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WHAT THE INDUSTRY READS FIRST

Growth Machine: Verizon's Fixed Wireless Brings Big 4Q22 Numbers

Verizon's fixed wireless business is booming while traditional cable operators find themselves in a broadband growth rut. It recorded 379,000 fixed wireless net additions in 4Q22, bringing Verizon's total FWA base to nearly 1.5 million subscribers.

Verizon still expects to have 4-5 million FWA subscribers by the end of 2025, and CEO *Hans Vestberg* is adamant that the wireless provider has enough capacity to support that base and many more customers to come. "We have multi-usage of our network, that has been sort of the basis for this, meaning the same radio base stations are serving mobility, device access and mobile edge compute and we're not doing separate," he said. "In the distant future... we can always come into decisions of splitting cells in order to get more fixed wireless access, but that's far away from now. We have ample capacity for the guide and much more than that."

Verizon is continuing to invest in fiber in an effort to expand capacity and create better experiences for both its FWA and Fios subscriber bases. Approximately 50% of its sites are now served by fiber, according to Vestberg. The Fios broadband business grew by 59,000 net additions in 4Q22. Total revenue for the quarter was \$35.3 billion, up 3.5% YOY, driven largely by service and equipment revenue.

Companies offering both broadband and wireless services have been fielding questions about convergence and bundling

strategies for some time. The industry trend toward selling products together, when possible, isn't going anywhere any time soon, and Verizon has begun seeing more success with it in its business segment rather than in the consumer space.

"I think the trend will continue, given the consumer research we're doing and the consumers we're talking to. But it's actually not only consumers, you have to think about small and medium businesses as well, making it convenient for them," Vestberg said. "If you look at our numbers this year both on fixed wireless access and mobility in the business segment, SMB has been very important for us."

Total wireless service revenue came in at \$18.8 billion, a 5.9% increase YOY. Postpaid phone net adds were 217,000 with retail postpaid net adds hitting 1.43 million. Total retail postpaid churn sits at 1.14%. **New Street Research** believes Verizon's results could be evidence, when combined with other comments made by **T-Mobile** and excitement from leadership at **Charter**, of another major quarter for cable operators offering wireless products.

"Verizon's subscribers and ARPU both missed expectations. Service revenue missed, but not by as much as the combination of postpaid and prepaid service revenue, which means wholesale and IoT did better," the firm said. "We have very little insight into this revenue line. We suspect Cable MVNO revenue was a bigger driver than IOT though. We anticipate Cable wireless subscriber growth of almost 30% y/y (we are above consensus)."



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Those wishing to trade Verizon stock following the call had to wait to be able to do so after a technical issue temporarily froze some stocks. Verizon was one of the companies impacted this morning by a halt in stock trading on the **New York Stock Exchange** Tuesday morning following an apparent technical issue. Trading ceased for entities including **AT&T** at approximately 9:30am ET with trading resuming for many 10-15 minutes later. The NYSE said the issue prevented the exchange from conducting opening auctions for some securities, and some trades for those impacted stocks could be voided.

LAYOFFS HIT CANOE VENTURES

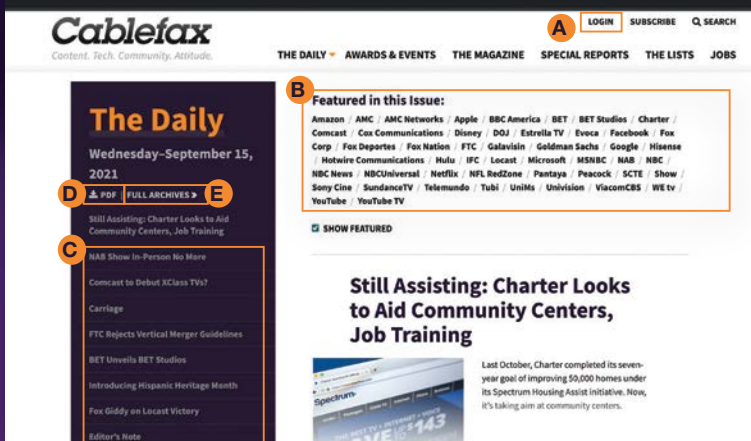
Add **Canoe Ventures** to the list of companies doing some downsizing at the start of the year. It cut about a dozen positions out of 50 or so across all levels of the company, from the C-Suite to marketing and office support. Those impacted include COO *Tom Huber*, Chief Revenue Officer *Ed Knudson* and SVP, Global Sales & Marketing *Chris Pizzurro*. Canoe, owned by **Charter**, **Comcast** and **Cox**, enables addressable TV advertising across linear, VOD, and streaming video platforms. Last month, Canoe announced that *Joel Hassell* will retire as CEO at the end of January. *David Porter*, currently SVP, GM of Addressable Advertising, began serving as Interim GM on Dec. 12, taking over day-to-day operations.

DIRECTV, NEWSMAX STILL TALKING

DirecTV responded to Rep *Wesley Hunt's* (R-TX) letter regarding contract negotiations with **Newsmax**, telling him that it is in no way working to limit conservative viewpoints. "To the contrary, we want to continue our carriage of Newsmax on

the same terms as at present, and we have made that clear to Newsmax," General Counsel *Michael Hartman* wrote in a letter to Hunt obtained by **CFX**. The sticking point has been Newsmax's attempt to move from being carried for free to extracting an affiliate fee from MVPDs. An industry source close to Newsmax has said that a free OTT stream will end shortly, with users having the ability to subscribe or use an MVPD service. In the letter, DirecTV turned Hunt's claims of deplatforming on to Newsmax: "In effect, it has stated that if DirecTV and other pay TV operators will pay it the fees it wants, then it will cease transmitting its current [free] channel to the 55 million U.S. households that don't have a Pay TV service. In other words, 55 million U.S. households would no longer be able to access Newsmax in its current form unless they acquire a pay TV subscription. Under this change in model, who's doing the de-platforming? Certainly not DIRECTV." At our deadline, DirecTV and Newsmax were still negotiating ahead of an 11:59pm carriage contract deadline. While DirecTV took aim at "significant fees" that it says Newsmax is seeking after launching for free, Newsmax CEO *Chris Ruddy* said the initial carriage agreement included a provision that the channel would be seeking a fee upon renewal. For its part, DirecTV said it has given the channel broader distribution than any other pay TV provider and waived its typical right to sell two minutes/hour of advertising time. "While we cannot comment on negotiations, we expect DirecTV, and its majority owner **AT&T**, to treat Newsmax on a fair and equitable basis in relation to all of the channels it carries, especially after both companies de-

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platformed **OAN** last year,” Newsmax said in a statement. Hunt had asked DirecTV, AT&T and **TPG Capital** to provide ratings comparison data for news networks, such as Vice TV. It did not, only stating that nationwide Newsmax’s average household audience per **Nielsen** is 101,000 households, representing less than 0.1% of total TV households—a figure 92% lower than Fox News.

FCC FINING FOX FOR EMERGENCY ALERT VIOLATION

The **FCC** proposed a penalty of \$504,000 against **Fox Corp.** for apparently willfully violating rules tied to the emergency alert system. On Nov. 28, 2021, the broadcaster apparently transmitted or caused the transmission of emergency alert system tones during a Fox **NFL** promotional segment in the absence of an actual emergency, qualified PSA or authorized test. In its response to the FCC Enforcement Bureau’s Investigations and Hearings Division, Fox admitted that the promotional segment that aired as part of the “Fox NFL Sunday” pre-game show used an approximately three-second excerpt of the EAS attention signal commonly used to precede broadcast emergency alerts. The promo was broadcast to more than 18 of Fox’s owned-and-operated stations and transmitted to 190 network-affiliated stations nationwide. The base forfeiture for such an action is \$144,000, but the Commission chose to increase the fine due to previous transgressions by Fox and because the segment in question was designed to self-promote the broadcaster’s programming. “We find that, in view of the gravity of the violation and the violator’s degree of culpability, this self-promotion for the purposes of additional economic gain at the expense of the integrity of the EAS constitutes egregious misconduct warranting an additional upward adjustment,” the FCC said in its notice of apparent liability for forfeiture.

NO NEWS CORP-FOX CORP COMBO

Rupert Murdoch has withdrawn a proposal to explore possibly combining **News Corp** and **Fox Corp.** Fox said that Murdoch indicated that he and *Lachlan Murdoch* determined that a merger is not optimal for shareholders at this time. The Special Committee of the Board of Directors of Fox Corp, which included former **Telemundo** CEO *Roland Hernandez* and former House Speaker *Paul Ryan*, has been dissolved. News broke of the exploratory efforts back in October.

FEEL THE BREEZE(LINE)

Breezeline is rolling out a new ad campaign highlighting the company’s internet service. Titled “Welcome to Breezeline,” the spot showcases Breezeline’s \$400 million investment into its fiber network and infrastructure and how it benefits everyday activities. Breezeline offers internet speeds of up to 1 Gbps and also provides TV and voice products.

COMCAST, NSC PARTNER TO CLOSE DIGITAL DIVIDE

The **National Skills Coalition** and **Comcast** are teaming up on an initiative to educate local, state and national decisionmakers about the benefits of the Bipartisan Infrastructure Law. The provider pledged \$200,000 to the NSC to go toward existing workforce development programs that also

receive funding from the BEAD Program or Digital Equity Act. Comcast and the NSC will also partner for future research, communications and training programs that promote the best ways to implement digital equity funding.

RATINGS

Fox News came out on top for total day ratings among cable nets once again, leading the way with an average of 1.39 million viewers P2+. **ESPN** checked in at second with 825,000, followed by **MSNBC** (629,000), **HGTV** (495,000) and **Hallmark Channel** (455,000). For primetime, ESPN continued its reign at the top with 2.48 million viewers. Fox News and MSNBC had 2 million and 943,000, respectively, with Hallmark Channel’s 885,000 and HGTV’s 872,000 rounding out the prime top five.

FIBER FRENZY

TDS has started construction of its fiber network in Whitewater, Wisconsin. Once complete, approximately 3,800 residents will have access to speeds of up to 8 Gbps as well as phone and TV services.

PROGRAMMING

The sequel to “Frozen Planet” is coming to **BBC America** and **AMC+**. “Frozen Planet II” will debut Saturday at 8pm and have episodes released weekly. – **Oxygen**’s “Cold Justice” is returning Feb. 25 at 8pm. The show follows a prosecutor and three detectives traveling to small towns to investigate unsolved homicide cases. – “The 12th Victim,” a docuseries about *Charles Starkweather*, *Caril Fugate* and their killings of 11 people at random, will premiere on **Showtime** on Feb. 17 at 8pm. New episodes will air weekly on Fridays, and all four episodes will be available on streaming platforms Feb. 17.

PEOPLE

Deborah Bradley was named **A+E Networks**’ EVP, Global Content Sales, reporting to EVP, Content Sales and Business Development *Mark Garner*. Bradley will take on the newly created position and oversee the team responsible for licensing original and existing content to A+E’s global streaming partners, as well as all U.S. linear and non-linear platforms. She’ll also lead the expansion of distribution of the network’s FAST channels. – **UP Entertainment** made seven promotions within its executive team. *Bridget Collins* is now VP, Direct Response and Paid Programming, and *Frank Novo* was upped to VP, Network Operations. *Hector Campos* and *Greg Madsen* are now SVP, Content Acquisitions and Strategy and SVP, Distribution, respectively, and *Heather Symmes* was promoted to SVP, Distributor Marketing. *Gina Henschen* is now UP Entertainment’s VP, Legal and Business Affairs, and *EB O’Neil* will take on VP, Direct to Consumer Growth and Relationship Management. – *Keisha Taylor Starr* was appointed as CMO of **E.W. Scripps**, where she’ll help raise the visibility of Scripps’ brands with advertisers and its audience. Starr was named CMO for the **Scripps Networks** division in Dec. 2021 and helped shape the rebranding of Scripps News from Newsy. She’s made stops at Learfield IMG College and **WarnerMedia** in the past.