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WHAT THE INDUSTRY READS FIRST

Broadband Benchmark: Comcast Marks Another DOCSIS 4.0 Milestone

Comcast is continuing to push forward to make 10G a reality, announcing Monday that CommScope has delivered the first Full Duplex DOCSIS amplifiers to its advanced technology labs for testing.

The prototypes will be used to implement improvements to the network ahead of the full DOCSIS 4.0 deployment later this year. “I think we feel very good about the network architecture and where we’re headed, and we said we can do it in a capital efficient way,” Comcast CFO Jason Armstrong said during an investor conference appearance Monday. “All in, it’s less than \$200 per home passed to go mid-split virtualization and DOCSIS 4.0 as sort of the end state.”

Comcast wasn’t a major participant in the FCC’s RDOF program, but that was more situational than a statement about the provider’s long-term strategy when it comes to government subsidies. It ultimately felt like the uncertainties surrounding the program made it a huge risk that likely wouldn’t have paid off. “That was a newer program, it was untested and it’s a pretty frothy capital markets environment, which meant there were a lot of companies in there and actually some of the bigger winners in RDOF haven’t been able to fulfill commitments. But none of the remaining winners got a discount as a result,” Armstrong said. “As we get further into this and some of the froth has disappeared and you start to get into a more seasoned process, whether it’s just state-level or leading into BEAD or other iterations of that afterwards, I would expect us to be a bigger participant.”

Over on the NBCU side of the business, Peacock finished 2022 with 11 million net adds for the full year. Armstrong attributes its momentum to the company’s focus on investing in high-quality content and making more content available on the platform overall. The platform will see some changes in the coming year with Xfinity subscribers losing their free access to Peacock Premium in June, and whether or not those convert to paying subs will be something to watch. But for now, the strategy is working and that’s a strategy that also considers preserving the linear business for as long as possible.

“Most of our sports rights, almost all are negotiated with both linear and streaming in mind. We’ve got the opportunity to sort of pick and choose what we put where. Most of our content is coming from our own studios, which gives us a lot more flexibility. It’s one of the benefits of having this type of studio and content production engine that we do,” Armstrong said. “When you really step back, you say you’ve got to protect linear because there’s a lot of cash coming out of the business, and even though subscriptions are declining and ratings are declining, we’ve got to program that appropriately to sort of preserve the cash flow characteristics of it, but doing so with an eye towards making sure we’re migrating to streaming on the right continuum.”

JOSH SAPAN’S THIRD ACT

When Washington Post Reporter Sara Ellison asked Josh Sapan during a live online chat Monday whether he saw AMC

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Deadline: April 21

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Deadline: May 12
Final Deadline: May 19

Most Powerful Women Nominations

Deadline: August 11
Final Deadline: August 18

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Networks being sold, he was quick to deflect. “It’s literally not my job. I’m only a cheerleader, supporter and shareholder,” the former AMCN CEO responded, adding that media share prices overall have been hit and it’s not clear how much of that is tied to leverage and current interest rates vs market saturation. “For my own tastes, AMC is a killer company. It has a spectacular 35-40 year history of invention and reinvention. And the *Dolans*, beginning with *Chuck Dolan*, *Jim Dolan* and now *Kristin Dolan* really excel. They’ve always excelled and they’ve always guided it. I would say bright future.” AMC Networks has struggled to find a permanent leader since Sapan stepped down in 2021. Former Showtime exec *Matt Blank* served as interim CEO for a year, with *Christina Spade* taking on the role in September 2022. She abruptly resigned less than three months later, with Jim Dolan briefly running things until today when Kristin Dolan officially took on the role as the new CEO. Sapan made the appearance on the Washington Post Live Chat to talk about his new book, [“The Third Act: Reinventing Your Next Chapter.”](#) The book profiles people who are redefining retirement. It has some big celebrity names, such as *Alan Alda* and *Jane Fonda*, as well as some media/telecom billionaires (**Century Communications** Co-Founder *Leonard Tow* and **BET** Co-Founder *Bob Johnson*). There are also lesser known names such as *Hope Harley*, who spent 28 years at **Verizon** before founding the Bronx Children’s Museum, and *Donzella Washington*, who at 80 became the oldest graduate of Alabama A&M University. “It was research for my third act. It was perhaps born more of anxiety than anything else,” Sapan said. Speaking of third acts, what’s the future of basic cable networks? “It does strike me that the history of media is that it adapts. It takes advantage of the technological changes with content changes,” he said. “I might attempt than an answer would be that live sports and news become a more significant part of what linear is because it’s urgent. I think a second thing is that people’s imaginations may find formats that are not yet revealed... I personally think that some of the distinction between what we see now as social media and all of the services that are predominant and conventional or linear may find a way to join at least a bit.”

STANDARD GENERAL STILL FIGHTING FOR TEGNA

Standard General is calling on the **FCC** to put its deal for **TEGNA** up for a vote instead of referring questions over the potential of higher consumer prices and job cuts to its Administrative Law Judge, a move it said will extend the transaction beyond its final extension date of May 22. “A decision delayed is a decision denied. Our proposed transaction is consistent

with all FCC regulations and precedent. It is bolstered by a voluntary commitment to invest in local news, preserve newsroom jobs and address purported concerns related to consumer pricing. But rather than rule on the transaction’s merits, as the law requires, the Media Bureau is attempting to scuttle the deal by ordering a wholly unnecessary hearing process, that if left standing by the Commission, would kill the deal,” Standard General Managing Partner *Soo Kim* said in a statement Monday. The FCC’s two GOP Commissioners criticized the hearing designation order that was released late Friday, saying the Commission should be providing the parties with certainty at this stage. **New Street Research** analysts don’t see much reason right now to think the FCC will reverse course, though in a note to clients they rattled off a few “unlikely” things that could reverse that view, such as Commish *Geoffrey Starks* joining with the Republicans to call for a vote; a material number of Republican and Democratic members of Congress calling for a vote; or the **American TV Alliance** (primarily MVPDs) reaching an agreement on the pricing issue. Meanwhile, TEGNA reported 4Q22 results Monday. Total company revenue was \$917 million, up 18% YOY, driven by strong growth in political revenue. TEGNA shares have fallen sharply on the FCC hearing order, closing down nearly 19% Monday.

AT&T’S DESROCHES: FIBER’S PAY-OFF IS WORTH TAKING A HIT NOW

AT&T CFO *Pascal Desroches* believes the company is still on track to reach at least 30 million homes with its fiber network by 2025, but it may cost a bit more than initially expected. During an investor conference appearance, he said that while that’s scary at first glance, there is a lot of good news that comes with that price tag. AT&T’s penetration rates are much higher than it initially expected, and ARPU is coming in at a higher rate than was baked into the plan. “But you take a step back, look, this is a project that is durable. The maintenance associated with it is much more attractive than our copper footprint. So all are really positive tailwinds, but it just takes a while,” Desroches said. “And all of that doesn’t include the money that we expect to secure from the government as part of the overall broadband infrastructure bill, and it doesn’t include the 1.5 million we’ve already announced in our Gigapower partnership with **BlackRock**.” AT&T is also in the process of rethinking its fixed wireless product, but don’t expect it to start rolling out ad campaigns hyping it up as a healthy alternative to its fiber offering. Desroches said it’s a nice catch product that can have an impact for their copper customers, but AT&T continues to believe that it’s not a great product overall and the customer is ultimately going to reject

it. “What is the customer acquisition cost? What is truly the expected lifetime of that customer? You start to pencil out some rough math, it’s really hard to say that this is a product that’s going to grow like gangbusters and provide really attractive returns,” he said. “Candidly, we’d much rather take our resources and focus on deploying more fiber.”

MOBILE WORLD CONGRESS DESCENDS ON BARCELONA

Cox solidified its dedication to a converged offering at Mobile World Congress Barcelona, announcing a long-term vision that will allow its customers to subscribe to packages of broadband and mobile plans. There’s no official start date to the initiative, but customers should expect to see the first options appearing over the next few months. Cox’s dedicated convergence team is in the process of making long-term decisions around prioritized speeds for converged coverage and ensuring the wireless and wifi network transitions are seamless. – The **GSMA** published its annual Global Mobile Economy Report as MWC Barcelona opened its doors. According to the organization’s findings, 5G will overtake 4G in 2029 to become the dominant mobile technology, and 5G adoption will exceed 85% in the top 5G markets by 2030. The majority of operators expect private wireless networks to account for up to 20% of their total enterprise revenues, driven by improvements in 5G capabilities. Momentum continues to grow for the metaverse as more advancements are charted for the future of 5G, AI and wearables. – The **FCC** and Ukraine’s telecommunications regulator **NCEC** signed an MOU at Mobile World Congress on Monday. The agreement entails cooperation on issues including resilience of telecom infrastructure, quality of service and coverage, 5G and other new technologies, consumer protection and regulatory best practices.

FOX WEATHER SCORES DISTRIBUTION GAINS

The forecast is pretty sunny for **Fox News’** free FAST service **Fox Weather**, which has recently expanded distribution through deals with **Altice USA**, **Charter** and **LG Channels**. Fox Weather is available to select Optimum TV customers in New York, New Jersey and Connecticut and can be found on channel 193 or in Sparta, New Jersey, on channel 186. Fox Weather is available to Spectrum subscribers through its Spectrum Select Package. Most customers can find FOX Weather on channel 217, but channel location may vary depending on area. The service, which launched in October 2021, also is available on LG’s free streaming service, “LG Channels.” It’s been steadily picking up distribution partners, including **Verizon Fios**, **DirecTV Stream**, **WOW!**, **YouTube TV**, **fuboTV**, **The Roku Channel** and **Amazon News**. It’s also available as a simulcast on **Fox Business Network** on weekend mornings, as well as through **Fox Television Station** diginets in markets such as NYC, L.A. and Chicago.

MARKEY CALLS FOR BETTER ACCESSIBILITY FROM TWITTER

Sen. **Ed Markey** (D-MA) penned a letter to **Twitter** CEO **Elon Musk** calling for the reinstatement of the social media platform’s accessibility team, as well as the support, development and implementation of features to help users with disabilities. “Twitter has a responsibility to ensure that its platform is open and accessible to disabled users,” the letter [reads](#). “Yet, you recently eliminated Twitter’s Accessibility Team, which played a crucial role in developing and implementing essential features for Twitter users with disabilities.” Markey cited specific actions such as Twitter Spaces no longer allowing users to turn on automatic closed captioning or not letting third-party apps function with Twitter. On Sunday, the *New York Times* [reported](#) Twitter laid off “at least 200 of its employees on Saturday night.” That brings the number to around 2,000, down from 7,500 when Musk completed his takeover in October.

FUBO STILL SET ON 2025 GOAL

FuboTV’s less-than-expected guidance for 2023 had the vMVPDs stocks fall 13.79% on Monday. The company is anticipating \$1.2 billion-\$1.23 billion in North American revenue and 1.51 million-1.53 million added subscribers for FY23, but the company is still full-steam ahead on its goal of positive free cash flow by 2025. “The 2025 number is something that I don’t think is very far off from our current pace, but I do anticipate that as the product continues to improve, we continue to focus on more profitable customers that we think that there will be some re-acceleration over the course of that period,” CEO/co-founder **David Gandler** said on the company’s 4Q22 earnings call Monday. Fubo received a care package that will help it on that journey as Monday’s call was about to turn to the Q&A portion. Gandler and CFO **John Janedis** revealed they’d secured gross proceeds of \$68.1 million Monday morning in block trades. Those came at a negotiated discount to Friday’s closing price of \$2.32 under Fubo’s at-the-market program, which allows a public company to issue shares in order to gain capital quickly. For 4Q22, Fubo reeled in \$319.3 million, up 38% YOY. It ended the quarter with 1.45 million total subs in North America—a 29% YOY increase—and saw total operating expenses reach \$413.2 million. On the advertising front, 2022 was a record year for the vMVPD, highlighted by selling out its World Cup ad inventory, a record-breaking political season and \$33.6 million in ad revenue for 4Q22, good for a 30% increase compared to 4Q21.

CHARTER DEBUTS NEW BUSINESS AD CAMPAIGN

Charter is rolling out a national TV campaign highlighting its Spectrum network and business services. “Designed for Business; Built for You,” began airing spots in areas such as NYC, Tampa Bay, Dallas and L.A., showcasing its Spectrum Business offering that gives internet, mobile, video and voice services to SMB. It also spotlights Spectrum Enterprise for large entities.