

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Inch by Inch: Altice Sets Paced Plan for Return to Broadband Growth

**Altice USA** will begin rolling out multi-gig speeds by the end of 2021—the first of many steps the company believes will spark a resurgence in subscriber growth.

Altice has been working to return to broadband subscriber growth for the last year, recently announcing plans to reach 6.5 million fiber passings by 2025. For FY21, the provider reported 3,000 organic residential broadband net losses excluding customers acquired through its purchase of **Morris Broadband** and lost 51,000 unique residential customer relationships.

Altice USA CEO *Dexter Goei* doesn't believe multi-gig alone will be the key to winning over consumers. Rather, the hope is that it gives the company a boost from a branding and customer awareness perspective in the New York tri-state area. It's a small step in Altice's larger battle with **Verizon Fios**. It has been attempting to match what Fios has done from a promotional standpoint since September to gain mind share back from existing and potential customers.

"We're in that phase where Fios has moved its price back up. They continue to be very promotional on the double play of fixed and wireless, but on the single play, just broadband, they moved prices up. That allows us to think about whether or not we start moving prices up as well," Goei said during an investor conference appearance Tuesday. "We're going to get back to where we were for the last 10 years with Fios, just ping-ponging with them, and by the time we're at

multi-gig... we'll probably for the first time have a better product than them on a fixed line ever."

At the same time, Altice is planning to bolster its long-term economics through the government subsidy game with hopes to announce its first win within the next few weeks. In total, Altice plans to bid for government subsidies to build out 500,000-1 million homes with a goal to win at least a third of those. Goei said once contracts are won, the provider will push to finish projects as quickly as possible in order to prove that it has the execution capabilities government entities are looking for. That should set it up well to win more contracts.

"It's not very attractive economics insofar as you're probably spending anywhere from \$2,000-3,000 a home passed after the subsidy, but you are the only game in town in very disparate parts of the country that have been either unserved or underserved," he said.

Altice USA is still committed to offering a video product despite attachment rates dropping to 30% among its gross adds. The conundrum now is on how to make that service more economical, both for consumers and for Altice as it sees programming cost per unit continuing to rise.

"I think the whole issue is how programmers are thinking about life after affiliate fees," Goei said. "As they continue to get larger and larger in terms of their breadth of channels, you sit around trying to figure out where's the breaking point in terms of whether or not you need that package of channels or not. Today, we're being

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very thoughtful relative to our customers and providing them with everything, but they've got to pay for it if that's what they want to do."

### APPLE TV+ SWINGS FOR THE FENCES

**Apple TV+** is the new exclusive home for "Friday Night Baseball." The weekly doubleheader will be available on the streamer when the season begins and will be without local broadcast restrictions. Importantly, the games will not be carried by RSNs tied to **MLB** teams featured in a given week. U.S. viewers will also have "MLB Big Inning," a show featuring live look-ins and highlights every weeknight over the course of the regular season, as well as access to a 24/7 livestream with game replays, classic games and analysis. As of now, fans won't need a subscription in order to access Friday Night Baseball, but Apple made it clear that will only be a limited time offer. According to [SBJ](#), MLB is still in talks with **Peacock** on another package of streamed games.

### NETFLIX PROBABLY STILL A NO FOR ADS

**Netflix** once again brushed off the notion of adding advertising, but the Twitterati were quick to brand CFO *Spence Neumann's* comments at an investor conference Tuesday as less ad resistant than the typical company line. "It's not like we have a religion against advertising," the exec said, explaining that right now the company feels like it is optimized for long-term revenue with a subscription business that scales really well globally. "Never say never, but it's not in our plan. But you know, other folks are learning from it, so it's hard for us to kind of ignore that others are doing it. But for now, that doesn't make sense for us." As for Netflix's entry into gaming, patience is key. Neumann's hope is that it'll be a big part of Netflix's business in a decade, but he said it won't play a major role in the next 12 months. Netflix's stock took a hit in January after the streamer forecasted 2.5 million net adds for 1Q22, down from 2.5 million in 1Q21. That guidance reflects content being more backend weighted plus price increases that are hitting the U.S., with the standard plan jumping to \$15.50/month from \$14. Netflix looks at where it is with engagement, acquisition, retention when considering price hikes. It looks for "when we believe they're kind of trending at a level where we've kind of earned the right to charge a little bit more—because when we charge a little bit more, it's about increasing that revenue to then reinvest in the service," Neumann said.

### CR: FCC SHOULD LOOK CLOSER AT ISPS

**Consumer Reports** wants to make sure ISPs aren't charging customers for equipment that they don't need. Last month, it asked its members to share whether they've been charged for a router they don't use or were forced to take one from their provider. More than 350 stories were submitted, with the consumer group sharing the responses with the FCC this week (read them all [here](#)). The agency is seeking comment on whether providers are adhering to the Television Viewer Protection Act, which went

## The WHO and the WHY

CFX's spotlight on recent new hires & promotions



**SATYA Parimi**  
SVP, PRODUCT & STRATEGY  
SPECTRUM ENTERPRISE

### 3 THINGS TO KNOW

- Parimi joined Charter in 2016 following the Charter-Time Warner Cable merger. He's led the Data Products portfolio for Spectrum Enterprise, which provides services to Charter's largest business customers, and managed all stages of the product life cycle, including innovation, development, management and pricing. His recent promotion within Spectrum Enterprise will have him focused on accelerating the expansion of multiple product solutions and features, including managed network services and cybersecurity.
- The well-respected Parimi (check out the number of congratulatory posts from colleagues on LinkedIn!) joined Time Warner Cable in 2007, working his way up from Senior Director on the business services side to VP and Group VP, Product Management for the division.
- He has been recognized with several industry awards, including the 2019 NAMIC Next Generation Leaders Award. Parimi has played a significant role in Charter's smart city initiatives, including its first-ever joint initiative with US Ignite in St. Petersburg, Florida.

into effect in December 2020 and prohibits providers from assessing equipment charges on customers who do not actually use any equipment supplied by the operator. The anecdotal reports submitted to CR were mixed, with some indicating providers were following the law and others claiming they were being unfairly charged. "Many more stories suggest that ISPs dissuade consumers from using their own equipment, typically by refusing to troubleshoot any service disruptions if consumers opt not to rent the ISP's devices. Such practices result in de facto situations where consumers feel pressured or forced to rent equipment that they would prefer to own instead," Consumer Reports told the FCC. The group suggests that the allegations merit further investigation by the Commission, adding it will share consumer contact info as allowed with the agency. "The tactics reported by some CR members where ISPs allegedly dissuade consumers from using their own equipment for broadband service may not be a direct violation of the law; however, they strike us as running afoul of the spirit of law, which promotes consumer freedom and the choice to not have to rent devices from their ISPs," wrote CR Senior Policy Counsel *Jonathan Schwantes*.

**NEXSTAR ON NCTC RETRANS NEGOTIATIONS**

Last month, **ACA Connects** told the **FCC** that **Nexstar** was the only broadcaster **NCTC** was interested in working with that it couldn't reach a retransmission consent deal with under new rules that require broadcast station groups to negotiate retransmission consent with qualified MVPD buying groups. This week, Nexstar clapped back. First, it questioned how ACAC was able to obtain info regarding negotiations between it and NCTC since both parties are subject to a non-disclosure agreement. Second, it took umbrage with ACAC's assertion that Nexstar insisted that the negotiations be limited to NCTC members of a much smaller size than granted under the FCC rules. Nexstar said it had initially proposed for discussion purposes a baseline of members with 50,000 or fewer subs to take into account the possibility larger members might prefer to continue to negotiate directly with the broadcaster. However, it said it quickly acquiesced to NCTC's request to set the maximum subscriber level at 500,000, the figure set forth in the Television Viewer Protection Act. "Ultimately, after more than three months of negotiations, Nexstar and NCTC were unable to reach an agreement. However, the question of the size of participating members was resolved in NCTC's favor on day two of the negotiations," the broadcaster said in comments to the FCC this week.

**CHARTER UPS MINIMUM SPEEDS IN 37 MARKETS**

**Charter** is upping the starting speed of its Spectrum Internet service to 200 Mbps in an additional 37 markets. The change will impact markets that comprise more than 5 million homes including Bakersfield, California; Portland, Maine; and Toledo, Ohio. The new minimum speeds are available to new Spectrum Internet customers in the impacted markets with current residential customers seeing the increase in the coming weeks. The launch of the 200 Mbps minimum speed will be completed across Charter's entire service area later this year.

**FOX NEWS STILL REIGNS**

Americans are glued to coverage of the Russian invasion of Ukraine, with most relying on **Fox News**. The net averaged 3.56 million viewers in prime last week and 2.17 million in total day. **CNN** took second in both dayparts (1.84 million and 1.19 million, respectively), while **MSNBC** was third (1.69 million and 960,000). Last week was Fox News' best week across the board since November 2020's Election Day week. "Tucker Carlson Tonight" was the most-watched cable news program with 4.69 million total viewers.

**ESPN CELEBRATES TITLE IX MILESTONE**

In honor of Title IX's 50th anniversary, **ESPN** is highlighting the civil rights journey of women in sports and cultural aspects with its "Fifty/50" initiative. Content includes "37 Words" and the 30 for 30 "Dream On." **ABC**-owned stations in New York, Los Angeles, Chicago, Philadelphia, San Francisco, Houston, Raleigh-Durham and Fresno will air 50 stories of pioneers stemming from Title IX on March 17. **Walt Disney World Resorts** has also joined the initiative by having an in-room channel dedicated to Fifty/50 content that started Feb. 27. – Next month, **ESPN Fantasy** will have Fantasy Women's Basketball. This is the first season-long **ESPN** fantasy game

for a major women's sport and follows record viewership of **WNBA** and other women's sports. Signups will be available in April ahead of the 2022 WNBA season, which begins May 6.

**PAY-TV PROVIDERS CONTINUE LOSING SUBS**

The largest U.S. pay-TV providers lost about 4.69 million net video subscribers in 2021, according to **Leichtman Research Group** (LRG). This follows a pro forma net loss of around 4.87 million in 2020, with top cable providers also having a net loss of 2.695 million video subscribers in 2021. However, top publicly reporting vMVPDs added about 895,000 subscribers last year. **DirectTV** saw the biggest loss last year (1.91 million), followed by **Comcast** (1.67 million), **DISH** (595,000) and **Charter** (367,000). **fuboTV** had the biggest gain in subs last year (582,000). Hulu + Live TV added 300,000, while DISH's Sling TV eeked out a gain of 12,000.

**ON THE HILL**

**House Commerce's Communications Subcommittee** will hold an **FCC** oversight hearing on March 31. Additional details, including the start time and witness list, will be announced the week prior to the hearing. Topics to be discussed will largely be tied to the FCC's role in the execution of the bipartisan Infrastructure Law, including the agency's progress toward developing revised broadband coverage maps to be used for **NTIA's** BEAD program.

**CARRIAGE**

**Law&Crime Network** continues its U.S. expansion by launching on **DISH**. DISH TV customers with the America's Top 120 pack and higher will be able to access the channel. Law&Crime is already available on **Verizon FiOS** and OTT platforms like **Sling TV**, **YouTube TV**, **fuboTV**, **Roku Channel** and **Samsung TV Plus**.

**UKRAINE REACTIONS**

**Fox Corp.** is donating \$1 million to the American Red Cross to support its mission to help those in Ukraine. Fox Giving will double-match donations up to \$1,000 per employee. "In the midst of this conflict, our teams from FOX News are again demonstrating why they are the best in the business, as they bravely work to provide wall-to-wall coverage of these events as they unfold. We know, in part from their reporting, that there are many heroes working for good during this crisis and our Company will support relief efforts where they are sorely needed," CEO **Lachlan Murdoch** wrote in a memo this week. – **Akamai** said it's suspending all sales efforts in Russia and Belarus and terminating business with state-majority-owned Russian and Belarusian customers. It will maintain its network presence in Russia. "This supports our global customers, including many of the world's largest news services, social networks, and democratic government institutions, as they endeavor to provide vital and accurate information to all corners of the globe, including to the citizens of Russia," the company said.

**PEOPLE**

**Amy DuBois Barnett** was named **Outside Interactive's** first-ever Chief Content Officer, overseeing the company's 30+ brands, including **Outside TV** and **Outside** magazine. She joins from Paramount, where she served as SVP, GM of BET Digital. Barnett's also worked for Entertainment Studios and ESPN.