is that most states are on the backend. California will be Dec. 27 or close to it,” said **Kelley Drye & Warren** Partner *Tom Cohen*. A few states, includ-

## The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



ILAN  
**Eframian**  
VP, XFINITY COMMUNITIES  
COMCAST

### 3 THINGS TO KNOW

- Ilan will take on a leadership role within Comcast’s division that serves multifamily properties and residents. He’ll manage the company’s growth strategy for multifamily markets, which contains 200,000 properties and 15 million units from campuses, assisted living facilities, hospitals and more.
- Ilan has been in the multifamily and telecommunications industries for over two decades. After spending 17 years at Verizon and climbing to a Senior Management position in sales integration, strategy and business development, he made the switch to Google in 2016 where he was the National Real Estate Partnerships Lead for Google Fiber. In May 2019, he became Head of Multifamily—a position he held for four years.
- He earned his Bachelor’s in Entrepreneurship and Small Business Management from Ball State University in 1998. Ilan stayed at BSU for another year, earning a Master’s in Information and Communication Sciences.

ing Virginia and Louisiana, have already submitted Volumes 1 of their initial proposals to **NTIA**. They still have one more volume to submit however. Louisiana expects to have Volume 2 available for public comment later this week, according to *Thomas Tyler*, Deputy Director of ConnectLA. Virginia’s proposal for Volume 2 opened for public comment Aug. 16 and will close Sept. 19, with the state broadband office holding two virtual input sessions on Aug. 31 and Sept. 5. What happens once those initial proposals are submitted to NTIA is murky. “This is where [the timeline] gets sort of open ended... NTIA doesn’t have a deadline to approve those,” *Cohen* said. “NTIA has an incentive to try to get these out the door quickly. Just politically, they want the administration to cut the ribbons in a year.” That would give the administration some nice broadband headlines ahead of the election, but it’ll still be a while before the process wraps. “The idea is that everything actually gets built and finished by the end of 2030,” said *Chou*. “That’s the administration’s overall timeline. So the way we think about it from a business perspective is 2024, we’ll have to apply. 2025, we’ll wait for it to all sort out, then we’re going to start our builds and we have kind of four years to build it. The end result, we’re supposed to be at in 2030 is everybody in, every location built.”



## FCC OPENS UP FOX LICENSE RENEWAL DOCKET

The **Media and Democracy Project** has scored a win in its petition to block the license renewal of **Fox** broadcast station **WTFX** with the **FCC** deciding to expand the proceeding from a restricted one to a permit-but-disclose status. MAD made the request to expand the proceeding, and the Commission announced Wednesday that it had concluded the reclassification would “permit broader public participation and thereby serve the public interest.” Fox opposed MAD’s request in earlier filings, saying to the FCC it would be inappropriate to change the proceeding’s status to permit-but-disclose mid-cycle. “License renewal proceedings are inherently adjudicatory in nature. By definition, a license renewal proceeding is focused on the ‘rights and responsibilities’ of a specific party and entails application of existing policy to determine the licensee’s past compliance with that policy,” Fox said. “They are not vehicles for debating broader policy questions.

## AT&T, VERIZON SHAREHOLDERS FILE SUITS OVER LEAD ISSUES

The **Gross Law Firm** and **Levi & Korninsky** have filed shareholder lawsuits against **AT&T** and **Verizon**, asking folks to register for class actions tied to the operators’ ownership of lead-covered cables. The complaints allege that the companies face potentially significant litigation, regulatory and reputational risks as a result of their ownership of lead-covered cables and health risks associated with those cables. They also say Verizon and AT&T were warned about that, but did not disclose any potential threats to employee safety or the safety of the public and that means their statements about business, operations and prospects were misleading. The deadline to seek to be a lead plaintiff in the AT&T cases is Sept. 26 while the same for the Verizon suits is Oct. 2.

## T-MOBILE TRYING TO WIN OVER CABLE’S WIRELESS SUBS

**Metro by T-Mobile**’s latest marketing campaign directly targets **Spectrum Mobile** and **Xfinity Mobile** customers. Called “Nada Yada Yada,” the campaign includes the launch of a \$1 million Broadband BS Fund to assist Spectrum Mobile and Xfinity Mobile with wireless and internet bills. Customers from those competitors that want to switch to T-Mobile can receive unlimited 5G data from Metro for \$30 for the first month and \$25/month after with AutoPay for a single line. Metro wireless customers will also be able to get 5G Home Internet for Metro for \$25 for the first month and \$20/month after with AutoPay when they qualify for the **FCC**’s Affordable Connectivity Program.

## GOOGLE TV ADDS SUNDAY TICKET

**Google TV** continued expanding its lineup of free TV channels Wednesday, but it’s also making a big addition ahead of the **NFL** season. Google TV is adding 25 new live channels that come with shows like “Top Gear” and “Baywatch,” bringing its total build-in channel count to over 100. Another addition it’s making is the full integration of **NFL Sunday Ticket** in the U.S. Those with a **YouTube TV** subscription will be able to access Sunday Ticket in the channel guide’s Live tab, and for a limited time those who purchase an eligible TCL TV with Google TV can get \$200 off the out-of-market football offering. It’s not the only new Sunday Ticket deal: the service is teaming up with Bud Light to give away 2,000 free one-year Sunday Ticket subscriptions. The promo will run through October 16, and fans can enter on the Bud Light website.

## RATINGS

The 2023 **MLB** Little League Classic between the Nationals and Phillies averaged 1.56 million viewers across **ESPN** and the alternate telecast on **ESPN2**. That’s a 15% improvement compared to last year’s edition and makes it the most-watched MLB Little League Classic since 2019 (no event in 2020 due to the pandemic). Audience peaked at 1.74 million viewers at 8pm. The alternate “KidsCast” on ESPN2 had 13% of the overall audience share with an average of 195,000 viewers. – The special Fight for the Fallen episode of “**AEW: Dynamite**” on Aug. 16 earned a .96 L3 rating among A25-54 and .81 L3 rating among A18-49 on **TBS**, making it cable’s top telecast for the night across those two demos. The event had 2.3 million total viewers and also ranked No. 2 in all of TV among M18-34.

## PROGRAMMING

**Telemundo** will present Spanish-language coverage of the U.S. Open Cup semifinals. FC Cincinnati will host Inter Miami tonight at 7pm on Telemundo, **Universo** and **Peacock**, and Houston Dynamo vs Real Salt Lake will follow at 9:30pm on Universo and Peacock. The two broadcasts are the first U.S. Spanish-language coverage of the Open Cup since the 2018 final. – The final event of the **PGA Tour** FedEx Cup Playoffs will take place in Atlanta this weekend. Coverage of the Tour Championship will run from 1-6pm on **Peacock** and **Golf Channel** for Thursday and Friday, before Saturday’s coverage goes from 1-3pm. Sunday will cap the tournament from noon-1:30pm. Peacock and Golf Channel will also have the **LPGA Tour**’s CPKC Women’s Open. Thursday and Friday’s happenings will air 6:30-9:30pm, and Saturday and Sunday will run from 7-10pm. – The 2023 U.S. Open is back on **ESPN** platforms. Over 260 hours of coverage will air across **ABC**, **ESPN**, **ESPN2** and **ESPN Deportes**, and more than 550 main draw matches will air on **ESPN+** and **ESPN3**. The tournament officially begins Monday as all courts will be streamed live on ESPN+ and ESPN3 from 11am-11pm. The U.S. Open will wrap up with the women’s singles championship on Sept. 9 and the men’s singles championship Sept. 10—with both starting at 4pm on ESPN, ESPN+ and ESPN Deportes.

# Think about that for a minute...

## GIGO

Commentary by Steve Effros

It should be a familiar acronym: GIGO. Garbage In, Garbage Out. It's used in computer science and mathematics all the time and is well understood. If the information, the input, coming into the system is faulty to begin with, then inevitably, the result, the output, will similarly be wrong.

But GIGO applies far beyond math and computer programming. It's probably the single most important thing we are experiencing in our social lives today. The proliferation of "inputs," from multiple video sources to social media to podcasts to "Google searches" can, and many times do lead to faulty results. That, I think, is at the heart of what we're all challenged with today regarding everything from the source of COVID (and the unquestionable benefits of vaccination... which of course have been questioned) to totally unsupported but still repeated claims regarding the last Presidential election.

Regardless of what "side" of those issues you favor, the reason they have become contentious is that there is simply so much data being injected into the "information inputs" that the "output" is bound to reflect both good and bad data. The inevitable result is the inability of lots of folks to be able to curate, analyze and make reasonable judgements about what is accurate and what isn't. It makes for a very difficult social atmosphere, and we're all well aware that we're suffering from that problem now.

Well, I have some bad news. It's going to get worse. Up until now the "problem" has been assigned to things like "cable news" and intentional manipulation of social media. To be sure, those things have happened and are a major contributing factor to what now ails us. But so far, at least, there are available resources to weigh the origin and veracity to be assigned to the information being distributed. You know where MSNBC and FOX News hosts are coming from. You know the inclinations of the various opinion writers in The Post or The Wall Street Journal. But what if you had no idea how the information you were getting was sourced, and no real idea of how it was even generated? That's where we unfortunately seem to be heading with "AI," and it's scary.

I was discussing all this with a computer scientist recently and he suggested a scenario that I had not heard much discussion about. It stopped me cold. He's not worried about "Terminator" type stuff, with the machines taking over after they get "smarter" than we are. He's worried that the whole thing might collapse!

Why? GIGO. As he pointed out, all the new, popular AI systems, the "ChatGPT" programs that lots of folks are playing with and lots of companies are incorporating into their day to day workflows are dependent on "large language models" to learn on. They sweep up massive amounts of data from every source possible and manipulate that data through algorithms that then produce "results" based, for instance, on questions asked.

Several problems with that: first, the folks who created those algorithms acknowledge they are not totally sure why and how the AI systems come up with the "answers" they do. Second, everyone now knows that those systems periodically "hallucinate" and come up with made-up facts, strange conclusions and weird results. And finally, and this is the scary part, as the large language models get more and more "answers" injected back into the system, potentially from other AI sources, the quality of the model inevitably deteriorates to the point where there is a reasonable fear that the whole system could spiral out of control and collapse!

I have always been one to advocate for more information, not less. That "sunlight" was the best disinfectant. But I have to now acknowledge that "sunlight" or unlimited information, can also cause severe burns. It's past time to start worrying about GIGO.



*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.)

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