

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Giddyup: Net Neutrality Merry-Go-Round Back in Action

Title II proponents are hoping they can stir up the net neutrality supporters again, holding a virtual press conference Thursday where they tossed around words like “blocking” and “big cable.” It remains to be seen if they can regain the grassroots support of several years ago. Social media on Thursday certainly wasn’t filled with the flood of net neutrality hashtags or major website blackouts of years past, but Sen *Ed Markey* (D-MA) is appealing directly to the public, hosting an AMA on **Reddit** later in the day.

“Twenty years into an increasingly stale debate over net neutrality, the justifications for it seem increasingly limp. The breathless assertions over the years that the internet is gravely threatened because ISPs would block or throttle traffic and erect toll booths to charge internet companies to reach consumers have proven hollow and unrealized,” **NCTA** President/CEO *Michael Powell* said in a statement. He said claims that providers wouldn’t invest in networks without stronger net neutrality rules is shot down by ISPs’ expansion to gigabit networks and wireless’ move to 5G.

“The case is particularly thin to justify the famed ‘nuclear option’ to reclassify carriers under Title II utility regulation which empowers the **FCC** with the authority to go big on new regulation. In the wake of the once-in-a-lifetime infrastructure bill, we need to be focused collectively on closing the digital divide and not taking a ride on the net neutrality carousel for

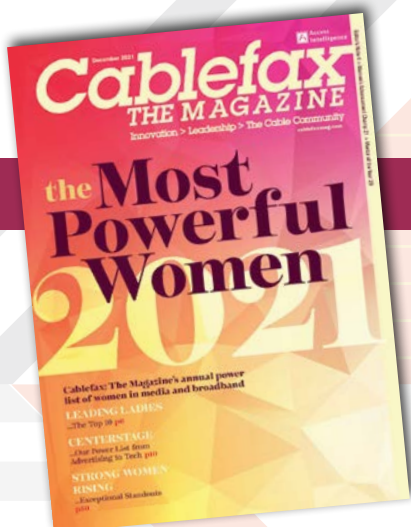
the umpteenth time for no discernible reason,” Powell said.

Markey said he introduced his bill Thursday to classify broadband under Title II to “undo damaging *Trump* FCC legislation.” When *Ajit Pai* became FCC chairman in 2017, he approved the Restoring Internet Freedom order, which reversed a 2015 Commission order and returned broadband internet service to its prior classification as an information service.

“Along comes the Trump administration to reverse net neutrality and put Big Cable in charge. What does Big Cable want? Instead of that treat-everybody-the-same fair shake after you pay your internet access, Big Cable just wants the typical person to be part of a regime where they pay and then pay again, and then pay again for the kinds of services that the big guys with the deep pockets are in a position to get with considerable ease,” said bill co-sponsor *Ron Wyden* (D-OR). He went on to trot out the oft-cited [example](#) of **Verizon** throttling data of firefighters in California in 2018.

Current FCC Chairman *Jessica Rosenworcel* has said she will take up the issue of Title II, but has been hampered by the lack of a fifth commissioner to break a 2-2 deadlock. Markey said the legislation, which also has the support Rep *Doris Matsui* (D-CA), isn’t being introduced because of the lack of FCC action. “We want the FCC to act, and we need *Gigi Sohn* confirmed as soon as possible, but Congress should act as well. It’s a two-front effort in order to ensure that net neutrality is put back on the books.”

How does the Net Neutrality and Broadband Justice Act differ



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from previous legislative efforts? “It’s new and different legislation, but it’s consistent with [the FCC’s 2015 open internet order]. The new bill would restore FCC authority to take action when necessary in dealing with broadband abuse, allowing the Commission to not only ban discriminatory practices by putting net neutrality rules back on the books, but also to use it to authority to promote consumer protection, public safety and accessibility,” Markey said. “The legislation is not going to walk the FCC into its 2015 posture, but instead provide appropriate authority for the FCC to reinstate net neutrality and enact policies that reflect the changing nature of the internet in 2022.” Markey claims it’s necessary to keep start-ups from not being shoved into so-called “online slow lanes” and to ensure that users can use social media to “tell their personal stories about reproductive health, gun violence and climate change and have their voices heard so that they can organize peaceful protests.”

The recent Supreme Court EPA decision has raised questions over whether it will limit the FCC’s regulatory authority, but Markey isn’t concerned, saying Justice *Clarence Thomas* himself has said the agency has the authority to classify and regulate broadband.

COMCAST FLAT ON BROADBAND

It’s all quiet on the broadband front for **Comcast**. The operator posted flat broadband subscriber additions for 2Q22, with 10,000 losses on the residential side and 10,000 new subs in its business division. Comcast Chair/CEO *Brian Roberts* attributed the figure to churn levels that remain well below those seen in 2019 and a drop in the connect activity that’s

typical for the operator in the second quarter. Move activity was 12% lower than 2019 in the second quarter, marking the lowest Comcast had experienced since the start of the pandemic. Other contributing factors were a return to typical seasonality and increased seasonal disconnects as well as increased competition. Some of that competition is coming from fiber, but Comcast is keeping a much closer eye on fixed wireless than it has in the past. It has reason to be on edge.

T-Mobile reported fixed wireless growth of 560,000 net additions Wednesday, and **Verizon** had 256,000 of its own when it reported earnings last week. Roberts is of the mind that an excess of capacity in wireless networks has created a temporary opportunity for those companies to attract customers that want a cheaper internet option. He said fixed wireless providers have been able to really win over small businesses, not just in rural areas, but everywhere. But Comcast leadership is sure wireless entrants will hit a wall when it comes to what they’ll be able to offer their customers long-term. These trends have largely continued into the early parts of the third quarter, leading to a quarter-to-date loss of roughly 30,000 customers. “We believe fixed wireless has inherent performance and capacity limitations that sharply limit the number of people on a network using a given amount of spectrum, which should provide a natural cap on their overall industry penetration,” Roberts said. **Comcast Cable** CEO *Dave Watson* added that the company isn’t dramatically shifting its approach to pricing or promotions in order to boost sub numbers in the competitive environment. Instead, it will segment the marketplace as it always has and aim to win the long game. **MoffettNathanson**



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has a slightly different take on what's happening, arguing in a Thursday note that the deceleration in broadband looks to be primarily a function of encroaching saturation that has been exacerbated by factors like the slowdowns in new household formation, not share loss to competitors.

WIRELESS HOT FOR COMCAST, PEACOCK NOT

While the broadband division may have decided to sit this quarter out, **Xfinity Mobile** continues to be a home run for **Comcast's** bottom line. It added 317,000 customers in the quarter and has grown incremental revenue by more than \$700 million in the past 12 months. There's still plenty of runway in the business as penetration only sits at 8% of Comcast's residential broadband customers. Wireless revenue grew 30% thanks to growth in customer lines and the addition of 1.2 million lines YOY. Overall revenue at Comcast grew 5.1% to \$30 billion with adjusted EBITDA rising 10% to \$9.8 billion. Cable revenue increased 3.7% to \$16.6 billion thanks to broadband business services, wireless and advertising revenue partially offset by lower video and voice revenue. Customer relationships are up 591,000 YOY, but down 28,000 sequentially. Video revenue declined 2.4% due to 521,000 net sub losses in the quarter. It was partially offset by the 7% ARPU growth that came due to a residential rate increase at the start of 2022. Programming expenses fell 1.6% due to a drop in video customers and higher contractual rates. Distribution revenue rose 8.4% due to a bump in paid subscribers and growth at **NBCU** linear networks. For the second quarter, **Peacock** stayed relatively flat, ending the second quarter with 27 million monthly active accounts and 13 million paid subscribers in the U.S. The hope is that the service will get a boost this fall when it takes back next-day broadcast rights from **Hulu** for NBC shows.

SEMICONDUCTOR MARKET GETTING A BOOST

The House voted 243-187 Thursday to pass legislation that would dedicate \$280 billion to boosting the domestic semiconductor industry. The legislation passed the Senate on Wednesday and is now headed to President *Biden's* desk. The Chips and Science Act of 2022 includes funding allocations to assist with the construction and expansion of manufacturing facilities that produce semiconductors, research and development for emerging technologies and tax credits to encourage companies to commit to chip manufacturing.

T-MOBILE TOPS J.D. POWER RANKINGS

T-Mobile stood on top among MNOs in volume two of J.D. Power's 2022 U.S. Wireless Customer Care Study. The study was based on 15,986 customers who contacted their respective carrier's customer care department from the past three months, and scores were recorded on a 1,000-point scale. T-Mobile checked in at 816, followed by **Verizon** with 784 and **AT&T** at 782. For MVNOs, Cricket came first with a score of 824, with T-Mobile's **Metro** (819), **Spectrum Mobile** (805), **Xfinity Mobile** (799) and **Boost** (788) following behind.

AUTON, ANYWAVE TEST BROADCAST INTERNET

Auton, a provider developing a mobile broadcast internet network platform, and digital TV technology developer **Anywave** launched

a broadcast internet trial in Bend, Oregon. **Auton's** broadcasting partner **WatchTV** developed a collection of ATSC 3.0-powered stations to determine the capabilities of NextGen TV for fixed and mobile apps. The test network is free of commercial traffic and includes two Anywave low-powered TV service transmission sites. Broadcast internet will reduce the cost of internet streaming and runs as a complement to ISPs without relying on them.

VERIZON DISNEY DEAL

Verizon is offering customers six months of **Disney+** to customers when they activate or upgrade to prepaid unlimited plans. Those plans start at \$65/month for unlimited talk, text and data, and customers can save \$5/month after three months of service and an additional \$5 after nine months.

PROGRAMMING

Hulu and **HBO Max** will share the streaming rights to the comedy series "Abbott Elementary." Starting on Aug. 20, HBO Max subscribers will have access to Season 1. Season 2 premieres Sept. 21 at 9pm on ABC. – Season 2 of **HBO's** "Los Espookys" will premiere Sept. 16 at 11pm and will be available to stream on **HBO Max**. The upcoming season contains six episodes. – "V/H/S/99" will premiere on **AMC Networks' Shudder** on Oct. 20 in North America, the U.K., Ireland, Australia and New Zealand. – **BBC America's** "Africa's Wild Year" will debut Aug. 6 at 8pm on **BBCA** and **AMC+**. – **HGTV** picked up another season of house-flipping series "Fix My Flip." Season 1 garnered over 15 million viewers. – **AMC Networks** renewed "Moonhaven" for a second season to appear on **AMC+**. The new season will debut in 2023 and have six episodes.

PEOPLE

Warner Bros. Discovery named *Asif Sadiq* as Chief Global Diversity, Equity and Inclusion Officer, reporting to CEO *David Zaslav*. He'll manage the company's DE&I strategy and expand on existing initiatives, while also serving as chairman of WBD's Business Diversity Council. Sadiq was head of DE&I for WarnerMedia pre-merger and also spent time at Adidas, Telegraph Media Group and the City of London Police. – *Preman Narayanan* was named VP of Ad Operations and Information Services at **Hearst Television**. In this role, he'll oversee linear and digital ad operations and business operation departments, as well as helping set the strategic direction of the company's ad tech. Narayanan joins from **Comcast's** ad sales division **Effectv**.

HONORS

ACA Connects used its member meeting at the **Independent Show** to present several awards, including naming **Vexus Fiber** President CEO *Jim Gleason* as the recipient of the ACAC Eagle Award for outstanding contributions to independent cable operators. **Astound Broadband** EVP & CAO *John Gdovin* was recognized with the PAC Leadership/Company honor, while **All West Communications' Marty Carollo** received the Lyn Simpson Grassroots Spirit Award. **OpenVault** CEO *Mark Trudeau* received the ACAC Partnership Award, while **Cable One** COO *Mike Bowker* and *Pat Thompson*, President of **Pat Thompson Co**, received the Rob Shema Servant Leadership Award.

PROGRAMMER'S PAGE

Theories Explored in MH370 Documentary

On March 8, 2014, 239 people were aboard Malaysian Airlines Flight 370. The plane took off from Kuala Lumpur International Airport and headed for Beijing, but what happened during the flight remains one of the biggest mysteries in aviation history. “MH370: Mystery of the Lost Flight” premiered Tuesday on **History Channel** and investigates the plane that vanished in the South China Sea and remains unfound to this day. The documentary doesn’t seek to find a singular answer to the question of “What happened?” but rather present the perspective of the passengers’ relatives and the various theories that have come about. “It’s as raw today, to a lot of them, as it was almost in the weeks after it happened,” series producer *Steve Webb* told **Cablefax**. “They’ve never had a body physical body that they can bury and a place they can go to put a bunch of flowers. And so there was a great sensitivity when we spoke to and dealt with any of the people.” When the documentary conducted interviews, Webb said it took up to 10 calls and a long “research call” with subjects to best determine what would be said, how it would be delivered and if there needed to be an added layer of delicacy to account for trauma. When it came to the documentary itself, the crew wanted to include new findings such as when a former lawyer found bits of the plane’s wreckage after doing his own research alongside oceanography experts. But it wasn’t just specialists who were probing the details—the relatives themselves have taken matters into their own hands. “What I thought was fascinating was how in the light of no answers, a group of relatives came together, and they said, ‘OK, no one’s telling us anything, so we’re going to have to do the investigating ourselves,’” Webb said. While curiosity continues to fuel interest in the plane’s disappearance, Webb emphasized the fact many lost their loved ones on this flight, and some will never stop in the pursuit of an answer. – *Noah Ziegler*

REVIEWS

“The Last Movie Stars,” streaming on **HBO Max**. In many cases, we urge viewers to jump into a series mid-stream, eschewing the desire to start at the beginning. With this informative, sometimes intense, 6-part doc-radio play-Zoom-conversation hybrid that advice goes south. No, we’d urge viewers begin at the start. That’s when COVID-ly disheveled *Ethan Hawke* begins the proceedings, staging a Zoom call with “friends,” including *George Clooney*, *Billy Crudup*, *Laura Linney*, *Oscar Issac*, *Sally Field*, *Vincent D’Onofrio*, *Sam Rockwell*, *Karen Allen* and *LaTanya Richardson Jackson*. Hawke has assembled the group for a read-through. But that’s not the full story. The ‘script’ they’ll read actually is a series of transcripts that the late Paul Newman collected of interviews with actors, directors and producers. The interviews, originally put on cassettes, were source material for an autobiography that went unfinished at Newman’s death, in 2008. For some reason, Newman burned the tapes. Yet transcripts survive. Hawke has them, courtesy of children of Newman and second wife, actor *Joanne Woodward*, 92. They’ve tasked Hawke with helming a doc about their parents. Clooney’s reading Newman, Linney’s doing Woodward. Anyone interested in Hollywood will devour this series. Our hope: **TCM**, **HBO**, do the legwork for us, assemble films discussed in this doc series. Film-buff/Newman fan Hawke does marvelously meticulous work telling a complex, fascinating story. – *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(07/18/22-07/24/22)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	0.702	2185
MSNBC	0.531	1654
ESPN	0.380	1183
CNN	0.321	999
HALL	0.311	970
HGTV	0.295	919
TLC	0.282	878
TBSC	0.259	806
INSP	0.245	762
DISC	0.230	716
USA	0.227	708
HIST	0.213	665
FOOD	0.206	643
LIFE	0.184	572
TVLAND	0.171	534
ID	0.160	499
WETV	0.136	425
BRAVO	0.135	421
A&E	0.133	415
GSN	0.129	403
TNT	0.129	402
BET	0.125	388
REELZ	0.122	380
NATGEO	0.116	361
SYFY	0.109	339
FX	0.105	326
HMM	0.103	319
TRAVEL	0.100	312
AMC	0.100	311
OXY	0.091	285
APL	0.088	273
PRMNT	0.086	268
FETV	0.086	267
COM	0.084	263
SUND	0.079	247

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