

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Champion Era: T-Mobile Sets New Target, Vision for Broadband Growth

Everything was coming up magenta at **T-Mobile's** Capital Markets Day Wednesday as the wireless operator laid out how it plans to rise from the challenger brand into the true industry champion.

Broadband is deeply integrated into the playbook as the company is on track to tout 7-8 million customers on its 5G fixed wireless service by next year. CEO *Mike Sievert* is ready to raise the bar, setting a new goal for the service to have 12 million customers nationwide by 2028. At the same time, T-Mobile plans to cover 12-15 million homes with fiber through its jv acquisitions of **Metronet** and **Lumos** and its partnerships with wholesale providers under the brand name "T Fiber." T-Mobile also at one point took a look at **Frontier Communications**, now being acquired by **Verizon**, but ultimately liked the hand that came with these jv deals better.

"We like fast moving, elegant, simplistic business models like our mobile business, and we understand that plunging into broadband a few years ago in 5G was a big leap of faith for you as our investors, and we showed you how successful we made that," Sievert said. "We also understand that augmenting that with T Fiber is a bit of a leap of faith that we're asking you to take with us, and we will make it a giant success partly by choosing strategies that draw on what we know we're great at."

The story around fixed wireless providers for quite some time has been that they're living on borrowed time, enjoying success by putting their excess capacity to use. But the idea has been

that eventually that capacity will run out as wireless providers give that capacity to their mobile customers, and that will leave fixed wireless providers in the lurch. T-Mobile is hoping their dive into fiber will prevent that future from coming to fruition.

During his part of the show, President of Marketing, Strategy and Products *Mike Katz* argued that T-Mobile has been able to increase mobile speeds sixfold since the launch of its fixed wireless product, and speeds on that broadband service increase by more than three times during the same timeframe. Demand for the product outstrips supply right now with more than a million customers currently sitting on a waiting list for T-Mobile's fixed wireless product. That's where fiber comes in.

"As we roll fiber out into markets, we can take advantage immediately of that demand and convert those customers into paying fiber customers," Katz said. He also said fiber will offer T-Mobile an upsell opportunity for fixed wireless customers looking for higher download speeds or lower latency, and when those customers switch to fiber, that opens the door for another customer to come off that waitlist and get connected to fixed wireless.

Katz also discussed how T-Mobile has shifted its approach to attracting new fixed wireless customers as it has grown the product. The company has gained deeper visibility into where it has fallow capacity, where there are customers that could be eligible for the product and customized its marketing to speak to prospective customers in those areas.

"We're able to look and see exactly who resides inside areas of our network with fallow capacity and target them with very

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specific messages,” Katz said. “We’re able to use the data we’ve collected over these three-and-a-half years to augment locations with actual insights about usage that help us target customers, that enable us to sell to more customers inside the same geographic area of fallow capacity.”

## MORE FROM T-MOBILE CAPITAL MARKETS DAY

**T-Mobile** is teaming up with **NVIDIA**, **Ericsson** and **Nokia** for the design of mobile networks with AI at their core. The trio of companies are founding members of the AI-RAN Alliance, and they’re investing together in an industry-first AI-RAN Innovation Center based in Bellevue, Washington. T-Mobile also announced a new multi-year partnership with OpenAI to develop a custom intent-driven AI-decisioning platform called IntentCX. The product is set to launch in 2025 and will be trained in T-Mobile’s approach to customer care to deliver personalized service and faster responses to customer requests. Also unveiled was T-Priority, a 5G network slice dedicated for first responders. The City of New York will be the anchor customer for the product, and T-Mobile said the slice will ensure first responders have lower latency and faster 5G speeds more consistently thanks to up to five times the network resources of the average user. As the cherry on top, T-Mobile’s board declared a 35% increase in its quarterly dividend. It is now \$0.88 per share on its issued and outstanding shares of common stock.

## DIRECTV PLAYS BALL WITH CHICAGO SPORTS NETWORK

**DirecTV**’s loss of **NFL Sunday Ticket** hasn’t weakened its overall commitment to sports, evidenced by the news that it’s the first major MVPD to announce a carriage deal with **Chicago Sports Network** (CHSN). The RSN is a joint venture among **Standard Media** and its three main teams—the Blackhawks, Bulls and White Sox. CHSN will also be carried via an over-the-air agreement with **Millennial Telecommunications**’ WJYS TV beginning Oct. 1. DirecTV’s deal includes satellite, streaming and IPTV licensing for CHSN, which will present up to 300 live games as well as additional Chicago and Midwest-based sports programming. Notably, the net will take the same channel slots of the three teams’ former home, **NBC Sports Chicago**, which is shuttering at the end of the month. Just as with the NBC Sports RSN, CHSN will be available to anyone subscribing to DirecTV’s Choice or above packages. NBC Sports owner **Comcast** does not have a deal at this point to carry CHSN. It does offer faith-based broadcast net WJYS, but not its multicast streams. It would have to do a separate deal for CHSN. Remember, Comcast has been very vocal about its intention to move RSNs to its less penetrated digital tier as they come up for

renewal. Assuming a deal is done and that’s where CHSN ends up, it’d mean some NBC Sports Chicago viewers would no longer have the channel in their package as the NBC RSNs haven’t come up for renewal yet (and thus haven’t been down-tiered).

## MARK STEPHAN, MEDIACOM’S FIRST EMPLOYEE, RETIRES

End of an era at **Mediacom** with **Mark Stephan** retiring as CFO after 28 years with the company. **Jack Griffin**, SVP, Finance & Treasurer, will step into the CFO role on Oct. 15. Stephan was the first employee to join the company that **Rocco Commisso** founded. Commisso praised Stephan as “one of the cable industry’s most enduring and successful CFOs,” crediting Mediacom’s strong investment grade rating to the entire finance team and their collective efforts. Griffin has been a part of that team since 2007, rapidly rising through the ranks. Stephan will remain with the company through Oct 15 to ensure a smooth transition and will continue to serve on Mediacom’s board.

## TITLE II BACKERS LEND SUPPORT TO FCC’S OPEN INTERNET RULES

Wednesday was the deadline to file amicus briefs in the Sixth Circuit, which is scheduled to hold oral arguments next month on ISPs’ challenge of the **FCC**’s Title II net neutrality order. Several friends of the court came out in support of the agency’s rules, including the **California Public Utilities Commission** (CPUC), **INCOMPAS** and former FCC Chief Technologist **Scott Jordan**. CPUC told the court that Title II classification provides ISPs with a legal right to attach their equipment to utility poles vs. negotiating access and that such regulation improves safety. “In California, poorly maintained poles and attachments have caused devastating wildfires, resulting in loss of life and injuries, substantial property damage, and destruction of portions of the state’s electric supply and communications networks, as well as some community water sources, CPUC wrote. “Our concern here is that broadband providers might invoke an information services classification to ignore, avoid, deny or undercut our authority to impose and enforce pole-attachment safety regulations.” INCOMPAS was joined by non-profit tech policy group **Engine Advocacy** in its brief, which argued that the FCC’s order will help ensure a level playing field for a broad range of internet content companies, competitive communications networks and technology startups. “We also explain in our brief how broadband providers have used their monopoly positions to harm online competition through interconnection. Title II oversight of interconnection to ensure that consumers can access the online content of their choice is critical to protecting and enabling online competition,” said INCOMPAS President **Angie Kornenberg** in a statement.

## In The WILD

A Cablefax feature highlighting industry doings spotted in the real world.

Notice a magical glow around Atlanta this week? As viewers are flooded with more content than ever before, Netflix is bringing stars and fandoms together at Geeked Week 2024.

The gathering is something of a citywide Comic-Con filled to the brim with events for mega-fans of the streaming giant's most iconic originals. And while Netflix has been recently diving even deeper into the live event space with the opening of its experiential entertainment venues, dubbed "Netflix House," next year, Geeked Week is celebrating its fourth year of existence this week. The lineup of events taking place across The Big Peach includes themed trivia, an area to get Netflix-inspired tattoos and an early fan screening of "Twilight of the Gods" (set to premiere on the streamer Thursday) with co-creator/executive producer Zack Snyder.

To honor and give back to those that have been showing their love of these franchises for years, Netflix is inducting fans for the first time into its Geeked Hall of Fandom. The official winners won't be unveiled until later this week, but the [Netflix Geeked X account](#) has been highlighting creators and artwork all week long.

The entire week culminates in a live fan event on Thursday at The Atlanta Dairies' Eastern theater. Kicking off at 8pm ET, the showcase is a two-hour extravaganza with everything from sneak peeks, news and, of course, a number of surprises. Joe Mangianello of "Deal or No Deal Island" will host the event and "Cobra Kai" stars Xolo Maridueña and Jacob Bertrand will assist him as correspondents on the scene. The lineup is star-studded to say the least with appearances slated from the stars of "Avatar: The Last Airbender," "Black Mirror," "The Sandman," "One Piece," and beyond.

Missed out on tickets to the live event? Well, it's true that you may miss out on some of the fun, but Netflix is livestreaming the event on its YouTube page and on Twitch. Tune in 30 minutes early and you can watch a live game of Red Light, Green Light. Internet viewers get to interact as well, trying to eliminate players and earn prizes.



## FIBER FRENZY

**Mediacom** officially launched service in Grand Ridge, Illinois, having completed its 4.25-mile fiber build that began last summer. More than 250 homes and businesses in the Village of Grand Ridge will have access to broadband plans with up to 2 Gbps download speeds as well as Mediacom Mobile. The company invested nearly \$400,000 in private capital to complete the project.

## ID TURNS LENS ON DIDDY, REVOLT MOVES FORWARD

**Investigation Discovery** is teaming with **Maxine Productions** to develop a docuseries examining producer and businessman Sean "Diddy" Combs and the string of allegations surrounding the Bad Boy Records mogul. Combs was in court Wednesday appealing a federal judge's decision to hold him without bail after he pleaded not guilty to charges of racketeering conspiracy, sex trafficking and transportation to engage in prostitution. He was unsuccessful in that effort. The multi-part docuseries is set to premiere on ID and **Max** in 2025. Combs co-founded hip hop news and entertainment network **Revolt** in 2013. He took a leave of absence from Revolt last November amid sexual assault lawsuits and sold his majority stake in the company a few months later. Company CEO Detavio Samuels said back in June that the two had completely severed ties and he reiterated it this week in an [interview](#) with the *Atlanta Journal-Constitution*. Revolt is slated to hold "Revolt World," a three-day creative conference and festival this weekend in Atlanta. The AJC said it's the first time the signature event has been produced and executed independently of Combs. "We have something to prove. We're here to show the world that it was never about one person," Samuels told the newspaper.

## SPECTRUM REACH LINKS UP WITH AMAZON ADS

**Charter's** ad sales arm, **Spectrum Reach**, inked a multi-year deal with **Amazon Ads** that makes it a local reseller for Amazon advertising inventory. That means local small and medium-sized business advertisers can now have ads on Amazon platforms such as **Freevee** and **Prime Video**. "We're already the best resource for local advertising in our footprint. Being an Amazon Ads Local Reseller enhances our ability to provide local advertisers even more reach, scale and engagement with high quality streaming inventory," *David Kline*, EVP at Charter and President of Spectrum Reach, told **CFX**. Spectrum Reach has its own extensive owned and operated inventory, but it also has affiliate partnerships with satellite and telco companies such as **DirectTV**, **DISH** and **Verizon Fios** in its markets. The Amazon Ads deal just expands that, with Kline noting the firm has already started talking to customers about the opportunity. Spectrum Reach provides advertisers access to over 450 streaming networks and publishers, including **Pluto TV**, **Fubo** and **Sling TV**.

Think about that for a minute...

Relevance vs. Dominance

Commentary by Steve Effros

We're starting to hear a lot about "relevant markets." Why? Because our laws, particularly the original focus of the antitrust laws, still consider their application primarily to what is dubbed a "relevant market." But what is that? Well, it would seem that these days that's purely in the eye of the beholder, or in this case, the eye of the government lawyers who are trying to deal with the trend toward major mergers and acquisitions.

One of the standard definitions of a "relevant market," which you have to be in if there is any legal question of violating the anti-trust law, is "... a set of products or services that are considered substitutes by consumers." For there to be a violation of the basic antitrust law prohibitions, a suit challenging a merger of two major companies would have to first pass the tests of both proving they are in the same "relevant market," and then, in turn, show that the merger would excessively limit competition, thereby theoretically hurting consumers. But that doesn't seem to work these days. I'll give you an example in a minute.

This tends to be a very sticky area of the law. It is, however, becoming increasingly important as we watch some of the largest tech companies try to buy other companies to complement or expand their primary businesses. I'll use a current example outside our telecommunications bubble to explore the underlying problem.

There's a major merger proposal between the Kroger and Albertsons grocery chain families. The government is opposing it on the grounds that these two companies are both some of the largest grocery chains in the country, and their merger would eliminate the competition between the two, hurting consumers. The theory being that competition results in lower prices. I've already challenged that notion in the telecom setting, but we'll accept it for the sake of this explanation.

Here's the problem; Yes, they are both major grocery chains. But they argue that they're now being forced to compete with Costco, Walmart and Amazon, none of which are grocery chains in the "relevant market," according to the government lawyers, but all of which sell the same stuff the two merger partners provide to

consumers. The companies say these huge, wealthy, dominant players like Walmart, which, admittedly, is not "just" a grocery store, create massive competitive pressures, and their scale allows them to have significantly greater buying power than the grocery chains. If they can't merge, they say, they won't be able to compete.

Incredibly, to me, the government answered that argument in part by pointing out that the grocery chains have deli departments and Costco, Walmart and Amazon don't. Hence, they are not perfect "substitutes" and therefore not part of the "relevant market" analysis that would otherwise allow the merger.

Got all that? OK, now pivot: think of the video distribution business. Do "cable" companies compete with "streaming" services? Of course they do. Are the "streamers" now competing for video products, like NFL games, with broadcasters and cable programmers like ESPN? Of course they are. But is Amazon Prime or Apple TV a precise "substitute" for a local broadcaster or cable company? No. But does that make a difference with regard to how it affects consumers? Nope...the price of seeing an NFL game is going up. No question about it.

So where do we go from here? The "substitutability" test doesn't work any more. There is a far bigger issue of dominance. Google's YouTube TV will likely be the largest video aggregator within a year, for instance, superseding Comcast, Charter, etc. Amazon or Meta are attaining dominance based on scope and size, not "relevant market" analysis. It's time to understand all that, Chevron decision or no Chevron decision. We're going to have to deal with dominance, not relevance.



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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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