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WHAT THE INDUSTRY READS FIRST

Moving Through: Charter CEO Talks Broadband Moves, Next Steps for Video

Charter CEO *Chris Winfrey* wasn't so quick to share 4Q24 broadband sub estimates during his UBS Global Media & Communications Conference appearance as Comcast Cable CEO *Dave Watson* was on Monday. What he did share is that when you push one-time events aside, the underlying trend for subscribers is actually slightly better YOY.

Among those one-time events are the impacts of Hurricanes Milton and Helene, which also impacted Comcast. Winfrey estimated that approximately 30,000 customers have been temporarily disconnected due to flooding and more severe damage to their homes. As for what has been working, he pointed to Charter's revamped pricing and packaging plans and the opportunity to grow ARPU over the long-term.

"We're making a significant amount of investments in the network. We're doing a better job with convergence, rolling out new products and we've modified our new pricing and packaging to be able to respond to the marketplace without losing ARPU," Winfrey said.

Evercore ISI told clients it was disappointed to hear underlying core results wouldn't be as positive in 4Q as things were in the third quarter, and the overall disruption to that momentum puts 2025 estimates on shaky ground.

"However, we think yesterday's move had already largely incorporated expectations for softer-than-expected trends at Charter, and was perhaps overly punitive in the context of

management's consistent tone around ARPU," the firm said. "Overall, we continue to favor both Charter and Comcast's longer-term role and opportunity in an increasingly convergence-centric connectivity construct, but it remains hard to pound the table on the stocks without greater comfort in the direction of subscriber trends."

Winfrey spoke to the current marketplace and competitive dynamics, saying Charter executives didn't think there would end up being a niche market for services like fixed wireless products that he believes are lower quality and offer speeds and reliability far inferior to those offered by cable operators.

"I think the big surprise is that customers haven't yet realized that it actually costs them more money, and we as an industry haven't done a really good job of telling customers it's actually costing you more," Winfrey said. "The only way you can get that price point for the cell phone internet home product is if you pay for a high-cost mobile line or, in often cases, multiple high-cost mobile lines... When you take our home internet product together with our mobile, you save lots of money with a much more reliable, faster product."

Winfrey also spent time talking through where Charter is with the ongoing evolution of its video strategy, particularly as it relates to the integration of DTC apps into its packages and customer interfaces. In terms of launching the major streaming competitors, Charter still has **Peacock** left to go. The next step will be ensuring Charter customers can easily upgrade to the ad-free version of any given app or otherwise manage their



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DTC service. Because of the intricacies that come with the different programmers, authentication, credentials and account management, things can quickly become very complicated.

“We want to be careful not to over-market something before we’ve made it simple and easy for the customer to get in and make adjustments,” he said.

His hope is eventually to launch what he calls a video store where customers of all kinds, broadband-only or otherwise, can manage every service in one hub.

“Sometime inside of first half of this year is when that will be launched, and that’s when you’ll see us really lean in,” he said. “One of the things that has been really fun about the process we’ve been in over the past year is I think the programming community understands that we are fighting for video in a way that almost nobody else is... I think there’s an a-ha moment here in terms of distributors and programmers really finding a way to work together to evolve the product in a way that makes sense for customers, but also preserve the economics inside of this ecosystem.”

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PLENTY OF CRITICS FOR T-MOBILE-USCELLULAR TRANSACTION

EchoStar filed a petition at the **FCC** to deny **T-Mobile’s** acquisition of **UScellular**, arguing that the transaction threatens its ability to compete effectively in the U.S. wireless market. “The Commission should recognize that T-Mobile’s strategy is not about improving service or enhancing competition; it is about eliminating competition, hampering competitive use of even more spectrum and solidifying its already-dominant position,” EchoStar told the Commission. “This acquisition would only further entrench T-Mobile’s dominance, stifle innovation, hinder the development of a more dynamic and competitive wireless marketplace, and lead to further consolidation in the market.” It’s not the only one asking the FCC to deny the \$4.4 billion deal. The **Communications Workers of America** told the FCC it should reject the proposed transaction as currently structured and require specific enforceable measures, such as ensuring that the transaction does not cause a reduction in U.S. employment and that no employee of T-Mobile or UScellular loses a job because of this transaction. CWA also wants a commitment to complete neutrality in allowing employees to form a union of their choosing and no degradation of pay/benefits for five years post-merger. Also filing a petition to deny the merger is the **Rural Wireless Association**. “UScellular’s proposed exit from the market will not only harm UScellular customers who may not be served by the combined wireless network due to cell site shutdowns or incompatible handsets but also harm non-UScellular customers who will likely experience increases in mobile wireless service rates due to the decrease

in competition in affected markets,” the association said. **Public Knowledge, Open Technology Institute at New America, Benton Institute For Broadband & Society, Access Humboldt** and the **Institute For Local Self-Reliance** filed a joint petition to deny, claiming the combination would harm public interest. “It will result in the loss of the fifth largest marketplace competitor with a network covering approximately 10% of the country’s population, reallocate spectrum resources predominantly to the three top wireless carriers only to make it nearly impossible for a fourth competitor to emerge in the market, and waste valuable funding secured for building out 5G networks,” they wrote. Under the proposed deal, T-Mobile would pay \$4.4 billion through a combination of cash and the assumption of debt for substantially all of UScellular’s wireless operations and approximately 30% of UScellular’s licensed spectrum. The **Computer & Communications Industry Association** stopped short of filing a petition to deny, but raised concerns to the FCC, particularly that the transaction would eliminate a significant rival of T-Mobile, which could increase opportunities for coordinated behavior among the dominant players.

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GUTHRIE NAMED CHAIRMAN OF HOUSE ENERGY & COMMERCE

Kentucky Republican **Brett Guthrie** was selected as the next Chairman of the **House Commerce Committee**. As the current Chairman of the committee’s Health subcommittee, Guthrie is a less familiar face on communications/telecom issues than Communications subcommittee head **Bob Latta**, who was also vying for the role. “We must work together to restore America’s energy dominance and lower energy prices, protect children’s online safety and ensure America remains the world leader in technological innovation, and protect access to life-saving treatments while lowering health care costs. The task before us is significant, but together the House Energy and Commerce Committee will lead the way to restore the American Dream for hard-working families,” Guthrie said in a statement. As a senior member of the Commerce committee, Guthrie has supported legislation for better spectrum management. Latta congratulated Guthrie on social media, calling him a friend. “I’m ready and eager to begin this hard work, and I look forward to working closely with our new Chair and my colleagues on the Energy and Commerce Committee to craft policies that make life better, safer, and more affordable for the American people,” Latta said.

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STANKEY ON SYMMETRICAL SPEEDS, REGULATORY LANDSCAPE

Cable operators adopting DOCSIS 4.0 and fiber companies are all moving toward a universal goal—offering as much speed and

capacity as possible to residential and business customers. **AT&T** CEO *John Stankey* is convinced not only that downstream bandwidth will continue to become more important, but also that market dynamics like user-generated content are indicating that symmetrical speeds are going to become a must-have. “I think what we’re going to likely see with the mix of home, work and office work driving upstream video, what we see with AI, and in particular taking video sensors that will be everywhere and then that video has to be moved up into the network for processing,” he said during a fireside chat at an investor conference Tuesday. “We think symmetrical bandwidth becomes more important along with just the pure growth in bandwidth, and there’s no better technology to do that on than fiber.” When asked about the expected dynamics of the incoming *Trump* administration, Stankey noted no regulator ever does everything you want. At the same time, he fully believes it will be pro-investment and he is hoping for a return to the tax policies that were enacted during Trump’s first term. “We came out of that process and we were investing at record levels. We were in some cases close to \$25 billion a year, and that’s largely because we were getting accelerated depreciation and all the R&D write-offs that we could get, and that improved cash flow dramatically,” he said, arguing a repeat of that tax policy could accelerate some investment. “I think that’d be good for the U.S. because it is competitive infrastructure. It means more jobs. The kind of work we do is directly in communities.” Stankey also gave his thoughts on how incoming **FCC** Chair *Brendan Carr* will lead the agency. He thinks Carr will be deliberate in making decisions on issues like the migration away from legacy infrastructure, finding additional spectrum to be distributed to various stakeholders for technological investment and more. As it relates to the potential for the Trump administration to be more favorable of M&A, Stankey agrees there’s likely to be a move toward some degree of consolidation. But he isn’t here to prognosticate which transactions will be looked at favorably and which won’t. “The best part about it is I don’t need to participate in any of it because I’ve got all kinds of things I can do in the asset base that I own today,” he mused.

RATINGS

News, sports and Christmas movies dominated the ratings last week. But a strong showing for “Yellowstone” propelled **Paramount** to the fourth most-watched cable network for the week. Immediately following Sunday’s episode, Paramount also aired the first ep of Yellowstone origin story “1923.” It’ll air the entire first season each Sunday through Jan. 5, with Season 2 to make its **Paramount+** premiere on Feb 23. **Fox News** was the most-watched cable net of the week, averaging 2.5 million total viewers. It was followed by **ESPN** (2.3 million), **Hallmark Channel** (981,000), **Paramount** (817,000) and **MSNBC** (632,000). Fox News easily won total day with 1.7 million viewers vs. runner-up ESPN’s 827,000. – ESPN is celebrating Sunday’s season-ending Abu Dhabi Grand Prix, which brought in just over one million viewers. The 2024 **Formula 1** World Championship season reached

nearly 30 million fans across ESPN platforms and concluded in a per-race average viewership tie with 2023 for the second most-viewed season ever on U.S. television. – **Prime Video**’s Packers-Lions TNF game saw its audience numbers jump to 18.48 million viewers in the latest **Nielsen** Big Data + Panel measurement. That’s a lift over the 17.29 million first reported by Nielsen for the Dec 5 game. It stands as the most-watched TNF on Prime, eclipsing the previous high of 17.61 million for September’s Cowboys-Giants match-up.

CHARTER COMBINES ENTERPRISE AND SMB FUNCTIONS

Charter has combined its business units serving small-and medium-sized business customers and large, enterprise companies, putting *Keith Dardis* in charge as SVP, Business Sales & Operations. Dardis previously oversaw Spectrum Community Solutions, Charter’s MDU business unit. He will continue to report to *Adam Ray*, EVP and Chief Commercial Officer for Charter. As part of the reorg, *Adam Moore* was elevated to SVP, Spectrum Community Solutions after serving as GVP for the same group. The reorg follows the news last month that Spectrum Enterprise EVP and President *Bill Archer* would retire in 2025, with Ray to oversee the enterprise operation.

PROGRAMMING

Matt Gaetz may not be the new attorney general, but he’s got his own one-hour political talker on **One America News Network**. “The Matt Gaetz Show” is slated to air in the 9pm ET timeslot every weeknight, beginning in January. He’ll also host a weekly video podcast with *Dan Ball* that launches next month. OANN lost its biggest distributors, **DirectTV** and **Verizon Fios**, in 2022. It has distribution in about 10 million U.S. homes today, though the network said it is “deep in discussions with multiple major United States MVPDs with announcements expected early next year.” We’ll presume those conversations also include vMVPDs. – **Spectrum News NY1** will air half-hour special “Migrant Crisis Update 2024 A Neighborhood Focus: Upper West Side,” Thursday at 8pm ET. It looks at a neighborhood with a disproportionate number of migrant shelters.

PEOPLE

NBCUniversal named *Kristina Shepard* to the newly created role of EVP, Streaming and Performance Sales and Partnerships. Shepard previously served as **Roku**’s VP of Global Advertising Sales and Partnerships. She’s set to join the company next month and report to *Alison Levin*, President of Advertising and Partnerships. – **ACA Connects** welcomed two new members to its board. **Cable One** SVP, Operations and Digital Evolution *Mark DeSimone* will assume the seat of *John Walburn*, who recently left the company. **Evolution Digital** Chief Revenue Officer *Mark Cohen* is joining the board as an associate member.