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WHAT THE INDUSTRY READS FIRST

Ringtone: T-Mobile's \$4.4 Billion Buy of UScellular Faces Uphill Climb

There's plenty of buzz around **T-Mobile's** proposed acquisition of **UScellular**, and not all of it is positive. In fact, one of those speaking out loudly against the deal is **Boost Mobile** founder *Peter Adderton*.

In a post on X, Adderton tagged the **FCC** and said there is no way the Uncarrier should be allowed to move forward with this transaction and acquire UScellular's customer base. "They must be made to divest them to an MVNO... this is now getting out of hand," he said.

T-Mobile acquired **Sprint** in a \$26 billion deal in April 2020 but had to divest Boost Mobile as part of the agreement, selling the brand, including its network and customers, to **DISH** on July 1. Now T-Mobile is proposing paying \$4.4 billion through a combination of cash and the assumption of debt for substantially all of UScellular's wireless operations. That includes the company's wireless customers and stores as well as certain spectrum assets. The boards of UScellular and TDS, an 83% shareholder of UScellular, have unanimously approved the transaction.

Under the deal, UScellular will retain ownership of its other spectrum as well as its towers with T-Mobile entering into a long-term arrangement to lease space on at least 2,100 additional towers being retained. The transaction is expected to close in mid-2025.

T-Mobile emerging as the buyer of UScellular isn't neces-

sarily a shock, but there's a lot for analysts to dive into when it comes to the pricing of the deal. **MoffettNathanson** was intrigued by the deal as it seemingly attributes no value to UScellular's spectrum assets. "The fit with T-Mobile is still better than with **Verizon** or **AT&T**, but the urgency of a UScellular deal for T-Mobile has gradually declined such that it is today a nice-to-have rather than must-have transaction. That's reflected in the transaction price. There was a time when the price would have been far, far higher," MoffettNathanson said. "Today, the question isn't so much whether T-Mobile needs the spectrum as it is whether they will be allowed to buy it."

When it comes to spectrum ownership and concentration, the FCC has a soft cap that puts a higher degree of scrutiny on any transaction that increases low- and mid-band spectrum ownership to a level above one-third of total licensed spectrum in a given market. T-Mobile wants to acquire 30% of UScellular's spectrum holdings, including its spectrum in the 600 and 700 MHz bands as well as holdings in the 1.7 GHz and 1.9 GHz. Left out is UScellular's spectrum in the C-band and 3.45 MHz band.

Public Knowledge is all for the heavy scrutiny from the FCC and the **DOJ** when it comes to this deal. SVP *Harold Feld* criticized both entities for allowing the T-Mobile/Sprint transaction to occur in 2020, giving the Big Three of wireless powerful positions while making it that much harder for DISH and cable companies that have been challenging in wireless to

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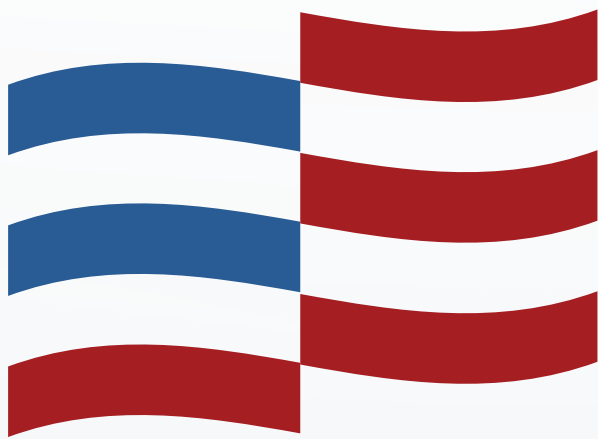


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build out networks and build their spectrum holdings. Things have only escalated since with Verizon purchasing **Tracfone** and T-Mobile buying **Mint Mobile**.

“The DOJ and the FCC, whose reckless approval of the T-Mobile/Sprint deal created this concentrated market in the first place, must scrutinize this merger very carefully and consider how this acquisition of spectrum licenses and tower slots (as well as customers) potentially denies would-be competitors the necessary inputs to compete effectively,” he said. If regulators do OK the deal, Feld believes conditions such as mandatory data roaming and cell phone unlocking could promote competition in an increasingly concentrated market.

STILL NOT MUCH HOPE FOR AN ACP RENEWAL

Movement on renewal of the Affordable Connectivity Program was non-existent over the holiday weekend, but **FCC** alumni are stepping up to show the spirit of bipartisanship is still alive in Washington. *Mignon Clyburn* and *Michael O’Rielly* published an [op-ed](#) in *The DC Journal* touting the merits of the program to both Democrats and Republicans. They characterized it as a hand up rather than a handout, opening doors for job opportunities and access to telehealth. “That is not to suggest ACP couldn’t be refined and reformed so that eligibility is more precisely tailored to the genuinely needy, generating greater support for the program,” the pair said. “Fixes to program eligibility and addressing waste, fraud and abuse are generally favored by industry participants.” In Congress, there are now four different efforts to extend the ACP, each with their own means for how to allocate the funding to the subsidy program. But none have encouraging momentum, and **New Street Research** said in a note to clients the political incentive to pass something will lessen in the short term. “In the next few months, the ISPs and ACP recipients will adjust to a post-ACP world, so that any new funding and new requirements would add to what is already an administrative and customer service morass,” the firm said.

CHICAGO RSN IN PURGATORY

Next on the RSN rollercoaster is **NBC Sports Chicago**. It’s been previously reported that the network is [set to lose the rights](#) to the Bulls, Blackhawks and White Sox come Oct. 1. Now, a *Chicago Sun-Times* report states that the [reality is starting to settle in](#), with the President/GM of **NBC 5, Telemundo Chicago** and **NBC Sports Chicago Kevin Cross** now pivoting to “making sure employees land on their feet.” Cross is still hopeful that the RSN and the three teams can reach a new deal, but the *Sun-Times* notes the network informed employees that it didn’t

anticipate an agreement before the October deadline. Where will that trio of teams go? They were once working on a deal that’d put their games on **Stadium**, which is owned by the Bulls and White Sox’s chairman *Jerry Reinsdorf*. However, a [report](#) from *The Athletic* earlier this month indicated Stadium won’t be the destination. Instead, the three teams will partner with **Standard Media Group** to make a new network that’ll be available over-the-air in addition to carriage on cable and streaming platforms. Standard Media Group is based in Nashville and has stations in Providence, Rhode Island; Lincoln, Nebraska; Cape Girardeau, Missouri and Paducah, Kentucky. Stadium won’t be part of the deal, but will still provide programming.

ISPS, NY MAY HAVE A DEAL ON AFFORDABLE BROADBAND LAW

The U.S. Court of Appeals for the Second Circuit on Friday granted a request by **ACA Connects, USTelecom, the NY State Telecommunications Association** and others to extend the deadline to file a petition for rehearing the associations’ objections to the 2021 New York Affordable Broadband Act. The important thing here is that the associations and New York State AG anticipate reaching an agreed-to stipulation by June 7 that would obviate the need for the appellees to file a rehearing petition before the court. “The parties expect to reach final agreement as to that agreed-to stipulation before June 7, 2024, but not before May 24, 2024—the current date by which Plaintiffs-Appellees must file any petition for rehearing or rehearing en banc,” the appellees wrote. There’s nothing in the docket to indicate what the agreement may look like, though **New Street Research** speculates it will have large ISPs providing low-cost broadband offerings consistent with the law for some period of time. The firm also posited that the state may agree to support a filing that advocates for ISPs to have a right to file a petition for rehearing beyond the normal timeframe. “As a political matter this make sense, as the legal framework for evaluating the state law depends on the outcome of the election,” New Street said in a note, suggesting that if *Biden* wins, an appeal would be argued in the context of the current FCC Title II framework, whereas the argument would center around a Title I regime if *Trump* wins in November. The New York law requires ISPs to offer a \$15/month 25 Mbps internet service plan or \$20/200 Mbps plan. The ISP associations sued and a lower court issued a permanent injunction on the law. But last month a Second Circuit panel [said](#) the ISPs’ arguments failed because the law does not establish a framework of rate regulation that is comprehensive enough to imply Congress meant to exclude states from taking action.

VENU SPORTS SET TO IMPACT MVPD SUBS, HOROWITZ FINDS

The imminent **Venu Sports** service will surely affect how viewers allocate their TV/streaming budget, and a new **Horowitz Research** study reveals that 42% of sports viewers 18+ say they would likely subscribe to the **ESPN, Fox** and **Warner Bros. Discovery** jv when it's released. Viewers aged 18-34 came in at 58% likely to subscribe, while folks 35-49 were right behind at 57%. Viewers 50 and up were far behind at 23%. Fifty-three percent of Latin and 50% of Black sports viewers over-indexed for likely subscriptions compared to 40% of Asian and 49% of White, non-Hispanic viewers. Among those sports fans likely to subscribe to Venu, 38% indicate they'd alter their other subscriptions. Canceling their MVPD service was the most common change folks indicated.

CHARTER SCORES BAMA DOLLARS

Charter is set to bring its high-speed internet to over 150 homes and businesses in Cleburne County, Alabama, after the company received a grant from the Alabama Capital Projects Fund. Spectrum will use the \$317,000 state grant along with its own allocation of \$970,000 for the buildout. So far, Spectrum has received 23 grants from the Alabama Capital Projects Fund, which will result in bringing broadband to nearly 21,000 additional homes and businesses across the state.

FIBER FRENZY

Google Fiber is expanding beyond its Seattle footprint, bringing its point-to-point wireless offering as well as its FTTH broadband network to nearby cities and towns. It'll roll out its gigabit and multi-gig offerings in the Puget Sound area. GFiber is in advanced conversations with Kent to accomplish the same, and notes it's having similar discussions with several other municipalities.

RATINGS

This year's **NHL** Eastern Conference Finals are up 42% so far on **ESPN** networks compared to the first three games of the 2023 Western Conference Finals. With the Rangers holding a 2-1 series lead, the three games averaged 2.2 million total viewers and 837,000 P18-49. Sunday's Game 3 bout on **ABC** averaged 2.4 million total viewers—peaking at 3.81 million—and recorded 851,000 P18-49. Through 38 games, the Stanley Cup Playoffs are averaging 1.32 million total viewers on ESPN nets in addition to 551,000 P18-49. That's good for 19% and 13% improvements, respectively, over the comparable point in 2023's postseason. – **Spectrum News** averaged 1.7 million daily viewing households across linear and digital platforms for the month of May. That's good to beat out the broadcast nets, **Fox News, CNN** and **MSNBC** in average daily viewership in May in markets where Spectrum News is distributed. – The recent season of **HGTV's** "Ugliest House in America" garnered over 10 million total viewers during its run. The series aver-

aged a .47 live plus three-day rating among A25-54, a .64 L3 rating among W25-54, a .49 L3 rating among upscale A25-54 and a .65 L3 rating among upscale W25-54. Ugliest House in America also ranked as a top-five non-news/sports cable program among W25-54, upscale W25-54 and upscale A18-34 in its 9pm timeslot.

PROGRAMMING

NBC Sports will be on hand to provide over 65 hours of U.S. Women's Open coverage this weekend. On Thursday and Friday, **Peacock** will stream the tournament from noon-2pm before **USA** takes over from 2-8pm. Saturday's coverage will begin on Peacock from 1-3pm before switching to NBC/Peacock from 3-6pm, and the final day will begin on the streamer from 2-3pm, shift to USA from 3-4pm and end on NBC/Peacock from 4-7pm.

REMEMBERING BILL WALTON

Longtime commentator and former **NBA** champion *Bill Walton* passed away Monday at the age of 71 following a prolonged battle with cancer. Walton was known for his eccentric commentary and peculiar (yet entertaining) catchphrases that marked his broadcasting career. Fans, colleagues and executives took the time to send best wishes to the Walton family, including NBA Commissioner *Adam Silver* and **ESPN** Chairman *Jimmy Pitaro*. "Bill often described himself as 'the luckiest guy in the world,' but anyone who had the opportunity to interact with Bill was the lucky one," Pitaro said. "Bill's one-of-a-kind spirit captivated and inspired audiences during his second career as a successful broadcaster. We at ESPN extend our deepest condolences to Bill's loved ones, including the entire Walton family." ESPN honored the late broadcaster Monday with tributes during "SportsCenter" and "NBA Today," while also airing the "30 for 30" documentary about Walton's life and career "The Luckiest Guy in the World." Walton was also a known fanatic of the band Grateful Dead, and the SiriusXM channel made for Deadheads honored him with special programming, archival concert audio and interviews.

PEOPLE

Scripps is removing the interim tag for *Robin Davis*, officially naming her its SVP/Chief Distribution Officer. She'll lead the team responsible for managing distribution across cable, satellite and virtual platforms as well as multicast spectrum. Davis has been at Scripps since 2005, starting as a controller for the company's former newspaper division and climbing to her most recent role of SVP, Strategy, Planning and Development. She's played a role in Scripps' M&A activity involving local stations as well as the acquisitions of **Newsy** in 2014, **Katz Networks** in 2017 and **ION** in 2021. – *Jake Urbanski* has joined **Nielsen** as SVP, Communications and Editorial. The well-known PR hand most recently was at **Netflix**, but has also had stints at **Discovery** and **Paramount**.