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WHAT THE INDUSTRY READS FIRST

Limited Time: Comcast's Roberts Expects Fixed Wireless to Fade Away

Comcast Chair/CEO *Brian Roberts* isn't holding back with his takes on fixed wireless, comparing the technology and its lower speed tiers to DSL.

"Fixed wireless, a lot of conversation about that. It's new, time will tell, but it's an inferior product. And today, we can say we don't feel much impact from that. It's lower speeds. We've seen that with DSL in the past and we've been able to do well against that," he said during an appearance at Morgan Stanley's TMT Conference Monday. "We don't take it for granted, but we've seen lower price, lower speed offerings before, and in the long run, I don't know how viable the technology holds up."

Approximately 55% of Comcast customers receive speeds of 300 Mbps or faster today, up from the 28% receiving those speeds two years ago. Roberts thinks that will be enough to hold off any pushes from fixed wireless as 300 Mbps is "about where fixed wireless tops out," he said. That jibes with what **WOW!** CFO *John Rego* said at another investor conference Monday. The majority of WOW!'s new connects are taking 500 Mbps or greater right now and a "good" portion of existing customers tiered up to 500Mbps during the pandemic and they aren't tiering down.

Fiber competition is a more pressing issue, but still not one that has drawn much concern from Comcast's upper ranks. Its footprint is now 40% overbuilt and Roberts sees that increasing easily to 55% within the next five years. He claimed that

shouldn't cause any dip in Comcast's sub gains, quipping that in the 15 years it took for this amount of fiber to be built in Comcast's footprint, the team added 22 million broadband customers and secured the number one slot in market share.

"We know that playbook. It happens neighborhood by neighborhood. We know when the trucks are wiring up that neighborhood... It's a more hyperlocal competitive reality," Roberts said. "One of our advantages is all of our products are ubiquitous to all of our customers and we can run an ad that says we just increased your speed for the 20th time, we've added all sorts of capabilities and we can advertise that."

His comments came as Comcast revealed it is offering increased speeds for its most popular Xfinity internet tiers across 14 states from Maine to Virginia. Extreme Pro customers will see speeds rise to 900/20 Mbps from 800/15. Blast subscribers will experience an increase to 600/20 Mbps from 400/10, Performance Pro up to 300/10 from 200/5 and Performance Starter upload speeds will double, upping the plan's speeds to 50/10 from 50/5.

Over at **NBCUniversal**, Roberts wants investments in content and streaming to ultimately breathe new life into a declining video business. He said **Peacock** has achieved about 70% of global reach now thanks to its expansion through **Sky** and the **SkyShowtime** joint venture with **Paramount Global**. The other 30% will come through partnerships. NBCUniversal plans to spend around \$20 billion a year on content spend

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The Independent Operator of the Year Award (IOY) is presented in conjunction with ACA Connects and NCTC

between Sky and NBC, and Roberts said a lot of the content that lands on those platforms should be able to be repurposed for Peacock.

“One of the things that I think we hope is that that entire base will grow. And so we look at it both as a standalone business, but also equally very much part of the total video business. So it’s linear and Peacock, and that’s why it’s all run by one team,” he said.

A DE-LEVERED WOW! HAS OPTIONS

In 2020, **WOW!** was 5.5x levered. That might be nice for a private company, but it’s not too good for a public one, CFO *John Rego* said at an investment conference Monday. When **WOW!** sold off some systems in five markets last year to **Astound Broadband** and **Breezeline** (nee Atlantic Broadband), its leverage ratio dropped to 2.5x. “As an infrastructure company, that’s probably not the right answer. The right answer is not 7.5x or 6.5x, but as a public company, I’m comfortable right now with 3.5x,” Rego said. “If I wanted to do that right now, that gives me \$300 million in capacity... We don’t want to be really high leverage anymore. Our new motto is ‘low leverage, high growth.’” Rego quipped that every banker on the planet is pitching something right now, but he hasn’t seen anything really interesting on the M&A front. “There’s no tuck-in that makes sense right now, but, you know, never say never with these things. If we could do something really transformative, and I’ve got to go up to 4x levered or 4.5x, we’ll talk about that at the time,” he said. **WOW!** has a plan for greenfield build of 200,000 homes, with it potentially inching that up to 400,000. As far as **WOW!** selling more markets, Rego thinks it would be

tough for the company to go lower than its current 14-market footprint. “That being said, if someone comes in and wants to give me 20x for a market, we’d certainly have the conversation,” he said. “I think at this point we’re at the right size, and the idea now that we’ve de-levered [the idea] is to start growing back to the size we once were.” Last month, **WOW!** entered the mobile space through a partnership with **Reach Mobile**. **HSD** customers get a discount when they purchase **WOW!** mobile powered by **Reach**. Rego described it as an MVNO light, with **Reach** doing all the provisioning, inventory risk and customer care, with **WOW!** getting a monthly recurring fee similar to a commission. “It’s our test into mobile to see if that’s something that we want to go deeper into. But immediately, I would say it gives us the ability to create another bundle. It gives us the ability to have sort of a churn reducer,” the CFO said.

CONSOLIDATED SELLS KANSAS CITY SYSTEM

Consolidated Communications is selling its Kansas City assets to funds managed by **Alinda Capital Partners** as it focuses on fiber expansions in its core regions. Consolidated expects to net about \$90 million in the all-cash transaction. Consolidated’s Kansas City operations include approximately 19,000 consumer subscribers, 13,000 consumer broadband subscribers, 1,900 commercial subscribers and contributed approximately \$50 million of revenue in fiscal 2021. Kansas City wasn’t part of Consolidated’s five-year fiber build plan, which is expected to see 400,000 upgrades this year. Its goal is to upgrade 1.6 million locations or 70% of passings by 2025. Consolidated is introducing “Fidium Fiber” as its new brand as it completes the upgrades.

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ZASLAV GETS MORE MONEY

Discovery's board voted to give CEO *David Zaslav* a \$4.4 million bonus in recognition of "exceptional leadership" through the pandemic, the successful launch of discovery+ and his efforts in 2021 to initiate, negotiate and enter into the transaction with **WarnerMedia**. Other Discovery execs also received discretionary bonuses for exceptional performance last year, according to the SEC filing. Zaslav pulled in \$37.7 million in compensation in 2020, earning him a spot (again) on **As You Sow's** "Most Overpaid CEOs" [report](#).

TOP PROVIDERS NET NEARLY 3M NEW CUSTOMERS

Data from **Leichtman Research Group** (LRG) found the top U.S. cable and wireline phone providers added about 2.95 million net additional broadband subscribers in 2021. This is down from a pro forma gain of around 4.76 million in 2020, but up from the 2019 mark of 2.55 million. Top broadband providers now make up 108.4 million subscribers, and top cable companies have about 75.7 million broadband customers. The top wireline phone companies check in with around 32.7 million subscribers. **Comcast** ended 2021 as the top broadband provider with 31.9 million subscribers, followed by **Charter's** 30.1 million. LRG estimated **Cox's** share at 5.53 million. For wireline phone companies, **AT&T** and **Verizon** had 15.5 million and 7.37 million subscribers at the end of 2021, respectively. **CenturyLink**—now **Lumen**—saw the most net additions last year with an estimated 248,000, bringing its total to 4,519,000.

COMCAST TO OFFER APPLE TV+

Comcast will offer **Apple TV+** on Comcast's entertainment platforms in the U.S. From March 15-21, customers can preview Apple TV+ originals on **X1**, **Xfinity Flex** and **XClass TV** without signing up. Xfinity customers who don't have an Apple TV+ subscription are eligible for a three-month trial through April 25.

FCC GRANTS MORE SUPPORT FOR ECF

The **FCC** is committing an additional \$63.61 million to the Emergency Connectivity Fund in program support. That breaks down to more than \$33 million in commitments from the first window of applications and nearly \$31 million for those filed in the program's second window. This round of funding is supporting schools and libraries in Maine, Puerto Rico, Alaska, California and South Carolina. Those receiving support will use it to support off-campus learning through the purchasing of connected devices and broadband connections for students and patrons. To date, the FCC's commitments have funded more than 5 million connected device purchases and more than 10 million broadband connections.

CARRIAGE

Tennis Channel and **Samsung TV Plus** are bringing a FAST channel to the U.S. called **T2**. Samsung TV Plus will offer it year-round and is available to all users with 2017 or newer Samsung Smart TVs and Galaxy phones. T2 will feature men's and women's matches, features and original documentaries. – **Fox Corp.** unveiled three FAST channels that are available

on the **Amazon** news app on **Fire TV: LiveNOW from FOX**, **FOX Soul** and **Fox Weather**. This is the first agreement where FOX is representing its full portfolio of FAST and AVOD content. – **G4** and **Pluto TV** are teaming up to distribute **G4 Select**, making it Pluto TV's first FAST partner. Shows like "Ninja Warrior," "Xplay" and other series will be available exclusively on Pluto TV.

RATINGS

INSP had a record month in February as the network averaged 0.286 24/7 HH rating and had a household commercial content rating of 0.328. INSP ranked fourth in primetime ratings P2+ for the week of Feb. 14. – **HGTV** series "Rock the Block" had its highest-rated season premiere on Feb. 28 at 9pm with a .79 live plus three-day rating among P25-54. The premiere had 4.6 million total viewers and was the No. 2 non-news/sports cable program among W25-54, upscale P25-54 and upscale W25-54.

PROGRAMMING

Writer/producer/director *Latoya Raveneau* entered into an overall deal at **Disney** to develop and produce animated projects with Disney Television Animation and 20th Television Animation. The deal includes terms for live-action content development. Raveneau is currently directing new series "The Proud Family: Louder and Prouder" on **Disney+** and was a screenwriter on upcoming **Disney Junior** musical series "Eureka!". – **USA Network** premieres "Mud, Sweat and Beards" on April 4 at 11pm, immediately following "WWE Raw." Wilderness experts and real-life besties *Donny Dust* and *Ray Livingston* will head to remote locations to build primitive paradises. – **A&E** is expanding the documentary series "Secrets of Playboy" with two one-hour episodes that'll begin March 28 at 9pm. The two shows will feature former girlfriends and employees of *Hugh Hefner* as they discuss the dark side of seemingly glamorous show. "Girls Next Door." – **AMC Networks** greenlit "Isle of the Dead" featuring *Lauren Cohan* and *Jeffrey Dean Morgan*. The new series will take place in a post-apocalyptic Manhattan and contain six episodes in its first season. – **TBS**, **TNT**, and **truTV** are celebrating International Women's Day by promoting programming that honors women in films, such as "Sisters" on TBS and "Wonder Woman" on TNT. TBS will also air the first two episodes from the first season of HBO Max's "The Flight Attendant" on March 27. – **NBC Sports** and the **PGA Tour** unveiled a new logo for **Golf Channel**. The new logo includes the PGA Tour's "swingman" and establishes the new Golf Channel brand mark.

PEOPLE

Intelsat tapped *David Wajsgras* to succeed *Stephen Spengler*—who announced his retirement in October—as its next CEO, effective April 4. Wajsgras served as president of Intelligence, Information and Services and EVP and CFO at **LEAR Corp.** – *Misha McClure* is the new Director of External Affairs for **Comcast Houston**. McClure will work with community organizations to help further Comcast Houston's stance in digital equity. McClure has spent nearly nine years at Comcast and launched the **MyAbilities Employee Resource Group**.