

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Counting Up: Charter Reveals Impact of Disney Dispute, BEAD Plans

Charter's carriage dispute with Disney took a toll on the company's 3Q23 results with the provider losing 327,000 video customers. CFO Jessica Fischer estimated that approximately 100,000 video disconnects were driven by the programming dispute.

CEO Chris Winfrey believes that Charter has the opportunity to evolve into a company with a state-of-the-art video marketplace, and linear will continue to be a part of that for as long as customers want it. But the breadth of options it now has thanks to agreements like what it struck with Disney and the introduction of Xumo offers a world of opportunity.

"When you get [linear], that is a very valuable product and it's something that we'd be proud of. And for those customers who are going to be coming more in and out of the video market with different packages because of affordability that's been driven by the programmers and because of the availability of DTCs and a la carte, then Xumo for us can provide a really good marketplace to sell those products, again for the benefit of programmers as well," he said. "It gives customers options wherever they want to go."

The rest of Charter's earnings were nothing to sneeze at. The provider scored a particularly large win in wireless, adding 594,000 residential and SMB mobile lines. It now serves 7.2 million mobile lines, and more than 12% of its internet customers have mobile service. Charter has won some of those customers through promotional deals that won't last forever, and Comcast made it clear on its 3Q23 earnings call Thursday that it is taking a step back from some of that activity to focus on winning customers at higher price points. But some analysts believe that even when the promotional periods end, Charter is sure to keep a solid portion of those customers on board at a higher rate.

"Charter is fully aware that wireless churn will rise next quarter when the first step-ups occur for that first cohort of Spectrum One bundled wireless + broadband subscribers. But Charter's

hyper-aggressive customer strategy has netted literally millions more subscribers than Comcast's more cautious approach," MoffettNathanson said in a note to clients. "No one, and we mean no one, thinks that all, or even most, of those incremental subscribers won't stick."

Total residential and SMB broadband customers increased by 63,000 in the quarter, and the team attributed that growth to gains in its existing footprint and great uptake in the rural areas where it has built out its network with funding from programs like RDOF. Charter still expects to have added approximately 300,000 new subsidized rural passings by the close of 2023. Where it has already built, those areas are achieving 50% penetration at the 12-month mark, much faster than what Charter expected.

There's been a lot of speculation around how aggressively each ISP is going to be in trying to win projects through the BEAD program, but Charter is setting some clear boundaries on where it will and won't participate. Winfrey said Charter was somewhat disappointed in the draft guidelines that came out from NTIA around how states should allocate funds and the rules of the road for providers that win those funds.

"NTIA and the states are all aware of the issues that we have, but to be clear, the states that adopt NTIA's proposed guidelines on things such as dictating internet tiers, dictating pricing, labor practices, those just won't be attractive states for us to bid in," Winfrey said. "So what we will do is we'll focus our investments on the states that allow us to retain flexibility to run the business properly, respond to market demand and ultimately earn a healthy return."

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LAKERS JOIN DTC WORLD WITH SPECTRUM SPORTSNET

The Los Angeles Lakers are the latest professional sports franchise to join the DTC subscription service fun. The team

and **Spectrum SportsNet** launched **Spectrum SportsNet+** on Friday, which comes with a live 24/7 feed of Spectrum SportsNet programming as well as live Lakers games and behind-the-scenes team content. It's available to viewers in the Lakers' regional coverage territory that spans southern California, Hawaii and southern Nevada for a monthly price of \$19.99 or \$179.99/season. Existing customers of Spectrum, **Cox** or **DirectTV** can access the app at no additional cost. The app is available on **Android TV, Amazon Fire, Hisense, Roku** and mobile devices.

ence of 2.76 million viewers, up 80% from last year's mark of 1.53 million. The Celtics' win over the Knicks started the night with 2.55 million viewers before peaking at 9:45pm at 4.35 million. That was good for the network's most-watched season-opening early game since 2012. Then, the Mavericks' defeat of the Spurs brought in 2.99 million viewers, peaking at 3.9 million at 10pm (up 83% from last year's comparable game between the Mavs and Suns).

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RATINGS

The 2023-24 **NBA** season is underway, and **ESPN** tipped things off with its second most-watched NBA opening night ever and its most-watched in 11 years, according to **Nielsen**. The first two games Tuesday night reeled in an average audi-

MULTIVIEW ON NBA LEAGUE PASS

Multiview is continuing to grow on **YouTube TV**. The service is adding multiview capabilities to select **NBA League Pass** games for those who subscribe to the offering, allowing viewers to watch up to four games at once—similar to what folks can get with **NFL Sunday Ticket**. NBA League Pass features out-of-market games for \$14.99/month or \$99.99/season.

**Guest Column
Postcard from Maxwell**



Last time I was at a show, it was in New Orleans ... the pandemic then interfered as I moved from Breckenridge (no more skiing ... except once on Whistler for my 75th birthday) to Puget Sound. But I've paid attention to cable via **Cablefax** and friends. So I was happy to head to Denver to see what the business of cable has become ...

And, WOW!

Despite lots of so-called "cord cutting," up, down around and ignorant analysis and wild guessing, the so-called "cable industry" hasn't died or disappeared... instead, it has metamorphosed into owning the long run secret ingredient that will be dominant: connecting every aspect of communications control via every medium and every connectivity opportunity.

The central aspect in ultimate connectivity: seamless interactivity. From the first household or office connection, to the internet via cable, fiber or even WiFi using whatever manner, method or source makes the most sense. Fiber, cable, satellite or even what hasn't been conceived... yet.

The so-called cable industry understands the real goal: reliable connectivity everywhere... inside, outside, in the home, out of the home and on or inside the mode of movement, bicycle, auto, truck, or just walking.

Ain't cheap to do... that was clear from wandering the show floor, visiting booths and eavesdropping conversations.

It was also intriguing to see that not many people recognized me... most of those folks who did, though, were at the remarkably crowded, boisterous, laughing and grinning mob known as the annual Pioneer Dinner. With 35 or so new Pioneers among the 700+ attendees, it sure set a wonderful vibe for the week. And what a time we had at table #8 and the busy after buzz at the Hyatt.

It's always fun to listen to John Malone and Mike Fries banter policy and reality... and last Tuesday's Cablefax covered it well. Loved seeing Xumo (just watch what your spelling corrections do for a grin or three) off to a great start... could be ubiquitous.

It certainly wasn't a walk down memory lane, more a solid glimpse of cable's future.

Multi-faceted. Dominating the underlying connectivity with a multifaceted congregation of content purveyors with nowhere else to go as cable connects it all.

Only, please find the right person who could put together all that's possible to watch in one convenient, multidimensional place... online, of course.

- Paul Maxwell is the retired Founder and CEO of Media Business Corp and started and/or ran some 40+ publications over the years, including Cablefax, Multichannel News and CATV Newsweekly.

CARRIAGE

Sinclair and **Paramount** struck multi-year distribution deals for all 21 **CBS** network affiliates for Sinclair stations. That includes six top-50 market affiliates: KUTV (Salt Lake City), KEYE (Austin), WKRC (Cincinnati), WPEC (West Palm Beach, Florida), WWMT (Grand Rapids, Michigan) and WHP (Harrisburg, Pennsylvania). The two companies also renewed the affiliation for WTVH in Syracuse, New York, and WGFL in Gainesville, Florida. The deal spans over 10 million households and includes several early renewals as well.

FIBER FRENZY

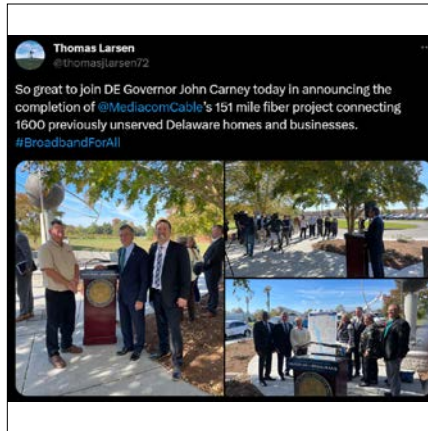
Great Plains Communications revealed imminent plans to begin building to approximately 20,000 customer locations. The announcement comes after the company received funds from the **FCC's** Enhanced Alternative Connect America Model Program. The money will be distributed from 2024-2038 with the purpose of deploying fiber to unserved and underserved customers in rural areas of Nebraska and southeast Indiana. GPC expects construction to be completed by the end of 2028. -- **ImOn Communications** is expanding outside of Iowa for the first time, building FTTH internet infrastructure in Dakota Dunes, South Dakota. ImOn subsidiary **FiberComm** will lead construction efforts in the community, which is expected to complete in the coming months.

DOING GOOD

Hawaiian Telcom awarded \$140,000 in grants to six local organizations to support nonprofits with programs focused on digital equity. Funded by the Bell Charitable Foundation—created by Hawaiian Telcom's parent company **altafiber**—four organizations received \$25,000. That includes Hawai'iKidsCAN, which provides tutoring to rural communities across the state, and the Purple Mai'a Foundation that supplies incarcerated women at the Hawaii Women's Community Correctional Center with computer and software knowledge. Hawaii Care Choices and Action Digital Academy received \$30,000 and \$10,000, respectively.

CABLEFAX DASHBOARD

Social Media Hits



Research

(Source: [2023 Comcast Business Small Business Cybersecurity Report](#))

- > Daily malware activity roughly doubled year-over-year and peaked in both holiday seasons.
- > Nearly 1 in 10 devices, on average, attempted to connect to domains associated with malware, phishing or malicious bot activity.
- > 48% of companies reported a cyberattack in 2022, and cyberattacks against small businesses were up 7% over the past year.
- > 45% of small businesses reported a loss in revenue due to cybercrimes.

Up Ahead

- NOV. 3:** [WICT Network DC/Baltimore Powerbrokers Awards](#); DC
- NOV. 9:** Media Institute Communications Forum Luncheon Series; DC
- DEC 6:** [Cablefax Most Powerful Women Luncheon](#); NYC
- JAN. 9-12:** [CES 2024](#); Las Vegas

Quotable

"Designing a digital everything product that will benefit Hollywood for decades is not easy. It is hard to earn the daily habits and wallets of over 200 million customers, all while maintaining control over one's destiny. What does an everything product look like in today's digital world? It starts with a singular, delightful, intuitive user experience offered for one attractive price... The product design entails thoughtful solutions for curation, promotion, advertising sales, data transparency and financial participation. Crucially, the vast majority of players in the industry need to come together in order for the product to be a no-brainer of a purchase decision for 9 out of 10 consumers. While pulling this off will be challenging, it is increasingly hard to see anything—outside of resolving the SAG-AFTRA strike—being more important or more urgent for almost every entertainment and sports company in the world."

– Former WarnerMedia CEO Jason Kilar in a [column](#) for *Variety*