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WHAT THE INDUSTRY READS FIRST

Broadband Briefing: WEC Day 2 Dissects Competition, Pressures

Day 1 of **NCTC's** 2025 Winter Educational Conference placed a heavy emphasis on the technological opportunities that lie ahead for broadband providers, but the focus pivoted to the present for the final day of WEC.

Tuesday morning's chatter resembled a status report on what's been transpiring in the industry, the trends that exist and what can be done for companies to succeed in a competitive landscape. Fittingly, **MoffettNathanson** Senior Managing Director *Craig Moffett* was in Atlanta to deliver the broadband briefing, detailing the "peak pessimism" that surrounds the industry and why that sentiment could dwindle in the coming years.

That's not to say everything will be flowers and sunshine. Different sectors of broadband are still ripe with competition, but the growth of broadband technologies has plateaued in recent years across the board. FWA, for example, saw total quarterly net additions jump from 308,000 to 823,000 between 4Q21 and 2Q22, but that's since remained relatively flat despite hovering in the mid- to high-900,000 range.

"It's not just cable that's slowing down, it's everything that's slowing down ... It may not feel like it yet, but take my word for it: the pressure from FWA is getting less instead of better," Moffett said during his keynote.

His reasoning leans on the types of deals companies are offering to get customers to sign up for fixed wireless plans. Moffett referred to **T-Mobile's** offer for folks to get a free TV when they sign

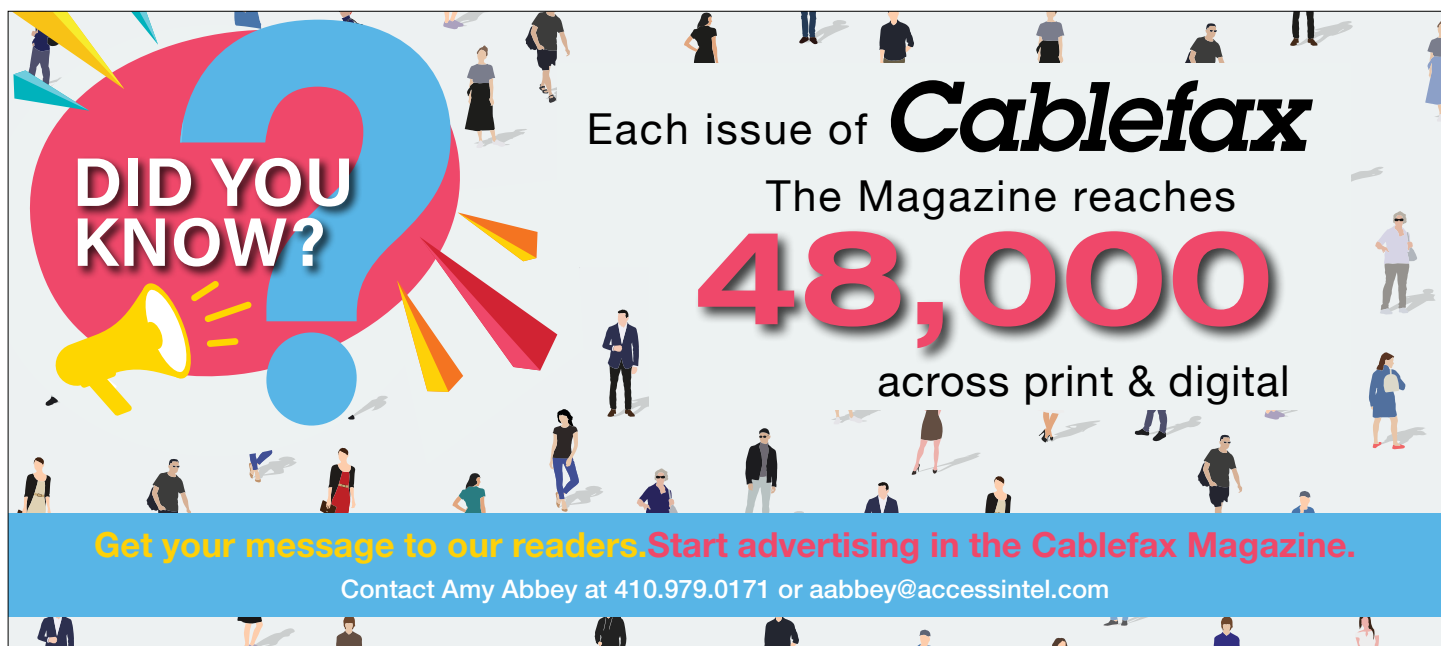
up for T-Mobile 5G Home Internet online.

"Ask yourself, 'if I were selling a product that was capacity-constrained and there [were] huge amounts of demand, would I keep increasing the incentives to get people to take it?' Probably not," he said. "I think the evidence suggests that they are starting to struggle a little bit to match supply and demand."

Starlink is another company dealing with capacity concerns. Those are amplified considering the more significant role Starlink is set to have in BEAD under the new administration, but also with some areas such as the Pacific Northwest being intermittently closed to new subscribers due to capacity limits. Even if Starlink were to deploy a full constellation of Gen1 and Gen2 satellites, it'd only allow them to serve low-single-digit millions of U.S. broadband households. That doesn't take into account the number of global customers the service is responsible for.

Fiber is still primed to be a prominent competitive threat over the next couple of years, according to Moffett, even though it's had growth decelerated recently as well. The problem plaguing fiber is the diminishing number of high-density areas folks can build to while a plethora of low-density communities remain available. The cost per mile may stay the same, but materials, construction and labor costs increase when building to low-density areas.

But competing technologies aren't as scary as they may seem. *Nomi Bergman*, Senior Leader for **Advance Venture Partners**, thinks of FWA less as a competitor and more as something companies should look to embrace in their infrastructure opportunistically. During a panel, she said customers just want to be



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connected around the clock and don't pay mind to how they're connected, similar to how TV Everywhere provided folks a different way to consume video.

"The cable industry spends quite a lot installing and maintaining drops. If we redirected some of that spend—in some areas—on a wireless drop architecture, what would that look like? What would the customer experience be? What would it mean for our installation, maintenance, delivery and cost?" she told **CFX**.

One possibility is that cable companies enter partnerships with satellite broadband companies to serve as a complement to connectivity offerings. **NCTC** CEO *Lou Borrelli* said that was the natural cycle of some collaborations—starting as competitors and eventually assessing if there are partnership opportunities to consider. However, the industry isn't quite there yet for cable-satellite broadband partnerships to become more widespread.

That doesn't mean some haven't already ushered in such relationships. **Astound Broadband** CEO *Jim Holanda* said commercial represented 6% of revenue when the formerly named **RCN** went private 15 years ago. Today, it takes up 26% of Astound's revenue, primarily due to the company's wholesale partnership business. Astound is the largest provider of bandwidth to **Hughesnet** in its uplink facility in West Texas in addition to selling bandwidth to MDU providers and being in three Starlink facilities, which he admitted potentially enables a competitor in more rural parts of Astound's network.

"There are always those trade-offs that you have to make," Holanda said. "I think level-headed business decisions [are important], and in some of these cases, the competitors are going to find their bandwidth from somewhere, right? And if it's not you, then it's going to be your competitor. So why not embrace this world?"

WHO WINS THE CONVERGENCE 500?

Cable might be in pole position to win in convergence from the viewpoint of **MoffettNathanson** Senior Managing Director *Craig Moffett*. During his keynote at **NCTC**'s Winter Educational conference, he used **AT&T** to show convergence's potential impact on market share. In 4Q21, AT&T's wireless market share in "unaffected" areas is around 29% of wireless subs in the U.S. That same quarter saw 2.1 million of its 6 million fiber customers also take wireless (or 35%), adding six points of extra market share in places where AT&T had fiber. While correlation doesn't equal causation and that increased share could be in part because of AT&T having higher recognition in places where it provides broadband, market share has continued to climb as it offers more converged bundles to customers. For **Astound Broadband**, adding an MVNO solution was "a game changer" according to CEO *Jim Holanda*. In a panel, he said the company noticed its young and urban renter demographic in the Boston area wasn't leaning into its value proposition of higher

speeds and lower costs. As Astound crunched the numbers, it discovered younger demographics aren't afraid to switch mobile carriers, prompting the company to make the leap. Holanda said it was difficult to get broadband customers to open up to the idea of adding mobile to their plans, adding that the process was done "very sloppily and difficultly." But the company knew where it wanted to be and ultimately landed at its mobile-fueled destination. "We've been launched for a year and a half. It took us about nine months to get our feet under us and to get awareness out there and customer acceptance out there, but once we hit our stride, which was just shy of a year ago, it's been wonderful. And you see all of the market shifts start to happen because we now have that converged, competitive platform not only against **Comcast** and **Charter** but against AT&T and **Verizon**," Holanda said.

PREDICTING 2035

WEC Attendees know very well there's an endless amount of scenarios that could unfold by the time next year's conference rolls around, but **NCTC** CEO *Lou Borrelli* wanted to pass panelists the crystal ball for their predictions for the future. **MoffettNathanson**'s *Craig Moffett* thinks fiber overbuilding and FWA's respective cycles will be over, but the overall broadband market will be a stable business. In wireless, cable will have established itself as one of the big four mobile in any given market alongside **AT&T**, **T-Mobile** and **Verizon**. "I think one of the really interesting questions is, will video have made a comeback by then? And will cable operators be back to being video distributors in a model that is probably a fully IP-distributed model, but where they're actually video resellers again in a more significant way," he said. Borrelli quickly jumped in to reassure Moffett (and the crowd) that there are still plenty of video distributors out there. **Astound Broadband** chief *Jim Holanda* echoed Moffett's analysis. "It's hard not to agree with someone who's been this right for this long," he said. But previously in the panel, he floated the notion of "frenemies combining in the M&A market" having a higher likelihood of occurring under a new administration. "It's already starting to happen in various ways, shapes or form, but I think that's a potential catalyst as well in terms of overall valuation, not only for the public cable markets but for the telecom as well," Holanda said.

FOX SVOD NOT COMPETING WITH STREAMING BEHEMOTHS

Fox CFO *Steve Tomsic* dove deeper into the company's streaming strategy during an appearance at the Barclays Communications and Content Symposium Tuesday, saying the company's product isn't meant to take down the hyper-scaled general entertainment subscription offerings. Instead, it is about offering another alterna-

tive to consumers living outside the bundle environment. "It also needs to be seen in the context of distributors at the moment looking to modernize and be a bit more progressive with how they bundle networks and how they bundle SVOD services with core networks," he said. "Our thesis hasn't changed. We're not trying to chase the SVOD dream that **Netflix** and **Disney** and **Peacock** and **Paramount+** are all chasing." He also spoke to today's fractured sports rights environment, saying few sports fans are single sport fans. He also noted that at a point, price points of each individual app escalate to a point where there's no reason for those individuals to not buy the traditional bundle. Under that belief system, the streaming service shouldn't encourage additional cordcutting, and Fox continues to benefit because of its strong commitment to the linear ecosystem. "Our belief is that people will actually value the bundle more and as the bundle... becomes more jacked in terms of a lower price point but with much more compelling sports and news offerings, which Fox seems to be a bedrock of, right now, we think people are going to migrate more towards that," he said.

IS FOX NEWS UNCATCHABLE?

It wasn't even close. **Fox News** was the king of cable for February, delivering 3.1 million viewers in prime and 2 million in total day. **ESPN**, the month's second-place prime finisher, notched less than half that (1.4 million), while total day runner-up **MSNBC** only nabbed 638,000 viewers. And that ain't all. The debut of new Fox News weekend program "My View with Lara Trump" even thrashed basketball on ESPN, delivering 2.4 million viewers from 9-10pm per **Nielsen**. College hoops games averaged 1.5 million total viewers, while NBA clocked in at 1.6 million. *Lara Trump's* debut was the net's most-watched 9pm ET hour on a Saturday night since breaking news of the Butler, PA, assassination attempt on *Donald Trump* in July. The 13 most-watched cable news programs of the month belonged to Fox News, with "The Five" in the No. 1 spot with 4.7 million viewers. MSNBC's "Rachel Maddow," which has returned to five nights a week, came in as #14 with 1.9 million viewers.

WEC 2025 NOTEBOOK

Tuesday was the last day **NCTC** had events on the Winter Educational Conference agenda. NCTC shed light [Monday](#) on how its Broadband TV rollout is going so far and the co-op shared more details Tuesday on what it's been up to with its OTT video package. NCTC VP, Broadband & Video Services **Steve Beardslee** said it's been working with its operations and IT teams to introduce a Program Participation System to help with Broadband TV subscriber insights. NCTC also plans to host a series of member-only webinars in April to provide more information regarding the costs that come with implementing Broadband TV. **Judy Meyka**, NCTC's EVP, Programming, said the idea is to keep programming costs at a level where members can price Broadband TV at around \$20. Members can still price it however they want, but NCTC views the \$20 range as the sweet spot. - Up next on NCTC's schedule is the 2025 Independent Show it'll host with **ACA Connects** in Salt Lake

City. Scheduled for Aug. 10-13, the theme is "Reach New Heights." One might think that sounds familiar with the name of a popular podcast hosted by *Travis and Jason Kelce*. However, NCTC CEO *Lou Borrelli* said the duo wasn't expected to be in attendance. We'll still be on the lookout for a surprise appearance in SLC.

STARZ LOVES EXCLUSIVITY

Starz CEO **Jeffrey Hirsch** isn't opposed to making the network's content available on other platforms, but it ultimately doesn't grow its brand equity with consumers. He talked about that push and pull during Barclays Communications and Content Symposium, saying keeping hit shows exclusive ultimately drives subscriber growth that doesn't happen when **Starz** licenses content out to other platforms. "We've got some real life examples of "Outlander" on **Netflix**. We don't see the attribution back to Starz. People will wait for the current season to go to Netflix, they don't come to us," Hirsch said. "Keeping everything exclusive for us really works."

FCC UPDATES ON 395-B ORDER

In a letter to the Fifth Circuit Court of Appeals Monday, **FCC** Attorney-Advisor **William Scher** said there is "a live controversy" over the lawfulness of an order reinstating that broadcasters file Form 395-B, listing info about employees' race and sex. "The five-member Commission is currently composed of two members who voted for the order, and two (including the current Chairman) who voted against it. The FCC thus has no current plans to propose withdrawing or revising the order," Scher wrote in his update. The FCC order, which passed 3-2 last February, is being challenged by Christian TV and radio broadcaster **TheDove Media**. The federal appeals court has scheduled oral arguments for March 31. **Brendan Carr**, Commissioner turned Chairman, dissented at the time. He argued that collecting the data would have been OK since Congress directs it, but the FCC publishing it on a station-by-station basis goes too far and creates "a race and gender scorecard." The other update Scher provided to the court is that under Carr's leadership, the FCC no longer defends the position that theDove is barred from filing the challenge because it didn't file a petition for agency reconsideration before seeking judicial review. Scher also noted that the FCC and U.S. will no longer defend the portion of the order that updated FCC Form 395-B to include the collection of non-binary gender information due to executive order "Defending Women from Gender Ideology Extremism and Restoring Biological Truth to the Federal Government."

HONORS

The **Syndeo Institute** at The Cable Center revealed **Charter** EVP, Software Development & IT **Jake Perlman** will receive the inaugural Innovation and Intrapreneurship Award for Excellence during the **Cable Hall of Fame** celebration in NYC April 24. The award celebrates individuals and/or teams who are challenging the status quo to drive positive change in their organizations.