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WHAT THE INDUSTRY READS FIRST

Up and Coming: Verizon Scores Fixed Wireless Victory

For years, traditional broadband providers have said they don't see fixed wireless as a huge threat in terms of competition. **Verizon's** 3Q21 numbers may be enough to give them pause. Verizon added 55,000 fixed wireless broadband customers in 3Q21. That's nearly half of the company's total 129,000 broadband net adds for the quarter. In total, it had 150K fixed wireless customers at the end of the quarter. Approximately half of Verizon's fixed wireless customers are coming from the company's existing customer base while the rest are newcomers, and they're spread across rural, suburban and urban areas. The wireless provider only expects the business's momentum to increase as it makes C-band spectrum available at the end of this year.

"As soon as we turn on C-Band, we'll immediately be adding that to the technologies that we're selling on fixed wireless access. So, good momentum buildup and then we've got that extra turbo booster to come here in the next few weeks," Verizon EVP/CFO *Matthew Ellis* said on the company's 3Q21 earnings call.

On the Fios side, 98,000 internet net additions were reported while video fell by 68,000. Revenue came in at \$3.2 billion, up 4.7% YOY. That was primarily driven by the growing customer base as well as efforts to get existing customers to take on higher speed tiers.

Wireless is still Verizon's bread and butter, with wireless

service revenue clocking in at \$17.1 billion, a 3.9% increase YOY. Postpaid phone net adds were 429,000, in line with the company's 2019 numbers. Phone churn overall was 0.74%. But analysts have concerns about Verizon's long-term growth prospects, particularly with **T-Mobile** and cable providers continuing to push forward on their own offerings.

"Verizon enjoyed years as the best network. But it will be harder to maintain that claim in the 5G era, where T-Mobile has a coverage and spectrum depth (speed) advantage. And where T-Mobile and the Cable MVNO charge meaningfully lower prices than Verizon," **MoffettNathanson** said in a note.

Verizon's executive team didn't offer any comments specific to DISH's upcoming entry into the wireless ecosystem. It did say it doesn't expect to see a significant impact to its results when the **FCC's** Emergency Broadband Benefit program eventually comes to a close. While still rolling, the \$3.2 billion in funds allocated for the program will run out and the infrastructure bill that would make a subsidy program like it more permanent has yet to pass the House.

"We're supportive of all efforts to make digital connectivity available and accessible to everyone in the country and we're participating in those programs. I would, though, say that in terms of our gross adds and new customers coming in, it's a very small portion of that," Ellis said. "The majority of our EBB participation is with existing customers rather than new customers."



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INTRODUCING THE WICT NETWORK

WICT is the latest industry organization to drop “cable” and “telecommunications” from its name. The WICT acronym has stood for “Women in Cable Telecommunications” for decades, but the association is now going by “The WICT Network” with the tagline “Empowering Women in Media, Entertainment and Technology.” The change was revealed at the group’s Signature Luncheon in NYC Wednesday. “This is an evolution, not a revolution. We’re reflecting the companies and individuals we serve,” said WICT President and CEO *Maria Brennan*, explaining that there’s no acronym behind the new name. The event, held as a hybrid in-person and digital gathering, celebrated the 2021 WICT Women of the Year—**Comcast’s** *Noopur Davis* and **Discovery’s** *Nancy Daniels*. Davis, who serves as EVP, Chief Information Security and Product Privacy Officer for Comcast Corp. and Comcast Cable, used part of her acceptance speech to thank her grandmother for helping to blaze the trail that got her to where she is today. Not only did she go to jail a few times fighting for India’s independence from Britain, but she insisted on taking care of her grandchildren so her daughters and daughter-in-law could pursue careers. “Every single one of them became professional women in the ‘60s, which just didn’t happen back in those days,” remarked Davis. Daniels, Chief Brand Officer for Discovery and Factual, accepted her honor virtually, noting that she’s looking forward to things continuing to open as she misses business travel and spending time with others in the industry. She congratulated the industry for managing through the evolution of digital streaming as well as a global pandemic. “Managing through change and managing

through a major crisis has been a huge challenge,” Daniels said. “I’m so proud of what we’ve been able to accomplish on both counts. For me, one silver lining of the pandemic was seeing the collaboration and ingenuity and innovation across the board... If we can accomplish so much in a difficult time, I’m optimistic about what lies ahead.” The lunch also celebrated three Women to Watch: **Charter** SVP of Marketing *Sharon Peters*, **AMC Networks** SVP of Research *Stephanie Yates* and *Reshema Patil Bijoor*, **Accenture’s** Managing Director of Communications and Media Strategy.

3.45GHZ AUCTION REACHES RESERVE

Wednesday brought a bit of good news for those closely watching the **FCC’s** 3.45GHz auction. After kicking off to a slower start two weeks ago, the auction has finally cleared its minimum reserve price with gross proceeds exceeding the \$14.8 billion milestone. A number of bidders began pursuing spectrum blocks in larger markets, pushing a price growth re-acceleration to 6-7% per round from the 5% it was increasing at when bidding ended Tuesday. There remains 16MHz of excess demand nationally that must be resolved before the auction can officially close. “We would still expect price growth to decelerate materially once bidding in large markets settles (which is likely to happen today or tomorrow),” **New Street Research** said in a note. “However, if the last 16MHz of demand are quite sticky, we could still end up reaching (or even breaching) our \$25BN forecast from before the auction.” That outcome is still fairly unlikely, but possible.

FCC DIVVYING OUT MORE FOR RDOF

The **FCC** is ready to authorize more than \$554 million in its



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third round of funding for broadband deployments through the Rural Digital Opportunity Fund. As part of this wave, 11 broadband providers will offer fiber-to-the-home gigabit service to more than 180,000 locations in 19 states. As part of its ongoing effort to ensure the funding is only going to providers that have complied with RDOF requirements, the Commission denied **LTD Broadband's** petition seeking waiver of the deadline to be designated as an eligible telecommunications carrier in Iowa, Nebraska and North Dakota. It also shot down **NW Fiber's** petition seeking waiver of the deadline for submitting a post-auction long form application.

NFL NETWORK SCORES BETA TOUCHDOWN

Americans love their football. **NFL Network** was the top-ranked digital basic network among adults 18+ with 30% rating it as a must have channel. They gave it a four or five on a five-point scale in a recent **Beta Research** study. Tying for second place behind it were **Cooking Channel** and **FX Movie Channel** (29%), both of which were closely followed by **Hallmark Drama** (28%) and **Nat Geo Wild** (28%). Cooking Channel rose to the top among heavy streaming network viewers, with 44% giving it the top nod. NFL fell just behind (41%) followed by **Discovery Life** (40%). Some 19% of M18+ mentioned NFL Network among their five favorite digital basic cable networks while W18+ gravitated towards Hallmark Drama (23%).

FOX WEATHER ADDS MORE DATA TO ARSENAL

AVOD **Fox Weather** signed an exclusive deal with **WeatherSTEM** for the latter to provide exclusive newsgathering data to the streamer. Using WeatherSTEM's network, meteorologists at Fox Weather will be able to access live weather information and video from nearly 600 stations across the country, including collegiate and **NFL** stadiums. The service launches Monday.

C-SPIRE'S HEADED TO ALABAMA

C-Spire signed an agreement to acquire Alabama-based **Troy Cablevision**. Troy, founded in 1985, offers cable, internet

and fiber broadband to business and residential customers in Pike, Coffee, Crenshaw and Dale counties. The transaction also includes **Union Springs Telephone Company**. C Spire CEO *Hu Meena* said no layoffs were expected to come from the integration.

T-MOBILE DOING THE MONSTER MASH

T-Mobile is getting into the spooky season. On October 31, the wireless provider is teaming up with **Reese's** to turn a NYC brownstone and three T-Mobile stores into Apartment 5G trick-or-treat destinations. Ten visitors will win a free 5G smartphone, a year of T-Mobile 5G service and a year of free Reese's products.

VEXUS OPENS COLORADO CITY DOORS

Vexus Fiber opened a retail store Tuesday in downtown Colorado City, Texas. The location will house all of the company's operations for the city and provide office space for regional leaders, sales, field operations and technicians.

RATINGS

Hallmark Channel's "Fall Harvest" programming event was a major win for the network, which saw its six Saturday night original movie premieres average 1.5 million households, 1.8 million total viewers and 194,000 W25-54. Over the course of the event, Hallmark ranked as the No. 2 most-watched entertainment cable network during Total Day among both households and W18+.

PROGRAMMING

HGTV competition series "Flipping Showdown" premieres Nov 17 at 9pm.

PEOPLE

Mark Evans has been upped to EVP, Ad Sales for **Fox Sports**. He'll report to *Marianne Gambelli*, **Fox Corporation** President of Ad Sales. Evans will take over the position from *Seth Winter*, who is set to retire in February after more than 40 years.

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Smoke and Mirrors

Commentary by Steve Effros

There's a lot of commentary these days about what Facebook and the "Tech" industry are saying trying to explain or justify both the effects of their products and their business plans. Especially in Washington, when anything said is questioned it becomes a major media and political focus.

In the case of Facebook and its studies of effects on some young women's body image, the "outrage hyperbole" has risen to the point of suggesting that the entire industry may have experienced its "tobacco moment," alluding to the testimony of the heads of the major tobacco companies when they denied before a Congressional inquiry that they knew nicotine was addictive. I don't think so.

As I've pointed out before, there are major differences between what the tobacco industry did and what is going on now. First, Facebook and most other major tech companies acknowledge that they do lots of studies and collect lots of data on how their "products" are being used. There may be legitimate questions about how much of that information is or should be made available to everyone, but they don't deny it exists. The interpretation of that data, as is always the case, is subject to debate.

But as important to recognize, while the impact of the new technologies is awesome and requires careful study and possible regulation, this is no different than virtually all other industries, and the record on successfully dealing with the health and safety issues that arise has not been great!

I gave a few examples in a column recently, but it may be worth expanding on the point. For instance, how successful have we been dealing with the negative effects of sugar? Certainly the big soft drink companies have long known. So have the candy companies, the sugar dusted donut makers and all the rest. When was their "tobacco moment"? As important, what legislative "solution" should apply? Where is the political outrage over the obvious effects of sugar on the body image of a whole lot of us?

And then, of course, there's alcohol. Yes, it's regulated as

to who can sell it to whom. Where I live it's the state that makes the money on the voluminous sales! Folks die on our roads all the time due to alcohol related accidents. It's been studied, known, commented on for as long as I can remember. But legislative efforts to ban the sale of alcohol are not going anywhere, and probably shouldn't. How about the automobile? Do we need to go there? We know they are extremely useful, but they also kill. And guns!

OK, you get the point. The politicians and media have blown the tech "tobacco moment" way out of perspective. That's not to say that we don't have some major things to consider about dealing with the new age of ubiquitous tech. But I would suggest it's the size and scope, not the detailed usage that is the major issue.

If we would all just look in the mirror for a moment we would see who is responsible for a lot of the adverse effects of the things we buy and use. Sure, we could ban them all or try to create elaborate regulatory parameters, but in most cases that doesn't solve the problem, it may help, but it doesn't "fix". Seatbelts are a good example. They're appropriately required to be in cars, but many who die in crashes didn't use them! Too bad they didn't look in the mirror earlier to see who might be responsible!

As I said, we need to deal with major tech issues. The "network effect" may be too powerful because some companies have gotten so big. We can do something about that. But how things are used? Politicians, too, should look in the mirror.



Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)

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