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WHAT THE INDUSTRY READS FIRST

Worlds Collide: Diving Deep into Where Cable, Fiber Overlap

Fiber operators and cable providers have been duking it out for decades, competing over subscribers as both sides tout their technological abilities. But with DOCSIS 4.0 on the way and more money flowing into fiber builds than ever before, how are providers of all shapes and sizes being perceived as they move through decisions around what technology is right for them?

“We do see in our consumer studies that about two-thirds of all consumers, when you ask them what type of delivery is best, it’s fiber,” **RVA** President *Michael Render* said during a **Fiber Connect** panel. “That even includes a majority of cable subscribers, 54% I think. So there is some current thought, bias, whatever you want to call it to fiber. Whether cable companies will be able to turn that around with DOCSIS 4.0 remains to be seen.”

Entropy Practice Lead, Telecom and Networks *Paul Connolly* agreed that fiber is inarguably the best networking technology out there today, and cable operators are utilizing it in their greenfield builds. But just because fiber is the best doesn’t always mean it is the best option in every case, or that operators the size of **Comcast** or **Charter** should turn their backs on DOCSIS 4.0. The investment it would take to overbuild themselves with fiber would simply outweigh the benefit, he argued.

“When you look at the economics, [DOCSIS is] so compelling. You can upgrade, depending on which version you use, for \$100-200 for the homes passed part. When you look at the drop, over half of the drops in the homes they pass are already

there, so zero cost to do the drop,” Connolly said. “The idea of them overbuilding themselves, it’s a \$100 billion proposition. They’ll never do that until they run out of business.”

CableLabs Principal Architect *Kevin Noll* agreed, adding it would take large operators far too long at this rate to complete a build if they chose to stop upgrading DOCSIS or HFC and go all fiber. “Even if they had the cash and we didn’t have labor problems... it would take them 15 years going at the rate that another large operator’s building fiber today. And so for at least that 15 years, we would need to continue to make DOCSIS work, which means upgrading it to be competitive,” he said.

An examination of Tier II and Tier III cable operators does reveal a subset that are very interested in moving to fiber, and **Rocnet Supply** Director, Network Architecture *Jason Patterson* said that group tends to be composed of small MSOs serving rural areas. They have old plant that continues to break, and rather than invest more money in repairs, those operators choose to put their money into fiber. “DOCSIS 4.0 is definitely a valid product for a lot of them, but a lot of them are like OK, I can spend X amount of money to do DOCSIS 4.0 and I still have to touch all my plant, or I can spend a little bit more money and get a passive optical network and get rid of all the active components,” he said. “Then you add in programs like BEAD where they get the government to pay for it, and that’s a recipe for them to absolutely look to do something.”

But there are differences between the operations of a fiber network and that of a cable network that can lead to pitfalls

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for those trying to make an aggressive switch away from HFC. Patterson believes the fiber world could learn from the cable guys when it comes to interoperability in particular.

“It’s having a unified offering regardless of vendor and how important that is in terms of an ecosystem,” he said. “We’ve run into it a lot where operators feel vendor-locked. They feel like the vendor knows they can’t go anywhere, so they start saying ‘You want this new feature? Give us a little bit of money and we’ll make sure that happens,” he said. “It’s kind of led to this thing where they feel like they’re getting licensed to death for everything. We hear that quite often for some of the bigger vendors unfortunately.”

Connolly also pushed fiber operators to take from cable’s playbook when it comes to what they do after they build the network and connect the customer. He noted that there’s a growing understanding that the relationship between fiber provider and customer can be much richer if folks follow in the footsteps of cable and offer a bundle of services that will produce higher ARPU. He pointed to how cable operators not only continue to deliver pay TV, but are also owning video as it transitions to streaming through FAST channels, IP video or partnerships with streaming services. Add in wireless and home security, the term “service provider” really begins to bear more weight.

“When you start to look at the bundle of services, if you execute those well, you own the customer, and then the customer is not going to worry about a brochure about fiber or fixed wireless because you’ve given them a bundle of services that are valuable,” he said. “I think the fiber industry is starting to recognize that’s a better business model than saying we are the broadband connectors.”

ACP, RIP-AND-REPLACE AND AI MAKE IT OUT OF MARKUP

Refunding the Affordable Connectivity Program may have bipartisan support, but that wasn’t the case at Wednesday’s **Senate Commerce** markup. The committee voted 14-12 along party lines for an amendment that would provide \$7 billion in funding for the broadband subsidy program. Sen *Peter Welch* (D-VT) introduced the amendment to the PLAN for Broadband Act. “I’ve said a number of times that I am happy to work with members across the aisle on ACP and to consider extending ACP if there are serious reforms. I would note this bill has no reforms in it at all, and as Sen. [Roger] Wicker (D-MS) observed, it is not paid for or offset in anyway,” said Ranking Member *Ted Cruz* (R-TX). The only Republican not to vote was *JD Vance*, who wasn’t there as he’s campaigning for *Trump* out West. Vance has been a strong supporter of extending ACP and a co-sponsor of legislation. The committee also approved an amendment to the broadband bill from Sen *Eric Schmidt* (R-MO) that would provide rip-and-replace funding. Money from the sale of AWS-3 spectrum would be used to fund the program

The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



KATHERINE
Moran Meeks
GENERAL COUNSEL
FOX NEWS MEDIA

4 THINGS TO KNOW

- Katherine is headed to Fox News Media to take over the reins from Bernard Gugar, who stepped down as General Counsel/EVP, Corporate Development after three years. Katherine will report to CEO Suzanne Scott as well as Fox Corp. Chief Legal and Policy Officer Adam Ciongoli.
- Katherine’s career didn’t begin in law. She started as a journalist for *The Day* in New London, Connecticut, before joining *The Times-Picayune* in New Orleans in the aftermath of Hurricane Katrina. There, she was part of the team that won a Pulitzer Prize for its coverage of the storm in addition to covering beats including politics, real estate and health care.
- Katherine earned her Bachelor’s in English from Yale. During her time in New Haven, she became editor-in-chief of the school’s student newspaper *The Yale Herald*. She also became editor-in-chief of the *University of Pennsylvania Law Review* while she attended Penn for Law School.
- She joins Fox News Media from being a partner at the D.C. firm Gibson, Dunn & Crutcher. While she practiced in the firm’s Litigation Department as well as the Appellate and Constitutional Law and Labor and Employment groups, she has represented journalists and media companies in libel and other speech-related cases in private practice. Katherine has also clerked for U.S. Supreme Court Associate Justice Anthony Kennedy and then-Chief Judge Alex Kozinski of the U.S. Court of Appeals for the Ninth Circuit.

for telecommunications providers who participated in the **FCC’s** Universal Service Fund program to rip out compromised Chinese telecommunications equipment from their networks and replace it with equipment from trusted providers. Welch said money from the AWS auction would be shared for the ACP and rip-and-replace programs. It was a jam-packed markup in which the committee approved several telecom and AI bills. The PLAN for Broadband Act requires **NTIA** to develop a national strategy to close the digital divide and a plan to implement it. The committee also reported out the Rural Broadband Protection Act, which is aimed at reducing waste, fraud and abuse in federal broadband programs. The committee advanced bills on AI governance and standards as well as Cruz and Sen *Amy Klobuchar* (D-MN)’s Take it Down Act, which targets those who use AI to publish fake explicit images of real people. It also approved the bipartisan Small Business Artificial

Intelligence Training Act, which would authorize the Department of Commerce to work with the Small Business Administration to create and distribute AI training resources to help small businesses leverage AI in their operations.

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BALLY RSNS FOR MIDCO, COMCAST

Midco joins **Comcast** in bringing back the **Bally Sports Networks** tomorrow. Midco is a 50-50 partnership between Midcontinent Media and Comcast with Midco acting as the managing partner. Comcast does handle programming negotiations, which is why Midco customers lost Bally Sports Kansas City and Bally Sport North in May when Comcast's carriage deal with Diamond Sports expired. Like Comcast, Midco is moving the RSNS to a less widely distributed package, its MidcoTV 4 (preferred) video package. To assist MidcoTV 3 (digital basic) customers with this transition, it is offering a \$10 discount for three months when upgrading to MidcoTV 4. Comcast is offering a similar three-month promo for its customers in digital basic plans.

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COPPER WEIGHS HEAVILY ON FUTURE-THINKING ISPS

Some ISPs still maintaining copper networks are looking for ways to transition to more modern technologies, and BEAD does not at this stage offer them a way out. During a panel at **Fiber Connect**, **Lumen** SVP, Public Policy and Government Affairs *Melissa Mann* said every dollar her team has to spend on maintaining outdated copper networks means less funding that is directed to more future-proof connectivity solutions. On top of that, the regulations around copper and the rules around BEAD aren't managed by the same entity and thus aren't in sync with each other. "There's also the fact that today where we sit, the \$42 billion BEAD investment does not require a standalone voice product as part of it. Therefore, the BEAD deployment won't meet the FCC's adequate replacement test," she said. "So even when BEAD is deployed, we don't have a clear path for migrating away from those legacy copper technologies." **AT&T** has also been working to retire its copper network and replace those locations with fiber, but it has run into policy challenges as it has done so. Most recently, the **California Public Utilities Commission** denied AT&T's request to shut down parts of its copper DSL network because of its status as a carrier of last resort. AT&T EVP, Federal Regulatory Relations *Rhonda Johnson* said there is absolutely no logical reason why investments should continue to be made in copper when you consider the benefits of fiber. "When we go into a neighborhood and put fiber in, the energy savings is 60-70%. The reliability goes up by 60%. There's every reason to promote it," she said.

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T-MOBILE'S FIBER FOCUS

Fresh off its recently announced **Metronet transaction**, **T-Mobile** posted a solid Q24 on the back of a net income of \$2.9 billion and 406,000 high speed internet net customer adds. The quarter,

which also saw T-Mobile form a JV to [snatch up Lumos](#), painted a picture of how the uncarrier wants to tackle fiber. But as for any more deals being made, President/CEO *Mike Sievert* said the company's appetite is "somewhat limited." "Now we have the beginnings of a critical mass in the space. And for me, this is big. I mean, these two transactions taken together with our partnerships in the wholesale arena, are going to allow us to reach millions of homes," he said on T-Mobile's earnings call Wednesday. "The Lumos transaction, we see 3.5 million homes passed by 2028. The Metronet transaction, we see 6.5 million homes passed by 2030. There's probably a couple more million in the wholesale partnerships we have so far. And so, that's a pretty significant footprint that we've put together." Sievert said the company isn't currently working on another transaction. While Sievert and T-Mobile have said their fiber movement isn't part of a convergence strategy, **New Street Research** thinks it's still on the uncarrier's mind. The firm anticipates T-Mobile will acquire one or two smaller fiber companies (using **Ziplay Fiber** as an example) between now and mid-2026. "Longer-term, by which we mean 2H26 and beyond, we think it is inevitable that Frontier and Lumen's mass market assets will be acquired by the national wireless carriers," NSR's *Jonathan Chaplin* wrote in a note. "If T-Mobile remains convinced that convergence doesn't drive better results in wireless, it is conceivable that they pass on these deals, and **AT&T** and **Verizon** get them. Given that there is only one of these assets in every market, and if they miss them, they will never have another shot at fiber assets in those markets, we would be surprised if T-Mobile sits on the sidelines and allows their competitors to get the assets without forcing them to pay a big price." T-Mobile's postpaid net account adds came in at 301,000, with postpaid net customer additions at 1.3 million. Postpaid phone net customer adds was 777,000, an increase of 17,000 YOY.

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RATINGS

Tuesday's live coverage of the Women's Gymnastics team final averaged 12.7 million viewers on **NBC** and **Peacock**, ranking among NBC's most-watched Olympic weekday daytime events ever. NBCU has a five-day Total Audience Delivery average of 34 million viewers across the combined live Paris Prime (2-5 p.m. ET) and U.S. prime (8-11 p.m. ET/PT) time periods—up 79% from Tokyo (19 million).

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PEOPLE

Carlos Ferreira is stepping down as CFO of **TelevisaUnivision**, citing health reasons. *Juan Pablo Newman*, Chief Growth Officer of **TelevisaUnivision Mexico**, will become interim CFO on Sept. 1. Ferreira, who has been TU's CFO since October 2021, will remain in an advisory role during the transition period. – **AMC Networks'** General Counsel/EVP *Jamie Gallagher* is retiring at the end of the year after more than 16 years with the company. A search for a successor is underway. Gallagher has helped AMCN through several milestones including taking the company public in 2011, creating AMC Studios and building up the company's streaming portfolio.

Think about that for a minute...

Courting Confusion

Commentary by Steve Effros

It shouldn't come as any surprise to those of you who have read this column over the years that I have long suggested that the ultimate undoing of the so-called "Chevron Doctrine" by the Supreme Court was coming. As you all know, that's now happened. It also shouldn't be a surprise that the net result was going to be chaotic. That's now happening as well.

Here's the problem; you can, as a Supreme Court Justice, be as ideological as you want. There are no term limits, there are no enforceable ethics rules, and there's no way to effectively constrain you. Granted, there are now proposals to remedy some of that, but they're not going to happen any time soon, and the chaotic results of applying legal ideology to the practical challenge of governance are going to befall us very quickly.

This is not a political statement. This is just an observation about the reality of what's coming, and it's going to make operating in the telecommunications (as well as many other) environments extremely difficult. The ideology has to do with "textualism," "originalism" or any other theory that holds that the only regulations or laws that survive a Court challenge are those that can be clearly linked to specific statutory or Constitutional language or early historical example of the drafters of the Constitution. Practicality and/or intent do not play a role. And that's a major problem in today's world.

The result of this ideological application of what is considered to be "constitutional" is that we now have a decision by the Supreme Court that in essence guts the ability of regulatory agencies to do anything that is not specifically written into the statutes that empower them. Anything that Congress left to discretion, in part because most Members of Congress acknowledge that they are not "all knowing" about all subjects, and therefore have to leave some latitude for reasonable discretion and latitude, has been put in question.

For the telecommunications industry, that's most things! Let's take an example; Congress adopted the Radio Act of 1912 in response to the sinking of the Titanic. Garbled radio communications delayed any rescue efforts. The Act required that all radio communications had to be licensed to try to

solve the interference problem. But of course "radio" is not "television" or any of the other forms of "RF" interference modern technology has created. By 1927 the law had to be rewritten because new forms of RF interference, like "television" were not part of the earlier Act. Could Congress move that fast today?

It's highly unlikely, and new technology would appear before the ink was dry. After all, the Communications Act, as modified over the years, still doesn't contain specific authorization to regulate newer forms of communications (consistent, of course, with the First Amendment). That creates an impossible mess. And it makes it extraordinarily difficult for current companies to guess what's going to be allowed, and what's going to be overturned regarding a whole host of current regulations.

Can the fees from "broadband" service be included in "cable" franchise fees? That's now up for grabs. The "Universal Service Fund" was just declared by at least one Federal Appeals Court to be an unconstitutional application of a "tax" which must be specifically authorized only by Congress. And, of course, we all know that Congress is barely functional these days because of relatively evenly split partisanship. So the idea that laws can be written quickly, with "all seeing" specificity, particularly of future technological developments, is simply absurd.

Yet that's where we are. Don't expect the telecom lawyers to answer the obvious questions coming up about whether you can, or can't effectuate a given business plan. They won't know. We have entered a period of impractical, confusing, and probably damaging legal uncertainty.



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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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