

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Progress Check: House Commerce Attacks NTIA for BEAD Breakdown

A number of Republican leaders of **House Commerce** are starting an investigation into **NTIA's** implementation of the BEAD program, particularly into how the agency is evaluating initial proposals from states and territories. In a letter sent to NTIA Administrator *Alan Davidson*, Reps. *Cathy McMorris Rodgers* (R-WA), *Bob Latta* (R-OH) and *Morgan Griffith* (R-VA) showed particular concern over rumors regarding NTIA's attitude toward rate regulation as it approves Volume II drafts.

"States have reported that the NTIA is directing them to set rates and conditioning approval of initial proposals on doing so. This undoubtedly constitutes rate regulation by the NTIA," the letter said. "Without visibility into the approval process, Congress is unable to determine how widespread this practice is."

They've asked NTIA to provide all communications between its officials and state broadband offices regarding the review and approval process for initial proposals as well as the factors or conditions that are preventing state entities from having their initial proposals accepted. They've also asked for the agency to provide rationale for why those communications could not be made public.

Former **FCC** Commissioner *Michael O'Rielly* said in a [post](#) on **X** that it was great news that Congress would be putting "NTIA's BEAD manipulation" under a microscope. **ACA Connects** also came out in support of the call for more transparency from NTIA as it continues its implementation of BEAD.

"Our members know that restrictive requirements that result in rate regulation will deter investment & make it hard to close the digital divide, especially in rural America," CEO *Grant Spellmeyer* said in an [X post](#).

Further critiques of the BEAD program came during a House Commerce hearing Tuesday morning on the **FCC's** FY25 budget. Commissioner *Brendan Carr*, who has been outspoken in his disappointment over the pace of progress as it relates to BEAD, characterized the \$42 billion program as one that is going off the rails.

"It's not been 967 days since *President Biden* signed this \$42 billion plan into law. 967 days later, not one person has been connected to the internet with those dollars. Not even one shovel's worth of dirt has been turned in those 967 days, and it gets worse," Carr said. "The administration says that no construction projects will even start until next year at the earliest. This makes *President Biden's* signature \$42 billion initiative the slowest-moving broadband development program in recent history."

But not every committee member took kindly to the criticisms of the BEAD program. Democrats admonished those on the other side of the aisle for being so critical of the *Biden Administration* and **FCC** Chairwoman *Jessica Rosenworcel*, particularly when it came to BEAD and the lapse in funding for the **Affordable Connectivity Program**. Rep. *Anna Eshoo* (D-CA), who is retiring at the end of this Congress, used perhaps her final minutes to speak to the **FCC** during an official hearing to



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celebrate the accomplishments of the agency since Rosenworcel became chair and to criticize Carr for his harsh words on the management of the BEAD program.

“To disparage BEAD and other undertakings of the Commission that really look after the working stiffs in this country I think is just dead wrong. When we push people down, we’re hurting ourselves,” Eshoo said “Our country is made up of extraordinary, ordinary people and when our policy strays from that, we stray away from the core of what this democracy is all about.”

The FCC’s controversial proposal to eliminate bulk billing arrangements for Americans living in multi-tenant environments also drew quite a bit of attention during the hearing with Rep. Gus Bilirakis (R-FL) saying he had received letters from approximately 140 constituents since the FCC released the proposal. They were unanimously in opposition to the proposal with the vast majority of the messages coming from those residing in senior living communities on fixed incomes. Rep. Robin Kelly (D-IL) also noted some concern among her constituents on the impact of such a ban.

Rosenworcel said she has received complaints from folks that are unhappy with the existing situation for those living in MTEs, often asking why everyone else gets to see competition in their area, but those subjected to bulk billing arrangements don’t get that experience. They also complain about having to pay for service provided to a community if they don’t want to use it.

“What we’re proposing is a rulemaking to ask those questions, mindful that there are some constituents including folks like the ones you described who might like these services,” Rosenworcel said. “But it’s been 14 years since we looked at this issue and 14 years in broadband is a long time. We want everyone to have the benefit of competition, so opening this issue up for public comment, I think, is the right thing to do.”

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TITLE II CHALLENGERS FEELING EVEN MORE CONFIDENT

Before the U.S. Supreme Court’s [decision](#) overturning the Chevron doctrine, the cable industry felt pretty good about its odds at prevailing in the fight to overturn the FCC’s Title II net neutrality order. Now, it feels “success is even clearer.” That was the message relayed in a joint supplemental brief filed in the Sixth Circuit this week by NCTA, USTelecom, CTIA and other ISP associations that urged the court to stay the order pending judicial review. The groups said the Supreme Court’s decision in Loper Bright Enterprises v. Raimondo did four main things. First, it reaffirmed the viability of the major-questions doctrine, which the associations argue is fatal to the FCC order. Second, the court overruled Chevron. Third, the court outlined the considerations that should now guide

courts in determining the “appropriate weight” to be given to an agency’s views—emphasizing that respect may be due to consistent agency interpretations (the FCC has flipped flopped on Title II for years). And fourth, Loper Bright directed courts to give stare decisis effect even to cases decided at Chevron’s second step. “Applied here, that means treating the Supreme Court’s prior decision in National Cable & Telecommunications Association v. Brand X Internet Services—which approved the classification of cable broadband as an ‘information service’—as a binding statutory precedent,” the brief said.

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CRUZ PROBING IF BIG TECH IS SHAPING AMERICAN AI POLICY

Senate Commerce Ranking Member Ted Cruz (R-TX) wants to know whether government agencies have been using temporary staff funded by Big Tech companies to establish and implement the administration’s AI policy. “In April, the White House announced that federal agencies had successfully completed all the AI Executive Order’s 180-day actions yet had only hired a total of 150 people into AI roles. That low figure begs the question: who performed the work necessary to meet the AI Executive Order’s fast-paced deadlines?” Cruz asked in letters this month to the **FTC, Department of Commerce, Department of Transportation and National Science Foundation**. The senator said he’s opened an investigation into whether Big Tech may be shaping AI policy by exploiting the Intergovernmental Personnel Act—which allows certain non-profit groups, universities and other organizations to temporarily place their employees at federal agencies and pay their salaries. He cited a March 2024 report that revealed that through the IPA program, Facebook billionaire Dustin Moskovitz is paying the salaries of his fellows serving in AI roles at the National Security Council, the Department of Defense, and the Department of Commerce. Cruz is asking the agencies to provide more info, including who is working pursuant to the IPA program, by July 15.

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MISSOURI LATEST TO BAN FRANCHISE FEES FOR STREAMERS

Missouri Governor Mike Parson signed a bill into law Tuesday that would exempt streaming video providers, such as Netflix and DirecTV Stream, from paying separate local franchise fees in addition to those already leveled on video service providers, primarily cable operators. The issue has resulted in several court cases across the country, with the streamers generally prevailing. Last year, a Georgia appeals court ruled that local governments in the state can’t collect such fees from streamers. Tennessee’s Supreme Court made a similar ruling in 2022. Kansas enacted a law last

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | VP/Group Publisher, Cablefax and Synopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com | Managing Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Associate Editor: Noah Ziegler, 301.354.1704, nziegler@accessintel.com | Director of Business Development, Cablefax: Ellen Kamhi, 917.626.5574, ekamhi@accessintel.com | Production Manager: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: \$1,999.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

year that exempts streaming services from local franchise fees.

PARKS UNVEILS BROADBAND MARKET TRACKER

Parks Associates is introducing a new annual research subscription service that highlights over 25 market leaders in the U.S. and Canadian residential internet service markets. Called the Broadband Market Tracker, it offers quarterly reports that detail market trends, profile market leaders and offer estimates for residential internet subscribers and revenues for the North American market. The estimates will include companies that don't publicly release figures. Parks will also highlight the growth in services like fixed wireless among MNOs. In its first report, Parks found that in the satellite internet market, **Starlink** has approximately 1.3 million residential subscriptions in the U.S., beating out competitors **HughesNet** and **Viasat**. That makes Starlink the 12th largest residential ISP in the U.S. and is on track to crack the top 10 by the end of this year.

HOROWITZ FINDS BLACK VIEWERS WANT BLACK-FOCUSED CONTENT

Horowitz Research is tracking the evolution of the TV, streaming, internet and mobile environment among Black Americans in its new annual report "FOCUS Black Volume I: Subscriptions 2024," and it found that culturally relevant content plays a major role in which platforms Black content users utilize. The report showed that content geared toward Black audiences is important for 62% of Black households. Around 67% of Black TV content users subscribe to at least one SVOD, and 42% have access to at least one Black-targeted SVOD like **BET+**, **Zeus** and **ALLBLK**. Black audiences are more likely to use FAST channels as well, with 75% of Black viewers using them compared to the 67% of total market consumers. That's also a nearly 6X increase from 2019's mark of 13%.

SLING TV GETS PAUSE ADS

DISH Media is adding pause ads for **Sling TV**. The new ad format will enable advertisers to reach viewers in a non-disruptive manner in the form of video content or static graphics. Pause ads will be present on both live and on-demand content, while also appearing during a user's self-initiated break. The new ad feature stems from DISH's partnership with **BrightLine**, which helped introduce interactive ad units on Sling TV back in December.

CARRIAGE

The ad-supported edition of **ViX** is now available to Spectrum customers with **Univision** as part of their Spectrum TV Select or Mi Plan Latino packages at no added cost. Thanks to a multi-year agreement between **Charter** and **TelevisaUnivision**, users can access over 17,000 hours of original series, movies and live sports, which includes the Copa América and UEFA Euro tournaments.

FIBER FRENZY

Archtop Fiber has commenced construction of its fiber network in Pittsfield, Massachusetts. Once complete, customers will have access to speeds of up to 10 Gbps. Archtop is currently available in Kingston, Saugerties, Rhinebeck and Warwick, New York, with the Hudson and Catskill areas expected to join this summer. – **Shentel** is expanding its Glo Fiber service to 2,500 homes and businesses in Greenfield, Ohio, which will bring symmetrical speeds of up to 5 Gbps for customers.

RATINGS

As folks celebrated the Fourth of July, **Fox News** swept the weekly ratings once again from July 1-7. It was a Fox-filled top two in prime as Fox News led with 2.06 million viewers P2+, but **Fox Sports 1** found its way into second place with 1.12 million on the back of ongoing Copa América and UEFA Euro coverage. **MSNBC** came third with 912,000, while **Hallmark Channel** and **ESPN** followed with 795,000 and 649,000, respectively. Fox News checked in with 1.38 million viewers in the total-day leaderboard. MSNBC came second with 569,000. – Sunday's Red Sox vs Yankees game was the largest **ESPN** Sunday Night Baseball audience in 2.5 years, averaging 2.36 million viewers. Boston's 3-0 win peaked with 2.95 million viewers at 8:45pm. When excluding opening weekend games, Sunday's broadcast was the most-watched Sunday Night Baseball game since 2019. So far this season, Sunday Night Baseball is averaging 1.62 million viewers, up 6% from last season.

ON THE CIRCUIT

The honorary chair for the 38th Annual **NAMIC** Conference in NYC will be **MSNBC** President *Rashida Jones*. This year's event will take place Oct. 22-23 with the theme "Diverse Voices! Defining the Future..." Jones, who's won two Emmys and three Edward R. Murrow Awards, has been the head of MSNBC since Feb. 2021. Registration can be found [here](#). – *Susan Schmitt Winchester*, current CHRO of Applied Materials and former CHRO of Rockwell Automation, will be the keynote speaker at **C2HR** Con. The [event](#) is set for Aug. 5-6 in Brooklyn and will have sessions dedicated to AI, navigating a multi-generational workforce, creating a culture of belonging and fostering a skills-based organization.

PEOPLE

Anthem Sports & Entertainment named *Brian Doherty* President, Ad Sales for **AXS TV** and **HDNET MOVIES**, reporting to AXS TV and HDNET MOVIES President *Andy Schuon*. Doherty will oversee ad sales efforts for the two Anthem properties and be tasked with monetizing AXS TV's programming schedule and HDNET MOVIES' movie library. He was previously EVP, Multiplatform Advertising Sales for **Nexstar** and was with **CW Network** from 1999-2022 prior to the Nexstar acquisition.