

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Digital Disconnect: ISPs Send ACP Notices, Urge Customers to Speak Out

Broadband providers are supposed to send their initial notices to 23 million homes warning them of the possible end of the Affordable Connectivity Program by tomorrow under the FCC's [wind down plan](#). Notices are already trickling out as calls to action are ramping up.

**Charter's** ACP notice directs customers to a [website](#) with a pre-written email to send to elected representatives, urging them to extend or replace the program. "I am extremely concerned that I will be left behind socially, economically and financially," reads the lawmaker letter. Charter's notification warns ACP recipients that the program may only remain funded through April, telling them the credit on their monthly will end if that's the case. "Your service will continue after the program has ended—there is no action required on your part. We will keep you informed as we hear more," Charter said.

**Comcast's** notification directly states that ACP recipients will have to cover the monthly government subsidy (\$30 for most; \$75 for those on Tribal lands). "We are urging the White House and Congress to renew funding to keep this important program available for you. However, if the funding runs out and the federal government retires the program later this year, your ACP benefit would be removed from your account, and you would be responsible for the full cost of your internet service," it reads, adding that nothing needs to happen now and it will contact them again at least 60 days before the program ends

with next steps, including pricing and packaging options.

Late Wednesday, the website [DontDisconnectUS.org](#) went live with a countdown clock ticking on ACP's expected expiration. **American Association for Public Broadband** Executive Director *Gigi Sohn* announced the launch of the site, which is supported by a group called **Affordable Broadband Campaign**. It encourages phone calls and emails to members of Congress, features important dates and stats on the program, such as its use by 960,000 veterans. Sohn said tomorrow, Jan. 25, is a day of action. "Senate and House offices are not hearing enough from their constituents. The time for talking and hand wringing is over, and the time for action has started," she said during a *Broadband.io* online panel Wednesday.

It's not clear if there will be any repercussions for ISPs who fail to get initial notifications out by tomorrow's deadline. The FCC issued its wind down order on Jan. 11, telling ACP providers that they have 14 days from that date to send notices about the possibility of the program's termination and the potential impact on service and bills. The agency also outlined requirements for a second and third notice after it issues its 60-day ACP shutdown notice.

"The FCC can issue forfeitures if you don't comply with its orders, so you're subjecting yourself to that [possibility]," **Klein Law Group's** *Philip Macres* said during the panel discussion. "In fact, the FCC says send as many notifications as you can—three is not the limit... At the end of the day, it said, 'You've got to strictly comply with this. We want to make sure the best interest of the end user subscribers are taken into

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consideration and no one's suffering from bill shock.”

The potential loss of ACP is being watched closely by Wall Street and is being touched on in earnings reports. On AT&T's 4Q23 call Wednesday, CEO *John Stankey* called it “unfortunate” not only that the Affordable Connectivity Program is at risk of shutting down, but also that the U.S. has a number of subsidy programs that were structured years ago and continue to be funded under constructs that are no longer in touch with the current state of the industry. He believes regulators should be spending their time and energy understanding how to take all the existing subsidy structures and pull them together into a coherent approach that ensures that those most in need can get the subsidies they need.

“I think through a combination of ACP, Universal Service reform and other programs that are out there, that money is there, and if there was a political will and a coherent policy put forward, that it would be good for the industry and good for our country,” Stankey said. “If they choose to cancel the program and don't fund it and move forward on it, we have plays that we'll run. We have things that we'll do with our customers and how we approach the market and what we do to respond to it. And we believe we can manage through that in an effective way within the context of the size of our company and what we do and how we go to market.”

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## AT&T HITTING ALL TARGETS WITH FIBER, INTERNET AIR

AT&T is feeling pretty good about its 2023 and is ready to push even harder in the new year to fuel fiber growth and wireless net adds. 4Q23 revenues came in at \$32 billion, up 2.2% YOY, and broadband's contribution to that figure is growing by the quarter. Consumer wireline revenues grew 3.8% YOY to \$3.4 billion, and broadband revenues increased 8.3% thanks to explosive fiber growth of 21.9%. Total broadband gains, excluding DSL, were 19,000. That includes **AT&T Fiber** net adds of 273,000 and AT&T Internet Air fixed wireless net adds of 67,000 that more than offset non-fiber losses. AT&T CEO *John Stankey* wants it to be clear that AT&T is not going to push the Internet Air fixed wireless product as aggressively as some of its competitors push their equivalents as he wants the focus to be on the shift toward fiber. Instead, it will continue to be used as a transitional product in the areas where the company is shuttering its copper footprint and in areas where AT&T's spectrum portfolio or share position in a market makes it the right option. “I think the most important thing to understand, as you've seen, is we are broadband positive, aggregate broadband positive, and we are going to continue to be aggregate broadband positive going forward,” Stankey said on the company's 4Q23 earnings call Wednesday. AT&T recorded 526,000 postpaid phone net adds

## The WHO and the WHY

CFX's spotlight on recent new hires & promotions



**JEFF Collins**  
PRESIDENT, ADVERTISING SALES  
FOX CORP.

### 3 THINGS TO KNOW

- Jeff is taking the reins of Fox's advertising sales sector after Marianne Gambelli announced her retirement. Jeff will guide advertising sales efforts across Fox's portfolio of brands and platforms like Fox Sports, Tubi, Fox News Media, Fox Deportes and Fox Entertainment. He'll report to Executive Chair/CEO Lachlan Murdoch.
- Jeff was most recently EVP, Advertising Sales for Fox News Media, a position he held since joining the Fox family in May 2019. He was CRO for Viant Technology prior to Fox, a role that saw him accelerate Viant's focus on advertising technology in addition to oversight of subsidiaries like Specific Media, Myspace, Xumo and Vindico. Jeff also played a key role in the company's acquisition of the mobile advertising company Adelphic in 2017.
- He's no stranger to the television scene. Jeff spent over 18 years at WarnerMedia/Turner Broadcasting, holding an array of sales and leadership positions across several Time Warner brands. He rose through the company and eventually managed all east coast sales, which accounted for 70% of revenue across CNN properties (CNN, HLN, CNN Airport and CNN Digital).

in the quarter with postpaid phone churn coming in at 0.84%, consistent with the same period last year. With the results of the last year, AT&T plans on keeping its playbook much the same as it looks at 2024. In the mobility segment, he already believes that AT&T has found a strategy that works to keep churn down while growing ARPU, but there are some minor adjustments that could be made. “I suspect, looking at some of the numbers yesterday from what Verizon reported, there's some areas that they probably looked at and said that they can do a little bit better in, and we all have regional players that we play against in things that we do, like the cable companies,” he said. “As we kind of understand the playbook and look at it, we can adjust how we approach that.” Looking at the regulatory landscape, Stankey briefly commented on the progress of the BEAD program as **NTIA** continues working to approve states' plans for how to close their digital divides. Stankey again noted that there will probably be 50 different recipes of how BEAD ultimately works its way into the market, and AT&T is going to be very targeted in which states it chooses to compete in. “I think a good news story I point to is a state like Texas. I think

it was the largest benefactor of BEAD financing. Seems to me policywise they have a pretty sound approach to things,” he said. “It looks to me like we can work effectively in the state.”

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## GETTING IN THE ZONE

**Block Communications**, owner of **Buckeye Broadband**, **Maxx-South Broadband** and *The Toledo Blade*, is looking to grow its presence in the streaming space. It’s taking a big step as it acquired the intellectual property and assets of **Zone-tv** from ES3. “We have been out there for a bit and have a good working product, but without the quality of content that we need to really succeed. And that was driven by funding,” Zone-tv CEO *Jeff Weber* told **CFX**. Zone-tv boasts itself as the only ad-supported service that doesn’t interrupt movies during showing, combatting untimely ad splicing with greater ad fill and higher CPMs. Block had previously invested in Zone-tv before, but conversations of a larger acquisition began a little over six months ago with Block’s desire to capitalize in the streaming space. With Zone-tv’s presence on a mixture of platforms (it has distribution agreements in place with **Comcast/Xfinity**, **Xumo**, **Cox**, **Rogers**, **Roku**, **TiVo** and others), the next step is strengthening content. “We’re going to scale pretty aggressively, that much is clear, over the next quarter or quarters,” Weber said. “As we get into the second half of the year, I think things could get even more fun . . . I think there’s a lot of ways to create great content relationships, that with a little creativity, we can bring to the table.”

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## DISH, MISSION REACH DEAL

**DISH** and **Mission Broadcasting** are ending their year-long blackout, agreeing to a multi-year retransmission consent deal. The agreement covers 27 Mission stations in 25 markets across the country. Mission-owned television stations have been off of DISH’s channel lineups since January 2023. It lost two **White Knight Broadcasting** stations in Tyler, Texas, and Baton Rouge, LA, at the same time and those remain dark for DISH customers today. Both Mission and White Knight have shared services agreements with **Nexstar**. **DirectTV** hasn’t carried either broadcast group’s stations since October 2022.

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## SMARTMATIC EFFORT TO DISMISS FOX COUNTERCLAIMS DENIED

Electronic voting systems company **Smartmatic**’s motion to dismiss counterclaims submitted by **Fox** in a \$2.7 billion defamation lawsuit was denied Tuesday. Smartmatic claimed that the ruling in Fox’s lawsuit against **Dominion Voting Systems** prevents Smartmatic from needing to prove Fox’s defamation claims have a substantial basis in law. However, in the Dominion case—which Fox settled for \$787.5 million—the court ruled in favor of Fox on the issue of actual malice, which Smartmatic still needs to prove. “[The] plaintiffs do not establish that there has already been a binding determination that their claims have a substantial basis in fact,” New York Supreme Court Judge *David Cohen*, wrote in an

order. “First, defendants’ argument here is that plaintiffs’ alleged damages are so extenuated from their actual lost profits that they were pleaded and/or sought in order to chill defendants’ free speech rights. That argument has not yet been adjudicated in any court. Moreover, as the Dominion action was settled and discontinued before trial, any decision rendered therein has no collateral estoppel effect.” Fox’s counterclaims contend that the \$2.7 billion figure is “calculated to chill defendants’ free speech rights, as plaintiffs’ damages calculation is both unrelated to plaintiffs’ actual worth and possible future profits and as their defamation claim is meritless.” Smartmatic originally filed the lawsuit in February 2021, alleging Fox News aired multiple reports that stated and/or implied Smartmatic had influenced the 2020 election.

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## NBC SPORTS, COSM SCORE WITH SHARED REALITY

**NBC Sports** signed a multi-year deal with **Cosm** to bring **Premier League** matches, select Notre Dame and Big Ten football games and horse racing events to shared reality. Cosm, which specializes in immersive technology, media and entertainment, will have those sporting events available on their 87-foot diameter, 8K+ LED domes that are set to open in L.A. and Dallas this year. It’s the first time the Premier League, college football and NBC Sports’ horse racing portfolio will be available in shared reality. Cosm plans to open more locations in major markets in the future.

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## RATINGS

The Season 8 finale of the sports reality competition “Exaltón All-Stars” helped **Telemundo** secure the No. 1 spot in Spanish-language primetime Tuesday night. The ep garnered 1.38 million total viewers and 438,000 viewers A18-49, according to **Nielsen**. Telemundo also climbed to be the No. 2 broadcast network regardless of language from 8-11pm behind 435,000 A18-49 viewers. Season 8 finished with an average of 1.05 million total viewers.

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## PROGRAMMING

It’s a long-awaited return for *Jon Stewart*. He’s coming back to **Comedy Central**’s “The Daily Show” as an executive producer in addition to hosting the show on Mondays starting Feb. 12 through the 2024 election. Stewart previously hosted the program from 1999-2015 before being replaced by *Trevor Noah*. Noah departed the show in late 2022, and it’s lacked a consistent host since.

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## PEOPLE

Former **FCC** Commissioner *Mike O’Rielly* joined the **Free State Foundation** as an Adjunct Senior Fellow, and he’s launching a video podcast on everything tech, media and telecom. “TMT With Mike O’Rielly” will air twice a month and feature conversations with O’Rielly and other federal leaders. O’Rielly will have “sole control” over featured guests and the content.

Think about that for a minute...

**Tone Deaf**

Commentary by Steve Effros

This is an unabashed political commentary. But it does a lot of “bashing” on all the current political shenanigans, so don’t worry, everyone can take a bit of it as supporting their point of view. I’ve just gotten fed up with folks not really appreciating that their own actions are part of the problem we now face as opposed to part of a solution. This is my effort to get a little introspection going.

We need not dwell too long on the prior president. It’s inexplicable to a whole lot of folks that his supporters simply “don’t care” about all the seeming derelictions of law, propriety, civility, decorum and the like. It just doesn’t seem to matter. Not much more needs to be said. But it’s not going to lead to a solution to our underlying problem of a social and economic rendering. That’s for sure.

The same is true for the actions of Congress. Actions? Well, inaction is the probative word, and as you read recently in this column, the result is going to be things like a total reorientation of the “administrative state” assuming the “Chevron Doctrine” is neutered by the Supreme Court. That, as I’ve noted, will have a major impact on telecommunications policy because in essence the Court will be saying that Congress has to move as fast as the industry, including the Internet and “AI” folks, to keep up with laws and regulations that address the new issues arising almost daily. Administrative agencies won’t be allowed to do it.

We all know that’s not going to happen. It can’t, when members of the House of Representatives spend most of their time fighting among themselves over leadership positions or who’s going to get more TV time regarding “investigations” of Hunter Biden and “impeachment proceedings” based on policy disagreements rather than facts or malfeasance. The result: a non-functioning Congress which cannot possibly keep up with statutory rewrites of our industry.

And that leads to, of course, the FCC. It’s now deep in the weeds on things like a proposed regulation to require cable and satellite companies (but not telephone or “edge” stream-

ing providers) to give “rebates” for folks who have bought a package of services for a month or a year and then the service ingredients change. In this case it’s because there is a “black-out” of some television station or major “cable channel” which was part of the package.

Just think of it. I bought a monthly subscription to *The Washington Post*. But at the time one of my favorite things was the Herblock cartoon that arrived every day. Suddenly Herblock was gone. Should the government set a rule that requires the *Washington Post* to refund me a certain amount of money because Herblock is no longer available in my paper? How could that amount even be calculated? Clearly, it couldn’t. The “value” for me or anyone else would be individualized. It would be impossible. But the majority of the FCC seems to be tone deaf to the reality that their actions are simply causing folks to support the idea that the “administrative state” needs to be undone.

And that’s the point. Whether it’s the folks running for the most powerful political position in the world, or Congress, or administrative agencies, the Courts, or government actors, they’ve all become tone deaf. Yes, admittedly they’ve been urged on by ideological single-issue political groups, or wealthy constituents trying to protect and expand their wealth, and, of course, corporations as well, but all seem to not hear, or are willing to ignore the frustration being manifested. That’s downright dangerous.

I’ll stick with the FCC to close this out. Here’s the message: just because you have the jurisdiction to affect one part of a complex system but not others, doesn’t mean you should do it.



*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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