

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Coexisting: T-Mobile Finds Silver Lining in Cable's Wireless Wins

T-Mobile backed up its already-reported subscriber success with big financial numbers for 4Q22 when it reported its results Wednesday, and it sees cable's big gains in wireless as a positive sign for all mobile players.

"We saw cable's results coming... and I would just tell you that it looks to us like cable, who has been the run rate now for a long time, has had a recent uptick. It looks to us like you're seeing lots of transference in terms of net adds that add to the category—additional adds being printed for customers, new phone numbers being created, people coming over from prepaid as a dynamic," CEO *Mike Sievert* said. "But what's interesting is you see that that recent surge in growth from cable is at a time when every one of the three wireless incumbents experienced better than expected churn."

T-Mobile saw postpaid phone net adds of 927,000 in 4Q22 and measured postpaid phone churn at 0.92%. Total service revenues increased 4% YOY to \$15.5 billion and net income rose 250% YOY to \$1.5 billion. Its guidance still projects share buybacks of \$60 billion by 2025 on the back of expected dramatic free cash flow growth, and that's a huge opportunity for it to continue bolstering the strength of its stock.

Waving its magenta flag proudly, leadership argued that it is having a larger impact on cable than the other way around, particularly on the broadband front. T-Mobile ended the year with 2.6 million fixed wireless broadband customers, adding

524,000 in the fourth quarter. Sievert responded to criticisms of fixed wireless networks and acknowledged that his company's 5G Home Broadband offering has obviously less overall potential for capacity than a strand of fiber. But his belief is that it has enough speed and capacity to allow people to do what they want on their WiFi networks and comes in at an affordable price point.

"Most of our customers are coming directly from cable, not just from rural areas or unconnected places or DSL, and it kind of demonstrates that we've got a product here with the right mix of services to meet people's needs," Sievert said. He also noted that the company is preparing to move its eligible home total from 40 million to 50 million, giving T-Mobile more room to run in terms of growing its subscriber base.

Right now, approximately one-third of the company's high-speed internet net adds are coming out of smaller markets and rural areas, and **New Street Research** believes the adds it gains in those markets will likely increase as a portion of overall mix in 2023 as T-Mobile unleashes more midband spectrum. But it is also likely to find those customers in areas where there isn't an incumbent cable provider offering service.

"T-Mobile may hit their target of ~2MM adds [in 2023] but the mix of those adds is shifting and the impact on cable is likely waning already. Verizon is still accelerating, and they expect to continue to accelerate through 2023, but we suspect we will see a peak in pressure on cable this year (and the peak may have already passed in 3Q22)," New Street said in a note.

Guide to Your Online Cablefax Daily Issues

The screenshot shows the Cablefax Daily website. At the top, there are navigation links for 'THE DAILY', 'AWARDS & EVENTS', 'THE MAGAZINE', 'SPECIAL REPORTS', 'THE LISTS', and 'JOBS'. A search bar is also present. The main content area features a 'Featured in this Issue' section with a list of companies including Amazon, AMC, AMC Networks, Apple, BBC America, BET, BET Studios, Charter, Comcast, Cox Communications, Disney, DOJ, Estrella TV, Evoca, Facebook, Fox Corp, Fox Deportes, Fox Nation, FTC, Galavision, Goldman Sachs, Google, Hisense, Hotwire Communications, Hulu, IFC, Locast, Microsoft, MSNBC, NAB, NBC, NBC News, NBCUniversal, Netflix, NFL RedZone, Pantaya, Peacock, SCTE, Show, Sony Cine, SundanceTV, Telemundo, Tubi, UniMás, Univision, ViacomCBS, WE tv, and YouTube. Below this is a featured article titled 'Still Assisting: Charter Looks to Aid Community Centers, Job Training' with a sub-headline 'Still Assisting: Charter Looks to Aid Community Centers, Job Training' and a small image of a computer screen. On the left side, there is a navigation bar with a 'PDF' icon and a 'FULL ARCHIVES' link. Callouts A through E point to various elements: A points to the 'LOGIN' button, B points to the 'Featured in this Issue' section, C points to the 'Still Assisting: Charter Looks to Aid Community Centers, Job Training' article, D points to the 'PDF' icon, and E points to the 'FULL ARCHIVES' link.

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Little mention was made of a data breach the mobile operator identified on Jan. 5 where the bad actor obtained data that may have included the names, billing addresses, emails, phone numbers and/or birth dates of approximately 37 million customers. Thankfully, customer payment information, social security numbers and the like were not able to be accessed.

“While I’m disappointed that the criminal actor was able to obtain any customer information, we are confident that our aggressive cybersecurity plan working with the support of some of the world’s experts will allow us to achieve our goal of becoming second to none in this area,” Sievert said.

T-Mobile last suffered a major breach in August 2021, reporting that the social security numbers, names and birth dates of more than 40 million former or prospective customers were compromised. Another 13 million postpaid customers that were subscribed at that time also saw their information become compromised.

YOUTUBE TV DROPS MLB NETWORK

YouTube TV notified customers late Tuesday that it will no longer carry **MLB Network** after the pair failed to reach a new carriage agreement. Subscribers will also lose access to any previous library recordings from the network. “Members will be able to continue watching select national MLB games via coverage on **Fox, ESPN** and **TBS** through our Base Plan,” the vMVPD said in a customer email. “We apologize for the news and will continue conversations with the MLB to advocate on your behalf, in the hope of restoring their content on YouTube TV.”

REPUBLICANS WANT ANSWERS FROM DIRECTV

A group of Republican senators wants answers from **DirectTV** co-owners **AT&T** and **TPG Capital** on the video service’s recent decision to drop **Newsmax**. In a letter sent Wednesday, Senators **Ted Cruz** (R-TX), **Lindsey Graham** (R-SC), **Mike Lee** (R-UT) and **Tom Cotton** (R-AR) expressed their concerns that the decision may be “the latest example of big business suppressing politically disfavored speech at the behest of liberal Democrats.” They also cited DirecTV’s drop of **One America News** in April 2022 as a reason for their discontent. They’ve requested responses to a number of questions by Feb. 15, including if DirecTV, AT&T or TPG consulted with or communicated with any government officials about the decisions to drop the networks. The letter also requested details on DirecTV’s carriage deals that were renewed over the last 24 months such as how many contracts involved an increase in carriage fees.

NATS, O’S BATTLE GOING TO COURT

The longstanding TV rights fee dispute between **MLB’s** Washington Nationals and Baltimore Orioles will move to the New York Appeals Court on March 14. The conflict centers around regional sports net **MASN**, which was created following the

The WHO and the WHY

CFX’s spotlight on recent new hires & promotions



KEISHA
Taylor Starr
CMO
E.W. SCRIPPS

3 THINGS TO KNOW

- Keisha was tapped to fill the newly created position on the company’s senior leadership team, where she’ll lead the effort to raise the visibility of Scripps’ brands with advertisers and audiences. Keisha will be based in Atlanta and report to COO Lisa Knutson.
- The promotion comes just over a year after Keisha became CMO of the Scripps Networks Division. There, she helped orchestrate the rebranding of Newsy to Scripps News and led marketing efforts across Scripps’ nine national networks. Prior to Scripps, Keisha spent time as VP Integrated Marketing at Learfield IMG College and called WarnerMedia home for over a decade, helping lead marketing efforts for CNN as well as TBS and TNT.
- A graduate of Hampton University’s Scripps Howard School of Journalism and Mass Communications, Keisha called it a “full-circle moment” when she originally joined Scripps Networks’ leadership team in Dec. 2021.

Montreal Expos’ relocation to D.C.—inside the O’s broadcast territory at the time. While a joint venture between the two organizations, Baltimore owns a 77% controlling interest with the Nats owning the remaining 23%. When it came time to renegotiate rights fees in 2012, the Nats sought \$475 million total from 2012-16. Baltimore proposed \$197.5 million, which led to an arbitration panel hearing the case. In 2014, that panel ruled the Nats were to be given \$298.1 million—an average of \$59.62 million for each year. The O’s appealed in 2015, which led to years-long legal battles and another arbitration panel. The New York Court of Appeals scheduled oral arguments to determine whether the courts have the power, after vacating an arbitration award, to order rehearing in a forum other than that provided by the parties’ arbitration agreement.

NETFLIX SHARES PASSWORD CRACKDOWN DETAILS

A **Netflix** Help Center page is giving subscribers a glimpse into how it hopes to make it harder for folks to share passwords. The page, titled “Sharing your Netflix account,” defines a Netflix account as being for people who live together in a single household. When a device outside of the household signs in to an account or is used persistently, Netflix may ask the account holder to verify that device before it can be used to access programming. The four-digit verification code

will need to be entered on the device that requested it within 15 minutes. The streamer may also ask you to switch your Netflix household. Importantly, Netflix will not automatically charge anyone if they share an account with someone who does not live with them. It detects devices within a household using information including IP addresses, device IDs and account activity, and Netflix may ask a primary account owner to occasionally verify their device if they are away from their household for an extended period of time.

AT THE COMMISSION

The **FCC** is holding an in-person workshop on Feb. 27 in Solvang, California, for Tribal governments, employees and Tribal members to aid them in identifying opportunities to develop more robust broadband infrastructure. The event is also designed to provide information to those Tribal entities about FCC programs and encourage them to participate in the regulatory process. – The Commission committed more than \$30 million in another funding round tied to the agency's Emergency Connectivity Program. This round will support submissions from all three application windows to support more than 200 schools, 15 libraries and one consortium.

GALAXY S23 SERIES COMING TO SPECTRUM MOBILE

Spectrum Mobile will begin offering **Samsung's** new Galaxy S23, Galaxy S23+ and Galaxy S23 Ultra this month. Notably, the line is compatible with "Speed Boost," an exclusive feature that Charter is touting as a way for eligible customers with compatible devices to automatically receive faster speeds on their phones when connected to Spectrum's Advanced WiFi, inside and outside of the home. Those who do preorder a Galaxy S23 series device can get a free storage upgrade as well as up to \$600 off—which includes the value of a trade-in. Spectrum Mobile offers by-the-gig plans for \$14/Gig and unlimited data starting at \$29.00/month for all unlimited lines.

CARRIAGE

Cowgirl Channel, a new TV network dedicated to women in western sports, is launching on **DISH** and **Sling TV** in February. Owned by **Rural Media Group**, the channel will be part of DISH's "America's Top 120 Package" and be available in HD on channel 269. It is the sister network of **Cowboy Channel**, which is also carried by DISH. Some sports available include barrel racing, breakaway roping and women's ranch rodeo, which will be featured in programs like "Women's Western Sports Roundup" and "Rodeo Queens." Live streaming and on-demand content is also available by subscribing to Cowboy Channel+, which goes for \$9.99/month or \$99.99/yr.

CABLELABS CHOSEN FOR 5G CHALLENGE

CableLabs has been selected as the host lab for **NTIA's** 5G Challenge for the second year. The challenge aims to accelerate the adoption of 5G open interfaces and multi-vendor solutions, and in 2022 it focused on those centered on Open RAN. This year, testing is expanding to include 5G core network interfaces and technologies like the RAN Intelligent Controller. NTIA's Institute for Telecommunication

Sciences and the Department of Defense are presenting the challenge, and up to \$7 million in cash and in-kind prizes will be presented to high-performing Open RAN solutions that show off multivendor operability across radio, centralized and distributed units. A webinar outlining requirements for participation will be held on Feb. 9.

RATINGS

Hallmark Channel was the most-watched entertainment cable net for the month of January in total day, primetime, weekend total day and weekend primetime among households, W18+ and total viewers. Hallmark also topped the weekend total day rankings among households, W18+, W25-54, W18-49 and total viewers. Those numbers were helped by the channel's "New Year New Movies! programming event, which had five films reach 7.5 million unduplicated total viewers.

PROGRAMMING

The upcoming **BritBox** miniseries "The Confessions of Fran-nie Langton" will debut March 8 with all four episodes. – **HBO** ordered a comedy docuseries featuring *Jerrod Carmichael*. The program will follow Carmichael's personal life and his encounters with friends, family and strangers. – "Transformers: Earthspark" was renewed by **Paramount+** for a second season. The first 10 episodes of Season 1 are already available on the platform, with eight more to be released March 3. The show will end the first season with 26 total episodes. – "Blindspotting" is coming back for Season 2 on April 14. It'll begin with two episodes on **Starz** at 9pm and be available to stream on the Starz app. – Season 4 of HGTV's renovation competition series "Rock the Block" will begin March 6 at 9pm, available to stream the same day on discovery+. – "The Circus: Inside the Greatest Political Show on Earth" will return for another season Feb. 26 at 8pm on **Showtime**. – The Season 3 debut of "Hudson & Rex" will be available Feb. 16 on **UP Faith & Family**. The season will span eight episodes. – "King of the Hill" is being revived by Hulu from 20th Television Animation. The former cast will return as well as the show's co-creators *Mike Judge* and *Greg Daniels*.

ON THE CIRCUIT

The Telecommunications Industry Association is hosting its inaugural BEAD Success Summit in Arlington, Virginia, on April 19-20. The conference will bring together industry, state and federal government leaders to discuss program requirements, growing the availability of trained technicians and more. Sponsors include **AT&T**, **Comcast** and **Corning**.

PEOPLE

Matthew Berry is headed to Capitol Hill, having been appointed General Counsel of the **House of Representatives**. He was most recently a partner at **Akin Gump Strauss Hauer & Feld LLP**, but is perhaps more well known for his work at the **FCC**, serving first as General Counsel before being elevated to Chief of Staff. Berry also spent time at the **Department of Justice** and worked as a law clerk for Supreme Court Justice *Clarence Thomas*.

Think about that for a minute...

The AI Race

Commentary by Steve Effros

It seems like, for now, debate about what to do regarding AI will take over as the number one thing tech columnists will write about, and the consumer press and politicians will fulminate about, replacing “NN” (net neutrality). That’s probably a good thing. We’re all bored with the ostensible danger and alleged necessity of NN. Neither has come true despite the noise.

Let’s start by clarifying terms. AI, or artificial intelligence, is meant to signify the effort (which can be done many different ways) to program and supply input to computers enabling them to mimic contextually appropriate human-like responses. The writing, art and music output of ChatGPT and similar headline-grabbing recent applications are examples of that.

Machine Learning is the mechanism used to allow programmers to create all these awe inspiring new things. Deep learning is the subset of machine learning that uses massive amounts of preexisting data to allow an application to discern similarities or differences in that data and combine that “knowledge” with user inquiries or parameters to create new responses.

Sorry, that was cumbersome and I’m sure some will take issue with the particulars, but as we go along in the next months and years hearing about all this stuff it’s inevitable that the distinctions I just tried to make will get all mashed together making policy choices that much more difficult. I’m going to try to avoid that.

Just one example to show what I mean: the ChatGPT application was developed using deep learning. The more data someone has access to, the better. Another way some are trying to create AI is through the development of man-made neural networks. That’s a new can of worms! Why is that important? Because regulating or trying to “contain” the implications of deep learning created capability is totally different from dealing with neural network creation. Messy? Complicated? Brain-numbing? Yes. But we’re going to be talking a lot about all this and it would be best, at least here, to be as precise as possible about what we’re talking about! I can assure you it won’t be true of the consumer press or politicians.

So why did I go through all this? Because the talk is going to

impact rules, regulations and laws much sooner than our understanding of these new technologies might warrant. The political and business responses may be just as counterproductive as the programs themselves.

Again an example: it’s now becoming clear that some of the biggest tech players have been developing AI data-based programs for some time. They may be much more powerful than ChatGPT. They weren’t rolled out to the public presumably both because there was more work to do, and also because of the difficult questions that would be raised.

All that went out the window when smaller, hungrier newer players “went public” and have forced the “big guys” to act quickly and integrate the use of their AI programs as well. The race is on. Not good. The big tech companies, like Google and Microsoft (which has bought into the ChatGPT creator) have access to far more data than anyone else. That means probably more powerful, impactful generalized use of AI long before we’ve seriously considered what appropriate “guardrails” should be created. Both China and the EU are ahead of us on this. They’ve already published rules.

I’m not urging faster adoption of rules. I’m saying we need careful attention and adequate explanation of what this stuff is, what it can, and probably can’t do, and what can be done. Should big tech be allowed to use their dominance to supercharge something we’re not sure anyone can control? Is there good reason to be concerned that regulation may stunt incredibly important advances?

To be continued.

Meanwhile, Gigi Sohn’s nomination to the FCC is coming back up. NN returns!



Steve

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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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