

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Earnings Preview: Waiting for Updates on Xumo, M&A

Next week triggers the start of 4Q23 earnings reports, and a plethora of moving pieces and question marks ensure that it will be anything but a boring one. Analysts have already signalled they have everything from regulatory uncertainty, the streaming wars and M&A on the brain.

The industry will likely have to wait until Feb. 2 to hear from **Charter** on how the **Xumo** rollout has gone thus far, and we don't expect them to divulge too much in the way of numbers. But programmers and operators alike will be listening for executives to report trends in consumer adoption and user reactions, particularly those that have been contemplating striking deals to license the platform or have their streaming service featured on the Xumo platform.

Cable companies have plenty of other storylines to follow with broadband slowdowns continuing to be of concern, but **Altice USA** CEO *Dennis Mathew* will be able to share more on why it was able to slash pricing for Optimum subscribers at the start of the year and more updates on his turnaround of the company. Wireless has also been a massive part of the story as broadband net additions shrunk. **MoffettNathanson** has Charter as its top pick among telecom and cable companies moving into 2024, and part of that is the continued growth of the company's wireless business. But it also added valuation to the reasons for its optimistic view. "We believe it is important to view Charter's through the lens of free cash flow yield before

their investments in rural expansion; that is, one should view their rural builds as if they are M&A, a use of excess free cash flow," it said in a note to clients. "Through that lens, Charter's shares look very compelling at these levels."

The operators reporting results will also need to respond to the potential end of the **FCC's** Affordable Connectivity Program now that the Commission has published guidance on how the program will be wound down if it runs out of funding. Should Congress fail to provide the program with more funding, its shutdown will become a headache for politicians on the campaign trail this year and the ISPs managing the customer service side of the equation.

New Street Research addressed some Wall Street misconceptions around the impacts of an ACP winddown in a note, particularly one that providers will just end up in the same place they were before the program started. The firm argued instead that they would be worse off with company revenues that will go down with costs only expected to increase. "The transition costs will be short-term but significant and the reputational risk, while perhaps not as material, could be long lasting," New Street Research said. "Second... the loss of ACP will negatively affect BEAD by reducing the effective reach of each state's dollars and causing administrative and political friction over the appropriate standards for low-income support programs."

The rumor mill has been particularly buzzing over a merger involving **Paramount Global**, and **Parrot Analytics** took a deep

NAMIC Now Accepting Nominations for the 2024 Vision Awards



VISION AWARDS

NAMIC

The National Association for Multi-ethnicity in Communications (NAMIC) has officially launched its awards season, calling for nominations for the 30th Annual NAMIC Vision Awards.

These annual awards recognize outstanding original, multiplatform programming that best reflects the growing diversity, multi-ethnicity, and multicultural preferences of today's viewers.

Nominations are open across 18 categories, with the submission window extending from now until January 31, 2024.

Entries will undergo evaluation by a distinguished panel of media and entertainment industry executives, assessing overall imagery, sensitivity, writing, and acting.

For additional details, please visit <https://namicvisionawards.com/>.

dive into a number of possible combinations that could come to pass and the pros and cons of each. Should **Warner Bros. Discovery** and Paramount Global come together, they'll have a complete sports portfolio and a content lineup that includes a broadcast network, **HBO** and "Yellowstone" creator *Taylor Sheridan*. WBD's lack of a broadcast network also means the deal should face less regulatory opposition, but the combination would add a lot of debt to balance sheets.

Another scenario has been **NBCUniversal** stepping in to acquire Paramount Global, a deal that **Comcast** can seemingly afford. Two massive entertainment libraries would come together in this deal, but two broadcast networks can't live together under one roof. Both companies are also facing the very real struggles that have come with declines in linear television, and their path to international expansion is murkier than those of some of their competitors.

SOHN'S GROUP STANDS UP FOR FRANKFORT PLANT BOARD

The American Association for Public Broadband is joining the [fight](#) against an attempt to force the **Frankfort Plant Board** of Kentucky to sell of its telecom assets. "There is no good reason to force the sale of FPB's telecommunications business, and indeed none has been articulated. However, the negative downstream effects of such a sale would be significant—harming the residents of Frankfort the most. If enacted, the proposed legislation would, among other things: increase the cost of power, water and telecommunications services; lead to the loss of jobs; and degrade the quality of the network and customer service," AAPB executive director *Gigi Sohn* wrote this week in a letter to members of the Kentucky General Assembly. State Senator *Gex Williams* has said he will introduce a bill that could force the sale of the cable, landline and broadband business to a private company. FPB has been fighting back, putting up billboards against the proposal and mounting an [online campaign](#) to stop the move. "There is no way that this little, itty bitty community can compete against **AT&T** and **Charter** and all these big guys that are going to be operating on very thin margins but over a lot of people," Williams told the [Kentucky Lantern](#). Sohn joined AAPB as its first executive director in May after her unsuccessful nomination as **FCC** commissioner. "The attack on the highly successful and immensely popular Frankfort Plant Board is just the latest in a series of recent dark money efforts to slow the inevitable march toward communities owning their broadband futures. One wonders what has possessed Senator Williams to attempt to upend a public utility that provides robust and affordable broadband Internet access with an incredible 65% take rate," Sohn said.

T-MOBILE, WEST VIRGINIA TALK IMPACT OF INVESTMENT

T-Mobile held a press event with West Virginia Governor *Jim Justice* at the State Capitol in Charleston to talk about the company's \$200 million investment in the state's wireless infrastructure. Since its merger with **Sprint** in 2020 and the acquisition of **Shentel's** wireless business in 2021, T-Mobile has poured those millions into upgrading 5G service via 377 new towers and upgrades to 121 existing towers. Additionally, T-Mobile's 5G high-speed internet is available to 400,000 homes across the state. "We've been working diligently with T-Mobile and other partners to ensure that all corners of our state have access to the tools and resources they need to thrive in the digital age," Justice said in a statement.

RATINGS

Sunday's edition of "Home Town" on **HGTV** recorded a .58 L3 rating among A25-54 and .75 L3 for W25-54. That's good for gains of 115% and 105%, respectively, over the prior six weeks. The episode reeled in over 3 million total viewers. Additionally, the network's airing of "My Lottery Dream Home" last Friday achieved a .53 L3 rating among A25-54—up 83% over the prior six weeks. The show also scored a .70 L3 rating among W25-54 and .76 L3 rating among upscale W25-54.

FIBER FRENZY

Shentel's Glo Fiber has expanded its service to several initial neighborhoods in Rockingham County, Virginia. Areas in Bridgewater, Broadway, Timberville, Grottoes and Elkton can access the company's fiber offerings, with construction expected to be fully complete by mid-2024. Once done, Glo Fiber will reach more than 8,000 homes and businesses in the county. – The town of Ludlow, Massachusetts, will soon get **GoNetspeed's** fiber internet as the company embarks on construction. The \$4.8 million project will add over 4,800 residents and businesses to its footprint. GoNetspeed expects the first customers to be eligible for service installation early this year. – **TDS** wrapped up its project to upgrade services on Swan's Island, Maine. Those customers can get TDS' speeds of up to 8 Gigs in addition to TV and phone options. The project was completed thanks to a \$1.7 million grant from the Maine Connectivity Authority as well as supplemental funding from TDS and local jurisdictions.

CARRIAGE

Pluto TV is rolling out a pop-up channel as Super Bowl LVIII gets closer. **NFL Super Bowl Classics** will come with past

Super Bowl games, programming from NFL Films, docuseries and other special content. The channel be available for a limited time through Feb, 21.

PROGRAMMING

CNN is introducing a new series “United States of Scandal with *Jake Tapper*.” It’ll look at modern memorable and historic political controversies, beginning with a two-episode premiere Feb. 18 at 9pm before airing regularly on Sundays at 9pm as well. - **E!** is giving “House of Villains” a second season after averaging 919,000 total viewers in live+35 during Season 1 (410,000 A18-49). - A new Sunday public affairs program is coming to **News Nation** on March 3. “The Hill Sunday with Chris Stirewalt” will premiere at 10am.

DOING GOOD

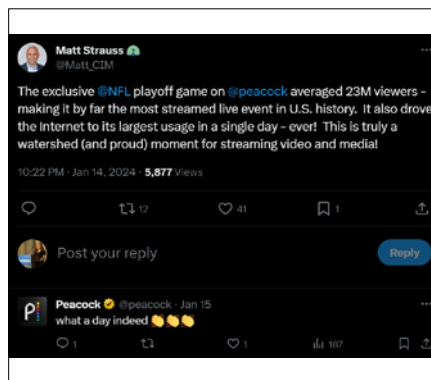
Charter’s advertising sales arm **Spectrum Reach** announced it’ll offer 250 underserved small business owners access to its ad and marketing resources throughout 2024. It’s part of the “Pay It Forward” initiative where local entrepreneurs are selected to receive a live and streaming TV campaign worth up to \$15,000 in addition to a custom-produced 30-second commercial, marketing consultation, mentoring and educational resources and networking opportunities. Applications to participate in this year’s initiative [are now open](#), with the deadline set for Feb. 25 and the unveiling of participants in late March.

PEOPLE

Tubi appointed *Courtney Sanchez* as Chief Strategy Officer/EVP, Operations. She’ll be responsible for overseeing the company’s future growth strategy through the lens of data and market-driven insights. Sanchez was previously VP, Digital Analytics for **HBO** and also spent eight years at **Vimeo**, which culminated in her serving as COO for four years. - *Alex MacCallum* was tapped **CNN Worldwide’s** new position of EVP, Digital Products and Services. She’ll guide CNN’s portfolio of digital products from the network’s NY bureau starting March 4. MacCallum re-joins CNN after being the CRO for the *Washington Post*. In her first CNN stint, she was Global Head of Product for CNN Worldwide as well as GM of the now-defunct **CNN+**.

CABLEFAX DASHBOARD

Social Media Hits



Research

(Source: [Hub Research's "Conquering Content" study](#))

- > In 2023, significantly more consumers said they like having so many TV shows to watch, and that number is up nearly 50% in just three years.
- > Nearly two-thirds of respondents say they are more likely to choose a TV source that makes it easier to find new shows.
- > Most consumers are overwhelmed by the recommendations they get from their streaming services. A scant 10% say the recommendations are highly relevant to their interests.

Up Ahead

JAN. 29-FEB.1: [Realscreen Summit](#); New Orleans

FEB. 8: [Regional Fiber Connect](#); Richmond, VA

FEB. 25-27: [NCTC Winter Educational Conference](#); Las Vegas

MARCH 5-7: [ACA Connects Summit](#); D.C.

Quotable

“Without the program, we run the risk of reversing advancements made to attach so many ‘at risk’ citizens as tightly as we can to the modern world. The study confirms what I have seen firsthand – the ACP is benefitting Americans from all walks of life and across the nation. In fact, nearly 50% of ACP enrollees are military families, nearly 41% live in the South, and nearly 26% live in rural areas...I have been able to point to the ACP and our own Internet Essentials program as substantial efforts to remove cost as a barrier. There are other barriers. I’ve met many who are simply unaware that they are eligible for these programs. And I’ve met others whose life experiences sadly make them distrust solutions like the ACP, as we have found in our research examining Internet Essentials. But along the way, I’ve met many inspiring Americans who are overcoming these barriers and whose lives have been transformed by the ACP and IE.”
 - Comcast Corp. EVP, Public Policy and Digital Equity [Broderick Johnson](#) in a [blog post](#)