

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Steady Eddie: Charter Wins in Broadband, Wants Flexibility

Charter stunned Friday with news that it added 105,000 residential and SMB internet customers in 4Q22. While much lower than the massive gains operators experienced in the heart of the COVID-19 pandemic, these levels are giving Charter hope of a return to some level of normalcy.

SVB MoffettNathanson believes the gap between **Comcast's** "approximately-zero" growth in the quarter and Charter's markedly better growth is largely attributable to Charter's faster pace of growth in its broadband passings. "Charter targeted faster rural edge-outs and participation in rural subsidy programs well before Comcast did (although Comcast is now singing essentially the same song, and we expect the two will eventually look more alike than different on this score)," the firm said in a note following Charter's 4Q22 earnings call. Charter constructed more than 200,000 new rural passings in 2022 and penetration of passings open at least six months sits at approximately 40%.

Notably, this was the first quarter where Charter leadership said they might have seen a competitive impact from offerings like fixed wireless. CEO *Chris Winfrey* said on the call Charter had not seen any demonstrable impact on its churn as it relates to fixed wireless in the past, but when some pricing actions were taken in December, it saw for the first time a very limited impact on its voluntary churn in its non-gigabit overlap markets and in its MDU footprint.

"Maybe it was just a blip, but there's two linings to that one. For the first time, we saw a small amount of churn related to that, and the flip side is those customers tend to be very mobile, if you will," he said. "But I think, given the experience of that product, it even more so argues for the return of them coming back to a proper broadband product with or without convergence. So that's just food for thought."

Wireless was no slouch, blowing expectations from Wall Street out of the water with 615,000 residential and SMB line adds in the quarter. At year's end, the operator served a total of 5.3 million mobile lines. In video, the operator bled 145,000 subscribers and Charter has begun thinking differently about what content it needs to carry as part of its television packages. It is more indifferent about carriage of certain content that is now being offered at increasing prices when that content is available at cheaper rates in other places, like streaming services, or even for free.

"The two biggest issues inside of the content category continue to be retrans, over-the-air content which we're forced to pass on at a significant cost to our customers, and the development of sports," Winfrey noted. "The other channels are important and fit into what I was just describing, but those are the two biggest drivers of cost increases to consumers."

Charter has been finding success with selling video packages with smaller channel lineups, which is a win for both programmers and it as a distributor. Charter believes in that

Corporate Licenses

Cablefax Daily

WHAT THE INDUSTRY READS FIRST.

Get reduced subscription rates for multiple readers in your organization.

Find out more! Contact Client Services at ClientServices@accessintel.com

www.cablefax.com



package flexibility moving forward, but its existing contracts with programmers can prevent it from moving forward at the speed or pace it might like.

“We still have limitations on what we can do contractually, but we’ve been moving within those limitations as we renew contracts. The industry is structurally in a bad place from a video perspective and they’ve got a really high-priced, fat package with everything in it, and there are a lot of content companies whose pricing is a lot less and, if separated out from that package, can create a lot of value for consumers,” Executive Chairman *Tom Rutledge* said. “It’s still structured in a way that continues to make video an expensive product for most consumers.”

Revenue in 4Q22 was \$13.7 billion, up 3.5% YOY thanks to growth in mobile, advertising sales and commercial revenue growth. Charter has also reached a tentative settlement with the plaintiffs in a Texas suit filed by the family of an 83-year-old woman who had been murdered by a Charter technician. The jury initially awarded \$7 billion in punitive charges along with \$337 million in compensatory damages, but earlier this month, the plaintiffs filed a notice of remittitur with the court to reduce the judgment to \$262 million. Since then, Charter has negotiated a tentative settlement with the plaintiffs for a substantially lower amount that puts the damages within its insurance coverage range.

CHIME TV STEPS UP

It has been less than a week since English-language Asian American Pacific Islander entertainment network **ChimeTV** launched, but it is moving quickly to serve its community

during a time of need. In the wake of the mass shooting in Monterey Park, California, ChimeTV has pulled together a production crew to produce a special edition of “Owning A Piece of America” hosted by network founder *Faith Bautista*. It premieres Saturday at 12pm ET.

RATINGS

The second episode of **Hallmark Channel**’s original series “The Way Home” became the most-watched program on Sunday on an L+3 basis. The show helped Hallmark be the top entertainment cable net of the week in primetime among Households and W18+, while also being the top entertainment cable net in weekend total day among households, W18+, total viewers and W25-54. To date, the season has reached 3.5 million unduplicated viewers.

VERIZON FEELS THE LOVE

With Valentine’s Day around the corner, **Verizon** is giving customers deals on select phones, smartwatches and more. Customers who purchase an iPhone 14 Pro with certain phone trade-ins and 5G unlimited plans will also get an Apple Watch Series 7. Those who buy the recently released Apple Watch Series 8 can get an additional one at half price, while also receiving Apple Fitness+ for free for three months. For gamers, they can get the Astro Gaming A50 headset and get 50% off an A10 headset with free two-day shipping. More information on different deals can be found [here](#).

ON THE CIRCUIT

U.S. Treasury’s Capital Projects Fund Director *Joseph Wender* will speak at **ACA Connects**’ 30th Anniversary Summit on March 1 during the public policy forum. Wender, who was

Help Save Lives. Donate Blood.

Schedule at RedCrossBlood.org



American Red Cross

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | VP/Group Publisher, Cablefax and Synopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com | Managing Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Associate Editor: Noah Ziegler, 301.354.1704, nziegler@accessintel.com | Director of Business Development, Cablefax: Ellen Kamhi, 917.626.5574, ekamhi@accessintel.com | Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com | Production Manager: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: \$1,799.00/year | Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

previously Senior Policy Advisor and Legislative Director for Sen. Ed Markey (D-MA), will focus on his department's progress in extending broadband connectivity to all Americans. The Summit will begin Feb. 28 and wrap up on March 3.

DOING GOOD

Sinclair is now taking applications for its annual Diversity Scholarship for the 2023-24 school year. The scholarship was created in 2013 to help students from diverse backgrounds complete their education and pursue careers in broadcast journalism, digital storytelling and marketing. Since then, it has given over \$250,000 in tuition assistance. To [apply](#), you must be a current college sophomore or junior at an accredited four-year college or university in the U.S. The deadline for submissions is April 30.

PROGRAMMING

Following the success of its first two episodes, **HBO's** "The Last of Us" has been renewed for a second season. Episode 1 currently has over 22 million viewers in the U.S., with the second episode reaching 5.7 million viewers across **HBO Max** and linear telecasts. – Season 4 of **WE tv's** "Life After Lockup" will return Feb. 24 at 9pm, also available on **ALLBLK**. The season will span 10 episodes as the show follows former inmates and their significant others as they navigate post-prison life. – Former White House correspondent for **Fox Business Network** *Blake Burman* is heading to **News-Nation** to be Chief Washington DC Correspondent. Burman previously covered the 2016 presidential election for FBN before shifting to the White House beat in 2017. – A new season of **Discovery Channel's** "Naked and Afraid" will begin Feb. 19 at 8pm and be available to stream the same day on **discovery+**. – Season 4 of HBO's drama series "Succession" will begin March 26 at 9pm. The show will be available to stream on HBO Max. – **HGTV's** docuseries on Tarek and Heather Rae El Moussa "The Flipping El Moussas" will premiere March 2 at 8pm. It'll be available to stream the same day on **discovery+**.

CABLEFAX DASHBOARD

Twitter Hits

Public Knowledge @publicknowledge

In the words of Doc Brown, "the future is what you make it." @katmburke's new paper explores what we can learn from the SPTF's report and how policymakers can move towards a brighter wireless future. Read here!
publicknowledge.org/back2spectrum

Shannon Leigh Keenan @shannonleightk

Guys - I've worked in entertainment for YEARS, and today I got a @nielsen survey in the mail. They do exist. 🐦

The WICT Network: Rocky Mountain @WICTRM

Save the date for #WICTRM Industry Kick-Off event on 2/23 from 5:30 p.m. - 8 p.m.!

Learn more about @scte, @m_t_c_tweets, @NAMICNational, @AdaptiveSpirit, @TheCableCenter & #WICTRM and the benefits we provide while also celebrating the #cable industry.

wictrm.org/events/2023-me...

Research

(Source: [Omdia](#))

- FAST channel revenue grew almost 20 times between 2019 and 2022, and is set to triple between 2022 and 2027 to \$12 billion.
- More than 1,500 FAST channels are already available in the U.S.
- The U.S. accounts for approximately 90% of the global FAST channel market at just under \$4 billion in 2022. Much of the growth over the next several years will occur outside of the U.S.
- The top five FAST markets in 2027 are expected to be, in order, the U.S., the U.K., Canada, Germany and Brazil.

Up Ahead

- FEBRUARY 7:** [Regional Fiber Connect](#); Raleigh, NC
- FEBRUARY 28-MARCH 3:** [ACA Connects Summit](#); DC
- MARCH 13-16:** [Satellite 2023](#); DC
- MARCH 28:** [Free State Foundation's Fifteenth Annual Policy Conference](#); DC

Quotable

"I don't want to amend it. I want to just keep it as it is... I think it's basically a football for both parties to hold hostage in exchange for what they want, which is more favorable treatment from platforms with their speech preferences... The fact is Section 230 provides incentives for content moderation today. So all the objectives that Democrats have, I believe, with respect to wanting platforms to moderate content are actually encouraged by Section 230... The fact is if 230 went away, platforms would have a choice between being Disneyland, a very sanitized environment, or a wasteland to moderate nothing... We have a war between the parties over political speech online and Section 230 gets held as hostage. I don't really think they're genuine attempts to reform 230." – **Chamber of Progress Founder/CEO Adam Kovacevich at an ITIF webinar discussing whether Congress should reform Section 230**