

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Focal Point: Verizon's FWA Wins Dominate 1Q22 Results

Verizon's fixed wireless product soared in the first quarter of 2022, but the story is a little bit different when it comes to its Fios business. The wireless provider reported the addition of 194,000 fixed wireless broadband subs in the quarter, a massive boost from the 17,000 it added in the same period last year. That's also 2.5 times the 4Q21 growth levels. Verizon doesn't believe this is a one-off type of quarter, but the result of a pent-up demand for fixed wireless services.

There's also Verizon's investments in its spectrum portfolio. The provider is on track to cover at least 175 million POPs with C-band spectrum by the end of the year, and CEO *Hans Vestberg* believes that marketing around the power of that spectrum coupled with the company's pricing strategy is what is drawing new subscribers in.

"We're now deploying C-band in urban and suburban, millimeter wave in urban and LTE is in rural," Vestberg said Friday during the company's earnings call. "I think we have good pricing at the moment with a combined offering and also the standalone marketing, and we see that's making a good wave in the market. As always, we will always look into what is the right price point, which is the right type of value we're giving our customers."

Fios Consumer revenues were \$2.9 billion, up 1.8% YOY. They were lifted by a 55,000 growth in Fios internet subscribers, but that's still well below the 102,000 Verizon

experienced in 1Q21. Leadership highlighted a number of pressures that hindered growth in Verizon's value base, including the transition from the FCC's Emergency Broadband Benefit program to the Affordable Connectivity Program that reduced the federal subsidy for internet service from \$50/month to \$30/month. Fios continues to bleed video subs at a steady pace with the company recording 78,000 net losses within the quarter.

Overall, Verizon Consumer revenue grew 10.9% YOY, largely driven by the first full quarter since the integration of **Tracfone**, higher equipment revenues and growth in the company's wireless business. While the company reported a gain of 269,000 total postpaid net adds across both its consumer and business segments, Verizon lost 36,000 postpaid phone net adds. Guidance for 2022 across the board was dropped to the low end of their previous ranges, and forecasts for service and other revenue growth was lowered to flat from the 1-1.5% reported previously. **MoffettNathanson** observed that the wireless operator seemingly hasn't benefited from the same industrywide growth that its peers have, or it has and it is experiencing more challenges to the bottom line than the other major players.

"Verizon is growing neither its subscriber base nor its ARPU. At a time of rising inflationary pressures, pricing power is nowhere to be found," the firm said in a note. "Unless something changes for 5G revenues that still seem rather intangible (IoT, MEC, or private networks), the growth runway



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FREE TO ENTER!

for Verizon would appear rather weak.”

Much like AT&T on Thursday, Verizon said it has seen impacts from the rise of inflation and it doesn't expect that to end anytime soon. In fact, expect to see disruptions across its bottom line through the end of 2022.

“The major areas of exposure for us are energy-related costs for our network operations and transportation as well as labor-related costs, including both our direct workforce and third parties,” CFO Matt Ellis said. “While these items have not had a significant impact on our overall results to date, they represent a meaningful portion of our direct cost structure and have the potential to drive additional expense pressure throughout the rest of the year.”

CHARTER PROMISES TO KEEP PAYING IT FORWARD

Charter's Spectrum Reach is continuing to invest in its Pay It Forward campaign, committing \$15 million in advertising and services to support SMBs across its footprint. The program was introduced last year as a way to boost multiculturally-owned businesses through advertising and creative support across more than 40 markets. Those participating in the program receive free dedicated support from a designated local Spectrum Reach sales representative, a three-month optimized TV schedule created through Spectrum Reach's AudienceApp media planning tool and a personalized 30-second commercial to be used across their platforms. This year, the program will be expanded to also include women-owned businesses. By the end of 2022, Spectrum Reach expects to have offered support to more than 1,300 multicultural and women-owned businesses.

BETTER BROADCAST QUALITY FOR SINCLAIR

Sinclair is offering HDR content for its **Bally Sports** RSNs starting in 3Q22. The quality will be enhanced by extending the contrast and increasing the color gamut. This will be enabled by **SL-HDR1**, which is part of the **ATSC NextGen Broadcast** standard. Because SL-HDR1 allows producers to deliver a single video stream to display devices, newer devices will automatically render the HDR picture format while legacy devices will display the standard format.

CARTOON NETWORK PUSHES CLIMATE INITIATIVE

Cartoon Network expanded its “Climate Champions” campaign geared toward giving kids resources to combat climate change. The initiative began last year and over 95,000 kids signed up so far. Cartoon Network will also roll out a dedicated page on its website with games, challenges and videos focusing on activism, art and science.

XANDR GETS NEW STRUCTURE

Xandr unveiled a revamped standardized data framework in collaboration with data providers such as **605, Comscore, EDO** and others Thursday. The new framework enables customers to activate preferred viewership or engagement data currency for linear campaigns using Xandr's buy and sell-side TV platforms. The partnership with data providers lets Xandr evaluate and activate new currencies at a faster speed.

PROGRAMMING

Lifetime ordered three new series and acquired UK-import “Sleeping with a Killer” as it launches “Life & Crime Mondays.” “#TextMeWhenYouGetHome” is a true-

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crime docuseries where each episode follows cases of abducted, harmed or murdered women that premieres June 6 at 9pm. “Phrogging: Hiding in my House” explores people secretly living in someone else’s house and “Meet Marry Murder” looks at stories where a spouse kills their partner. Both shows will debut in the summer.

-- Four-episode series “Hungry for Answers” will premiere June 8 on **discovery+**. The series follows *Caroline Randall Williams* as she travels the country to learn more about Black food in America. -- “The Old Man” starring *Jeff Bridges* will premiere the first two episodes of its new season June 16 at 10pm on **FX** and stream on **Hulu** the following day. The series will be available on **Star+** in Latin America and **Disney+** in all other territories soon.

-- Four-part documentary “Menu: Forever Young” will debut all episodes June 23 on **HBO Max**. -- **AMC Networks** greenlit “Straight Man,” which will have an eight-episode first season and premiere in 2023. -- **Nickelodeon** will unveil a new installment of “Nick News” on Wednesday at 7pm centered on a group of kids who are rising above the challenges in their life to form better futures. Groups to be featured include Girl Scout Troop 6000 and children whose families were forced to relocate to Lviv to escape the war in other parts of Ukraine.

PEOPLE

Christina Schelling is joining **Verizon** as SVP of Talent and Diversity, effective May 2. She’ll lead the company’s DEI, talent acquisition, learning and development, career planning and leadership programs. Schelling was previously Head of HR for Global Corporate Functions at Estée Lauder.

-- **TelevisaUnivision** appointed *Rita Herring* as SVP of International Distribution. She’ll report to President, Global Platform Strategy and Revenue *Michael Schwimmer*. Herring will lead pay TV distribution for linear networks for all markets outside of the U.S. and the distribution of streamer **ViX** to MVPDs.

CABLEFAX DASHBOARD

Twitter Hits

Ed Markey @SenMarkey

This is a win in our fight for [#netneutrality](#) but all states deserve a free and open internet. We need [Gigi Sohn](#) - President Biden’s nominee for the FCC - confirmed ASAP to advance access, affordability, and equity in our digital future.



readers.com
U.S. appeals court will not reconsider California net neutrality ruling
A U.S. Court of Appeals on Wednesday said it will not reconsider its decision in January to uphold California’s net neutrality law.

Stephen @GoldBytes

[#CNNPlus](#)

How it started. How it’s going.



Gary Shapiro @GaryShapiro

CTA member [@Walgreens](#) has launched delivery drones in Dallas-Forth Worth, Texas. Exciting work!



emergingtechbrew.com
Wing brings its ‘store-to-door’ model to the US with Dallas-Fort Worth deliveries

Research

- (Source: [Comcast Business 2021 DDoS Threat Report](#))
- > 69% of Comcast Business customers experienced DDoS attacks in 2021, a 41% increase from 2020.
 - > 99% of customers experienced repeat attacks, while the largest and most severe attack was delivered at a rate of 242 Gbps.
 - > Attacks on information technology customers grew steadily, ending the year at 10 times the January numbers.
 - > Multi-vector DDoS attacks targeting Layers 3, 4 and 7 simultaneously represent a 47% increase from 2020.

Up Ahead

- APRIL 23-27:** [NAB Show](#), Las Vegas
- APRIL 24-26:** [NTCA Legislative + Policy Conference](#); Washington, DC
- APRIL 28:** [Interactive Case Competition Meet the Judges Webinar](#)
- MAY 6:** [Free State Foundation 14th Annual Policy Conference](#); Washington, DC
- MAY 6:** [The WICT Network Rocky Mountain Chapter’s Walk of Fame](#); Aurora, CO
- MAY 6:** [Cablefax Regional Rainmakers Entry Deadline](#)

Quotable

“We were thoughtful about making sure that we give customers enough flexibility, but we don’t want to see rampant abuse... there were a lot of things and features built into the product that are consistent with the user agreement that has terms and conditions of how they can and can’t be used. We’ve enforced them obviously in a way that I think has been customer-sensitive. You don’t see anybody complaining massively about it. We actively in any given month are looking at how particular users are using the product and have features and capabilities technically to limit what I would call rampant abuse. I would tell you that I think that’s the right way for the industry to be managed. Maybe some are going to adjust practices and approaches overtime to try to get their arms around that, but I don’t think it is the broadband providers’ role in making that happen. I think it is the owner of the application’s role in making that happen.” – **AT&T CEO John Stankey on the 1Q22 earnings call talking combatting password sharing on HBO Max**