

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Buddy System: Cox, Oklahoma Rural Electric Co-Op Share Secrets of Success

It's been just over a year since **Cox Communications** entered into a lease agreement with **Indian Electric Cooperative** of Oklahoma to bring broadband to unserved areas in its seven-county footprint. The two are on track to give more than 2,500 co-op members the opportunity to connect to Cox broadband and other services this summer.

“One of our employees loves to say it’s Christmas for our members when we release a work order to Cox. Well, our first work order released was actually a day before Christmas when we released the City of Fairfax to Cox. At that point, then they are responsible for building out the drops and going into the home and signing up,” IEC CEO *Todd Schroeder* said during **Cablefax’s** inaugural American Broadband Congress late last week. “It’s actually a win-win process for us because we’re getting the electrical upgrades as well as the make-ready and the right away clearing and everything. But what we’re not having to deal with is standing up a subsidiary or another company and finding the workforce, the overhead of the equipment, not to mention the learning curve of going from electrical to telecommunications.”

Fairfax, Oklahoma—the first town served under the partnership—has been in the spotlight recently following the release of *Martin Scorsese’s* “Killers of the Flower Moon.” Within six months after the two had signed an agreement, IEC had built an 80-mile extension through Fairfax. The backbone connects

Fairfax up north to the south end of the line in west Tulsa County/Eastern Creek County. The key to heading off challenges was to have Cox’s local outside plant construction director and government affairs team meet with IEC early on. As of today, IEC has released nearly 1700 homes to Cox and built out about 265 miles, with Schroeder noting it would be 2900 homes passed if there wasn’t a wait time on materials.

Cox Senior Manager of Strategic Solutions *Justin Soileau* admitted Fairfax wouldn’t have been the operator’s first choice for service, but explained that’s part of the compromise that makes the partnership work. “It’s 70 to 80 miles from our existing operations, but like any agreement or any collaboration, there has to be flexibility,” he said during the ABC case study on the partnership. “We just really wanted to highlight that while we’re a national, broad organization, we also are deeply local and that’s part of our process and our DNA in how we approach things. So, when Todd said Fairfax was a priority, we said let’s make it happen.”

The rural co-op is using some of its own capital in the project, but it’s also receiving funding through ARPA. The Oklahoma Broadband Office awarded IEC \$17 million toward specific legs of the full project. IEC also is pursuing other funding opportunities to offset construction costs to the cooperative.

The partnership represents the first such lease arrangement with a rural electric co-op for Cox, but it’s interested in pursuing others. “The way we tried to frame it internally is this is really like a last-mile, dark fiber lease ... It is essentially an

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exclusive access network that we're leasing. Cox is providing the network and the light that goes through the dark fiber," said Soileau. Once an area is lit up, Cox handles all the billing, customer service, installation, etc. with co-op members who sign up for service 100% a Cox customer.

When Cox and IEC met, they created the agreement from scratch. But Soileau noted that Cox now has essentially created a template internally based on the partnership that any organization could apply—whether it's a Tribal nation, a municipality that wants a government network or a rural electric co-op. "I think what I'm seeing is a shortage of collaboration. We've heard the previous panelists talk... about what I think of as collective broadband or BEAD anxiety—whether it's compliance, contracts, not knowing the costs. And what that does, it makes organizations look inward because they're stressed and they're trying to solve for themselves," said Soileau. "But really, it's the time to be looking outward and reaching out and having those conversations."

Schroeder noted that there are more than 800 electric coops in the country. "At some point, there will be this recognition that this makes a lot of sense. And we can do it faster this way," he said.

As BEAD money begins to be doled out, the two think there is a lot of potential for more of these types of creative partnerships to serve hard-to-reach areas. "What does every customer or every broadband office want when they're going to award a grant? They want to have confidence that it's going to be sustainable, reliable, the operators are qualified and that they're going to provide a quality affordable service to the end user," said Soileau. "I think this a template that hopefully catches fire and a lot of organizations can adopt it."

## NY LOW-COST BROADBAND LAW ON HOLD FOR NOW

Friday brought another development in the court battle over New York's Affordable Broadband Act with a group including the **New York State Telecommunications Association, CTIA, ACA Connects, USTelecom** and **NTCA-The Rural Broadband Association** filing a notice in the Second Circuit notifying the court they would not be filing a petition for rehearing. But that's all part of an agreement the associations reached with the Attorney General. "We appreciate the Attorney General's agreement to suspend enforcement of this law while the courts consider the litigation in this case," the associations said in a joint statement. "We continue to support state and federal measures that foster broadband affordability without requiring rate regulation." **New Street Research** laid out three ways the situation could become more complicated in a note to clients with much of it revolving around the **FCC's** Title II order and ongoing litigation surrounding

it. The FCC majority could amend its Title II order's language to make it more clear that the decision does not preempt state actions to assist with low-income affordability. The Sixth Circuit could transfer the case to the D.C. Circuit or voters could elect *Donald Trump* and a Republican FCC majority could return the classification back to Title I. "The key thing for investors is that at this moment, the legal status of state actions to mandate low-income broadband offerings is uncertain. Still, while the legal situation is likely to remain this way for some time, if the demise of ACP creates significant problems, we think that when legislatures reconvene after the election, more states are likely to look to New York as a model for how to proceed regardless of the state of the litigation," the firm said.

## SUPPORTERS OF CANTWELL'S SPECTRUM BILL SPEAK UP

Speaking of ACP, we're holding our breath to see if **Senate Commerce** will go ahead with its planned executive session Tuesday dedicated to Chair *Maria Cantwell's* (D-WA) Spectrum and National Security Act. The bill would renew the **FCC's** spectrum auction authority, provide \$7 billion in proceeds from commercial auctions for the Affordable Connectivity Program, support research and development on advanced spectrum technologies at the **NTIA** and **Department of Defense**, and more. Some organizations spoke out ahead of the hearing to note their support of the bill. **INCOMPAS** CEO *Chip Pickering* sent Senate Commerce leadership a letter supporting the bill Monday, noting it is important to fund programs designed to ensure network security and affordability to protect the billions Congress has allocated to supporting broadband deployment. "Unfortunately, the Rip and Replace program has faced a funding shortfall for far too long and the Affordable Connectivity Program (ACP) is now starting down the end of its days without action from Congress," Pickering said. "All of the issues covered in this piece of legislation are mission critical to achieving Internet for All and we are happy to support this vital bill." **CTA** CEO *Gary Shapiro* also spoke out, saying the association appreciated the newly released draft of the bill and the pathway it provides for freeing up spectrum for licensed and unlicensed use. "As demand for consumer connected devices grows, to stay competitive, the U.S. must maintain its leadership by freeing up additional spectrum," he said. "CTA hopes to work with Congress to advance legislation that restores the FCC's auction authority and puts the U.S. on a path to continued innovation, while protecting national security interests."

## FUBO DROPS MONUMENTAL

The D.C. RSN **Monumental Sports Network** was dropped from

**Fubo** over the weekend after the two failed to reach a new carriage deal. “Fubo has been engaged in good faith negotiations with Monumental Sports Network but we were unable to reach a deal. As a result, the network left Fubo on June 15,” the vMVPD said. Fubo still serves the D.C. area with its carriage of **MASN** and local broadcast affiliates. Monumental claims it offered Fubo market-rate terms that have been accepted by other distribution partners, but Fubo refused “several” proposals. The network carries the Capitals, Wizards and Mystics—who are in the midst of their **WNBA** season—in addition to local high school and college sporting events. “This outcome seems at odds with Fubo’s claim to be the leading sports-focused live TV platform and clearly signals a total lack of interest in local women’s sports at a time when the rest of the world has declared their importance,” **Monumental Sports & Entertainment** said. “Would Fubo ever consider taking away Monumental from its fans if our **NHL** and **NBA** teams were in season? Unlike Fubo, we remain committed to women’s sports and serving D.C. sports fans. We urge our fans to consider accessing other pay TV providers or subscribing to Monumental Sports Network directly at [monumentalsportsnetwork.com](http://monumentalsportsnetwork.com).”

## STEIB NEXT TEGNA CEO

**TEGNA** is preparing for a leadership transition with President/CEO *David Lougee* stepping down as of Aug.12. At that point, he’ll become Senior Advisor. Joining the company to take over the top spot is *Michael Steib*, who currently serves as CEO of online art discovery platform **Artsy**. He also served as President/CEO of **The Knot** parent company **XO** and spent a decade in leadership positions at **NBCU** and **Google** launching and scaling ad-supported businesses. In other news, TEGNA’s board has added two independent directors. Former **Away** President *Catherine Dunleavy* and *Denmark West*, who heads market intelligence and strategic engagements for **X**, **The Moonshot Factory**, will join the board on July 1.

## NAD HANDS DECISION ON T-MOBILE’S ‘PRICE LOCK’ CLAIM

The **National Advertising Division** is recommending **T-Mobile** discontinue using its “Price Lock” claim regarding its 5G home internet service, or modify it to explain that the price lock policy is different from actually locking the price for the term of a service. **AT&T** originally filed the Fast-Track SWIFT challenge, which is an expedited process created to tackle single-issue advertising cases. T-Mobile’s price lock claim appeared in print, online and TV. “In each of the challenged advertisements, the description of the ‘Price Lock’ policy appears in text below the claim and states, with some variation, ‘Get your last month of service on us if we ever raise your internet rate.’ NAD found that a disclosure that ‘Price Lock’ does not lock the price but gives consumers one month of free service if certain conditions are met contradicts the main message of the ‘Price Lock’ claim,” NAD said, suggesting that if T-Mobile were to modify the claim, it should make clear that the

policy gives customers a free month of home internet service if the monthly price is raised and the customer notifies T-Mobile that they’re canceling service. T-Mobile said it will comply with the NAD’s decision although it believes that the ads in question “appropriately communicate the generous terms of its Price Lock policy.”

## LAYOFFS AT CABLE ONE

**Cable One** revealed in an SEC filing Thursday that it expects to reduce its total employee headcount by about 4% and expects approximately \$7 million in pre-tax charges related to the headcount reduction. The operator said the restructuring is intended to help the company grow and streamline operations. Once the organizational changes are fully implemented, the company expects to achieve approximately \$14 million of annual run-rate cost savings.

## FIBER FRENZY

**Zipty Fiber** is expanding in areas throughout Billings and Great Falls, Montana. Once construction wraps up, Zipty will serve nearly 19,000 homes and businesses in Billings and around 10,000 addresses in Great Falls. The provider has its sights set on Missoula, Helena and Butte next. Zipty will launch in those areas in the next few months, which will bring an additional 26,000 addresses.

## RATINGS

The two-episode premiere of **Bounce TV**’s “Mind Your Business” on June 1 accumulated over 2 million households from its weekend telecasts, an all-time high for a Bounce original series. The initial airing, which occurred from 8-9pm, included special presentations on **ION** and local O&O Scripps networks. – “Deadliest Catch” earned over 2.2 million total viewers during its two-hour season premiere Tuesday. It was the first time in 10 years that the **Discovery Channel** program saw viewership for the series increase over a previous season premiere. The episode also had a .63 L3 rating among A25-54, which is a 121% increase compared to the prior six-week timeslot average among A25-54.

## PEOPLE

*Zenita Henderson* is starting a new position at **Point Broadband** as CMO. She spent the past two years as CMO at **Cox Communications** subsidiary **Segra** and was previously VP, Marketing and Business Development at **SCTE**. Point Broadband is a fiber provider backed by private equity fund **GTCR** that operates in 10 states. In January, longtime Cox vet *Patricia Martin* joined in the newly created post as president, reporting to CEO *Todd Holt*. – *Sean Spivey* joined **Wilkinson Barker Knauer** as partner. He most recently served as Senior Policy Advisor in the Office of Spectrum Management at **NTIA**, where he helped develop the Biden-Harris Administration’s National Spectrum Strategy. Spivey also served as Chief of Staff and Senior Counsel of the **FCC**’s Broadband Data Task Force.