ACA CONNECTS: KEY DEVELOPMENTS

ACA Connects To N.Y. A.G.: Right Issue, Wrong Target

ACA Connects President and CEO Matthew M. Polka issued the following statement on April 30 responding to the April 28 letters sent by N.Y. State Attorney General Letitia James to major multichannel video programming distributors (MVPDs) regarding her desire to see consumer bills reduced to reflect the absence of live TV sports during the COVID-19 pandemic:

“ACA Connects understands the concerns of N.Y. State Attorney General Letitia James about sports programming costs and the impact on consumers. ACA Connects has long highlighted the problem for consumers: Sports programmers and sports leagues leverage MVPDs to extract unconscionable fees and terms that cable operators must pass through to their subscribers, including those who have no interest in such programming.

“Attorney General James is right to question why consumers are paying for expensive sports programming not being aired because of the COVID-19 emergency, but she has taken aim at the wrong target.

“If Attorney General James truly wishes to address consumers’ concerns about sports programming, we recommend she focus on the root cause of the problem and investigate sports programmers, broadcast networks and sports leagues. The members of ACA Connects, their customers, and other MVPDs have been caught in the middle of these sports and media titans for far too long.”

ACA Connects Statement On Chairman Pai Extending The ‘Keep Americans Connected’ Pledge

ACA Connects President and CEO Matthew M. Polka issued the following statement on April 30 regarding FCC Chairman Ajit Pai’s announcement extending the “Keep Americans Connected” pledge until June 30:

“All ACA Connects members have gone above and beyond their normal business practices in
past months to keep their customers and communities connected during the COVID-19 emergency, and for many this included taking the FCC’s initial pledge. ACA Connects members, who typically live in the communities they serve and have family and friends as customers, are guided by their hometown American values.

“They have always stuck to this path, and they will continue to do so, which for many includes continuing to abide by the FCC pledge. At the end of the day, all ACA Connects members will be looking out for their customers and communities, consistent with their long-standing practices and values, not only until June 30, but also far beyond.”

ACA Connects Members’ Networks Excel During Pandemic Even As Traffic Surges

ACA Connects, which represents more than 750 small to mid-sized broadband providers serving approximately 10 million subscribers, released its Broadband Dashboard, a data-rich rundown and analysis of broadband network performance during the COVID-19 pandemic.

Based upon new detailed metrics, the Broadband Dashboard demonstrates that, even while traffic has surged during the COVID-19 emergency ACA Connects members have continued to provide their customers with the same high-quality broadband experience that they have come to expect.

The findings in the Broadband Dashboard are based upon an extensive and detailed data collection and survey of the smaller broadband providers that are ACA Connects members that examined in detail the attributes of broadband network usage and performance.

For network usage, the collection/survey explored both download and upload usage throughout the day and at peak. For performance, the collection/survey examined separately transit and access network utilization, which are the critical metrics used by network engineers and which until now have not been analyzed in other studies of network performance during the emergency. Read more.

Broadband Dashboard: Network Performance During The COVID-19 Crisis

Key Insights

During the COVID-19 pandemic:

**Data Usage**
- Download usage increased by 27%
- Upload usage increased by 36%

**Network Utilization**
- Typical network utilization did not change for large providers
- Some small providers saw peak transit utilization increase, but generally not to a point that required action by the provider

**Customer Experience**
- Support calls increased slightly, but 94% were not network-related
- The small number of reported network issues were typically resolved in less than a day
ACA Connects explained to the Federal Communications Commission that the fixed broadband marketplace is substantially competitive now and likely to grow even more competitive in the future. The trade group also called attention to the sobering reality that the video market in general, and the retransmission consent marketplace in particular, is completely dysfunctional, marked by rate hikes, signal blackouts, and even the shutdown of rural cable systems priced out of the market by avaricious TV station owners and video programmers.

ACA Connects’ observations came in response to a notice in which the FCC sought comment on competitive issues and trends in communications markets to inform the agency’s development of the next biennial Communications Marketplace Report due out in 2020. On broadband matters, ACA Connects noted that that the markets in which ACA Connects members provide broadband Internet access service are marked by pervasive and growing competition.

“The FCC deserves much of the credit for the strong competitive dynamics that are present in the broadband market,” ACA Connects President and CEO Matthew M. Polka said. “The agency’s efforts in recent years to remove regulatory barriers to deployment have spurred upgrades and network expansion from ACA Connects members and others.”

Read more.

ACA CONNECTS FILING (4/27): FCC Comments re Office of Economics and Analytics Seeks Comment on the State of Competition in the Communications Marketplace

ACA CONNECTS: POLICY CONVERSATION

Last week, FCC Commissioner Michael O’Rielly (pictured) joined ACA Connects leaders for a lively, in-depth Zoom conversation. Commissioner O’Rielly shared his thoughts on a wide range of topics, including the industry’s response to COVID-19, life in
Washington, D.C., during this unprecedented time, and the positive impact of the FCC’s policies on broadband investment and innovation.

ACA Connects President and CEO Matthew M. Polka led the hour-long discussion, joined by Chairman of the Board Patricia Jo Boyers, who shared her perspective as a small broadband provider in southeast Missouri who is working tirelessly to help her customers and her employees get through these tough times.

Please click [here](#) to watch.

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### ACA CONNECTS: CORONAVIRUS BLOGS

(4/22) **ACA Connects Members Enable Students To Continue Learning At Home**  
By ACA Connects President and CEO Matthew M. Polka

(4/14) **Making Funds Available To Support Telehealth During COVID-19**  
By ACA Connects Vice President of Regulatory Affairs Brian Hurley

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### ACA CONNECTS: FILINGS

ACA Connects has been actively representing independent cable in many other ways and on many issues in Washington, D.C. Those efforts are described in the filings, letters, and testimonies linked below for your review:

5/4: [FCC Comments re Amendment of Commission Rule Requiring Records of Cable Operator Interests in Video Programming and Modernization of Media Regulation Initiative](#)

4/30: [FCC Comments re Amendments to Part 4 of the Commission’s Rules Concerning Disruptions to Communications](#)

4/24: [Congressional Letter (w/ other Industry Assns) to Chairman Wicker, Chairman Pallone, Ranking Member Cantwell, and Ranking Member Walden re COVID-19 Response](#)

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### ACA CONNECTS: NEWS HEADLINES

**TV Sports To Consumers: Don't Expect To Get A Refund Soon** (CNBC, 5/3)  
Don’t expect ESPN to start crediting Comcast, Charter, AT&T, Dish Network, Cox, Altice, and other pay-TV distributors. Most contracts protect ESPN in the case that sports aren’t delivered. While ESPN may guarantee a pay-TV provider a certain number of hours of live sports or events, the network is probably covered as long as most sports simply postpone their games rather than cancel them outright. If sports seasons are completely canceled, it’s possible the leagues will refund programmers for TV fees. In that case, programmers would likely refund distributors and those distributors would credit consumers.

**Comcast Lost 409,000 Video Subs In First Quarter** (Light Reading, 4/30)  
Comcast’s core broadband business and still-young mobile unit grew in the first quarter of 2020 as the COVID-19 pandemic set in, but the outbreak only amplified losses at the cable op’s already struggling pay-TV business. Video losses widened to 409,000 subscribers, versus a year-ago loss 121,000. Comcast ended Q1 with 19.9 million residential pay-TV subs, and 20.84 million total pay-TV subs. Comcast said broadband added 477,000 customers (including 466,000 residential subs) in Q1.

**Verizon Lost 84,000 Pay TV Subscribers In Q1 2020** (CCN, 4/24)  
Verizon reported that it lost a net 84,000 Fios customers last quarter. The company said
the loss was "reflecting the ongoing shift from traditional linear video to over-the-top offerings." Offsetting the loss, Verizon also reported 59,000 Fios Internet customer additions for the quarter. The company said that the increase in those working from home and homeschooling increased the demand for high speed Internet, helping to boost its broadband additions for the quarter.

**AT&T Names Stankey CEO, Stephenson To Retire** *(H'wood Reporter)*

AT&T's CEO succession is underway. Randall Stephenson, the teleco's chairman and CEO, is set to retire after 38 years with the company and John Stankey, the current leader of WarnerMedia, will take the top job as president and CEO. The transition will happen by July 1. "I'm honored to be elected the next CEO of AT&T, a company with a rich history and a bright future," said Stankey.

**YouTube Revenue Hits $4 Billion In Q1** *(The Wrap,)*

YouTube brought in $4.04 billion during Q1, marking an increase of 33% from the year prior. YouTube accounted for nearly 10% of Google/Alphabet's $41.16 billion in Q1 sales. YouTube’s $4.04 billion in Q1 sales falls a bit short of where it was at during the last quarter of 2019, when it reported $4.72 billion in revenue.

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**ACA CONNECTS: ACTION BRIEF TOP THREE**

Most-Clicked Links From April 21 ACAAction Brief:

1. **Boycom Receives Mo. Broadband Internet Grant** *(Daily Am. Republic, 4/17)*
2. **WOW CEO Returns After COVID-19 Scare** *(Light Reading, 4/20)*
3. **ATVA: SBA Loans Not Meant For Big TV Station Groups** *(Law360, 4/16)*

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**ABOUT ACA CONNECTS**

Across this vast country, small and rural markets participate in the digital revolution by receiving video, broadband, and phone services from more than 700 small and medium-sized independent operators represented by ACA Connects - America’s Communications Association.

ACA Connects members -- cable, phone, and fiber-to-the-home operators and municipalities -- deliver affordable basic and advanced services to nearly 8 million households and businesses. ACA Connects members operate in every state, offering high-definition television, next generation Internet access, and digital phone service.

Access to advanced communications is not a luxury but a critical necessity for consumers and companies, schools and hospitals. America's economic prosperity in smaller markets and rural areas depends on the growth and success of ACA Connects members, who believe a connected nation, is a united nation.

ACA Connects asks lawmakers and regulators to ensure fair treatment so that small and medium-sized independent operators may continue to supply affordable video, broadband, and phone services to Main Street America. Through active participation in the policymaking process, ACA Connects members and leaders advocate for the interests of their customers, their companies, and their communities to help ensure the continued viability of their way of life in hometown America.

For more information, visit [www.acaconnects.org](http://www.acaconnects.org), or contact:

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