

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Slow Going: AT&T Segments Drag as Growth Slows in Mobility

AT&T's stock fell by more than 10 points Thursday after the company reported underwhelming 1Q23 earnings results.

To be fair, AT&T wasn't expecting to put up huge numbers in the quarter. It started the year with a number of concerns about the macroeconomic environment and its unpredictability. Thus far, everything has, unfortunately, gone as expected.

"What we're seeing is in line with the expectations we built into our guidance in January, including a moderation in growth for wireless services," CEO *John Stankey* said when opening the company's 1Q23 earnings call. "However, should the need arise, we feel comfortable using the tools we have at our disposal to align our actions with a more challenging economic backdrop, whether that's accelerating cost transformation actions, being more deliberate with our capital spend or increasing our liquidity."

Overall revenue totaled \$30.1 billion, up 1.4% YOY, and AT&T Fiber is holding steady when it comes to its growth. The company recorded 272,000 net adds for the product, marking 13 straight quarters with more than 200,000 net adds. It was a grind to earn those customers though with the number of household moves continuing to decline nationwide, Stankey said. The company now counts 7.5 million AT&T Fiber subscribers. Broadband revenues grew by more than 7% and ARPU for new fiber customers sits around \$70. Inflationary pressures aren't having a major impact right now on new builds, and

while Stankey is proud of the results the team is seeing right now, he's also realistic about the ongoing uncertainty about what could happen down the line.

"We're building in places that are fiber hungry, and so I think our effectiveness is indicative of the success of the market and the receptiveness of the market. I don't know if you get three years out on the build if it stays that way. We'll have to continue to watch that," he said. "But I think the tactics and the techniques that we've developed collectively as a team between how we promote the brand, what our operations folks do to raise awareness, how we capture those customers, the way we're marketing to them, the effectiveness at which we're marketing to them, I really like what we're seeing."

The provider is also close to closing on its Gigapower transaction, an agreement that would create a JV to operate a commercial fiber platform serving customers outside of AT&T's traditional 21-state wireline service footprint. And even though the deal isn't complete, Stankey said the team is celebrating its first live customer in one of its markets through the JV.

AT&T is depending on Gigapower to help boost its fiber business at a time when every segment, including those in its core mobility business, is slowing. Right now, while its fiber expansion numbers are steady, they aren't strong enough to incite optimism from investors when the rest of the business shows downward trends.

"Like its peers, AT&T must strike a balance. Subscriber metrics have to be at least 'good enough' for investors to focus



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on financial metrics instead. And achieving those subscriber metrics must be ‘cheap enough’ that those financial metrics aren’t compromised,” **MoffettNathanson** said in a note. “AT&T’s first quarter results show why that’s such a difficult trick to pull off.”

Total postpaid phone net adds were 424,000, and churn grew slightly to 0.81% from 0.79% a year ago. In the business wireline segment, revenue fell 5.5% YOY to \$5.3 billion due to lower demand for legacy voice and data services. Stankey attributed some of that decline to a change in pattern from what became normal during the COVID-19 pandemic. What was an opportunity during that once-in-a-lifetime moment is leveling off now that companies are calling for their employees to return to the office or are rethinking the benefits they’ll offer to those that are fully remote.

“As people have been coming back into work and as the economy has been normalizing, some of those products and services have reached their point of use that they no longer need them, and there’s a little bit of that going on where people are making their businesses more efficient and trimming,” Stankey said. “And the wireless business is, of course, correlated to headcount and as some businesses have done some things to trim their employee ranks, you see that flowing through on handsets and data cards and things like that.”

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## PARAMOUNT FILES COUNTER-CLAIM IN ‘SOUTH PARK’ SUIT

Paramount has responded to Warner Bros. Discovery’s lawsuit over the streaming rights of “South Park,” and it’s now seeking millions in unpaid license fees. “Through this Counterclaim, South Park Studios seeks to recover all of the unpaid license fees, totaling more than \$52 million to date, based upon WarnerMedia’s blatant breaches of the Term Sheet,” Paramount wrote in its [filing](#). WBD [originally filed a lawsuit](#) in February against Paramount, **MTV Entertainment Studios** and **South Park Studios**, claiming violations of a licensing deal made in 2019. Paramount believes it followed the guidelines set from the original deal and filed a [partial motion to dismiss](#). “This is a garden-variety contract dispute between highly-sophisticated business entities,” Paramount said in the motion. “Rather than focusing on its only potential claim—for breach of an express contract—WarnerMedia has needlessly crowded its Complaint with multiple causes of action unsupported by the law and its own allegations. This motion focuses on just two of the extraneous claims, for deceptive practices and for breach of the implied covenant, which have no basis in law or fact and should be dismissed now.”

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## CARR AGAIN STATES SUPPORT FOR SG-TEGNA VOTE AT FCC

FCC Commissioner *Brendan Carr* again voiced his support for a full Commission vote on the merger of **Standard General** and **TEGNA** during a press conference that followed Thursday’s open meeting. In his mind, the impact of sending this deal to an ALJ will be felt far more widely than by just the two companies involved. “For me, the framing is more broad. If you look across this country, you can see local newspapers shuttering by the dozens. As we are sitting down here at the dais, another news entity is closing down,” Carr said. “In my perspective, it is a break glass moment for broadcasters, whatever rule or regulation is standing in the way, we need to look at removing it. I think we need to be cognizant as a commission of sending signals to people that we want investment in local news.” The open meeting saw the FCC adopt a policy statement to help inform how it considers and acts on issues tied to spectrum, including harmful interference. It also proposed new rules that would require companies with existing authorizations to provide international telecom-

### Cablefax Executive Round Up

In honor of Earth Month, which nature documentary or series has made the largest impact on you, and why?



**Jorge Franzini**  
VP, Content  
**Curiosity**

“Films shouldn’t scare us into thinking there’s nothing we can do to solve a problem. They should inspire and remind us of our interconnectedness with the natural world. For that reason, the series ‘Evolve’ has had a significant impact on me. Evolve asks whether nature has already shown us how to solve the most pressing crises facing our planet. Patrick Aryee travels the world exploring how we can use biomimicry to tackle challenges from vaccine insecurity to freshwater scarcity and pollution. Who knew that proteins in squid tentacles could help eliminate plastics?!”



**Dan Russell**  
CEO  
**EarthxTV**

“I’m inspired by the next generation of conservationists who have taken up the mantle to protect our planet, and our series ‘Wild Wonders with Brooke Carter’ embodies this. Brooke is an 11-year-old wildlife conservationist who has already dedicated her life to improving our planet. She travels around the world working with endangered animals to help with rehabilitation, relocation, and rescue. Every episode shows her curiosity and passion for protecting animals and the environment. EarthxTV exists to inspire others.”

munications services to and from the U.S. to file renewal applications at the FCC.

## ID, HISTORY LEAD 18+ DEMOS

The case is closed. According to a **Beta Research** brand identity study, **Investigation Discovery** ranked at the top for viewers age 18+ describing a network as one of their favorite channels. ID led at 54%, with **History Channel** and **Comedy Central** right behind at 53% each. **National Geographic** and **Animal Planet** followed at 51% and the quad of **Nat Geo Wild**, **Disney**, **Cartoon Network** and **Food Network** all checked in at 50%. When broken down by male and female viewers 18+, History Channel led the male demo at 57%. **ESPN** came second at 54%, followed by NatGeo and Comedy Central at 53% apiece. Disney rounded the male top five at 52%. On the female side, ID was on top at 57%, followed by Comedy Central and Cartoon Network (both at 54%). **Food Network** and **Nat Geo Wild** both came in at 52%. The study was conducted in January and sampled 3,500 cable subscribers, measuring 43 cable nets and four major broadcast nets.

## CISCO SCORES AT WORLD CUP

**Cisco** was tapped as the network infrastructure provider for the upcoming 2023 FIFA Women's World Cup. The company will use its technology across the nine host cities and 10 venues to provide a secure network as well as help deliver broadcasts. Cisco will connect non-competition venues such as the International Broadcast Center to allow for 4K content to be distributed across the globe. Additionally, Cisco will give an all-female team from its Networking Academy the chance to assist with the installation and servicing of the network before and during the tournament.

## CARRIAGE

**Allen Media Group** is growing its high school sports portfolio with the addition of the FAST channel **Bosco+** to platforms **Sports.TV**, **HBCU GO** and **Local Now** in select L.A. markets. The channel will launch this spring and showcase the athletic and esports programs of St. John Bosco High School in Bellflower, California. **Bosco+** will also feature the school's robotics competitions, theater and musical productions and content centered on student life. – The **WNBA** inked a multi-year agreement with **E.W. Scripps** to broadcast regular-season Friday night games on **ION**. Details on the schedule and windows will be revealed, but select games will be available nationally and others on a regional basis. **ION's** Friday night WNBA slate will run from May 26-September 8. – **Sling Freestream** added eight new FAST channels, bringing its lineup total to over 275 channels and more than 41,000 titles. The new additions are the Pickleball-centric **Pickle TV**, **Lacrosse TV**, **MotoAmerica TV**, **Broadway on**

**Demand**, **World Poker Tour**, dog-themed **Fido TV**, **The Red Green Channel** and **Ace TV**.

## FIBER FRENZY

**Ritter Communications** is expanding its network to Dyersburg, Tennessee. The \$2.5 million project will bring XGS-PON technology to the area for the first time and the provider will offer service to residents, businesses and local schools.

## AT THE COMMISSION

The **FCC** Enforcement Bureau issued an advisory reminding license holders and telecommunications providers with reportable foreign ownership, investment or control of their obligations to file that information with the agency as soon as possible. That includes transfers of those licenses and authorizations as well as any filings in the foreign ownership data collection adopted by the Commission at its monthly meeting.

## RATINGS

**YES Network's** broadcast of the Angels-Yankees game Tuesday averaged 292,000 total viewers. That was good for the most-viewed sports program on any network available in the New York market for the night.

## PROGRAMMING

**ESPN** will have the 2023 NCAA Women's Lacrosse Tournament on its platforms for a second consecutive year. The festivities begin with the "NCAA Women's Lacrosse Selection Show" on May 7 at 9pm on **ESPNU** before the tournament's first- and second-round games will take place on May 12 and 14, respectively, on **ESPN+**. Then the quarterfinals (May 18) and the semifinals (May 26) will be aired on **ESPNU**, with the national championship game following May 28 at noon on **ESPN**. – **ESPN+** will be the home of the World Rugby Football League's NYC Champion Sevens tournament. Set to take place July 15 from Harrison, New Jersey, the platform will stream nine hours of play—including 16 games—non-stop starting at 11:45am.

## PEOPLE

**Charter** is promoting **Paul Woelk** to SVP, Business Planning for Cable Operations after EVP, Business Planning and FP&A **Jim Nuzzo** announced plans to retire in early 2024. **Woelk**—who was previously Group VP, Cable Operations Business Planning—will oversee all aspects of business planning for the cable operating teams and the consolidation of company budgets and forecasts. **Nuzzo** arrived at Charter in 2014 during its acquisition of **Bright House Networks**, originally overseeing business planning for cable operations as well as field operations, sales and marketing, customer operations and the technology and product teams.

# PROGRAMMER'S PAGE

## Unlocking the 'Secrets of the Elephants'

Friday is Earth Day, a moment where humans around the globe dedicate time to appreciate the planet that continues to stun with the vibrancy and diversity of its environments. And though humans have called the planet home for thousands of years, there are endless stories left to uncover about the other animals that also call this place home. **National Geographic** is offering viewers a closer look at the majestic elephant in "Secrets of the Elephants," premiering Friday at 9pm ET on the linear network and coming to **Disney+** and **Hulu** on Saturday. The series examines species of elephants in four different geographic locations, and the episodes are named accordingly—Savanna, Desert, Rainforest and Asia. Each species has adapted to life in their environments as they face threats like human encroachment, droughts, sandstorms and floods. National Geographic SVP, Development & Production *Janet Han Vissering* told **CFX** that in a crowded content marketplace, the programmer is trying to set itself apart by bridging the gap between the feelings and behaviors of wild animals and what it means to be human. Her hope is that viewers will be able to relate to these animals despite the differences in their daily lives. One story from the series, that of a female elephant named Zoe, is a particular favorite for Han Vissering. Zoe was only two when her family was killed by poachers for their ivory, but at the age of fifty, she has found a new family—a herd of buffalo. "She serves as the matriarch of her new tribe as she leads the buffalo to browse for food throughout the day," she said. "It's incredible that she was able to survive such a tragedy and find a new family. It's very relatable." – *Sara Winegardner*

### REVIEWS

"Charles: In His Own Words," premieres Apr. 28, **National Geographic**, streams on **Hulu**, Apr. 29. Certainly, there are lots of *King Charles's* words in this doc from Emmy winning filmmaker *Tom Jennings* ("Diana: In Her Own Words"). Indeed, Charles narrates the production. Jennings' choices are interesting (some might say puzzling). He begins by positing a single thing is the center of Charles's life. Your reviewer thought Jennings was referring to the fact that his mother was queen. No, it's that the media would follow him from birth. (Well, that too.) The beauty of this engaging, though slightly uncritical, doc is its bevy of unseen or long-forgotten footage. Much of it's in black and white, but plenty includes audio. Again, Jennings's choices come into play. He begins with stories of Charles's parent-less upbringing and his father's determination to, as the English say, 'put a bit of stick about,' toughen up the boy. So, Charles becomes the first royal educated outside the castle. And it's not just any school he attends, but Gordonstoun, a rough place, by most accounts. There's more. His father also sends him to camp in Australia, where, as Charles says, "it was 90 degrees in the shade and flies were always buzzing around." The 'stick' worked. Charles entered Australia a boy and returned a man. Soon he'll be king. – *Seth Arenstein*

BASIC CABLE P2+ PRIME RANKINGS* (04/10/23-04/16/23)		
MON-SUN	MC US AA%	MC US AA (000)
<b>FNC</b>	<b>0.669</b>	<b>2090</b>
<b>TNT</b>	<b>0.438</b>	<b>1369</b>
<b>MSNBC</b>	<b>0.401</b>	<b>1252</b>
<b>ESPN</b>	<b>0.356</b>	<b>1112</b>
<b>HGTV</b>	<b>0.308</b>	<b>961</b>
<b>INSP</b>	<b>0.235</b>	<b>732</b>
<b>HALL</b>	<b>0.230</b>	<b>717</b>
<b>HIST</b>	<b>0.217</b>	<b>677</b>
<b>FOOD</b>	<b>0.181</b>	<b>564</b>
<b>DISC</b>	<b>0.179</b>	<b>560</b>
<b>TBSC</b>	<b>0.177</b>	<b>551</b>
<b>TLC</b>	<b>0.173</b>	<b>540</b>
<b>CNN</b>	<b>0.167</b>	<b>521</b>
<b>USA</b>	<b>0.164</b>	<b>513</b>
<b>TVLAND</b>	<b>0.163</b>	<b>510</b>
<b>ID</b>	<b>0.160</b>	<b>500</b>
<b>A&amp;E</b>	<b>0.132</b>	<b>413</b>
<b>BRAVO</b>	<b>0.127</b>	<b>396</b>
<b>LIFE</b>	<b>0.123</b>	<b>385</b>
<b>GSN</b>	<b>0.111</b>	<b>346</b>
<b>REELZ</b>	<b>0.107</b>	<b>335</b>
<b>HMM</b>	<b>0.105</b>	<b>326</b>
<b>WETV</b>	<b>0.104</b>	<b>326</b>
<b>FX</b>	<b>0.093</b>	<b>290</b>
<b>NAN</b>	<b>0.089</b>	<b>278</b>
<b>AMC</b>	<b>0.088</b>	<b>274</b>
<b>NATGEO</b>	<b>0.087</b>	<b>272</b>
<b>OXY</b>	<b>0.086</b>	<b>270</b>
<b>BET</b>	<b>0.083</b>	<b>259</b>
<b>MTV</b>	<b>0.078</b>	<b>243</b>
<b>SYFY</b>	<b>0.077</b>	<b>239</b>
<b>APL</b>	<b>0.073</b>	<b>229</b>
<b>COM</b>	<b>0.072</b>	<b>226</b>
<b>PRMNT</b>	<b>0.068</b>	<b>213</b>
<b>FRFM</b>	<b>0.068</b>	<b>211</b>

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.

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