

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

That's a Wrap: ACP Loss Not So Bad, 2Q24 Headwinds Remain

With **Cable One** and **Frontier** reporting late last week, the bulk of broadband providers have delivered their 2Q24 results and the general consensus is things could've been worse—particularly when it came to the impact of ACP's demise.

Cable One's 2Q24 saw the loss of about 4,000 of its 48,000 customers who received the now-defunct Affordable Connectivity Program broadband subsidy. Without that decline, it would have seen its residential broadband sub base dip by only 200 customers on a sequential basis. Frontier, which reported Friday, said ACP represents only about 4% of its sub base. It didn't see much impact during the quarter, but like many of its peers, it's warning that the impact could be larger in 3Q and 4Q. Frontier had a record 92,000 total fiber broadband adds during the quarter and looks to be on track to put more adds on the board in 3Q.

Evercore ISI analysts believe ACP's impact is already baked into Street estimates, with the bigger concern being the overall gross add environment. "Numerous operators have talked about subdued switching activity across low-income households, and many pointed to the ACP roll-off. That said, there is increasing evidence of a macro slowdown. We are growing more concerned that pressure on the low-end could persist in 2H24 and weigh on not only net adds but also APRU," the firm said in a note Monday.

Broadband net adds for 2Q24 thus far have totaled 493,000,

75,000 ahead of Evercore's consensus and 190,000 ahead of the overall consensus, though the firm notes additions are 328,000 below last year's 821,000 net adds, with cable primarily behind the decline. The sector posted net losses of 323,000 vs net adds of 16,000 last year, Evercore ISI said. In this competitive environment, it's notable that the firm reports fixed wireless adds accelerated by 28,000 year-over-year to 923,000.

There are certainly challenges ahead, competitive and otherwise. Cable One's revenue was down 7% YOY to \$394.5 million, with EBITDA down 8% to \$394.5 million and residential data ARPU declining 6.9% from a year ago. **Altice USA** is the only other publicly traded company to see ARPU fall, with residential ARPU falling 1.1% YOY.

Cable One revealed in June that it plans to lay off about 4% of its workforce, with the organizational changes intended to achieve approximately \$14 million in annual run rate cost savings. CEO *Julie Laulis* addressed the restructure in last week's earnings call, describing the reorg as a way to better drive decisions at the local level. "[We are] providing those leaders with the resources necessary to deliver exceptional service and achieve region-specific performance targets and unifying and streamlining our distributed customer care resources under common leadership, who will maintain our local presence and drive our neighborly approach," she said.

Something else to keep an eye on with Cable One is its 45% stake in **Mega Broadband Investments**, which it paid \$575



NOMINATE NOW

Cablefax recognizes the 2024 Most Powerful Women for outstanding qualities including influence and leadership within the cable and broadband industry, as well as dedication to empowering other professionals to grow and thrive. Join us in honoring these women who break boundaries and set new standards.

million for in 2020. Its call option to acquire the remaining 55% of Mega Broadband, operating as **Vyve Broadband**, from private equity owner GTCR expired June 30. However, between July 1, 2025, and Sept. 30, 2025, Cable One could be obligated to purchase the remaining stake from the private-equity firm if put options are exercised. Should that happen, the transaction is expected to close in late 2025 or early 2026.

“Our commentary has been very centered around our confidence and the ability to affect that transaction without even the need to go to the capital markets. Yet we will remain very opportunistic in looking at capital markets,” Cable One CFO *Todd Koetje* said during the call. “We have a very diversified access strategy and a very proactive long-term strategy to ensure we have excess liquidity, long-term maturities, cost-efficient capital and we’re actively evaluating those. But that’s something that we feel very comfortable can be executed within our historical operating leverage of 2.5 to 4.5x.”

With convergence a buzz word during the quarter, Cable One remains on the mobile sidelines. *Laulis* said the operator looks at the MVNO possibility and models it multiple times a year to see if it’s a compelling and economically viable option. “If we do decide to jump in the wireless world, I think we have options available to us that will get us off to a relatively quick start,” she said. “Time will tell.”

TROPICAL STORM DEBBY

The **FCC** activated its mandatory disaster response initiative for communications impacts stemming from Tropical Storm Debby. The storm was categorized as a Category 1 Hurricane as it made landfall in Florida on Monday, and so far at least four deaths have been reported. Providers are also moving to keep their respective networks intact. **Comcast** said that Xfinity and **Comcast Business** customers in North Florida may experience service interruptions due to power outages. “Once power is restored, services should come back online. If there is damage to the network, Comcast crews will start making repairs once the storm passes and it is safe to do so,” the company said in an update. **T-Mobile** said its network “is performing strong through the storm” as it has backup power solutions throughout sites that sit along the storm’s path. It also is offering impacted customers unlimited talk, text and data for T-Mobile, Metro by T-Mobile and Assurance Wireless customers from today through Sunday. **AT&T** activated its storm preparedness plan over the weekend and deployed its Network Disaster Recovery program, which consists of over 750 pieces of specialized equipment such as mobile cell sites and command centers, emergency communications vehicles and drones for assessing cell site damage.

RUMOR: DIAMOND SPORTS MAY DROP FIVE NBA TEAMS

Diamond Sports hopes to emerge from bankruptcy in the weeks ahead, but there remains a huge question mark around which teams it will maintain relationships with in its new era. It has contemplated cutting its RSN contracts with five **NBA** teams, sources [told SBJ](#). Those teams are the Pelicans, Thunder, Grizzlies, Mavericks and Pistons. That would leave Diamond with contracts with 10 other NBA teams. The NBA and **NHL** teams that had deals with Diamond prior to its entry into bankruptcy have had some time to examine contingency plans, particularly with the starts of their seasons coming in October.

SUNDAY TICKET TRIAL OVERTURNED

A sigh of relief was heard from the **NFL**’s offices as a federal judge overturned a verdict that would’ve seen the league [pay \\$4.7 billion](#) to fans as part of the “Sunday Ticket” antitrust lawsuit. U.S. District Judge *Philip Gutierrez* ruled in favor of the NFL after determining the testimony of two witnesses for the Sunday Ticket subscribers should’ve been excluded, noting they used flawed methodologies that led a prior jury to find class-wide injury or damages. It may not be the end of that story though. Gutierrez’s decision did state that the court could have “conditionally granted a new trial based on the jury’s irrational damages award.”

ALBERT TO LEAVE NAT GEO

Longtime **National Geographic** marketing and communications exec *Chris Albert* is leaving the company after 20 years. *Variety* was the first to [report](#). He’ll manage Nat Geo’s events and activations at the upcoming D23 event in Anaheim this weekend before officially departing after Labor Day once his contract expires. The move is not part of the [layoffs that hit Disney](#)/Nat Geo last week. “This is obviously a very bittersweet decision,” Albert wrote in a memo to employees. “I am excited for my new adventures ahead (stay tuned for more on that), which I will begin after taking some time to travel and spend more time with my family (and who knows, maybe I will even get a new headshot!)”

ROKU, XR GROW PARTNERSHIP

XR Extreme Reach, a global technology company involved in the creative economy, is adding to its partnership with **Roku** to enable advertisers to link all ads on Roku to performance outcomes and enhance insights from data. XR’s network will allow advertisers to deliver ads directly to Roku’s streaming platform in order to reach audiences with impactful creative

and obtain better data points pertaining to engagement, conversions and sales. Roku and XR will start the expanded partnership with shared customers spanning verticals including fitness, financial and health and beauty.

SMART TVS HOLD A LOT OF POWER, HUB FINDS

Smart TVs are only getting smarter as more consumers use them. Hub’s recent “Evolution of the TV Set” study revealed that 60% of respondents’ most-used TV sets are connected to a streaming platform in 2024, which is up by half since 2020. Simultaneously, the share of primary TVs connected to cable fell to 38%, which is down from 52% in 2020. Smart TVs hold a lot of influence with how they present content offerings. Approximately 38% of study respondents say the first thing they see when they turn their TV on is the apps installed on the home screen, and another 27% say they see the apps on the home screen of an external media platform like Roku or Apple TV. Just 19% see a show in progress from a cable company and 10% see a show in progress over antenna. Half of the viewers indicate they typically open a specific app to find something to watch, however, 26% choose from shows highlighted on their smart TV home screen and 24% utilize the universal search function build in to the smart TV OS. For those apps, 51% say they installed a new TV app recommended by their smart TV when they set up their TV for the first time, while 47% said that they rarely or never add more apps after the initial setup. Hub’s study was based on a survey conducted in May with 2,517 U.S. consumers between 16-74 years old.

BEAD APPROVALS KEEP ROLLING

NTIA approved a trio of BEAD initial proposals for Arizona, Missouri and Tennessee. The states were allocated funding amounts totaling \$993 million, \$1.7 billion and \$813 million, respectively. At this point, 32 states have received stamps of approval from the agency.

FIBER FRENZY

Fidium Fiber kicked August off with a few moves. The company is now available to over 4,300 homes and businesses in the Littleton, New Hampshire, area. Additionally, the company expanded to over 1,900 homes and businesses in Madison and Tamworth, NH. Those two expansions bring Fidium’s total footprint in the state to more than 260,000 homes and businesses, offering symmetrical multi-gig internet speeds ranging from 100 Mbps to 2 Gbps. – GoNetspeed is coming soon to Middletown, Connecticut, thanks to a fully funded \$2.4 million investment. Over 3,000 homes and businesses will get access to speeds of up to 2 Gbps. Construction is expected to begin in the fall.

DISNEY+ ADDS NAT GEO IMMERSIVE EXPERIENCE

Disney+ subscribers can now get a National Geographic-themed immersive environment experience on Apple Vision Pro devices. It’s Nat Geo’s first immersive project for the Apple Vision Pro and takes users to Iceland’s Thingvellir National Park on a snowy winter day. Nat Geo worked with Disney Studio Technology for the creative development and production of the experience, which used high-resolution 3D models captured on-site using photogrammetry and gigapixel panoramas.

RATINGS

Saturday’s Olympic coverage saw the U.S. men’s basketball team’s win over Puerto Rico average 9.4 million viewers across Peacock and NBC, with an additional 3.5 million viewers watching the 6pm encore on USA and Peacock. Saturday’s Olympics coverage was streamed by 4.4 million viewers on Peacock and other NBCU Digital platforms. From the Games’ opening Saturday through Thursday, USA has ranked as the most-watched sports/entertainment cable network in total day average viewership.

PROGRAMMING

Skip Bayless, host of Fox Sports 1’s “Undisputed,” is leaving the network to pursue other opportunities. Bayless has been with FS1 for eight years after making the switch from ESPN. It’s unclear what’s next for Undisputed, with former co-host Shannon Sharpe having left FS1 for ESPN in May 2023. – Netflix not only revealed the Dec. 26 premiere date for Season 2 of “Squid Game,” but the streamer went ahead and confirmed a third season is in the works come 2025. – Season 2 of the animated preschool series “Dora” will premiere Sept. 13 on Paramount+ in the U.S., Canada, Germany, Switzerland and Austria. – ESPN is coming out with a “E60” documentary on the University of Nebraska women’s volleyball program. “No Place Like Nebraska” will premiere Aug. 25 at 5pm on ESPN, streaming afterward on ESPN+. – Mike Seidel made the switch to Fox Weather after spending over three decades with The Weather Channel. He was laid off in May as part of cuts across Allen Media Group. He’ll be a meteorologist and storm specialist for Fox’s weather-dedicated FAST channel, and Seidel already got things started this weekend with coverage of Hurricane Debby in Florida.

PEOPLE

Lonna Thompson, EVP/COO/General Counsel for America’s Public Television Stations, is retiring Sept. 1. She’ll remain involved with the organization as a consultant, helping member stations convert to NextGen TV and managing a grant program with the California Office of Emergency Services and 11 public stations. Thompson—who held various roles at APTS over the course of 30 years—will be succeeded by Michelle Shanahan as General Counsel.