

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Unbreakable: Comcast Soars on Broadband Gains, Mobile Surprises

Broadband continues to be **Comcast's** golden child, showing no signs of slowdown from the last year of dramatic growth in the segment. The company added 461,000 broadband customers in 1Q21, a number only slightly below 1Q20 and 23% above 1Q19.

"One of the key takeaways the broader market has been gradually acknowledging over the past few months is that the COVID 'winners' aren't suddenly becoming post-COVID losers. They're still winning," **MoffettNathanson** analysts said in a note. "The broad expectation that broadband would slow hasn't happened yet."

Revenues rose 2.2% to \$27.2 billion, while revenues in the cable segment climbed 5.9% to \$15.8 billion. Comcast added 380,000 net new customer relationships and saw the lowest broadband churn in its history. Total broadband additions are expected to grow by mid-single-digits compared to 2019.

Looking at usage across the network, Comcast Cable CEO **Dave Watson** said during the company's earnings call that upstream traffic is at less than a tenth of downstream. He feels more confident than ever that the network has more capacity than necessary for success, and his team is continuing to work on symmetrical data options and higher speeds.

"We feel very good about the long-term architecture because of DOCSIS 3.1. What we have is a strong roadmap that we can deliver. As we sit here, we have 1.2 gigabits deployed throughout our entire footprint. We've increased the upstream speed. And so, over time, I think we can address symmetrical issues," he said.

It's not just broadband that had Comcast buzzing in 1Q21. Xfinity Mobile reached breakeven on a standalone basis for the first time while adding 278,000 lines, bringing it to a grand total of 3.1 million. "Comcast lowered their wireless prices two weeks ago. At the time we wondered whether their price cut reflected softness in subscribers. It did not," **MoffettNathanson** said. "Instead, it appears to have reflected improving economics that made it possible to cut prices."

The company has also introduced unlimited plans, and **Watson** said it's a great addition to the portfolio. "It was important for us to accelerate. We think it's good for broadband, it's helping broadband. We see the results in terms of churn and it's just a growth engine for us, period," he said. "You'll probably see a bit more packaging with broadband and mobile, but that's not really different than anything that we've been talking about doing."

Comcast CEO **Brian Roberts** added that the company is continuing to perform trials to see how the company can offload some of that wireless traffic. If the team can figure out the way to do it properly, **Roberts** said the offloading will prove to be a huge cost savings.

"In dense areas, that whole relationship requires a healthy partnership with a wireless MNO, and in the case of **Verizon**, we're really pleased with the partnership restructuring so that we're able to make these unlimited offerings in a way that continues our profitability and real value for consumers, and in a way that Verizon is happy that their network is getting used," he said.

On the video side, the company saw 491,000 losses and residential churn rose YOY. Programming expenses rose 5.5% YOY.

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primarily due to the number of contract renewals that began to cycle through 2020. That's expected to increase at low double-digit levels through 2Q because of ongoing contract renewals and the comparison to 2Q20, which saw Comcast making adjustments accrued for customer RSN fees.

BLACKSTONE INVESTS IN HOTWIRE

It's official. Funds managed by **Blackstone Tactical Opportunities** and **Blackstone Infrastructure Partners** have made an investment in FTTH provider **Hotwire Communications**. The investment is said to be at around 50% and values the company at over \$3 billion, according to sources close to the matter. "Consumers are increasingly seeking state-of-the-art fiber connectivity to meet their growing need for connected devices in their homes, and we believe Hotwire is exceptionally well positioned to capitalize on this rising market demand. We look forward to leveraging Blackstone's scale to turbocharge Hotwire's growth with further investment," said *Jasvinder Khaira*, a senior managing director with Blackstone Tactical Opportunities. Florida-based Hotwire was founded in 2000 by *Michael Karp* and CEO *Kristin Johnson*. Its customer base spans Florida, Georgia and the Carolinas, with a heavy concentration in MDUs and gated communities.

DISH'S ERGEN: 'RETRANS HAS PEAKED'

DISH founder *Charlie Ergen* sees the recent \$110 billion **NFL** media rights deal that includes digital simulcast opportunities as another puncture in the balloon known as broadcast retransmission consent fees. "Retrans has peaked," he said during DISH's 1Q21 earnings call Thursday. "We were the first guys to say regional sports have peaked, and two or three years later, people figured that out. Retrans has peaked... I've said it, retrans is basically an NFL season ticket subscription." It's not clear how many NFL games will make it on to streaming services, but **NBCUniversal** and **ViacomCBS** both have simulcast rights for **Peacock** and **Paramount+**. Then there's the exclusive Thursday package nabbed by **Amazon**. Ergen wasn't just referring to the NFL though, signaling there has just been a larger shift away from broadcast. "How'd the Academy Awards do this year? That used to be must-see TV. It's just changed," he said. Further evidence of that can be seen in just how long retrans spats are going these days (and without a lot media attention). **TEGNA** stations have been off **Mediacom** systems since Dec 31 with no end in sight. DISH spent chunks of 2020 without various **Cox Media** stations. Ergen's words carry weight. He made the decision in 2019 to drop what are now the **Bally Sports Regional Networks** owned by **Sinclair**, and they remain off today. During 1Q, DISH lost 130,000 satellite subscribers, roughly in line with analyst estimates. **Sling** shed 100,000 subs, with **MoffettNathanson** putting the consensus



What You're Saying...



Matthew M. Polka
@MATtATACA

As cord-cutting goes there is only one way for **#retrans** to go and that's . Things like the recent **@NFL** TV deal will speed up this decline. So, **#broadcasters** can charge all they want for it, because at the end of the day **#retrans** is on the way out. MMP



Stewart Schley
@stewartschley

Best Q1 media earnings moment: Hearing Charlie Ergen kid **@RichLightShed** about having just turned in a "great quarter." (A Greenfield pet peeve of pet peeves.)



Tim McDonald
@trmcDonald

The analyst with the \$15 price target said the Dish-AWS deal was a "simple purchase agreement" Charlie Ergen said AWS & Dish will become one another's largest customer He went on to further state that CEO Andy Jassy is deeply engaged Time will tell who's right

expectation at 40,000. "The vMVPD segment hasn't turned out to be the growth business it was originally hoped to be; vMVPDs simply aren't where cord-cutters are going anymore," the research firm said. "But Sling remains the cheapest full service live-streaming option. The Q1 subscriber loss leaves Sling's total subscriber base at about the same size it was at the end of 2018." Ergen reiterated yet again that he believes it is inevitable DISH and **DirectTV** will merge, but said it's ultimately a question of whether **AT&T** and **TPG** have an interest in it.

ERGEN GOES SEUSSICAL

T-Mobile's senior leadership team makes frequent headlines for the cracks they take at their competition and their loud social media presence. But those who have followed *Charlie Ergen* know he can be just as colorful—just not magenta. Thursday's 1Q21 earnings call was a perfect example, with one analyst calling it "delightful" and the "best earnings call of the year." The **DISH** chairman and founder has been feuding with **T-Mobile** over its planned shutdown of the 3G CDMA network given the impact it could have on DISH's **Boost Mobile** customers. He said these are often the most vulnerable populations. "They've [T-Mobile] become the Grinch. The Grinch stole all the kids' toys, right?"

They're stealing everybody's phones out of their hands," Ergen said. "The 'Uncarrier' is becoming the uncaring carrier." Where'd this Grinch theme come from? Ergen said he'd recently read the Dr Seuss tale to his granddaughter and kept looking at the Grinch and seeing him as magenta. Ah, but the fun didn't stop there. He described DISH's 5G network buildout in the cloud as, "we're building **Netflix** in the **Blockbuster** world. All Netflix did was put the video in the cloud... All we're doing is taking all those towers that you see, as you drive down the highway, and basically putting them in the cloud." Given that DISH lost millions on its decision to buy Blockbuster at bankruptcy in 2011, it was a bit ironic. "You're talking to the guy who cost his shareholders \$100 million. One thing about management, you make a mistake, you try not to make that mistake again," Ergen said. "I don't think you'll ever see us go into last year's technology ever again." Most of Thursday's call focused on DISH's announcement that it will buy cloud services from **Amazon's** AWS unit. Ergen said he believes Amazon will be the largest customer on DISH's network and DISH will be AWS's largest customer.

PEACOCK MARKS NEW MILESTONE

Peacock has surpassed the 42 million sign-up mark, growing 9 million from 4Q20. Monthly users are consuming nearly 20% more programming hours each month than the company's traditional audience on NBC. Peacock just recently crossed 1 billion hours watched, and **NBCU** CEO *Jeff Shell* said during the company's earnings call that the engagement has allowed the company to create additional ad inventory. "In Q4 of this year, that's when the sponsorship deals roll off and we start selling all of our inventory on a spot basis, but we're in early stages of the upfront now. We're already starting to talk to advertisers about making upfront commitments that include Peacock," Shell said. "All of this success is without most of the programming that we anticipated." NBCU has been filling some of those holes with sports programming, whether that's through its deal to place **WWE** content on Peacock or its new deal for **NFL** rights on **NBC**. "The NFL really kind of encompasses what we want in sports rights... At the same time, as the business evolves and moves to streaming and on demand, that deal also gave us a lot of content that now we can use on Peacock and our other platforms," he added.

NEWSY LEAVING PAY TV

Pay TV providers will lose **Newsy** as of June 30, part of **Scripps'** decision to turn the news channel into an over-the-air network Oct 1 to build on its OTT distribution. Scripps confirmed a "small number" of roles were eliminated as part of the reorg, but said it plans to add dozens more positions, both editorial and technical, in the coming months. Newsy will continue as a linear network, but over-the-air only. That means deals it struck for carriage with MVPDs such as **Comcast**, **Charter**, **AT&T** and **Mediacom** are ending. Presumably, pay TV providers will have the option to carry it via the Scripps-owned broadcast stations (primarily **ION** stations).

EBB FINALLY GETS A LAUNCH DATE

The **FCC's** Emergency Broadband Benefit Program will kick off on May 12. Starting then, eligible households will be able to receive discounts of up to \$50/month for broadband

service and up to \$75/month if the household is on Tribal lands. Between now and the start date, the Commission is encouraging partners and participating providers to conduct outreach efforts and test their own systems ahead of the program's launch. The agency also said it and program administrator **USAC** will be working to ensure that appropriate privacy and security safeguards are in place ahead of launch day. Legislators are also keeping a close eye on the FCC to ensure the program's success. Sens *John Thune* (R-SD) and *Roger Wicker* (R-MS) sent a letter Thursday to the **Government Accountability Office** to request an independent review be conducted of the program. "The goals of the EBB program are laudable, but as responsible stewards of taxpayer dollars, it is imperative Congress and GAO conduct proper oversight," the letter read. "Before additional funding is considered for this untested program, we believe proper oversight of this publicly funded program is critical to allowing Congress to thoroughly and carefully consider the program's benefits."

PTC WANTS STREAMER TOWNHALL

The **Parents Television and Media Council** sent letters to the heads of **Amazon Prime Video**, **Apple TV+**, **Disney+**, **HBO Max**, **Hulu**, **Netflix**, **Paramount+** and **Peacock** asking them to participate in a virtual town hall on June 8 to discuss improvements to better protect children from objectionable content. The invite comes on the heels of a new PTC report that found streamers lack a clear, uniform commitment to protecting children from age-inappropriate content.

BIDEN RATINGS

An estimated 26.9 million people tuned in to watch President *Biden's* first address to a joint session of Congress Wednesday, according to early **Nielsen** data. Some 16 networks aired live coverage between 9-10:15pm ET. During the speech, **MSNBC** drew 4.1 million total viewers followed by **CNN** with 3.3 million and **Fox News** at 3 million.

PROGRAMMING

Spectrum Mobile will present a second exclusive, free virtual concert with global superstar *Ozuna* on May 7 at 8pm ET. It follows a successful concert collaboration between the two last fall. The concert will premiere exclusively on *Ozuna's* **YouTube** channel for 48 hours, and it will be available starting May 10, via Spectrum TV Free On Demand courtesy of **Tarima TV** – the first Spanish-language channel in the US offering 24-hour Latino music concerts. – **The Weather Channel's** latest original series, "Deep Water Salvage," follows marine construction firms racing the clock to salvage property from extreme weather (premieres Sunday, 10pm).

PEOPLE

Disney named *Paul Richardson* senior EVP and chief HR officer, effective July 1. Richardson currently is svp, HR for **ESPN** and was Disney's first chief diversity officer. He succeeds *Jayne Parker*, who previously announced she would be leaving in June after 33 years at Disney. – **UP Entertainment** hired *Dale Amler*, of global hospitality firm **SBE**, as vp, marketing.

PROGRAMMER'S PAGE

Simpler Times: Smithsonian's "Murderous History"

Ever thought about how murder investigations were solved before modern forensics? **Smithsonian Channel** takes true crime enthusiasts and history fans alike on a journey uniting the genres with "Murderous History," which premiered Sunday at 9pm ET. "We wanted to see if we could mix in some true crime into some historical storytelling, and I think the goal always was, even as we're doing historical things, to really stay current and relevant to our modern audiences," said ep *John Cavanagh*. Every episode in the six-part series is centered around an infamous murder case and examines the city and time in which it took place. The crime is viewed not as a standalone case, but a product and reflection of the time. Current city locals play the role of narrators, and archived footage and dramatic recreations create a narrative that is deeply rooted in the period and the historic details that contribute to the cases. "We had to really work hard to try to ensure that we're telling a true story of crime and history and we're working that together and it meant that we were juggling two different narratives at the same time, trying to make sure they're both as compelling as possible, which was a challenge," Cavanagh said. The series is primarily focused on cases in the last 200 years. While the team found good headlines from further back in history, it became more difficult to find specifics about the investigations, press coverage and forensic evidence from the time. However, they were able to find diversity in the areas where the cases they covered occurred. Their global net includes cities like London, Rio de Janeiro, Chicago and more. "We wanted people to feel like this is a big series, which it is and we liked that we could go to these other cities and engage with some history that people might not be as familiar with," Cavanagh said. — *Theresa Maher*

REVIEWS

"Attenborough's Journeys," May 8, 8pm, **BBC America**. Yes, it's more of a love letter than a warts-and-all documentary, but who cares? If there's cause to celebrate anyone, it's Sir *David Attenborough*, 94 years young and still making films about nature for the BBC. Clearly, he still loves the work he's done for 65 years (watch 14 minutes in as he goes nose to nose with a swan), joining "this new thing called television" in the 1950s. When he started at the BBC, he'd never seen a television show. No matter, he was a natural, even though he had no preparation for his first role. A production assistant, Attenborough was thrust on camera when the show's host became ill. Perhaps the secret to his success, in part, is that he's as comfortable with animals as he is with people. His dry wit doesn't hurt either. It's helped make him a great communicator, his delivery makes you think he's sitting next to you, chatting about nature. — "Handmaid's Tale," streaming on **Hulu**. Props to the crew and cast for filming during the pandemic, returning a dearly missed series. Eps 1-3 are more violent and slower than the earlier excellent seasons. The fine work of *Elizabeth Moss*, though, will keep viewers hoping for better eps ahead. Fortunately, various plotlines promise fireworks ahead. — *Seth Arenstein*

BASIC CABLE

P2+ PRIME RANKINGS*

(04/18/21-04/25/21)

MON-SUN	MC US AA%	MC US AA (000)
FNC	0.723	2,227
MSNBC	0.489	1,506
HGTV	0.419	1,290
ESPN	0.392	1,207
TNT	0.328	1,009
CNN	0.320	984
HALL	0.301	927
DISC	0.279	860
TBS	0.275	847
HIST	0.266	820
USA	0.262	808
INSP	0.242	747
TLC	0.230	707
FOOD	0.228	704
ID	0.202	622
A&E	0.189	581
LIFE	0.176	542
TVLAND	0.163	503
HMM	0.159	488
FX	0.149	457
BRAVO	0.137	422
ADSM	0.131	403
NATGEO	0.131	402
GSN	0.130	400
SYFY	0.128	394
AMC	0.121	372
NAN	0.121	372
WETV	0.119	365
TRAVEL	0.119	365
APL	0.113	348
MTV	0.109	336
COM	0.101	311
NICK	0.101	310
FRFM	0.098	301

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