

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Tough Play: Providers Get Creative as Permits, Poles Get In Way of Builds

As broadband providers are preparing for an influx of funding for new builds from BEAD and other programs, some are shifting their strategies from looking at what locations provide the best opportunity to which present the least number of roadblocks in order to build to.

“We have right now somewhere in the neighborhood of about 50,000 prems that are held up by permitting. If you look at this whole category of what I call provisions—it’s permitting, pole attachment agreements and even locate issues—those are really problematic,” incoming **Brightspeed** CEO *Tom Maguire* said during **USTelecom’s** Broadband Investment Forum Friday.

Ziplay Fiber CEO *Harold Zeitz* is running into similar issues with 70,000 locations being held up by pole authorities, and those issues have come up over the last eight months. He said there’s no doubt that his crews can build at a faster pace than communities can approve requests, and that has forced leadership to become creative when it comes to how to attack a community build.

“That’s why we sometimes actually choose to build parts of towns across and then fill out. It’s more economical for us to do a particular town all at once, but we found the timeframe to get approval is such that in most cases, we end up building in multiple places at once,” he said.

Maguire agreed, saying he calls it a shotgun approach where Brightspeed tries to hit as many areas as possible while also

avoiding areas where it seems destined to hit some sort of dead end. But it certainly isn’t the preferred method, and it isn’t just because the build itself is more expensive.

“It also has a negative impact, though, on the folks that we’re using to build a network because they have to kind of hop, skip and jump around. And from a marketing perspective, it becomes problematic because you can’t go into an individual area and blitz things,” Maguire said. “So we’re having to do things that are a little bit more expensive just to raise product awareness.”

Zeitz and Maguire are excited about the BEAD funding as the biggest impediment that prevents them from building fiber everywhere is the cost to build, but they are also hesitant to make any promises around how far they think that money will be able to stretch. That’s not necessarily because of topics like inflation that have dominated conversations over the last year. Instead, it is because of requirements that **NTIA** has of the broadband providers that plan to participate in the BEAD program.

“The cost goes up from Buy America, the cost goes up from prevailing wage and then the letters of credit, which sound like kind of an innocuous thing, actually adds a couple hundred dollars to the cost of a build,” Zeitz said. “When you think that our typical build is sub \$1,000, we’re talking about those three things add 35% to the cost of the build, which means we have to say instead of a 6,000 location or a 5,000 location build might be our cut-off, we have to cut it off lower than that.”



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ATTEND

The **FCC** will be busy for the foreseeable future as it heads down the road of Title II reform once again, and Commissioner *Brendan Carr* believes one of the missions the agency should instead be pursuing is how to eliminate as many roadblocks as possible for providers ahead of the BEAD funding flowing out to the states next year.

“We did a lot in the last couple of years on wireless infrastructure and small cell reform. We can take those same ideas—shot clocks, cost-based fees—we can move that into the wired infrastructure world,” he said during a fireside chat at the same event. “That would be a really good strong step that is relatively low-hanging fruit at this point in time.”

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BIDEN WANTS MORE ACP FUNDS

You can ask for it, but that doesn't mean it'll come. The *Biden* administration announced Friday that it will submit a request to Congress for supplemental funds for the Affordable Connectivity Program that provides broadband subsidies to low-income households. Without additional money, ACP is expected to run out of funding by April. There was uncertainty over whether the administration would make the request, so movement on it is a good sign. Of course, getting things done in Congress isn't easy (witness the ongoing Speaker votes). Budget requests are particularly tricky, but what could work in ACP's favor is that it has strong support on both sides of the aisle. Plus, it's not going to look great for Americans to lose access to the internet months before an election. More than 20 million households currently participate in the program. The ACP request was mentioned in a letter requesting more than \$105 billion for national security that includes providing assistance in Ukraine and Israel. In the letter outlining the national security request, **Office of Management and Budget** Director *Shalanda Young* said the department is refining estimates to address “the risk that millions of Americans lose access to affordable high-speed internet” as well as additional funding needs for natural disasters, **FEMA's** Nonprofit Security Grant Program and other programs. OMB expects to submit a request for those supplemental funds in the coming days.

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'FREE SPEECH AMERICA' GALA CELEBRATES FIRST AMENDMENT

In 1999, then-**FCC** Commissioner *Michael Powell* was the recipient of the **Media Institute's** Freedom of Speech Award. On Thursday night, nearly 24 years to the day, he was given the American Horizon Award, becoming the first person ever to receive both honors. “I've asked [Media Institute President/CEO *Rick Kaplar*] to start thinking about a possible third award we can give you

20 years from now,” quipped fellow former Commissioner *Dick Wiley*. Powell's award was one of the highlights at the Media Institute's 'Free Speech America' Gala at the Four Seasons Hotel in D.C., which came on the same day as the **FCC's** vote to move forward with net neutrality rules. Powell—who's quite clear with his antipathy about Title II—focused more on the importance of the First Amendment in his speech, but still assured he had “a lot of grievances” regarding the vote. “Our society is suffering these days, and many wonder how we will get out of the mess we are in. I don't have the answer. But I'm convinced that allowing people to speak freely, coupled with an equal commitment to listen intently, underlies any solution,” he said. **NAB** President/CEO *Curtis LeGeyt* was the event's featured speaker, centering his address on the importance of fact-based reporting in an age where misinformation can become prevalent. “Nearly 70% of Americans report coming across fake news on social media, and according to the **Pew Research Center**, an overwhelming majority of Americans believe that false information online is a major threat to our democracy,” LeGeyt said. “This is where our young people consume their news, and it's where most marginalized communities from rural America to immigrants and communities of color are disproportionately impacted. And this problem is only worsening.” It was a fitting topic given that *Bob Woodward*, one of the *Washington Post* reporters assigned to the Watergate scandal, would later be honored with the Freedom of Speech Award. Woodward credited former Post publishers *Katherine* and *Donald Graham* in his journalistic career as well as *Carl Bernstein*, who he reported on the scandal alongside. Woodward ended the night with a message of fortitude as he recalled sentiments from former Presidents *Richard Nixon* and *Donald Trump* that “the press is the enemy.” “Some of this is valid in the media industry, and we journalists need to face up to this criticism,” Woodward said. “Reform is necessary, and the best reform comes from within. It is essential that we raise the bar, I believe, on ourselves.”

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COMCAST, IMAGICOMM STRIKE NEW DEAL FOR FOX STATIONS

Comcast and **Imagicomm Communications** have reached a new distribution agreement for Spokane **Fox** station KAYU and Memphis Fox station WHBQ. The tussle began last month and went largely under the radar until Rep. *Cathy McMorris Rodgers* (R-WA) brought attention to it during a **House Communications** subcommittee hearing on the state of the video marketplace. “We're pleased to be able to return KAYU and WHBQ to our customers through a new agreement with their owner, Imagicomm Communications, which reflects today's evolving media marketplace and stabilizes the cost of programming for our customers,” a Comcast spokesperson said.

RATINGS

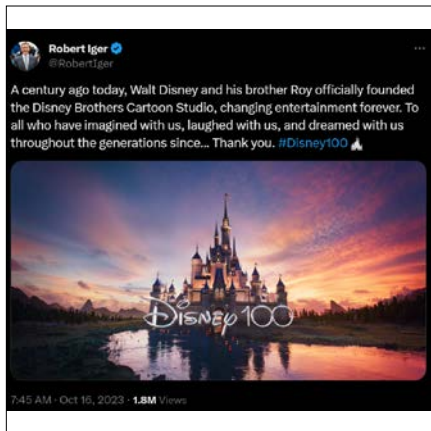
We're about near the halfway point of the 2023 college football season. **ESPN** platforms are on pace to have their most-watched season since 2016 with an average of 2.3 million viewers, recording a 9% increase compared to the midway point last year. The early primetime window is currently at 3.8 million viewers, good for a 17% jump YOY and its largest audience in the timeframe since 2015. "College GameDay" is also having its moment with an average of 2 million viewers. That's the second-best start the show has had since 2010 and trails viewership from last season. Other ESPN viewership gains include 16% YOY in the P18-34 demo and 13% in P18-49. – President *Biden's* address to the nation Thursday from 8-8:15pm recorded 3.25 million viewers P2+ and 431,000 A25-54 on **Fox News**, according to early data from **Nielsen**. **MSNBC** averaged 2.04 million P2+ (229,000 A25-54) and **CNN** came in at 1.31 million P2+ (332,000 A25-54).

PROGRAMMING

"The Nun II" will make its streaming debut next Friday on **Max**. – **Lifetime** unveiled the schedule for its annual "It's a Wonderful Lifetime" holiday programming event. Beginning with "Christmas Plus One" on Nov. 18 at 8pm, the event will have 12 new movie premieres on Saturdays and Sundays through Dec. 23. – Formula 1 returns to the U.S. this weekend. The Lenovo United States Grand Prix will air Sunday on **ESPN+**, **ESPN Deportes** and **ABC**. Coverage on ABC and ESPN+ will begin at 1:30pm before the race's start at 3pm. ESPN Deportes will begin Spanish-language coverage at 2:30pm. ESPN platforms will air the qualifying and practice sessions on Friday as well. – A trio of unscripted series is coming to **National Geographic**. "Inside the FBI" will look at the FBI's most notorious cases, starting with ones from the 1970s. "The Color of Victory: Heroes of WW2" will be narrated by *Idris Elba* and spotlight stories of soldiers of color who were integral to major battles. Lastly, "Waking the Dead" will feature Nat Geo and the genetic investigation team DNA Doe Project working together to identify unnamed and unidentified bodies in the U.S.

CABLEFAX DASHBOARD

Social Media Hits



Research

(Source: [Nielsen's The Gauge for September](#))

- > Broadcast viewership increased for the second consecutive month with viewing volume up by nearly 13% overall, and by more than 30% in both the 18-49 and 25-54 demographics.
- > That increase in volume led to an additional 2.5 share points for the category, allowing broadcast to finish at 23% of total TV usage.
- > Cable felt a positive impact from sports viewership, showing a 25.5% increase in the sports genre in September. ESPN carried the top 11 cable telecasts for the month.
- > Streaming viewership declined for the second consecutive month, representing 37.5% of total TV usage.

Up Ahead

- OCT. 24:** [Regional Fiber Connect](#); Minneapolis
- NOV. 9:** Media Institute Communications Forum Luncheon Series; DC
- DEC. 6:** [Cablefax Most Powerful Women Luncheon](#); NYC
- JAN. 9-12:** [CES 2024](#); Las Vegas

Quotable

"We're just incredibly pleased with how it's been going... I would say we anticipate that we will have incremental acquisition, incremental adds for the next several quarters. We've seen that in the last couple of quarters... So we anticipate seeing that for the next several quarters to come. And then just stepping back, there's a set of borrowers that we're not going to convert, we haven't converted yet, we're not going to convert over the next couple of quarters. But that really represents how we think about paid sharing going forward, which is it's now become part of just our standard way of operating and we have many hundreds of millions of qualified households out there. They're smart TV households that we want to win over over the next several years." – **Netflix President/Co-CEO Greg Peters** talking about its password sharing crackdown on its 3Q23 earnings call