

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Kentucky Connect: FPB Prepares to Fight to Retain Cable Service

The Frankfort Plant Board has long provided its Kentucky community with water, sewage, cable, internet and more. Now, one state senator believes FPB should sell its cable, landline phone and broadband infrastructure to a private entity, and he aims to introduce legislation that could trigger such a turn of events. Republican State Senator Gex Williams has announced plans to bring forth a bill in the 2024 session that FPB believes would force it to sell its telecommunication services. In a [column](#) for *The Frankfort State Journal*, a local newspaper, he explains why he doesn't believe a local government is best equipped to handle the maintenance next-generation networks take and the challenges it faces in competing with private ISPs.

"It is time we ask an important question: what role should the government play in providing internet service, and would taxpayers be better off having a private company offer these services?" Williams wrote. He argued in the column that governments can thrive when delivering services like storm and sewer drainage, power and water mains, but media and communications delivery changes far more quickly and takes more investment than it ever did in the past.

In Williams' eyes, FPB has a powerful asset in its internet business that could generate significant interest from the private ISP community. Money from that sale could be directed to Frankfort's downtown and riverfront, enhancing the city's position as a tourist destination.

"With cable's decline already underway, Frankfort should divest from the media and internet business and channel resources into enhancing our riverfront and downtown to stimulate economic growth," he said.

The bill he plans to introduce next year would require FPB's board to seek an independent appraisal of projects outside of its electric and water capabilities. The Frankfort City Commission would then have until Dec. 31, 2024, to sell the appraised services or place them into the city's control. FPB's board members are appointed by Frankfort's mayor and ratified by the Frankfort City Commission, and are limited to two four-year terms.

The battle comes as FPB celebrates 80 years of service to its community, and it continues to have the support of local officials. In a unanimous vote Monday evening, the Frankfort City Commission voted unanimously to support the Frankfort Plant Board with a new resolution. The resolution describes FPB as having shown great leadership and responsibility in managing and maintaining its infrastructure and consistently demonstrating a commitment to providing quality water, electric, cable, internet and security services to the community.

FPB has launched a [webpage](#) proclaiming "Our Community is Not for Sale." The FPB board voted last week to hire Louisville-based PR firm Run Switch for a four-month, \$39,500 contract focused directly on developing messaging to fight back against the legislation, so locals will surely see more creative floating around in the new year. FPB has also hired lobbyist Commonwealth Advocate out of Lexington on a contract that stretches



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JUST RELEASED

into April. The webpage also includes links to send pre-populated emails to Frankfort Mayor Layne Wilkerson and the city's commissioners for residents who want to voice their support for FPB.

“Why is an outsider from Boone County proposing to take away customer control from this community?” FPB said on the page. “FPB is a non-profit public utility owned and operated by our customers. You should be the only ones who have the voice to make the decision to sell FPB. Is Sen. Williams saying that he knows better than our entire community what is best for us when he doesn't even live here?”

Another community in Kentucky is taking a different route. The Bardstown City Council last month approved the potential sale of Bardstown Connect, the municipality's cable TV and broadband business. A press release cited the rising costs of infrastructure upgrades for a potential sale, arguing that maintaining a modern-day network would require substantial increases in customer rates that are unsustainable. Funds generated from a sale will be used for other revitalization projects around Bardstown.

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LET'S MAKE A DEAL – WBD, PARAMOUNT AND MORE

Whether it happens or not, the media sector is ripe with speculation of mega mergers as we head into 2024. The latest talk is **Warner Bros. Discovery** combining with **Paramount Global** thanks to an [Axios report](#) Wednesday citing multiple unnamed sources. Axios' *Sara Fischer* reports WBD chief *David Zaslav* met with Paramount Global CEO Bob Bakish Tuesday in NYC to discuss a possible merger. WBD is said to have hired bankers to explore a deal. Both companies have been the subject of much merger prognosticating, with **CNBC** quoting an unnamed media exec's [prediction](#) that 2024 could see **Comcast** spin off **NBCUniversal** and merge it with WBD. April marks the two-year anniversary of Discovery and Warner Bros.' combo, meaning that a tax provision will expire and make it easier for WBD to do a transaction. Paramount Global has long been seen as the most likely candidate for a deal, with **Skydance Media** and **RedBird Capital** (which has *Jeff Zucker*) reportedly circling. Meanwhile, the talk of Paramount Global divesting **BET** is heating up again with *Bloomberg reporting* that there are talks to sell BET to a management-led investor group that includes CEO Scott Mills and **CC Capital Partners' Chinh Chu**. The report, citing unnamed sources, said a price just under \$2 billion has been discussed. Mills has been president of BET since January 2018, with VH1 moving under his purview late last year. During his tenure, BET Networks launched SVOD **BET+** which has been found to have a strong affinity despite its smaller audience. BET has also scored strong ratings for *Tyler Perry* series “Sistas” and “The Oval,” which each aver-

The **WHO** and the **WHY**

CFX's spotlight on recent new hires & promotions



DAMON Phillips
SVP

NBC SPORTS DIGITAL AND EMERGING BUSINESS

3 THINGS TO KNOW

- Damon is expanding his purview after serving as NBC Sports' SVP, Strategic Initiatives and Head of Diversity and Inclusion for more than three years. He'll now manage a portfolio that encompasses NBC Sports.com, sports betting, fantasy sports, NBC Sports Audio, NBC Sports Podcast Network and college name, image and likeness. Additionally, he'll be NBC Sports' DEI executive champion.
- Damon will report to the company's new leader Rick Cordella. He first joined the NBC Sports family in 2018 when he became SVP/GM of the RSN NBC Sports Washington. He ushered in broadcast enhancements such as the NFL's and NBA's first live predictive-gaming telecasts. Damon also spent nearly a decade in various executive positions at ESPN, having led the charge on the network's expansion of live video streaming on mobile and CTV devices. He also led product management for large-scale streaming apps like Roku, Apple TV and Amazon Fire TV.
- Other stops for the Stanford honors grad and former football player include the NBA, the Walt Disney Company, DirecTV and USA Football. Damon also founded a sports technology company Sports TV Insider in 2005.

age around a million viewers each week. BET's status has been much talked about this year, with *Byron Allen*, Perry and *Sean "Diddy" Combs* reportedly bidding for a majority stake, but Paramount was unsatisfied with the offers. Bloomberg reported that Allen emailed Paramount management this week reiterating a \$3.5 billion offer for BET and VH1 and calling it an “egregious breach of fiduciary duty” to sell BET for anything less than the highest price.

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IMAGINING LIFE WITHOUT ACP

With no immediate sign of re-funding for the Affordable Connectivity Program, there's increasing concern the broadband subsidy program will run out of money next year. If Congress doesn't step up, the **ACLU** is calling on the **FCC** to promptly implement guidance to ISPs about the wind down of the program. “The wind down should ensure that program beneficiaries have ample notice, so that those customers who might have other ways to pay for their

broadband can make a plan for how to connect,” the ACLU said in an ex parte describing a recent meeting with Commissioner *Anna Gomez*. There are still opportunities for Congress to re-fund the ACP, though a letter last week from Sens. *John Thune* (R-SD), *Ted Cruz* (R-TX), Rep *Cathy McMorris Rodgers* (R-WA) and *Bob Latta* (R-OH) expressing concerns about the FCC’s management of the program could be a bad sign. The Republicans took issue with FCC Chairwoman *Jessica Rosenworcel*’s recent testimony that 25 million households would lose internet without the program. “While you have repeatedly claimed that the ACP is necessary for connecting participating households to the internet, it appears the vast majority of tax dollars have gone to households that already had broadband prior to the subsidy,” they wrote, citing her testimony that the USAC found that only 20 or 22% of ACP recipients lacked broadband prior to the ACP and previous FCC surveys that found the number of non-subscribers served by the program to be even lower at 16%. “The Biden administration’s reckless spending spree has left America’s current fiscal situation in a state of crisis, with gross debt at nearly \$34 trillion. It is incumbent on lawmakers to protect taxpayers and make funding decisions based on clear evidence. Unfortunately, your testimony pushes ‘facts’ about the ACP that are deeply misleading and have the potential to exacerbate the fiscal crisis without producing meaningful benefits to the American consumer.” The GOP leaders claim the FCC has failed to meet requirements to make data publicly available on how many first-time broadband subscribers are taking ACP and how many households have signed up through a participating provider’s existing low-income broadband program. They’ve asked for more details on those issues as well as a description of efforts by the agency to prepare for a potential lapse in ACP funding by Jan. 5.

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WHO’S ON FIRST?

As we await a Jan. 10 hearing to learn more about **MLB** and **Diamond Sport**’s deal, *SBJ* reporter—soon to be *Puck* scribe—*John Ourand* [reports](#) that it has agreed to pay most teams a full rights fee under the still developing deal. The exceptions are the Twins, Guardian and Rangers, which Diamond is expected to make a lower offer for this week. There’s a push for a provision that would give MLB control of Diamond’s 20% stake in **YES Network** if it defaults on any of the team deals this season, according to unnamed sources in the report, though Diamond is seen as unlikely to agree to such terms. Meanwhile, **NHL** Commissioner *Gary Bettman* talked about the **Bally Sports** situation with the [Dallas Morning News](#), saying that the league is “preparing alternatives for clubs” and that “we have contingency plans.”

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FIBER FRENZY

GCI is nearing the halfway point of the first phase of its Aleutians Fiber Project, which is capping a year where it brought 2.5 gig internet speeds to over 4,800 residents in Alaska. The company expects to launch the enhanced speeds and unlimited data to King Cove and Akutan in early 2024, but in the meantime, it’s also

gearing up for Phase 2 of the project. The second phase will utilize 800-mile subsea fiber to expand to six additional communities in the region. Crews have already wrapped up site surveys for cable landing stations in Chignik Lagoon, Chignik Lake, Cold Bay, False Pass, Ouzinkie and Port Lions. – **Point Broadband** is expanding its network to Mexico Beach and Port St. Joe, Florida. It’s part of the company’s \$75 million project to deploy fiber along Florida’s Gulf Coast. Construction will begin in January and the first customers to get service are expected to come by early March. Point Broadband offers symmetrical speeds of up to 5 Gbps.

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AT THE FCC

Jessica Rosenworcel is re-establishing the **FCC**’s Communications Security, Reliability, and Interoperability Council, with its primary focus to include how AI and machine learning can enhance the security, reliability, and integrity of communications networks in a nondiscriminatory, transparent, and socially responsible manner. The Commission is seeking nominations for membership and a chairperson with the council to be re-established on or before March 30. This will be the FCC’s ninth charter of CSRIC, with an expected first meeting in June 2024. – The FCC’s Broadband Data Collection filing window for submitting broadband availability and other data as of Dec. 31 will open on Jan. 2. Facilities-based broadband service providers must submit availability and subscription data by March 1.

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PROGRAMMING

INSP set April 11 as the premiere date for original series “Elkhorn,” inspired by *Theodore Roosevelt*’s first months in the Badlands of the Dakota Territory where he struggled to establish the ranch for which the series is named. – **NBC Sports** will have a slew of “Festive Fixtures” for the **Premier League** this holiday season. It’ll have 29 matches in 13 days across **NBC**, **Peacock**, **USA**, **Telemundo** and **Universo**, beginning with Crystal Palace and Brighton & Hove Albion tomorrow at 3pm on USA and Universo. Other highlights include Saturday’s Liverpool vs Arsenal match at 12:30pm on NBC, Peacock and Telemundo and Manchester United vs. Aston Villa on Tuesday at 3pm on USA and Universo. West Ham vs Brighton will cap the event Jan. 2 at 2:30pm on USA and Universo. – **Telemundo Deportes** is also getting in on the action for the “other football.” Bengals-Steelers on Saturday at 4:30pm will be available in Spanish on **Universo** and **Peacock**. “Football Night in America” kicks the night cap off at 7:30pm on **NBC**, Peacock and Universo, before the Peacock-exclusive Bills vs Chargers starts at 8pm.

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PEOPLE

Nexstar handed a multi-year extension to EVP/CFO *Lee Ann Gliha*. She’ll continue managing all financial areas of the company’s business including internal and external financial reporting, internal audit and IR, while also holding a leadership role in strategic planning, business development and M&A.

Think about that for a minute...

Nope

Commentary by Steve Effros

Nope, not going to do it. There are just too darn many columns out there right now commenting on, or analyzing, or regurgitating what has happened over the past year. Yes, this is the last column for this year, but I just don't see why that makes much difference in our business. The same battles, policy issues, competition, technology advances and the like just keep coming. Apparently they don't really focus on the calendar, so I won't either!

What's been happening right now that has me fascinated? Well, for one, the news that Amazon's Project Kuiper, Jeff Bezos' challenge to Elon Musk's Starlink space-based internet service, has just had a significant successful test of its new technology. They've live-tested laser-based communications between satellites. The optical inter-satellite link (OISL) technology may be key to significantly increasing both speed and capacity of the nascent satellite ISP services.

As I'm sure you know, Musk's Starlink is well ahead of the competition when it comes to the number of small earth orbiting satellites already in place. There are about 5500 of the low earth orbit satellites already up there, and SpaceX is expected to deploy nearly 12,000. But those satellites use older technology (!) and cannot create the "mesh network" in space that Project Kuiper is planning. Their 3000-plus satellites, when fully deployed, could change the game on reliability and speed for satellite delivered internet service.

Of course there's still a long way to go before all that is a reality, but the first major successful in-space test suggests that they've figured out a way to maintain a reliable signal between two satellites delivering speeds of up to at least 1Gig. In practical terms that means, according to the Bezos folks, that theoretically they could deliver a consumer-based internet service of up to around 400 Mb/s. Not shabby, and about the average of what is delivered by ground based systems today.

One interesting note; one of the reasons things are so fast in space is that they are sending the laser links through a vacuum,

so they achieve about a 30% speed boost compared to going over fiber or "over the air." Now please understand, I'm not saying this technology has been proved, or that even if it gets up and running it won't have the same problems any system might run into if it becomes so popular that capacity becomes a major issue. As we all know, it's far more expensive and complicated to get those satellites up there than it is to climb a pole or dig a trench. But it's certainly something to watch.

The bottom line here is that there are an ever-increasing number of competitors, and competitive technologies in the "internet service provider" or "broadband" business. If you just look at the numbers today, the cable/fiber broadband delivery infrastructure is being significantly challenged by the "fixed wireless" offerings that are proliferating. Now, if the satellite technology really proves out, the service might not only be viable for providing service in more rural areas or those around the globe with no service at all, but as a direct competitor as well.

Yes, as noted, the satellite folks have more lofty challenges, and given that low earth orbit satellites tend to drop out of orbit after a while, they will have to keep sending new ones up on an almost impossible schedule. But maybe there are technical "fixes" to that challenge too. I don't know, but it's worth watching. So as we move toward the end of the year and everyone celebrates the "twinkle, twinkle little stars" you might want to keep in mind what some of those "stars" really are!



And on that note, even though "this year" and "next year" are not likely to be that much different, I wish you all a happy one!

Steve

T:202-630-2099
steve@effros.com

(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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