

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Bayou Blitz: Louisiana First to Get NTIA Green Light On BEAD Plan

Louisiana scored a major win Friday, becoming the first state to receive an approval from NTIA on its BEAD initial proposal. That opens the door for Louisiana to move from the planning phase to the implementation phase for the broadband expansion program and allows it to request access to its allotment of BEAD funds.

The Bayou State was part of the billion club when NTIA announced its state allocations, winning more than \$1.355 billion for the expansion of broadband access within its borders. Now that the initial proposal has been accepted, Louisiana has 365 days to report back to NTIA and explain how it will bring affordable, high-quality broadband to its unserved and underserved. State broadband offices have until Dec. 27 to submit their initial proposals, and those that have yet to put forth their plans may look to Louisiana's as a guidepost of what NTIA is looking for and where it is willing to be flexible. Of particular note may be the approach Louisiana has taken to BEAD's requirements that state plans not only target the problem of broadband deployment, but also access and affordability.

The Louisiana Office of Broadband Development and Connectivity, also known as ConnectLA, has set an affordability goal for its BEAD-supported projects to lower the number of households that cannot afford broadband service and devices by 15%, and a huge part of that plan right now involves the Affordable Connectivity Program. ConnectLA is aiming for all of its broadband service providers and all eligible households in the state to participate in

the program, which it estimates would help connect more than 900,000 households.

Louisiana's low-cost plan, a required aspect of each state's proposal, has notably changed from its original draft and allows flexibility to providers on what they can charge consumers for those plans. The baseline for the state's low-cost plans is \$30/month, but providers may request a modification waiver that would allow them to raise the cost to no higher than \$65 if they're able to show that the per-subscriber costs in an area indicating that the \$30/month option would be financially unsustainable. They can also submit data showing that the average ARPU and total project revenue of the \$30/month rate would be financially unsustainable given actual or projected subscriber adoption patterns. A provider's low-cost plan is also allowed to increase each year based on the Consumer Price Index, with a limit of 3%, to account for inflation.

The hope is that the flexibility eases concerns from providers that the low-cost requirement will ultimately make areas unsustainable to serve, and that could scare some from actually participating in the BEAD program.

"For example, the state is concerned that an inflexible low-cost service option has the potential at minimum to deter smaller broadband providers with higher service delivery costs in remote rural areas from participating at all in the GUMBO 2.0 process. Even larger providers have noted the valid risk that introducing a very low rate immediately in a new market may significantly reduce available revenue for a project by incentivizing even households with the means and potential willingness to pay for a higher priced



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tier to instead down-select to a lower-priced BEAD-required low-cost service option,” the state said in its plan.

## WRC-23 DOWNLOAD

After nearly a month, the **World Radiocommunication Conference** has come to a close in Dubai. More than 3,900 delegates from 163 **International Telecommunication Union** member states attended the conference, including 84 ministerial-level participants. Among the biggest wins from the gathering was the identification of spectrum for international mobile telecommunications with the goal of expanding broadband connectivity and further developing 4G, 5G and, in the future, 6G. That spectrum includes the 3.3-3.4 MHz, 3.6-4.8 MHz, 4.8-4.99 MHz and 6.425-7.125 MHz bands in a number of countries and regions. WRC-23 also identified the 2 GHz and 2.6 GHz bands for using high-altitude platform stations as IMT base stations, opening the door for a new platform for providing mobile broadband with minimal interference using the same frequencies and devices as IMT mobile networks. WRC-23 also adopted several resolutions mandating the ITU’s study groups to dive deeper into a number of space-related topics, including possible new or modified space research service allocations for the deployment of communications on the surface of the moon. **FCC** Chair *Jessica Rosenworcel* thanked the entire U.S. delegation, including the Commission’s own team, for the great work, noting that the accomplishments from WRC-23 will promote innovation in unlicensed spectrum, pave the way for 6G and ultimately bolster U.S. leadership in the growing space economy. Commissioner *Anna Gomez*, who led U.S. preparations for WRC-23 before joining the agency, called the gathering the culmination of years of collaboration and hard work between the industry, the interagency team and regional and international partners. **NCTA** also applauded those that represented the U.S. at the gathering, particularly for their work to advance the future interests of WiFi and unlicensed technologies. “As U.S. innovators continue to lead the world in developing and commercializing these technologies, it is critical that we work both at home and abroad to ensure that U.S. policy promotes the continued growth of unlicensed economy through policies that will spark new competition, rapid innovation, and global scale,” it said in a statement. “We look forward to working with others both at home and abroad to develop the foundation for the future of advanced wireless services.”

## MOFFETTNATHANSON BUMPS ROKU DOWN TO SELL

**MoffettNathanson** held an optimistic view on **Roku** before the 3Q23 earnings call season, but it’s peeling back that confidence and downgrading the streaming company from a

“Neutral” to “Sell” rating. In a note, the firm said it believed Roku was shifting its focus to efficiency and market expansion heading into 4Q23. Since **MoffettNathanson’s** last upgrade, Roku’s stock is up by more than 80%, an outperformance level the firm didn’t foresee. Still, challenges lie ahead for Roku’s revenue base for 2024. **MoffettNathanson** claims most of Roku’s revenue growth from 2023 was aided by content distribution revenues from a new client as well as price increases in SVOD services. “According to Antenna data, through October 2023, U.S. premium SVOD subscription growth has decelerated to only +12%, lower than even 2018 before the streaming wars officially began,” the firm said in a note. “As 2023 is lapped, we expect the continued sluggish SVOD market and the anniversary of price actions/new client sign-ups will slow content distribution revenues.” **MoffettNathanson** is also tweaking some of its estimates for Roku, predicting revenue growth of 13% to \$3.5 billion in 2023 and adjusted EBITDA to roughly break even. The firm anticipates CTV advertising being a primary area of growth for 2024, but folks like **Disney**, **Netflix** and **Prime Video** are better suited to take an increasing share of that market. “Looking out, we have also improved our revenue forecasts by +5% in 2024 and then low single digits through 2027,” the firm said. “However, the same trend holds that we expect adjusted EBITDA to come in much better (i.e., a 63% positive revision to 2025 adjusted EBITDA) than we had previously expected, forecasting margins to be +300-400 bps better than on the day of our upgrade.”

## ANOTHER COURT DEEMS USF CONSTITUTIONAL

Yet another court has weighed in on the constitutionality of the way the **FCC** manages the Universal Service Fund, and it sided with the Commission. The 11th U.S. Circuit Court of Appeals released an opinion Thursday that the FCC is within its rights to delegate oversight of the USF to the **Universal Service Administrative Company**. Similar decisions have already been reached twice before by the Fifth Circuit and the Sixth Circuit. “Today’s decision is a victory for the many rural and urban consumers and anchor institutions across the country who rely on the services supported by the federal Universal Service Fund. The USF has been, and continues to be, a critical tool to narrow the digital divide and help address connectivity gaps,” **NTCA-The Rural Broadband Association**, the **Competitive Carriers Association** and **USTelecom** said in a joint statement. “The court’s ruling affirms that Congress’ directive to the FCC—over 25 years ago—to collect contributions

in support of this vital Fund is constitutional. Other courts considering similar challenges should reach the same conclusion.”

**END NEAR FOR PAC-12 NETS**

The fate of the **Pac-12 Conference** has long been set after realignment, but the future of the **Pac-12 Networks** remained a question. A [report](#) from *SF Gate* indicates the Pac-12 intends to lay off 141 employees from its office in San Ramon, California, according to documents filed with labor officials. The layoffs would occur periodically through June 28 and include broadcast engineers, directors, senior-level officials and an on-air host. Pac-12 didn't respond for comment before our deadline. The network has been marred with issues since its launch in 2012, primarily involving carriage and its lack of availability for subscribers of large carriers like **DirecTV** and **Verizon Fios**. More recently, Pac-12 Networks let go of its President *Mark Shuken* as well as Pac-12 CFO *Brent Willman* in January after the two [failed to report](#) a \$50 million overpayment from **Comcast**. The subsequent budget hit turned out to be a total of \$72 million, with the remaining \$22 million going to the conference.

**CARRIAGE**

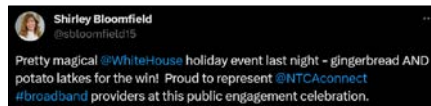
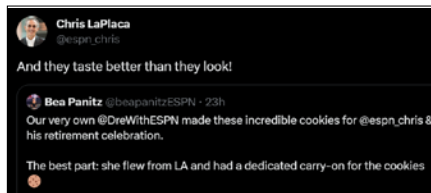
The **BritBox** app is now available on **Vizio** smart TVs with a subscription. Brit-Box goes for \$8.99/month or \$89.99/year following a free seven-day trial, coming with shows like “*Sherwood*,” “*Stonehouse*” and “*Beyond-Paradise*.”

**PROGRAMMING**

**Starz** renewed the drama series “*Power Book IV: Force*” for a third season. Season 2 is available on the Starz app. -- **Apple TV+** made a trio of programming announcements. The four-part documentary “*Messi's World Cup: The Rise of a Legend*” will make its global premiere Feb. 21. Apple TV+ also renewed “*Platonic*” starring *Rose Byrne* and *Seth Rogen* for a second season, and lastly, it's rolling out a new 10-episode sci-fi series “*Murderbot*.” Premiere dates for those two are still to be announced.

**CABLEFAX DASHBOARD**

**Social Media Hits**



**Research**

(Source: Hub Research's semi-annual "Battle Royale" Survey)

- > 88% of entertainment consumers agree with the statement that streaming video subscriptions are raising their prices more than in the past, and 77% said budget is a main reason for not adding ones.
- > Three-quarters say it's too hard to keep track of where to find the shows they want to watch.
- > More than 80% say that there's a limit to how many subscriptions they can actually use, even if they could afford to have them all.
- > 59% of respondents said they'd be willing to pay for a "one stop shop" app, something that would let them manage, use and pay for all of their subscriptions in one place.

**Up Ahead**

- JAN. 9-12:** [CES 2024](#); Las Vegas
- JAN. 16-18:** [NATPE Global](#); Miami
- FEB. 8:** [Regional Fiber Connect](#); Richmond, VA
- FEB. 25-27:** [NCTC Winter Educational Conference](#); Las Vegas

**Quotable**

*"I think the attitude or the temperature is really poor for M&A in D.C. right now. I think, and this is not related, the broadcast denial of TEGNA-Standard General really was a message to the market for everybody. Don't bring a deal forward now, sit on them and maybe the administration changes, maybe it doesn't, maybe leadership changes in this administration if it gets another term. So to me, you know, just wait it out because I don't think the atmosphere is positive and all things are quite negative. No one wants to spend 18 months on the tiny chance you might get through... Any deal is going to have to be packaged in the right way to make it as saleable as possible. If it's a spectrum deal, I recommend splitting into multiple bidders or multiple purchasers."* – **Former FCC Commish Michael O'Rielly During a Georgetown Center for Business and Public Policy Event**