

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Fiber First: Shentel Sees No Fixed Wireless Impact As It Pushes Glo Fiber

Shentel is going all in on supporting its Glo Fiber brand, which added 4,300 customers in 4Q23.

The provider added more than 86,000 fiber passings in 2023, approximately 33,000 of those coming in the fourth quarter alone, and saw more than 17,000 households become Glo Fiber customers. As of December, Shentel has more than 41,700 **Glo Fiber** subscribers. President/CEO *Chris French* said leadership expects the pace of construction and sales to accelerate, and Shentel hopes to push that even further in 2024.

While other ISPs noted on earnings calls this quarter increased competition from fixed wireless providers in particular, EVP/COO *Ed McKay* said the competitive landscape for Shentel is largely unchanged. “Up to this point, we have not seen any material impact from **T-Mobile** fixed wireless,” he said. “We still primarily compete with one of the big incumbent cable providers there... we’re still really leading with fair, straight-forward pricing. We do offer the first month of service free. We’re not providing these deep promotional discounts that our incumbent cable competitor is providing.”

Broadband revenue in Glo Fiber markets in 4Q23 grew \$2.4 million, or 3.7%, to \$67.9 million. Broadband data ARPU in those markets rose by 4% YOY to over \$76 due to a combination of additional equipment revenue and customers selecting faster speed tiers. The company’s total of data, video and voice RGUs has exceeded 51,000. McKay said 47% of new

residential subscribers in the quarter adopted speed tiers of 1 gig or higher, including approximately 4% that took speeds of 2 gigs or higher. Shentel is now offering multi-gigabit speeds in 22 Glo Fiber markets with three additional market launches planned for 2024. Approximately 11% of total fiber customers subscribed to video service as of the end of 4Q23 and 12% subscribed to voice service.

On the cable side, broadband data subscribers remained flat YOY and sequentially and Shentel ended 2023 with more than 109,000. Total RGUs declined by 3% YOY which McKay attributed to ongoing cordcutting trends in video and voice. Broadband data penetration fell slightly YOY from 51.7% to 50.8%.

Shentel announced in its earnings release that it plans to raise additional growth capital for its FTTH network expansion, government grant projects and general corporate purposes. It is looking at a number of options, including the sale of some or all of its tower portfolio as well as other strategic alternatives.

“The important thing to note is we don’t really need the capital until ‘25, so we have plenty of time to explore different alternatives,” SVP/CFO *Jim Volk* said. “Another possibility that we’ve taken an early look at is entering the asset securitization market, the ABS market, for some of our more mature fiber markets. So we’re going to explore all different options and then come out with what we think is the best option to continue to provide capital to grow our business.”

It was in October when Shentel entered into an agreement to acquire **Horizon Telecom** for \$385 million, and ball continues

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to roll forward when it comes to receiving required regulatory approvals. The transaction is now expected to close in 2Q24, and system integration work should be completed in 1Q25.

“The Shentel and Horizon teams have been working well together in planning for the integration of the two companies. We now expect most of the system integration work to be completed in the first quarter of 2025,” McKay said. He also noted that once the Horizon deal is wrapped, Shentel expects to be able to accelerate its building of fiber passings.

FCC TO VOTE ON ALL-IN PRICING

FCC Chair *Jessica Rosenworcel* proposed final rules Wednesday that would require cable and satellite TV providers to specify “all-in” pricing for video services clearly and prominently in promotional materials and subscribers’ bills. The Commission will vote on the rules at its March 14 open meeting, and if adopted, those providers will no longer be allowed to describe any programming costs as taxes, fees or surcharges. The full Report and Order will be made available for public viewing on Thursday. At the March meeting, the FCC will also vote to ratify the 706 Report to raise the Commission’s benchmark for high-speed broadband to 100Mbps/20Mbps, approve a proposal to create a voluntary cybersecurity labeling program for wireless consumer IoT products and more.

NTIA DIVING DEEPER INTO AI MODEL QUESTIONS

NTIA opened a request for comment on the risks, benefits and potential policy related to advanced AI models with widely available model weights. The open-weight models NTIA wants to hear about allow for developers to build upon and adapt previous work, and these should broaden the accessibility of AI tools to small companies, individuals, researchers and more. But widespread use also increases the scale and likelihood of harm from these models. The request for comment seeks input on the varying levels of openness of AI models; innovation, competition, safety and national security concerns with making AI model weights more or less open; and the role of the U.S. government in guiding the availability of AI model weights. Comments are due within 30 days of publication in the Federal Register, and the responses will help inform a report to the President with policy recommendations and NTIA’s findings.

MORE CALLS FOR ACP FUNDING

Add Rep. *Frank Pallone* (D-NJ) to the list of lawmakers beating the drum for Congress to extend funding for the **FCC’s** Afford-

The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



TREY
Gargano
EVP, AD SALES
FOX NEWS MEDIA

3 THINGS TO KNOW

- Fox News Media found its successor to Jeff Collins. It’s promoting Trey from SVP, Ad Sales, where he will steer all of the company’s ad sales for its portfolio of platforms. That includes Fox News Channel, Fox Business Network, Fox News Digital, Fox News Audio, Fox Weather and Fox Nation.
- Trey held that SVP, Ad Sales role since he joined Fox News Media in January 2020. He started at FNM with oversight of all national, political and direct response sales, which are areas he garnered plenty of experience in throughout his 20-year stay at Turner Broadcasting. Trey held several leadership roles during those two decades, eventually elevating to VP, Portfolio Ad Sales and Client Lead across CNN and Turner/WarnerMedia.
- Other responsibilities during his Turner tenure include leading linear, digital, branded content, out of home, experiences and new ad products in addition to managing the Turner digital portfolio sales team from 2010-12. Trey holds a Bachelor’s Degree in American History from the University of Maine.

able Connectivity Program. He was joined by FCC Chairwoman *Jessica Rosenworcel* and a handful of public officials Wednesday for a press conference advocating for urgent Congressional action. With funding potentially expiring by April, time is running out for the 23 million participating households that rely on ACP for internet connection. “We used to treat broadband as nice to have, but not [a] need to have for everyone, everywhere, and during the pandemic we just exposed what a deep problem this is in the United States,” Rosenworcel said at the Red Bank Public Library in NJ. “The way I see it is we’ve come just way too far now to go back.” Pallone voiced his support for the ACP Extension Act that was [introduced in January](#), adding that he’ll help in the effort to “attach it to anything” such as the upcoming appropriations bill. “The problem is we haven’t been able to get the Republicans in the House to support this, and that’s what we’re really pushing for,” Pallone said. “Next week the continuing resolution expires, and if all you do is do continuing resolutions, then there’s no additional money to pay for something like this ... we have to have what we call an ‘omnibus appropriations bill’ that looks at programs where there is a need, and we put this in there.”

NATAS EMMY WINNERS

The **National Academy of Television Arts & Sciences** unveiled the winners of the 75th Annual Technology & Engineering Emmy Awards Wednesday, and plenty of familiar names grace the list. **DirectTV** is taking home two awards for Targeted Ad Messages Delivered Across Paused Media and the Development of Stream Switching Technology Between Satellite Broadcast Internet to Improve Signal Reliability. **Pluto TV**, **Amagi**, and **Turner** will all be celebrated for Pioneering Development of Manifest-based Playback for FAST, and the **BBC** and **NBC** are winners for the Creation and Implementation of HDR Static LUT, Single-Stream Live Production. Taking home awards for Pioneering Technologies Enabling High Performance Communications Over Cable TV Systems are **Broadcom**, **General Instrument (CommScope)**, **LANcity** (CommScope), and **3COM (HP)**. In a regulatory twist, the **FCC** and **Auctionomics** are recognized for Spectrum Auction Design. The award comes at a time when the FCC is still waiting for Congress to restore its ability to run spectrum auctions. Award recipients will be honored during a ceremony in October at the Javits Center in New York in partnership with the **NAB** New York conference.

ESPN SIGNS NEW MEDIA RIGHTS DEAL, CHASING VR EXPERIENCE

ESPN agreed to a multi-year rights renewal with **Athletes Unlimited** in a deal that encompasses all four of the organization's sports (women's professional basketball, softball, lacrosse and volleyball) for the first time. Over 70 games will air live on ESPN platforms in 2024, with 57 being scheduled on linear networks and the remaining 14 games streaming on **ESPN+**. In total, ESPN networks will have 126 live and encore presentations of games. The deal also includes ESPN obtaining international media rights. Games will air on **TSN** in Canada, **ESPN Latin America** and other platforms. – **ESPN** named **Meta** as the fourth member of the network's Edge Innovation Center. The partnership will be centered on bringing more ESPN-branded VR experiences to Meta's Quest devices. VR sports highlights are already available for free via the Xtadium app, and ESPN plans to launch an immersive experience in Meta Horizon Worlds later this summer.

CHARTER AGREES TO TWEAK SPECTRUM MOBILE CLAIM

Charter is complying with a **National Advertising Division** recommendation to modify its claim that **Verizon** customers would save over \$1,500 in their first year if they switched to Spectrum Mobile. The challenge was aimed at commercials that compared costs between mobile carriers. The ad featured two couples with headings showing they get two lines, unlimited data and nationwide 5G availability, but large text shows Spectrum Mobile customers “save over \$1,500 first year.” NAD found that Charter's disclosures didn't clearly specify the plan and prices being used in the comparisons. “NAD concluded that while Charter may compare the pricing of

two plans at different ‘tiers’ within the carriers’ offerings, in this context, it must be clear that the lowest tier Spectrum Mobile plan is being compared with a plan that is not Verizon's lowest tier plan,” the Division said. NAD also concluded the disclosure of Spectrum Internet being required isn't clear and conspicuous. It suggested Charter modify the claims to make the Spectrum Internet requirement and the plans it uses when comparing prices clearer. Charter said it “disagrees that its existing disclosures were insufficient” but will still comply with the recommendations.

COLD WEATHER, WARM WATCHING

With colder weather and the **NFL** Playoffs taking place, total TV viewership was up 3.7% during January, according to **Nielsen's** monthly “The Gauge” report. While the month of January typically produces high TV viewership, this year saw nine of the top 10 days with the highest streaming volumes ever recorded by the measurement firm, led by **Peacock's** exclusive NFL Playoff contest that generated nearly 3.9 billion viewing minutes. That helped streaming take up 36% of the total viewership pie, which is a 3.7% improvement from December and 1.4% from January 2023. **YouTube** (8.6%), **Netflix** (7.9%) and “other streaming” (5.3%) were the most-watched streamers with **Hulu** (2.7%) and **Disney+** (1.9%) following behind. Cable and broadcast combined for 52.1% of viewing with 27.9% and 24.2%, respectively, thanks to sports viewing and the news category seeing rises.

RATINGS

Fox News' airing of Tuesday's town hall featuring former President **Donald Trump** scored an average of 3.22 million viewers and 326,631 P25-54, according to early **Nielsen** ratings. The town hall aired during “The Ingraham Angle” from 7-8pm and was the top cable news telecast of the night for those two viewership demos. – The **NBA** hosted the 2024 All-Star weekend in Indianapolis this past weekend, and viewership is up despite complaints from fans about the events' stature. All-Star Saturday Night saw 10 million unique viewers in the U.S. across **TNT**, **truTV** and **B/R Sports on Max**. Aided by the annual dunk and three-point shooting contests and the highly anticipated competition between **Steph Curry** and **Sabrina Ionescu**, that's a 54% improvement compared to last year and is the most-watched All-Star Saturday Night in four years. The All-Star Game on Sunday had 11.6 million unique viewers and an average of 5.5 million viewers across **TNT**, **TBS**, **truTV** and **B/R Sports on Max**, good for 20% and 14% YOY improvements, respectively.

PEOPLE

Ex-**NBCU** Television Entertainment chair **Jeff Gaspin** has landed at Netflix as VP, Unscripted Series, reporting to Nonfiction Series VP **Brandon Riegg**. Gaspin served as chairman of NBCU Television Entertainment from 2009-2011 and most recently ran **Gaspin Media**. He takes the post following the departure last month of **Jenn Levy**.

Think about that for a minute...

Back to the Edge

Commentary by Steve Effros

First, a trip down memory lane. It was 1994 in a ballroom in Orlando, Florida. The CEO of Time Warner Cable, Jerry Levin, and his Chief Technical Officer, Jim Chiddix, (both guys very familiar to cable's "old guard,") put on a demonstration of the first "Full Service Network."

Orlando was about to become the testbed, at least for 4000 customers, of what was to become the model for what we know of today as broadband cable. It not only delivered a whole bundle of broadcast signals, the "bread and butter" of cable service at the time, but it also had the capability to provide full two-way video and data communication. Video on Demand with stored movies and other content at the head-end allowed subscribers to actually "order up" a movie, start watching it, pause it, get back to what they were watching, and all the other things we simply take for granted today. Then, it was eye popping.

Of course, the technology behind the scenes was eye popping too. So was the cost. Scientific Atlanta and Silicon Graphics, among others, put together the home terminal equipment that allowed the two-way system to work. There were massive servers installed at the local Florida headend to provide the menu of video being offered, which wasn't very much at the time since most movies or shows had not been digitized, so Time Warner had to do it themselves for each film. There was a lot of guessing on which movie folks would want to watch!

This was the true beginning of video on demand, which turned out to be the most popular thing offered, something the industry did not really know until this test. But it also foretold all the other potential things "broadband" could do. The question was how to do it, and did it make technical and economic sense? Well, that was another matter. The "cable box" in each home was actually a modified version of a Unix workstation! Each box cost close to \$5000. Clearly there had to be a lot of business success and a lot of cost reduction for this experiment to succeed. It was shut down in 1997. The test was over. Newer technology allowed the services, however,

to thrive, and here we are today with everyone having access to the equivalent of a "full service network" in their pocket!

There were major changes along the way. One was the realization that, technically, at that time, it was too expensive to put massive computer power into every home or locality to provide the channel changing speed demanded (measured in nanoseconds) by users. Moving the processing of signals from each set top box to a central location made more sense. With the advent of much faster communication links, especially with both "hybrid fiber-coax" and full "fiber to the home" systems, the communication demands could be met to do everything remotely (even via satellite, or "cloud" computing) and keep the local "edge" equipment essentially "dumb".

But not anymore! Watch the technical news and you'll see that the battle over supremacy with broadband and particularly AI is based on speed. Now it's data processing speed. And having everything centrally located or "in the cloud" is no longer efficient. The result: processing and storage are being distributed around the country and the massive computer power needed to deal with "Virtual Reality" devices, AI "large language models" and the like is triggering a race to design faster and faster chips and servers that can be placed closer to the end user, or, indeed, in users offices, homes and pockets. To be sure, this new equipment will be shockingly expensive at first, just as the Full Service Network boxes were, but my guess is we're about to go back out to the "edge!"



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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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