

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Rising Up: Charter Celebrates Mobile Win Amid Broadband Slowdown

**Charter** and **Comcast** are singing similar tunes. Charter's executive team told investors Friday on the company's 4Q21 earnings call that while broadband growth slowed, its wireless business soared to new heights.

That's in part due to a number of pricing incentives the company introduced in October to drive growth. The plans started at \$29.99/month per line for new customers with at least two Spectrum Mobile lines. Existing customers could also qualify for the discount by adding lines to their account, and they could be a mix of unlimited data lines and ones where customers paid by the gig. Those incentives seem to have worked, and Charter added 380,000 mobile lines. As of the end of the quarter, the provider counted 3.6 million mobile lines.

"I think that our pricing structure and the monthly recurring fee piece of the pricing value equation is superior net net to what our competitors are offering, and we're getting some traction with that," Charter CEO *Tom Rutledge* said on the call. "That combined with our superior broadband product and the continued investment we make in our broadband product in terms of its capabilities and how we make the wireless product work with our wireline products... all affect the price value relationship that we're presenting to the customer."

On the broadband side, the company saw 190,000 net

adds primarily due to low churn, changes in seasonality and lower move activity than would have been expected based on prior years. Because of the lower move activity, much of Charter's mobile growth is coming through upgrades within its current customer base rather than with new customer creation. Rutledge said wireless has its own cadence in terms of seasonality that he's not sure Charter fully has fully grasped.

"We see a lower number of college student enrollments, and so some of those markets have looked different from what we would normally expect," CFO *Jessica Fischer* said. "The overall environment does appear to be more impacted by things like COVID waves and we're seeing lower activity when something like Omicron happens." She also noted that due to New York's moratorium on certain disconnects, Charter saw a one-time spike of 20,000 non-pay disconnects that disproportionately impacted broadband sub numbers in the quarter.

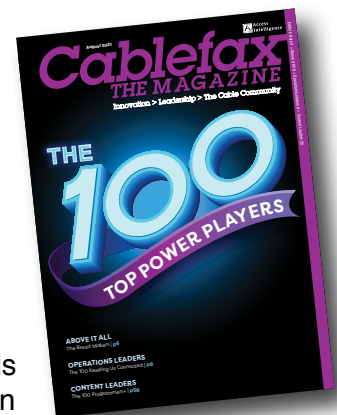
Overall revenues at Charter for 4Q21 came in at \$13.2 billion, a 4.7% rise YOY. That was largely driven by YOY growth in residential revenue (5.1%), mobile revenue (47.5%) and commercial revenue (4.8%) and was partly offset by a decline in ad sales revenue (-28.2%) due to lower political ad revenue. Total residential and SMB customer relationships increased by 120,000. At year-end, Charter served a total of 32.1 million residential and SMB customers, with 939,000 net new relationships added in 2021.



## Who Deserves to Rank Among Cablefax's Annual Top Power Players?

The Cablefax 100 salutes the most influential executives whose leadership continues to take the industry to new heights. We will rank the top professionals in the media, cable & broadband industry and publish the list in the June edition of Cablefax:The Magazine.

**It's free to enter — but you must submit your entries by Jan. 28!**



Nominate at [www.Cablefax100.com](http://www.Cablefax100.com) | Questions: Mary-Lou French at [mfrench@accessintel.com](mailto:mfrench@accessintel.com)

A major area of growth for Charter moving forward will be its network expansions into hard-to-serve areas through programs like the Rural Digital Opportunity Fund and other subsidized rural construction projects. It hopes to spend approximately \$1 billion in 2022 on capital expenditures tied to its rural construction initiative or construction within census block groups that are defined as rural. Over the next five years, Charter will add more than 100,000 miles of new network infrastructure to its existing miles and it is currently hiring more than 2,000 employees and contractors to support that build.

One segment that is moving along as expected is video. Charter lost 58,000 subscribers in 4Q21, but much of the activity in that sector followed trends that the company expected. “In the fall season, you had a tremendous up-tick and the fourth quarter was big although **Cablevision**, because of the Hamptons, has sort of the opposite effect,” Rutledge said.

**NINTH CIRCUIT LETS CA NET NEUTRALITY LAW STAND**

California’s net neutrality laws have leapt over another hurdle. The 9th Circuit reaffirmed a district court’s decision to deny an ask for a preliminary injunction from **NCTA, ACA Connects, CTIA** and **USTelecom** that would bar enforcement of California’s Senate Bill 822. The legislation establishes a statewide net neutrality policy that denies ISPs from blocking or slowing access to websites and bans practices that discriminate between different websites or applications. Federal judge *Mary Schroeder* wrote the opinion, stating that the district court was correct to deny the preliminary injunction

because only the invocation of federal regulatory authority can preempt state regulatory authority. “As the D.C. Circuit held in *Mozilla*, by classifying broadband internet services as information services, the **FCC** no longer has the authority to regulate in the same manner that it had when these services were classified as telecommunications services,” she wrote in the opinion. “Without the authority to preempt, it does not much matter whether SB-822 conflicts with the federal policy objectives underlying the reclassification decision.” Schroeder also said the California law does not conflict with the Communications Act.

**FCC ADDS MORE SAFEGUARDS TO RDOF**

The **FCC** authorized more than \$1.2 billion through the Rural Digital Opportunity Fund for deployments in 32 states Friday, but those dollars have some strings attached. The Commission has also created the Rural Broadband Accountability Plan, an effort to monitor and ensure compliance for universal service high-cost programs like RDOF. The number of audits and verifications conducted by the agency will double this year and include on-site audits as well as audits and verifications based upon random selection. The largest dollar recipients will be subject to an on-site audit in at least one state, and higher-risk recipients will also be subject to additional audits and verifications. Results of verifications, audits and speed and latency performance testing will be made public on **USAC**’s website.

**LIGHTSHED PARTNERS UPGRADES FUBO**

**LightShed Partners** upgraded **Fubo** from “Neutral” to “Sell” Friday despite its beliefs that the company’s current business model will only lead to ongoing financial challenges.

We asked the **Most Powerful Women** what **female empowerment** book they think **every woman** should read.

They had a ton of recommendations. Here are a few of the books on their shelves.

Visit **CablefaxWomen.com** for complete Q&As and more book recommendations.



It also removed its \$6.50 target price. The firm said in a note that it's highly unlikely that Fubo will have access to capital going forward, and its financial outlook will only decline in 2022 if its sports rights licensing deals don't result in incremental sub growth. "All that said, with Fubo stock down nearly 85% in 13 months and the company sitting on \$375 million of cash, we are going to wait and see whether management abandons their sports betting 'fantasy' to reduce the cash burn in 2022 and beyond," LightShed said. "While the company could also put itself up for sale, we believe the most likely buyers would look to poach Fubo's subscribers post-bankruptcy, rather than buy the whole company at the current \$1.4 billion valuation."

**PROGRAMMING**

AVOD **Fox Weather** is presenting live coverage of the nor'easter set to hit the east coast this weekend. Its coverage begins Saturday at 5am ET, and **Fox News Channel** will simulcast the coverage. **Fox Business Network** will simulcast Fox Weather live from 6-9am and from 6-10pm. -- **INSP** recognizes the contributions of African American cowboys with historical docudrama "Freedom on the Range," debuting Feb. 26 at 8pm ET. The one-hour special is produced by **Al Roker Entertainment**. -- **FYI** debuts limited classic car series "United We Drive" on Feb. 3 at 10pm. Complementary short-form content will be featured on FYI's **YouTube** and **Facebook** pages. -- **TBS** is serving up subterfuge in new competition series "Rat in the Kitchen," premiering March 31 at 9pm. Over 10 eps, a mix of professional chefs and home cooks will compete in cooking challenges while trying to figure out who is the rat among them sabotaging dishes.

**PEOPLE**

Alexia Quadrani is joining **The Walt Disney Company** as its SVP, Investor Relations. She most recently served as Managing Director/Senior Analyst for **J.P. Morgan's** U.S. Media Equity Research group.

**CABLEFAX DASHBOARD**

**Twitter Hits**



**Research**

(Source: [Hub's "TV Advertising: Fact vs. Fiction" Study](#))

> Of viewers of content on ad-supported streaming services, 58% gave a positive rating to shows that had ads featuring products that matched their interests.

> 16% of TV viewers have a negative reaction to the idea of ads targeted based on their personal information, down 6 points from June 2021.

> 61% would be willing to share they types of shows they watch, 51% are okay sharing the products they've purchased and 50% are willing to share products they've searched for.

**Up Ahead**

**JAN 28:** [Cablefax 100 Nomination Deadline](#)

**FEB 4-20:** [Beijing 2022 Winter Olympics](#)

**FEB 8:** [INCOMPAS Policy Summit, DC](#)

**FEB 15:** [Media Institute Luncheon Series, Virtual](#)

**FEB 28-MARCH 3:** [Mobile World Congress Barcelona](#)

**Quotable**

"We are profoundly disappointed that Treasury's final rule lacks the proper guidance and constraints needed to ensure that federal funds are used efficiently and for their intended purpose. As history has demonstrated, absent such constraint, there remains a significant risk that taxpayer money will be wasted in areas where broadband infrastructure already exists and those without access to quality broadband service will not receive the full measure of needed assistance. The final SLFRF rule increases the risk of overbuilding existing broadband investments... We urge you to ensure that SLFRF funds are focused on truly unserved areas to maximize the benefit to those Americans currently without broadband service." -- **Sens Roger Wicker (R-MS), John Thune (R-SD) and nine of their colleagues in a letter to Treasury Secretary Janet Yellen criticizing the final rule for broadband infrastructure funding through the Coronavirus State and Local Recovery Funds**