

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Opportunity Knocks: wow!

Anticipates Broadband Gains from EBB

Broadband continues to prove best for **WOW!**, which added 10,000 HSD customers in 1Q21. The company now has 859,200 total subscribers, and those that are joining are coming for its HSD options. Some 86% of new subscribers only signed up for WOW!'s broadband service and 88% purchased speeds of 200Mbps or higher.

WOW! noted that it is optimistic about the impacts of **FCC** initiatives like the Emergency Broadband Benefit program on its bottom line, but there's still too much uncertainty to determine exactly how it will affect the company. "It could be that it just helps churn. It could mean some net additions, but we're not quite sure on that," WOW! CEO *Theresa Elder* said on the company's earnings call Tuesday.

She did say that there is the potential for upselling some of WOW!'s lower-income customers to higher-speed tiers when customers begin to take advantage of the EBB subsidies. But the company believes the biggest opportunity will come outside of WOW!'s existing customer base.

"We've done some estimates, and we do think there could be especially a lot of prospects, non-customers today, who could be eligible within our footprint for the EBB program... We think it could be a significant number," Elder said.

Washington's discussions on potential broadband infrastructure spending also had a moment on the call. When questioned about WOW!'s ability to expand its upstream capacity should

legislators define broadband in new programs as something like 100/100Mbps, Elder said the company's engineers would be ready to boost upstream capacity through DOCSIS 3.1.

"As we look at a residential customers, most of the bandwidth usage that they have is in download. So the upload speeds that we currently have are more than adequate for customers' needs, whether they are gaming or videoconferencing, remote learning or video streaming," she said. "We do have DOCSIS 3.1 that is now deployed in virtually all of our footprint. I believe the DOCSIS platform really is a terrific platform which will allow us to continue to grow over time should customers need those types of symmetrical speeds or higher speeds for upload and we have the ability to easily transition to do that without having to tear up streets and build a whole new network."

Total revenue was \$286.3 million, up 1% YOY. Subscription revenue alone came in at \$267.8 million, and was largely due to an increase in ARPU with HSD customers taking on higher speed offerings. It was partially offset by the loss of 17,000 video subs. WOW tv+, the company's IPTV offering, is now available in 95% of its footprint. And while the overall trend around video is declining, WOW! is still working to slowly build interest in the platform.

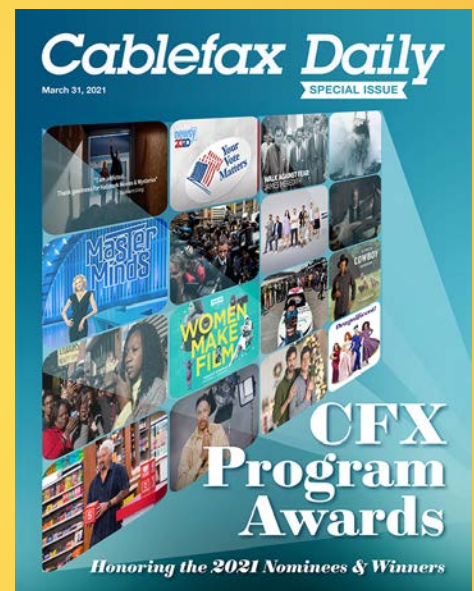
"In terms of new customer take up, it is small. But it is an alternative for customers who like that curated video product and we're happy to provide it," Elder said. "We're really just now starting to, when customers want to upgrade from our existing base, move them to the IPTV or WOW! tv+ service and

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we'll continue to do that more as time goes on with transitioning customers over."

WOW! has spoken at length about the M&A outlook for companies like it in recent months, pointing to examples like the **Astound Broadband** transaction in November or even **Cable One's** recently completed purchase of the remaining equity interests in **Hargray** it didn't already own. And while it is still open to inorganic ways to lower its leverage ratio, it's doing just fine on its own. "We're very close to achieving our leverage ratio organically through our adjusted EBITDA growth of less than 5x, so we're excited to get close to that milestone," Elder said.

CHARTER RAISING PRICES

Another MVPD is raising rates and blaming programming costs. **Charter** has started notifying customers of rate increases that will begin taking effect June 2. Among its video packages, Spectrum TV Silver and Gold will each increase by \$8 a month, except for certain grandfathered packages where the increase will be \$3. Spectrum TV Select will increase by \$3, while the Latino tier is set to go up by \$1. Customer promotional rates will not change until the end of the promotion period. "TV programmers annually raise fees to carry their content, driving higher costs across the entire industry. As a direct result of the growing cost of programming from the TV networks we carry, we are passing through these increased fees to viewers," a spokesperson said. Charter also will raise the price for a Spectrum receiver/digital adapter by \$1 per device.

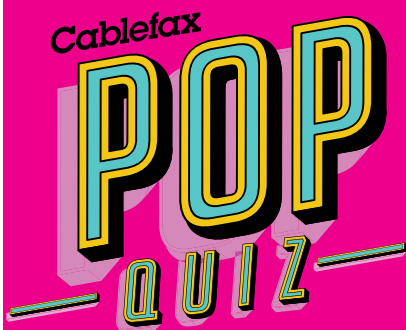
NEXSTAR: RETRANS IS NOT OVER

Despite recent comments that would argue the contrary, **Nexstar** chmn/CEO *Perry Sook* thinks retransmission consent is

far from dead. "In my own mind, I've revised the thinking of where the goal line is. I think we've actually moved the goalposts further down the field and the upside is perhaps more than I thought it might be on a Big 4 basis or on a total revenue basis for our company," he said. "Despite protestations to the contrary, retrans is not over... there's been no change to our perspective other than I think we maybe have more runway than I originally thought 3-5 years ago." Total revenue for the broadcaster came in at \$1.1 billion, a 2% increase YOY that the company attributes to its ongoing execution of strategies to diversify its revenue sources and leverage local content. 1Q21 distribution fee revenue rose 13% YOY to \$621.2 million on the back of its 2020 renewals and synergies tied to the December closing of **Mission Broadcasting's** acquisition of WPIX-TV. Digital revenue increased 18% to \$66.4 million as the company moved to discontinue less profitable digital operations. Nexstar is also starting to see some larger benefits to its 31.3% ownership stake in **Food Network** thanks to the recent launch of **discovery+**. The broadcaster gets a cut of any ad revenue on Food Network, the **Cooking Channel** and now a cut of a proportion of the subscriber fees on discovery+. The management team said it will still take some time to get an understanding of what those subscriber revenues will look like due to existing promotions with **Verizon** that are offering customers free access to the streaming service.

YOUTUBE'S BRANDCAST DELIVERED

YouTube announced four new programs and one returning favorite at its 10th annual digital upfront. The third and final season of "Liza on Demand" premieres later this year.



This political comedy was Hulu's first original scripted series?

[CLICK HERE TO ANSWER](#)

Last week's answer: The title of every episode of detective series "Monk" begins with the word "Mr."

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Meanwhile, six-part unscripted fitness series “Best Shape of My Life (wt)” starring *Will Smith* is set to premiere next year. Performance docuseries “Noted (wt)” with *Alicia Keys* is premiering this summer and docuseries “Ice Cold” will premiere June 16 alongside special “Recipe for Change (wt).”

NEWFRONTS FOR TEGNA

TEGNA announced the expansion of TEGNA Attribution and sports podcast network **Locked On**, the debut of the national **VERIFY** brand and more at the IAB NewFronts. TEGNA Attribution will now provide industry-specific performance data for the automotive and tourism industries. Industry advertisers will have access to the outcomes and sales data for campaigns placed with TEGNA and regional advertising solution **Premion**. Locked On shows are now available on select TEGNA stations, **Roku** and **Amazon Fire TV** OTT apps and **YouTube** properties in their respective markets, and will be available on all stations’ streaming properties in the coming months. The company is also developing an OTT app specifically for Locked On content, which will be available later in 2021. VERIFY is a technology meant to fact-check claims through research and credible sources. In addition to the daily broadcast presence and website, consumers can now text “Verify” to submit a story they want to confirm.

SHENTEL EXPANDS GLO FIBER TO SALEM, VA

Shentel’s Glo Fiber brand now reaches more than 34,000 households and counting with the availability of its fiber-optic network in Salem, Virginia. The brand, launched in 2019, delivers next-generation FTTH gigabit broadband access, live streaming TV and digital home phone services to communities in Virginia.

FOX SPORTS STRIKES CONMEBOL DEAL

Fox Sports announced a long-term agreement with South American Football Federation CONMEBOL on Tuesday. The expanded programming and coverage begins with CONMEBOL Copa América 2021 in June 2021 and includes FIFA World Cup and Olympic qualifiers. The six-year agreement will include more than 1,500 hours of soccer coverage throughout.

CARRIAGE

INSP is getting a whole lot sharper for **Comcast** customers. INSP in HD launched Tuesday on the X1 platform. Comcast has carried the family friendly network for years, but now has a deal for the high-def version.

RATINGS

The **Fox** NASCAR Cup series race from Kansas Sunday on **FS1** reached 2.739 million viewers, up 26% from 2019. This makes it the most-watched FS1 telecast since Game 6 of the 2020 NLCS. This is the third consecutive race with a viewership increase and viewership for the program peaked at 3.455 million viewers. – **Fox News Channel** took the top spots in both prime (2,261,000) and total day (1,210,000) for P2+ Live+SD from April 26 to May 2. For total day, **MSNBC** (887,000) took second, followed by **CNN** (694,000) **ESPN** (688,000) and **HGTV** (658,000), respectively. ESPN (2,088,000) took the

second spot in prime, followed by MSNBC (1,647,000), HGTV (1,288,000) and CNN (1,122,000), respectively.

PROGRAMMING

“Conan” will end after 11 years on June 24 on **TBS**. The program’s final weeks will include special guests and an extended hour-long look at the past 11 years of the show. Following June, *O’Brien* will focus on a deal with **WarnerMedia** that will bring him a new show on **HBO Max** that departs from the traditional talk-show format. – **Epix** greenlit drama “Billy the Kid” for an eight-episode first season. Production will begin in June 2021 and the show is slated to premiere in 2022 on the network. – **TV One’s** “Urban One Honors” will air May 16 at 9pm ET on **TV One** and **CLEO TV**. – **HGTV** greenlit “Curb Appeal Xtreme,” a new take on “Curb Appeal” that features updates to front and back yards. The six-episode first season is slated for late summer. – **discovery+** gave a straight-to-series greenlight for true crime anthology series “Confessions of a Crime Queen.” – **Marquee Sports Network** and **Strat-O-Matic** will expand their partnership to provide data and simulations of past, present and future Chicago Cubs-related content for multimedia formats in 2021.

DOING GOOD

Charter made a \$3 million commitment to **The National Urban League** to support and transform the League’s small business lending subsidiary, the Urban Empowerment Fund. The capital commitment comes from Charter’s Spectrum Community Investment Loan Fund, the company’s impact fund focused on small business investment in underserved communities. The partnership also includes a \$500,000 capacity-building grant for the Urban Empowerment Fund to expand staffing, infrastructure and operations. The National Urban League named Charter the Founding Partner of the Urban Empowerment Fund.

PEOPLE

Best wishes to *Dan Tunnell*, who will retire June 4 after 20 years as president of the **Broadband Cable Association of Pennsylvania**. His tenure included a shift in member identity as the industry transitioned from analog to digital and a name change from the Pennsylvania Cable Television Association before many other orgs added broadband to their names. – *Patty Keenan* will be the new chief people officer for **Ampersand**. Keenan comes from **AXA**, where she was svp/head of HR, reinsurance and corporate functions at **AXA XL**. – **NATPE** announced the election of four new executives to the board, effective immediately. *Sarah Aubrey*, head of original content at **HBO Max**; *Sean Cohan*, chief growth officer and pres, international at **Nielsen**; *Dan Cohen*, pres, global distribution group at **ViacomCBS**; and *Laura Kennedy*, CEO of **Avalon** are the newest NATPE board members. – *Shelita Stewart* is returning to **Hogan Lovells** as a partner in the firm’s investigations, fraud and white collar practice. Stewart served as an associate at the firm until 2015 when she joined **Comcast**, where she most recently served as senior deputy general counsel.