

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Wedding Bells: Charter, Cox Tying the Knot in \$34.5B Deal

While the gossip train whispered about the possibility of a **Comcast-Charter** combination, CEO *Chris Winfrey* and team buckled down and concentrated on a more realistic merger that should close relatively fast and bring significant synergy. Charter will pay \$34.5 billion for privately owned **Cox Communications** in the biggest cable deal since Charter closed on **Time Warner Cable** and **Bright House Networks** in 2016.

Wall Street is hoping Charter brings the same successful integration strategies to this transaction, but it's important to note that this is a very different situation. Time Warner Cable's systems needed a lot of TLC. Cox has well-run operations and it is largely through a mid-split network upgrade, with 2 Gbps internet available essentially throughout its footprint.

Indicative of how respected the Cox brand is, the combined company will take the name Cox Communications—though we suspect some of that is due to the absolute reverence **Cox Enterprises** and the Cox Family have for the name and company founder *James M. Cox*, former governor of Ohio and Franklin Roosevelt's vice-presidential running mate in 1920. **Spectrum** will be the consumer-facing brand throughout the footprint.

"We have been talking for years about the evolution of this industry and the possible partnerships that we might be a part of, but we've always preferred to remain private since Cox Communications went through our privatization transaction in 2005," Cox Enterprises CEO *Alex Taylor* said in an analyst call

Friday. "The reason this makes sense now to us is Charter has built what we believe is the best platform for success going forward as the largest investor in the cable industry. My family and our team spend a lot of time analyzing what we're seeing out there, what other people are doing, and comparing it with what we're doing. And Charter has really impressed us, above all others, with the way they have spent capital."

Taylor said that includes the \$50+ billion Charter's invested in multi-gig speeds, DOCSIS 4.0 and wireless. By the way, Winfrey said there's no rush on a DOCSIS 4.0 conversion for Cox given that it's completed a mid-split upgrade that buys it time. He thinks the new company can hold off for years on a 4.0 with DAA upgrade and it'll be done at a lower cost because of the existing work and the scale of Charter having completed and learned from its own upgrade.

For residential and small business, the plan is to get out as quickly as possible with Spectrum pricing and packaging in a customer-friendly way. "Our larger footprint will give us better marketing and branding capabilities. It will also allow us to expand investment in product development, AI tools and innovation, accelerating product development and driving greater efficiencies, which helps us to continue to save customers real money," said Winfrey.

A lot will be made about mobile, with Cox still in early innings and Charter having seven years in the game and more than 10 million mobile lines. Cox is two years into mobile and has been steadily increasing awareness. You may have noticed that new Cox retail stores have been branded primarily with the

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Cox Mobile logo. Both companies share **Verizon** as an MVNO partner. It wasn't immediately clear if Charter's agreement with Verizon would easily transfer over to Cox's footprint—the same applies to other deals with vendors or programmers—but Winfrey said he has no material concerns about being able to ultimately integrate those agreements over time. “I plan to make some of those phone calls today because, as you know, the fundamental nature of these relationships has really changed over time,” he said.

The deal's expected \$500 million in synergies doesn't immediately include mobile. “Because of the later start in mobile, there's not a Day 1 synergy opportunity, from an MVNO perspective, that would exist if they were fully deployed on mobile. It's relatively new. So mathematically, it's just not that big of a Day 1 contributor,” Winfrey said.

Business services and enterprise don't draw the big headlines, but it's notable here with Cox having made investments in new product categories that Charter hasn't had available to its customers. Charter will fold in Cox Business' **Segra**, one of the largest independent fiber networks in the nation that counts carriers, enterprises, governments, high ed and health care organizations as customers. It also picks up **RapidScale**, a managed cloud partner for companies in a variety of industries.

Charter is acquiring Cox at an enterprise value to 2025 estimated EBITDA multiples of 6.4x and less than 6x reflecting cost synergies and tax benefits to both parties. And important to note, Cox is exchanging for equity in the new company. It's receiving \$17.9 billion in convertible preferred and partnership units, plus \$4 billion in cash and the assumption of \$12.6 billion in debt. Cox will own 23% of the equity once units are converted.

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CHARTER-COX REACTIONS

Charter shares closed up 1.83% Friday, with analysts upbeat on the transaction. “That **Cox** was at last willing to accept a merger proposal after saying ‘no’ so many times is a testament to the recent success, or perhaps rather to the promise, of Charter's still relatively new bundling and packaging strategy. Charter's mobile-first convergence strategy looks like it is working, and that strategy can be easily ported to Cox. So can Charter's streaming-included video strategy,” said **MoffettNathanson's** *Craig Moffett*, though he cautioned against overstating the transformative impact with Cox taking Charter's homes passed from about 57 million to 70 million and adding 6 million customers. “Still, none of that should dampen the enthusiasm for a very, very welcome deal that brings benefits to both entities... with almost no downside whatsoever.” **Pivotal Research's** *Jeff Wlodarczak* acknowledged

that the 6.44x valuation comes at what he views the bottom of cable valuations. “While one could argue that Cox is selling too low (near the bottom in cable valuations), they also are getting into **CHTR** stock (the Cox family will own 23% of **CHTR** stock upon deal close) at an attractive price and therefore materially participates in the upside (a win win for everyone involved in our view),” he wrote. “Post this announcement we added Cox's results to our existing DCF valuation methodology (7X '27 terminal EBITDA 9% discount rate) which drove a \$60 increase in our YE'25 **CHTR** target to \$600.”

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DEAL REGULATORY OUTLOOK

With the combined **Charter-Cox** to be only marginally larger than **Comcast** and no market overlap, it's not expected to hit major regulatory snags. There are some question marks though. “Given the ability of the FCC chair to kill any deal without a court review, and his willingness to bring non-competition issues into the review, there is some, though we think small, risk of a *Trump* Transaction Tax that could affect the value of the deal,” **New Street Research's** *Blair Levin* wrote, suggesting the review could wrap in DEI, retransmission consent or program carriage of “favored news channels” (Charter just announced a [deal](#) to add **One America News** programming). **Public Knowledge** also raised that specter. “However troubling as this merger might be for competition, at least as troubling is what the companies might agree to in order to persuade the Trump administration and the current **FCC** to approve the deal,” said *John Bergmayer*, Legal Director at **Public Knowledge**. “Will the companies drop cable channels critical of this administration, or agree to censor online content or sites that the administration disapproves of—something the loss of Title II and net neutrality makes all the more likely? Given FCC Chairman *Carr's* proven willingness to use the agency's power to ‘further the president's agenda,’ and the willingness of companies to agree to get deals done, what could once be dismissed as paranoid speculation becomes frighteningly plausible.”

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VERIZON-FRONTIER GETS A THUMBS UP FROM THE FCC

Verizon's acquisition of **Frontier Communications** cleared a key regulatory hurdle Friday after the **FCC's** Wireline Competition Bureau approved the all-cash \$20 billion deal. “The transaction will unleash billions of dollars in new infrastructure builds in communities across the country—including rural America. This investment will accelerate the transition away from old, copper line networks to modern, high-speed ones. And it delivers for America's tower and telecom crews who do the hard,

often gritty work needed to build high-speed networks,” FCC Chairman *Brendan Carr* said in a statement. The Commission noted the transaction will enable Verizon to upgrade and expand Frontier’s existing network in 25 states, also paving the way for Verizon’s new fiber deployments to accelerate the retirement of copper networks. However, Verizon had to make some promises in order to get to this point, including one to end the company’s DEI-related practices. Carr [sent a letter to Verizon](#) in late February regarding his concerns with the company’s approach to DEI. Now, Verizon said it’ll change its HR structure and no longer have a team or position focused on DEI, remove references to DEI or “diversity, equity and inclusion” from its employee training manuals and update its corporate policy to more specifically require sponsorships and memberships focus on advancing core business objectives. “In response to this changing landscape, Verizon has been evaluating its DEI-related programs, HR processes, supplier programs, training programs and materials, and other initiatives. In doing so, Verizon recognizes that some DEI policies and practices could be associated with discrimination,” Verizon said in a filing. “For that reason, Verizon reaffirms its commitment to equal employment opportunity and nondiscrimination and is modifying its practices and ending its DEI-related policies.” Verizon wrote in a separate filing that it had been working with **NATE: The Communications Infrastructure Contractors Association** on adjusting the provider’s approach to tower construction work and engagement. Verizon pledged to make tweaks to pricing, the terms of its master service agreements, third-party vendors and other mandates and financial audits. Additionally, Verizon said it’ll address NATE’s concerns about the alleged use of undocumented workforces by subcontractors.

MORE CHANGE FOR COX EMPLOYEES

As the industry digests the news of this merger, go buy your **Cox** friends a cup of coffee. They’ve been navigating a lot of change since a voluntary buyout last year that impacted about 5% of its workforce. Through the program, Cox saw the departure of several prominent execs, including Head of Content Acquisition *Suzanne Fenwick*; General Counsel *Joiava Philpott*; and Regional Managers *Anthony Pope* and *J.D. Myers*. It also restructured into two business units: one for commercial and one for residential services. With video declining industrywide, Cox reallocated resources to internet service and its growing Cox Mobile business as well as business services areas that include fiber infrastructure, managed IT and cloud services offerings. Video will get some renewed attention with **Charter** focusing on a hybrid linear-streaming bundle that it’s billing as “seamless entertainment.” That will include launching the Spectrum TV app on third-party devices like **Roku**, **Apple TV** and various Smart TV manufacturers in the Cox footprint. “Cox has also become less penetrated from a video customer perspective over time, and with what we can do around pricing and packaging and what we’ve done with the programmers to build a more

valuable video product, I think there’s a lot of potential for us to create value in a different way for the programmers,” CFO *Jessica Fischer* said. The new company will be based in Stamford, CT, but will maintain a “significant presence” on Cox’s Atlanta campus. There’s no word on what will happen with top Cox leaders, including President *Mark Greatrex*. Charter will put its 100% U.S.-based employee model into operation as well as its policy of all employees earning a starting wage of at least \$20/hour and its newly announced [employee stock purchase plan](#).

SPARKLIGHT’S NEW PLANS

Sparklight introduced new internet plans as it looks to increase its affordable options. FlexConnect and Lift Internet are now available across a majority of the operator’s footprint. FlexConnect offers the two options of 300 Mbps for \$45/month and 600 Mbps for \$75/month without the need for a long-term contract. The low-cost Lift Internet option is \$29.95/month and includes a free modem, free standard installation and no credit check for families who qualify through federal assistance programs.

C-SPAN CALLS DEM/GOP CEASEFIRE

Premiering this fall on **C-SPAN**, “CeaseFire” is a new weekly show focused on bridging the divide between Democratic and Republican leaders. We can’t help but notice the first new series under new C-SPAN CEO *Sam Feist*, a former **CNN** exec, turns the idea of the old CNN “Crossfire” show on its head, with Ceasefire positioned as a place “where the shouting stops and the conversation begins” and where political figures with opposing views will discuss “what they agree on, not what they don’t.” Crossfire, which ran from 1982-2005, pitted a left and right pundit against each other. C-SPAN says each episode will pair guests from opposite sides of the political spectrum to honestly and respectfully talk about the issues facing Americans today as well as “spotlight bipartisan cooperation.” Guests will include members of Congress as well as other Dem and GOP figures. The programming announcement comes as C-SPAN continues to struggle to cut carriage deals with vMVPDs, with even *Vanity Fair* [publishing](#) a piece on *Feist*’s ongoing push to get the public affairs net on streamers like **YouTube TV** and **Fubo**.

FIBER FRENZY

Astound and Clallam County, Washington, are teaming up to bring high-speed fiber to unserved and underserved areas. Construction has already begun near Port Angeles, and over the next year, Astound will build approximately 100 miles of fiber-optic infrastructure and extend its existing network to the community of Joyce. Other areas of unincorporated Clallam County will be included as well. Funding for the initiative includes \$16 million from the Washington State Broadband Office via American Rescue Plan Act funds, \$4.5 million from the state’s Broadband Program and \$1.7 million from Clallam County. Astound expects to wrap up the project at

the end of 2026. – **FOCUS Broadband** turned on the first phase of its project in Scotland County, N.C. The expansion, aided by a \$24.6 million grant from the **USDA's** ReConnect Program, will include 4,800 addresses and have the capacity to serve more than 13,000 people and nearly 200 businesses, 166 farms and 18 public schools across Scotland and Robeson Counties.

PROGRAMMING

ESPN, the broadcast home of this year's **NBA** Western Conference finals, will offer fans a "data-driven" altcast experience boasting deeper dives into the stats for Games 1-4. The "InsightCast" will feature 3D replays, avatar shot charts and other enhanced visuals for basketball fans who want to drill into the numbers behind each play on the court. The altcast will air alongside the traditional WCF broadcast starting May 20, with Games 1 and 4 airing on **ESPN2** and Games 2 and 3 on **ESPNEWS**. – **Paramount** is bringing its library of in-ring rumbles to **The Roku Channel** with

new **FAST** channel **Wrestling Central**, featuring content from companies **WOW – Women of Wrestling** and the long-running **National Wrestling Alliance**. The launch date is TBA but when it hits the CTV platform **Wrestling Central** will offer new weekly matches, a backlog of classic bouts and docs.

EDITORS' NOTE

As the industry adapts, so does **Cablefax**. Today, we unveiled the next chapter of our long-running Diversity List and Work Culture recognitions, introducing a reimagined Voices of Impact & Workplace Culture Awards program that spotlights individuals and organizations who shape the future of work, leadership and inclusion in the media and connectivity space. The re-freshed list of categories includes Voices of Impact, Inclusivity Champion, Pathfinder Award and several others. [Head to our website](#) to get a head start on nominations. Honorees will be featured in **Cablefax's** *Voices of Impact & Workplace Culture* special issue on Oct. 20.



CABLEFAX DASHBOARD

Social Media Hits

Trung Phan @TrungTPhan

Warner Bros. Discovery just re-branded it's steaming service "Max" back to "HBO Max".

This caps off probably the funniest series of inexplicable logo changes in corporate history.

2022	2023	2024	2025	2025

Quotable

"There's a small portion of our viewership that we have the opportunity to maybe hold them a little bit longer. But I think you talk about an opportunity to really engage a core group and increase a little bit of time spent viewing with that group. Again, when you're talking about telecasts like this, the baseball version, which really exceeded most alt-cast percentages with 11% for the five games we did—so obviously the majority of that is probably cannibalization and it's probably a percent or two of growth. In the world we're in, everybody will take every percent, obviously, we can get."

- ESPN VP, Production Phil Orlins on the goal of airing alternate telecasts for sports



Up Ahead

MAY 21: NAMIC, [Powering the Next Era of Wireless, Virtual](#)

JUNE 1-4: [Fiber Connect 2025](#), Nashville

JUNE 8-10: [Illinois Broadband & Telecom Association Convention](#), Lake of the Ozarks, MO

JUNE 11-13 : [StreamTV Show](#), Denver

JUNE 24-25: [Broadband Communities Summit](#), Houston

JUNE 27-29: [NTCA Summer Symposium](#), Hilton Head, S.C.