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WHAT THE INDUSTRY READS FIRST

In the Game: Mediacom Ready to Launch Mobile Across Footprint

Mediacom's long-anticipated launch of mobile service is coming to fruition, with the operator recently debuting the service for employees and kicking off marketing. Trucks have begun to hit the streets in its 22-state footprint, with one side of vehicles wrapped to taut the "incredible savings" of Mediacom Mobile and the other side highlighting its Xtream Internet offering.

The company said it doesn't have permission yet to reveal its MVNO partner is, but it's using **Reach** as its MNVE partner. **NCTC**, **Astound Broadband** and **WOW!** also are working with Reach for mobile, which can work with any of the major wireless carriers. Mediacom Mobile will be sold to residential and business internet customers as its own separate entity with separate billing from other Mediacom products.

For pricing, Mediacom's formula is similar to its cable peers, debuting at $40 for unlimited data or $15 by the gig, taxes and fees included. "For the $40 unlimited, I think it will be $40 for the first line and as many lines. I think that's what we'll start with and we'll see how it goes," said *Tapan Dandnaik*, Mediacom's SVP of Operations, Product Strategy, and Consumer Experience. "**Comcast** and **Charter**, if you remember they started with that $45 line, and now they're a long way ahead in terms of what they offer. I think there's a lot of efficiencies they've developed. Once we develop those efficiencies, we will look to change that, but going out we wanted to keep it simple."

While the marketing is starting to roll out, Mediacom doesn't expect to begin offering mobile to customers until early June, with plans to launch to its entire footprint. In recent weeks, the provider opened up the service to its entire employee base, drumming up excitement with kick-off parties and T-shirts. Even corporate HQ, which isn't in Mediacom's service footprint, is able to use the service—which helps provide a good sense of the reliability of its wireless partners' coverage.

It's been well known for more than a year that Mediacom was working on launching mobile. In fact, it joined with Charter, Comcast and **Cox**, which all have launched mobile, in February to push the **NTIA** to open the 37 GHz spectrum band. Dandnaik said it took some time because there were more hurdles than imagined. "I think the biggest thing was when we just didn't understand the economics of the business itself as well as we thought," he said, noting how Charter did a deal with Comcast for back office support. Last year, Mediacom arrived on working with Reach, which had a lot of the necessary integrations to solve back office pain points.

"The last big piece was the economics. We wanted to make sure that it was accretive, and obviously bundling it with our data and our legacy services, wanted to provide value to our customers," Dandnaik said. "Every time Charter and Comcast announced their results and then we looked at analyst reports, we got comfortable with the actual sort of understanding of what people use, what is the data that is being consumed, what is the benefit of offloading with our networks… We got to a point where we felt good with the economics and what we wanted to do."

Mediacom is a member of the NCTC, which means it could have used the co-op to launch mobile with Reach and **AT&T**. Dandnaik is quick to compliment the organization on its MVNO solution, but said in the end, it wanted to go it alone. "We did look at what they had. It's great, but we just needed something custom, and we needed a little bit more flexibility on what we did and we wanted different economics as well," he explained. "

At commercial launch, Mediacom expects to have a variety of devices and a device store with financing available through a partner. But it's still working on OEM deals. "We will have a partner that will have a majority of the devices. I think we may not have some of the latest devices, like an Apple iPhone 14 or 15, but I think outside of that, the iPhone 12 or 13 and below and Android, Google—we will have all those devices, at least that's the hope," Dandnaik said. "If we don't have it at launch, we'll have it shortly thereafter."

Unlike Cox, Comcast and Charter, Mediacom Mobile will not have a heavy retail presence, using sales channels primarily for intake. "Our agents are really good at letting people know what sort of service we have and the fact that our pricing is simple and we can save money by bundling. I think that's going to drive conversions," Dandnaik said. "Every time our tech goes out to someone's house, they see a product and they say, 'oh, you have a mobile product. What's is that about?' and our techs are really good at communicating. That's why we wanted to get employees engaged and give them first dibs of the product… If the reviews come out the way I expect them to, I think our employees will be the first to go out there and communicate that every time they go out on a truck roll or a trouble call."

FUBO FOCUSES ON THE USER, ENCOURAGED IN ITS COURT BATTLE

Fubo's lawsuit to halt **Venu Sports** might be catching a lot of headlines, but the vMVPD's co-founder/CEO *David Gandler* is still confident about his company's strategy and the technology it possesses. Right now, Fubo is focused on carrying out a super aggregation strategy, which Gandler believes separates the vMVPD from other distributors in that it opens the door for dynamic, user-specific engagement. With a tiered strategy that includes a free version of Fubo set to launch later this year, the overall gameplan is to ensure customers always have a place to go—whether it's at a cost or not. "Everyone is focused on building an app store. We're focused on really aggregating content, leveraging technology to drive discovery and really being very user-centric and dealing with issues around fragmentation and friction in the user experience," Gandler said at **J.P. Morgan**'s 52nd Annual Global Technology, Media and Communications Conference. "One of the problems that we're dealing with is the fact that we have a very expensive product—best in class, in my view—but all of those people that are coming in, seasonally, they churn. So the idea is we've already paid the acquisition cost, why not attempt to keep people within the ecosystem?" He was asked how he perceives the risk of users moving down to a lower-cost or free tier, but Gandler reminded attendees that Fubo is a sports-first cable TV replacement, adding that fans can only access sports programming from the vMVPD package. The other offerings are about the augmentation of Fubo's product lineup and allow it to engage with consumers during the offseason. Of course, the aforementioned lawsuit found its way into the questioning, and Gandler made sure to point out the similarities of Venu's recently unveiled name and logo. "I think the name is great, almost looks like Fubo too when you look at the logo," he said. "We're very happy with where we are at the moment. The U.S. District Court has granted us limited discovery, and we've received support from Capitol Hill as well as a number of other paid TV distributors such as **DISH** and **DirecTV**. From my perspective, things are going as well as they can."

ACP IMPACT STARTING TO SHOW

FTTH net adds and fixed wireless net adds slowed in 1Q24, which sounds like good news for cable operators. But cable's broadband net additions also worsened during the quarter. What happened? In a new note, **MoffettNathanson** suggests the most likely explanation for the market-wide deceleration is the end of new ACP enrollments in February. "The cessation of ACP enrollments caused penetration (in previously-built markets) to fall… even before ACP customers start to defect because of the termination of monthly payments in June," the firm said, noting that cable lost a record 169,000 broadband subscription by its estimates. MoffettNathanson said household formation could have played a role as well, but it suspects the bigger factor is the change in broadband penetration. "ACP-qualified households move frequently— they are overwhelmingly renters rather than homeowners—making the termination of new enrollments [in February] likely a bigger factor than we or others might have anticipated," the firm said. It added that increases in broadband penetration during the pandemic were too readily chalked up to the need for broadband for school and work. "In retrospect, did anyone not already know the importance of broadband before March 2020? We believe a more accurate explanation is likely that the pandemic response—a series of government subsidy programs at the state and federal level that culminated with the ACP—increased affordability and ultimately brought a meaningful number of households into the broadband market who would otherwise have found broadband unaffordable," the note said. Meanwhile, **New Street Research** thinks the odds are

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getting worse for this Congress re-funding the ACP broadband subsidy: "We think the problems largely reflect Congressional dysfunction resulting from polarization and other factors, all made more intense in a Presidential year where the leadership of both houses of Congress could flip."

PARAMOUNT WATCH

The **Paramount** saga continues. **Sony Pictures Entertainment** and **Apollo Global Management** signed a nondisclosure agreement with Paramount to grant them access to its non-public financial information, according to a *New York Times* report that cites three people familiar with the matter. This comes after Sony and Apollo pulled back from their nonbinding offer to acquire Paramount for $26 million that was submitted earlier this month. Sony shareholders were skeptical of the offer considering the headwinds that face the subscription streaming business on top of the potential cost of a deal. The report states Sony and Apollo are pondering alternative options to purchase Paramount's assets, though Paramount controlling shareholder *Shari Redstone* prefers the transaction keep the company intact—however, it's not a deal breaker depending on the terms. Paramount's exclusive negotiation window with **Skydance**, which had its offer receive disapproval from Paramount shareholders, lapsed in recent weeks. Skydance is still interested in reaching an agreement.

THE GREAT RE-BUNDLING IS NEAR

In *Perry Sook*'s eyes, the recent rise in streaming bundles signals an urgency to get on the train before it leaves the station. Speaking at a **J.P. Morgan** investor conference Monday, the **Nexstar** Chairman/CEO referenced a recent **CNBC** appearance from former **TiVo** CEO *Tom Rogers*. Rogers discussed the consumer trends in prioritizing what streaming services users desire. **Netflix** and **Prime Video** are seen as popular "must haves" in Rogers' eyes, but beyond that, there are only so many paid services that users can afford. That's a blessing for pay TV, according to Sook, and it's one that may lead to sub declines easing up within the pay TV environment. "I think you're seeing people now look at the traditional bundle and saying, 'I get the video content, particularly if certain MVPDs are going to incorporate the streaming options as part of their bundled offering to the consumer.' And we're relatively indifferent as long as we're paid to be there, we're part of that bundle," Sook said. "We do think that you will see sub declines in the traditional pay TV universe begin to moderate over time." Sook and Nexstar haven't been afraid to claim that the broadcast business is plenty more bountiful than streaming as things stand. Whether that means Nexstar is looking to capitalize on growth opportunities beyond what it's doing with **The CW Network** and **NewsNation** remains to be seen, but Sook doesn't see massive deals being made in the near term. "We're in conversations on a couple of one-off station opportunities that would create the duopolies, perhaps new CW affiliates that have an immediate financial benefit to us," Sook said. "We'll still do those as we have in the past ... But I think in terms of scale M&A, cost of capital as a factor. Economic Outlook is a factor. But more than anything, it's the chances of getting through either the **DOJ**, the **FTC** or the **FCC**."

CHARTER ADDS MOBILE BUYOUTS

As telegraphed by CEO *Chris Winfrey* last week, **Charter** is now offering mobile contract buyouts up to $2,500. When a customer switches to Spectrum Mobile from another provider and purchases at least three lines with at least one ported line, Spectrum will pay off their existing phone balance on ported lines up to $2,500 (with a maximum of five ported lines). Spectrum Mobile added 486,000 lines in 1Q24. Charter is offering ACP customers a free unlimited mobile line for one year to help offset the loss of the $30/month ACP credit.

OPTIMUM MOBILE ADDS TABLETS

Optimum Mobile is boosting its technology product portfolio with the addition of tablets being made available to residential and business customers. It's part of the company's new Tablet Unlimited plans, which lets customers enroll and order a new device or bring their own tablet to activate on the Optimum Mobile network. The Tablet Unlimited plan runs for $45/month with 5G access, and existing customers can add a mobile line to their account to get a tablet line for $25/month. Tablets available through Optimum Mobile include the iPad Pro and iPad Air—both coming with the 11- and 13-inch editions—as well as the 10th-generation iPad and sixth-generation iPad mini.

AMG LOOKS TO BRIGHTLINE

Allen Media Group is adding in-stream frame ad experiences for advertisers across **The Weather Channel**, **Local Now** and **HBCU Go**'s respective CTV apps. It follows a partnership between AMG and **BrightLine**, a CTV ad technology company, and the ads will come in non-disruptive formats in both live and on-demand programming. BrightLine's frame ad units offer space for branded content, logos, interactivity and shoppable touchpoints all while the content continues. Other OTT providers using BrightLine's technology include **A&E Networks**, **AMC Networks**, **NBCUniversal**, **Fox Corp.** and **Hulu** as well as platforms **Roku**, **Samsung**, **Apple**, **Amazon** and more.

RATINGS

Warner Bros. Discovery had a big Sunday on May 12, grabbing a 55% share of ad-supported cable primetime viewing among A18-49. That was thanks to **TNT Sports**' ongoing coverage of the **NBA** Playoffs and the Stanley Cup Playoffs, **Discovery**'s "Naked and Afraid XL," **Food Network**'s "24 in 24: Last Chef Standing" and **TLC**'s "90 Day Fiancé: Happily Ever After?"