

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Answers: NTIA's Davidson Gives Updates on AI, Buy America

The **House Communications Subcommittee's** NTIA oversight hearing was in stark contrast to the one held last week for the **FCC**, with members applauding *Alan Davidson* for his willingness to adjust BEAD program guidelines when necessary and to reject initial state proposals that would lead to overbuilding.

But some topics introduced at the FCC oversight hearing carried over, with Rep. *Buddy Carter* (R-GA) questioning the NTIA Administrator on why the agency asked for BEAD program participants to be excluded from the FCC's digital discrimination requirements. Davidson said the motivation was to try and create as few burdens as possible for providers to encourage robust participation. Those providers that choose to participate will already accept a fair amount of oversight from NTIA, and he didn't feel that they also needed to worry about further oversight from the FCC.

"We have rules for them. We have oversight of the states, and our sense was that for providers who are already getting that oversight in the context of the BEAD program, they shouldn't also then need to have the oversight that would come under digital discrimination," Davidson said. "The fact is if they've already checked the box once for us on BEAD, they shouldn't have to go through the exercise of checking the box twice."

There's been a lot of talk around the Buy America provisions in the BEAD program that require participants to use equipment made in the U.S. in the construction of their projects, and there are still plenty of questions surrounding the final waiver NTIA

will release on those requirements. The waiver was put out for public comment earlier in the fall, and Davidson said the agency is working through the "fair number of comments" that came in. It should be weeks, not months, before a final waiver is released. But he warned once again that the bar for a waiver to be granted is going to be not impossible, but very high.

"We know that to build modern telecommunications networks, not every part is going to be available here in the U.S., but we've kept the waivers, we've said we're going to keep it narrow and we're already seeing results," he said. "Companies have stepped up to make sure that fiber-optic cable and a lot of the electronics in these networks are going to be built here... I think it's close to 90% of the equipment deployed in the network that's going to come is going to be built in America."

Indeed, **Calix** announced in September that it would be expanding its manufacturing services agreement with **Jabil** in Michigan, **Gemtek** in California and **Hisense Broadband** in New Jersey for the production of optical network terminals, optical line terminals and optical modules. In March, **Corning** and **CommScope** held events in North Carolina announcing plans to expand fiber-optic cable production and add hundreds of jobs in support of the *Biden* Administration's Internet for All initiative and the BEAD program.

Also coming soon is a report from NTIA on a proceeding on artificial intelligence it opened in April. It received roughly 1,447 written comments. The agency sought feedback on what policies could support the development of AI audits,



JOIN US ON WREATHS ACROSS AMERICA DAY
- SATURDAY, DECEMBER 16TH -

Each December on National Wreaths Across America Day, our mission to Remember, Honor and Teach is carried out by coordinating wreath-laying ceremonies at Arlington National Cemetery and more than 4,000 additional locations in all 50 U.S. states, at sea and abroad.

Join us by sponsoring a veterans' wreath at a cemetery near you, volunteering or donating to a local sponsorship group.

Visit www.WreathsAcrossAmerica.org

assessments, certifications and other mechanisms to create earned trust in AI systems.

Davidson teased that the report will likely be out by the first quarter of next year, perhaps sooner, and he promised that NTIA has ideas about what the federal government can do to support and fund more work in the space and be engaged in the audits that could build out a trustworthy ecosystem around artificial intelligence.

“We’re not going to be able to realize the benefits of AI unless we also make sure we’re dealing with the risks of it, and accountability is a key piece of this. If an AI developer says this algorithm is safe, this AI system respects privacy or isn’t biased, how do we test that?” Davidson said. “There’s a role for the federal government helping set those standards going forward, and that’s the work we’re undertaking right now.”

CFO SAYS CHARTER MAY SEE BROADBAND DECLINE IN 4Q

Charter shares closed down 8.7% Tuesday after CFO *Jessica Fischer* said the provider could end up with negative broadband net adds in 4Q23. That’s in line though with what other cable operators are suggesting with fixed wireless ramping up and a stagnant housing market. And it’s not too surprising based on previous comments. “We talked in our 3Q [earnings] call in October that we had seen a little bit of carryover churn related to the combination of **Disney** [blackout] and rate impacts that occurred inside of Q3. November has been similarly soft. So, I certainly see that it’s likely that we could end up with negative internet net ads inside of Q4,” Fischer said during an investor conference appearance. “We think that’s a short-term challenge and the opportunity in the overall broadband market and our position around how we see total broadband opportunity in the long term has not changed.” She based that optimism in part on mobile and “really good performance” from the free mobile line roll off from the Spectrum One promotion (overall mobile churn for 4Q is expected to be substantially the same as 3Q) along with Charter’s expansion and network evolution plan and even its hopes for video, particularly after inking its new deal with Disney that includes DTC for customers and the launch of the **Xumo** Streaming Device. “Our expectation is that we will not make customers pay twice for content going forward. It doesn’t make sense,” said Fischer. While Xumo is the video platform for new customers, she acknowledged that QAM video will be with Charter for quite some time, given the number of legacy boxes deployed. Even though she expects QAM to be part of the Charter ecosystem “very far down the road,” she did add that there will be efficiencies as more customers move from MPEG-2 to MPEG-4. On broadband, Fischer reiterated that she believes fixed wireless will run into capacity issues, making Charter’s long-term trajectory quite good.

Fixed wireless’ impact on Charter markets is a “relatively small impact if you’re talking about gross adds or gross churn, but with the net of the two, it can be larger,” Fischer said. “I think that we’ll continue to see customers recognizing that quality does matter. And so we think that we’ll get those customers back. It’s sort of a temporary impact, but it does have an impact in the short term.”

NEW NBCU TELEMUNDO CHAIR

Luis Fernández is returning to Telemundo as Chairman of **NBCUniversal Telemundo Enterprises**. Fernández, who will report to NBCU News Group Chairman *Cesar Conde*, previously served as President of Noticias Telemundo, the news division of Telemundo. He succeeds *Beau Ferrari*, who has served as Chairman the past three years and is credited with helping to expand distribution to 150 countries and delivering record audiences for the FIFA World Cup. Ferrari will transition to senior advisor to the Chairman of the News Group and NBCUniversal for strategic growth opportunities. Fernández has served as CEO of Spain’s state-owned public radio/TV corporation Radio Television Española and President of **Univision Entertainment** and **Univision Studios**.

AT&T’S STANKEY ON O-RAN DEAL WITH ERICSSON, TITLE II

AT&T is hopping on the Open RAN train, announcing plans late Monday to work with **Ericsson** rather than **Nokia** over the next five years to use the technology across its network. Its spend on the project could approach roughly \$14 billion over the five-year term of its contract with Ericsson, and the hope is that 70% of AT&T’s wireless network traffic will flow across open-capable platforms by late 2026. Fully integrated O-RAN sites are expected to be operating in coordination with Ericsson and **Fujitsu** in 2024, with Ericsson manufacturing the 5G equipment for the project at its 5G Smart Factory in Lewisville, Texas. In 2025, AT&T will begin scaling the O-RAN environment throughout its wireless network in coordination with multiple suppliers. “It’s entirely possible Nokia could be one of those suppliers,” AT&T CEO *John Stankey* said during an investor conference appearance Tuesday. “But this allows us to operate our business more effectively. It’s simpler for us. It’s one network infrastructure at the core, one set of systems that support it... allows us to be a more efficient business and focus on what we really need to do, which is serving customers and bringing new products to market.” He also chimed in on **FCC** Chair *Jessica Rosenworcel*’s decision to introduce a proposal that would reclassify broadband under Title II, saying the tone around net neutrality is different now than it was when those rules were repealed six years ago. He argued that most in the general populace are apathetic when it comes to the issue and are often more concerned about

the activities of edge providers or application developers. “It’s kind of like why are we spending scarce time and energy, resources, policymaking capability on a topic that really isn’t today’s burning bush. It’s not really a critical issue,” he said. “I worry because we’ve got enough challenging issues in this industry that really need important cycles. We need spectrum.”

MAVTV RELAUNCH

MAVTV is undergoing a revamp with former **FUEL TV** GM *CJ Olivares* taking the reins as president. Olivares is unveiling a new content strategy that revolves around original docuseries, exclusive racing (such as Formula Drift and Endurocross) and more narrative-driven content. MAV TV boasts a global reach of more than 467 million, with 22 million households in North America (**DirectTV**, **Charter**, **YouTube TV**, **Fubo TV** and more) and FAST Channels across 25 countries. MAV recently snagged FAST channel deals with **LG** and **Xumo Play** and already has deals in place with **Samsung TV+**, **Roku**, **Pluto TV** and more, giving it access to 250 million devices. It’s not done on the distribution front, with new platforms set to launch in 2024 along with a new mobile app and other digital properties. New programming includes January’s three-part mini-docuseries “In the Machine” following *Ashley Freiberg’s* challenging journey as a female racer, factory driving instructor, part-time real estate agent and newlywed chasing her championship dream.

DIRECTV ADVERTISING STRIKES NEW DEAL WITH FOURTHWALL

DirectTV Advertising and analytics firm **FourthWall** struck a strategic partnership that will see the former expand its advertising capabilities around DirectTV’s set-top box and streaming data. DirectTV Advertising plans to use FourthWall’s Reveal Platform to allow the ability to create customizable audience segments for advertisers, among other capabilities.

RATINGS

Fox News snatched back the top spots in primetime and total day cable ratings for the week. The news net led in total day with 1.19 million viewers P2+, with **MSNBC** trailing at 772,000 and **ESPN** in third with 709,000. **Hallmark Channel** and **CNN** had 702,000 and 448,000, respectively, to cap the total-day top five. It was a closer race in prime, with Fox News having 1.95 million, ESPN with 1.79 million, Hallmark with 1.24 million and MSNBC with 1.13 million. **History Channel** took spot No. 5 at 714,000. – Last week’s Thursday Night Football shootout that saw the Cowboys edge the Seahawks 41-35 set **Prime Video’s** record for most-watched game ever, averaging 15.26 million viewers and peaking with 17.76 million at 9:26pm. That average is up 53% when stacked up against the comparable game last season. TNF is averaging 12.58 million viewers so far this season, good for a 29% YOY increase from last year’s 11-game slate.

CARRIAGE

Fuse Media FAST channels **Latino Vibes** and **OUTtv Proud** have scored carriage on **Google TV**. This follows the launch of Fuse’s **Shades of Black** channel on the platform earlier this year. Meanwhile, streaming service **Fuse+** has launched on **Tata Play Binge**, India’s largest OTT app aggregator. – **T2, Tennis Channel’s** FAST channel, will now be carried on **The Roku Channel** in the U.S.

TELEVISION UNIVISION PRICES NOTES

TelevisaUnivision’s Univision Communications subsidiary has priced \$700 million aggregate principal amount of 8.000% senior secured notes due 2028 at an issue price of 100.5%. The company intends to use the net proceeds from the offering, together with cash on hand, to redeem approximately \$700 million of the \$1.04 billion outstanding aggregate principal amount of its 5.125% senior secured notes due 2025, as well as to pay any costs, fees and expenses in connection therewith.

CRITICS CHOICE AWARDS

Apple TV+’s “The Morning Show” received six **Critics Choice Awards** nominations, the most of any series. **HBO/Max’s** “Succession” has five, including for Best Drama Series. “A Small Light” (**National Geographic**), “Abbott Elementary” (**ABC**), “Beef” (**Netflix**), “Lessons In Chemistry” (Apple TV+), “Loki” (**Disney+**), “Reservation Dogs” (**FX**) and “The Bear” (**FX**) tied with four nominations each. HBO/Max leads the nominations with 23, followed by Netflix (21), Apple TV+ (16), FX (16) and **Hulu** (8). Overall, **The Walt Disney Company** secured 39 Critics Choice nominations, including six for ABC and five for Disney+.

PROGRAMMING

WE tv announced new unscripted series for 2024 “Bold & Bougie,” which follows a group of women “celebrating life, friendship and the power of self-discovery.” The cast includes *Malaysia Pargo*, an entrepreneur and ex-wife of former NBA player *Janner Pargo*, Hollywood stylist *Tameka Foster* and restaurateur *Crystal Smith*, who recently went through a tumultuous divorce with singer/songwriter *Ne-Yo*. – A new **NBA** alternate telecast featuring *Kevin Hart* is coming to **ESPN2**. “NBA Unplugged with Kevin Hart” will make its debut Dec. 9 at 8:30pm for the league’s In-Season Tournament Championship game. Two additional telecasts will take place Jan. 5 at 7:30pm for the Knicks vs 76ers and April 10 at 7:30pm for the Mavericks vs Heat.

PEOPLE

Tracy Underwood was named President of **ABC Signature**, reporting to **Disney Television Studios and Global Original TV Strategy** President *Eric Schrier*. Most recently, Underwood, who has been at the studio since 2010, served as EVP of Creative Affairs for ABC Signature.