

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Two Roads: TDS Telecom Staying Out of BEAD, But USCellular Wants In

TDS Telecom beat its fiber address delivery goal by adding 217,000 new marketable fiber service addresses in 2023, bringing its total service addresses to 1.7 million. Approximately 370,000 service addresses are in TDS' expansion markets and the operator plans to continue growing its footprint and its number of expansion markets over the next several years.

On the cable side, it has approximately 500,000 cable service addresses with gigabit speeds thanks to a mix of DOCSIS 3.1 and fiber. CFO/SVP Finance *Michelle Brukwicki* said on the company's 4Q23 earnings call Friday that 16% of the company's cable addresses are served with fiber today, and TDS going forward is going to continue to add more fiber opportunistically in certain markets and in new greenfield areas.

When it comes to the BEAD program, TDS Telecom is not putting its name into the ring. TDS has opted to be a major participant in the Enhanced A-CAM program in almost all of the states it operates in, and program rules dictate that addresses covered under the Enhanced A-CAM program cannot also be funded for builds through BEAD. "For capital allocation, our competing priorities, our fiber expansion program and the Enhanced A-CAM program, BEAD does not enter into that equation in any significant way," Brukwicki said.

It's a different story at **USCellular**, which isn't counting itself out despite an obvious preference for fiber builds in the BEAD program rules put forth by **NTIA**. USCellular President/CEO

Laurent "LT" Therivel expects that states will first come out with aggressive plans in terms of the expectations of fiber and the speed of buildouts, and he's interested to see how much interest those initial plans draw. He's wondering how much states will have to go back to the drawing board and rethink the process once the BEAD program really goes into motion and money starts flowing later this year and in 2025.

"Is round one of BEAD going to be a tremendous success or is round one of BEAD going to be RDOF all over again?" he said. "I think that's a question that still needs to be answered. But based on our conversations, I still feel quite optimistic about the long-term role of fixed wireless that we can play, particularly for our more rural states." He's not sure if that comes in the first round of BEAD projects or if that will be something that comes down the line as states rethink plans to ensure everyone within their borders gains access to high-speed internet, but he does feel confident that USCellular's fixed wireless offerings have a place in the puzzle.

USCellular has seen a slowdown in gross adds, and he said the primary reason is the expansion and rise of the cable wireless players. While their market share is still only in the range of 3-4%, he is seeing their share of gross adds rising to 15% because of how they're competing in the marketplace.

Cable operators have faced criticism for winning customers with promotional pricing and whether they are operating profitable wireless businesses, but Therivel believes they have positive network economics and other factors that mean they

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<p>Top Ops Awards Entries Open February 27th Final Deadline April 30th Magazine Release August 19th</p>	<p>Diversity List Entries Open April 15th Final Deadline June 24th Magazine Release October 21st</p>	<p>Most Powerful Women Awards Entries Open May 6th Final Deadline August 28th Magazine Release December 6th</p>

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can act differently than other wireless providers and still find a way to make the numbers work.

“These are smart people and they’re driven by economics, so they wouldn’t be in the business if they didn’t find a way to make money. I think they’re either making money on wireless even with the price competition they’re putting in place, or at the very least they’re breaking even and seeing the benefit on churn,” he said. “So the combination of better offload economics coupled with being able to cross-subsidize their wireless plans, it makes a difference.”

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GCI PREPPING TO WIN WIRELESS SUBS IF ACP RUNS OUT

GCI added 1,400 consumer cable modem subscribers and 4,800 consumer wireless customers in 2023, the company reported on **Liberty Broadband’s** 4Q23 earnings call Friday. GCI is expecting minimal impact on the broadband side from a potential shutdown of the ACP program as most of the customers receiving subsidies were already GCI customers. CEO *Ron Duncan* said where ACP helped GCI’s broadband business the most is in reducing churn ratios for customers who may struggle from bill to bill. With that in mind, GCI has budgeted a slight increase in bad debt and anticipates a slight uptick in churn. “We do believe there’s an upside opportunity on wireless because nationwide, half of ACP goes to wireless providers. And with our GCI+ offering in the market being hugely less expensive than the least expensive **AT&T** and **Verizon Wireless** offerings,” Duncan said. “The disappearance of ACP for wireless should create a competitive opportunity for us to grow wireless at the expense of AT&T and Verizon as they phase their customers off of the ACP.” Liberty Broadband President/CEO *Greg Maffei* was also questioned for his take of the **Fox/Warner Bros. Discovery/Disney** sports streaming bundle and the impact that could have on companies like **Charter**, in which Liberty Broadband maintains a 26% equity interest on a fully diluted basis. “I think there is potentially an opportunity, as bundles are created, that we are a distributor of that and it has long term positives in that we’re making margin without risk and we’re continuing to drive demand for broadband as those packages shift,” Maffei said. “While we certainly have not seen all of it at Charter and made a full evaluation of where it’ll go, on the margin, it feels positive to me, both as an economic opportunity and as something which drives broadband.”

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ROKU WAITING FOR AD MARKET STABILIZATION

Increased competition and an ad market still searching for stability combined caused **Roku’s** stock to tumble by as much as 23% on Friday. The company had its 4Q23 earnings call

late Thursday, and while its active accounts increased by 10 million from 2022 to reach 80 million total in 2023, a 4% YOY decline in ARPU and a net loss of \$78.29 million still drew concern from investors. “While the U.S. ad market recovery is uneven, the decline in traditional linear TV and the shift of advertising from traditional TV to streaming is consistent,” Roku said in a letter to shareholders. “In Q4, ad spending on traditional TV decreased 11% YoY, and traditional ad scatter decreased 9% YoY (according to SMI).” That doesn’t mean there isn’t hope at Roku for an advertising turnaround. *Charlie Collier*, President, Roku Media, said 4Q23 was a solid quarter in the video advertising arena, which helps combat pains seen in specific categories like media and entertainment. “We continue to see actually a really solid rebound in video advertising in fourth quarter,” he said. “I’m really pleased with the way video advertising has strengthened in general, offsetting what has been and remains a challenging M&E marketplace.” While Roku has its traditional competitors, a new one could enter the fold after a *Wall Street Journal* report indicated **Walmart** was [in talks to buy Vizio](#) in a deal worth over \$2 billion. While he couldn’t add too much commentary on the report, founder/Chairman/CEO *Anthony Wood* alluded to Roku’s active accounts, brand reputation and its retail partnerships—which include Walmart—as key contributors to keep Roku in the thick of competition. On a positive note, Roku did end 4Q23 up 14% YOY in total net revenue with \$984.4 million and streaming hours saw a continued increase to 29.1 billion.

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ESPN GETS W GOLD CUP

ESPN and **CONCACAF** reached a deal for the network to be the exclusive Spanish-language home for the W Gold Cup. **ESPN+** will have all 28 of the tournament’s matches live, while ESPN Deportes will carry 23 matches. The tournament begins Saturday at 4pm with Guyana vs Dominican Republic on ESPN+ and will end with the final March 10 at 8:15pm (**ESPN Deportes** and ESPN+.) All W Gold Cup matches will air live ESPN platforms in Latin America and the Caribbean.

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INDUSTRY CELEBRATES BLACK HISTORY MONTH

MSG Networks is rolling out a month-long lineup of special programming dedicated to Black History Month and the impact of the Black community on sports and culture in New York. It’ll have an interview with Knicks legend *Walt Frazier* in addition to “Beginnings: Walt ‘Clyde’ Frazier,” where Frazier visits meaningful places in his hometown of Atlanta. MSG Networks will also have profiles of Black-owned businesses in NYC as

well as “Ice Hockey in Harlem.” All Black History Month programming will be available on **MSG+**. – **Sling TV** is letting its Sling Orange or Blue subscribers get a free preview of **REVOLT** and **BET+** through Feb. 29. It’s offering live and on-demand programming from the two networks, featuring classic music videos, sitcoms and other specials to highlight Black news and entertainment. – **Paramount+** is celebrating Black History Month by releasing “Becoming King,” a documentary feature about *David Oyelowo* and his seven-year journey to portray *Dr. Martin Luther King Jr.* in the 2014 movie “Selma.” It’ll premiere on the platform Monday and have behind-the-scenes footage on top of interviews from *Ava DuVernay*, *George Lucas* and *Oprah Winfrey*. – **Charter’s Spectrum** is celebrating Black History Month throughout February with movies On Demand in a new collection. Included in the free collection are historical dramas “Selma” and “Hidden Figures.” Other programming available for rent via the Spectrum guide during the celebration are “Green Book,” “Ray” and “Harriet.”

FUSE MEDIA SIGNS MMA DEAL

Fuse Media signed an agreement with the Hispanic MMA franchise **Combate Global** to be its exclusive English-language broadcast home. Fuse will broadcast eight live events between the spring and summer, and Fuse will also get the exclusive linear rights to 12 shows featuring exciting fights from Combate Global events. The first event on Fuse will come Feb. 24 at 9:30pm.

RATINGS

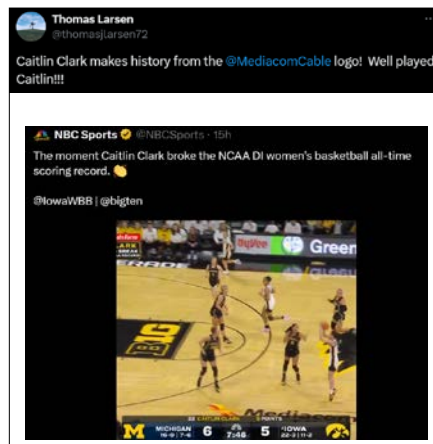
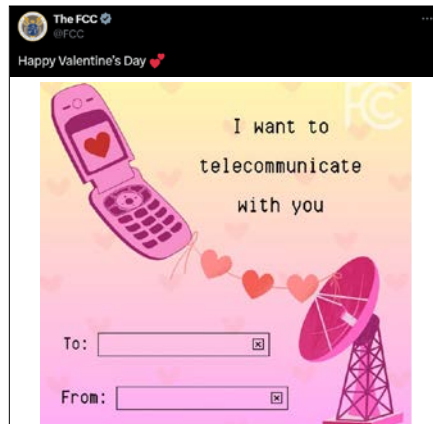
While it’s not the 123.4 million viewers the Super Bowl got, “Puppy Bowl XX” notched 12.6 million viewers across **Animal Planet**, **Discovery**, **TBS**, **truTV**, **Max** and **discovery+**. That made it the top non-sports cable telecast of Super Bowl Sunday in all key adult demos, including the A25-54 demo producing 0.78, 0.54, 0.25, and 0.16 L3 ratings on Animal Planet, TBS, Discovery and truTV respectively.

EDITOR’S NOTE

Cablefax Daily is not publishing Monday in observance of Presidents’ Day. Your next issue will hit your inbox on Tuesday, February 20.

CABLEFAX DASHBOARD

Social Media Hits



Research

(Source: [EY “Reimagining Industry Futures” Study](#))

- > 43% of the 1,405 enterprises surveyed are investing in generative AI.
- > Of those currently investing in generative AI, 80% are working on proof-of-concept for applications. 20% have pilot projects underway.
- > 38% of respondents favor a measured, incremental approach to adoption, indicating sensitivity around ethics and accountability.
- > 73% seek a greater understanding of generative AI concepts and use cases, 69% say they need to learn more about the risks and 52% have concerns around potential job displacement.

Up Ahead

- FEB. 25-27:** [NCTC Winter Educational Conference](#); Las Vegas
- MARCH 5-7:** [ACA Connects Summit](#); D.C.
- APRIL 3-4:** [Mid-America Cable Show](#); Dallas
- APRIL 13-17:** [NAB Show](#); Las Vegas

Quotable

“Why would the Commerce Department intentionally slow down Virginia’s broadband advancements and its builds? The answer is simple: it is demanding Virginia’s low-cost BEAD broadband offerings establish a specific price... Commerce’s foolhardy attempt to set broadband rates may stem from an elitist, it-knows-better mentality. Knows better than the providers offering such services. Knows better than the free-market system that would otherwise determine rates. Knows better than consumers in need of the services. Knows better than the state that has already successfully awarded several rounds of broadband funding. But more likely, Commerce is deviously trying to set this rate because it will help establish a de facto rate across all low-cost broadband tiers, even those outside BEAD.” – Former FCC Commissioner Michael O’Rielly talking about the delay in NTIA’s approval of Virginia’s BEAD Volume II proposal in a [blog post](#)