CFX DAILY
WHAT THE INDUSTRY READS FIRST

WEDNESDAY, OCTOBER 21, 2026
VOLUME 37 | NO. 193
CABLEFAX.COM

QUOTABLE

A lightning round with John Malone resulted in the following gems: Malone's go-to AI app right now? "Google Gemini." Will humans colonize the Moon or Mars first? "We'll have a base on the moon so that we can go to Mars." Will autonomous cars or humanoid robots be more transformational? "Humanoid robots." If you could master one thing overnight, what would it be? "Estate planning."

MALONE TALKS STARLINK, SKYDANCE FUTURE

John Malone was in fine form Wednesday when discussing why *Elon Musk* is today's most disruptive tech mogul, particularly for the broadband business.

"His ability to disrupt the business of internet connectivity is right in our face right now. [Satellite] is perhaps not a superior technology, but he has some attributes with **Starlink** that are potentially quite competitive. He can certainly underprice, and he can also provide levels of mobility that fixed networks can't," the Cable Cowboy told **Liberty Global** CEO *Mike Fries* during a **Paley Summit** session. "I expect that the reason that stocks like **Charter** and **Comcast** are trading at such very low valuations is the threat of disruption from his internet connectivity business."

Charter's stock price has dropped 48% YTD, while Comcast is down 20%. Meanwhile, **SpaceX**'s price is flat since it went public in June. But it closed up 7% on Wednesday, a day after it reported 3Q26 earnings, including a 69% YOY uptick in connectivity revenue to $5.2 billion. Starlink closed the quarter with 13.6 million subscribers, up 1.6 million sequentially. The LEO provider now has 11,100 active satellites in orbit for connectivity, with Musk declaring on Tuesday's earnings call that he expects the Starlink constellation to deliver "100x the bandwidth" of the current constellation "probably within three years," as more satellites launch.

SpaceX secured **FCC** approval to deploy and operate 15,000 satellites to power D2D services, and it's also acquiring all of **Grain Management**'s nationwide 800 MHz spectrum, a deal Musk recently called "the last critical piece of the spectrum puzzle" to deliver complete phone coverage in the U.S. But Malone isn't convinced Starlink Mobile can challenge the telcos.

"When it comes to cellular and mobile, I'm not sure how much capacity [Musk] can really generate to be truly competitive in that field," Malone said. "So the future? Who knows. But he loves being a disruptor, and he has a massive balance sheet now."

Looking into his crystal ball, Malone predicts that Musk will soon use some of that balance sheet to invest in Skydance, noting that Musk and *Larry Ellison* are "very intertwined." Ellison invested $1 billion in Musk's $44 billion acquisition of **Twitter** in 2022. Malone also pointed out that Ellison pledged Tesla and SpaceX shares as collateral to help bankroll the $110 billion **Paramount Skydance-Warner Bros. Discovery** merger.

"I predict that you'll see… an investment by SpaceX to de-lever Skydance and take a little bit of the burden off of [Skydance Co-CEO] *David Ellison*'s shoulders because he's taken a pretty big pile of debt," Malone said. Skydance took on $80 billion in net debt in the merger, which has raised questions about the company's viability long-term. "There's a deal coming there, maybe $8-10 billion in cross investment," he added.

© 2026 Access Intelligence, LLC.
Access Intelligence

Now that the merger has finally closed, Malone shared a few pieces of advice for the younger Ellison. He said his top priority should be to "solidify the relationships with the creative side" of WBD, as that output will be crucial to driving Skydance's streaming business. No. 2 on the checklist: "He has an eroding linear business. It's a huge but shrinking business, and he's going to have to re-engineer all those channels and figure out how they morph into streamers themselves rather than traditional linear."

And if the Ellisons hope to challenge **Google**'s **YouTube** for a bigger piece of the media pie? "The honest fact is YouTube is running away with the gold ring when it comes to media, and I think Larry's going to have to figure out a way to combine social networks with content and streaming in order to try and keep pace," Malone said. He previously suggested at a cable symposium in April that the Ellisons saw the merger as much more than a streaming play and that they planned to leverage Oracle's cloud AI platform to "go after essentially a whole new media world that's heavily driven by advertising, by the AI use of directing advertising, of stimulating consumerism, of putting the right show in front of the right person at the right time."

That's what he sees for the future, but Malone also looked back at the months leading up to the deal. Asked whether he felt **Netflix** should have tried to beat PSKY to WBD, Malone said, "I think that they were right on the verge of pressing on, but were told by the [Trump] administration that they had no chance of getting regulatory approval. That was really the spike that got them."

Neither deal was Malone's preferred outcome, though. "For our shareholders, this final outcome was more than sufficient. But from a 'how do you feel about it' point of view, it would have been more fun, frankly, to have an independent Warner."

VERSANT STATE OF MIND

Versant CEO *Mark Lazarus* is having a busy week. After speaking at a **Paley Summit** on Tuesday, Lazarus sat down for a fireside chat at an *Axios* event in NYC, where he was asked whether Versant would consider merging back with **NBCUniversal** after it splits from **Comcast** next year. "That sounds like you're asking me about an old girlfriend," Lazarus quipped. "It wasn't the plan that [Comcast] would do another spin when we first discussed this… Our cash flow is really strong, and we will find our path—whether it's on our own transformation or alongside someone else. But no, that wouldn't be the plan to go back to them." He also said Versant wouldn't be interested in buying more cable brands if, say, **Skydance** were looking to offload some of its linear networks, reiterating that the programmer is fully locked in on growing the verticals it already has. "Might there be interest in another vertical we could create around a pay TV business? Yes, but just buying a bunch of networks that don't necessarily change our trajectory is probably not in our short-term future." A big focus for Lazarus is expanding the company's digital platforms vertical by launching new DTC products for its media brands. So far, Versant has launched the **MS Now** Membership and a **Fandango** AVOD, with a new, "reimagined" **CNBC** product slated for 1Q27. That more segmented approach to launching DTC services is in contrast to what other media companies have done, which is to build an all-in-

CFX Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC.
cablefax.com

EDITORIAL
Editor
Noah Ziegler, 301.354.1704, nziegler@accessintel.com

Senior Editor
John Saavedra, 908.477.1758 jsaavedra@accessintel.com

Editorial Director
Amy Maclean, 301.354.1760, amaclean@accessintel.com

Editorial Director, Ad Tech & Convergent Media
Sarah Sluis, 212.621.4706, ssluis@accessintel.com

ADVERTISING/BUSINESS
Chief Revenue Officer
Dave Colford, dcolford@accessintel.com

VP Ad Tech/Convergent Media
Gordon Plutsky, gplutsky@accessintel.com

Advertising and Sponsorship
Vernesa Merdanovic, vmerdanovic@accessintel.com

MARKETING
Senior Marketing Director
Jessica Dombrowski, jdombrowski@accessintel.com

PRODUCTION/CLIENT SERVICES
Sr Production Manager:
Joann Fato, jfato@accessintel.com

Group Subs: Vernesa Merdanovic, vmerdanovic@accessintel.com

Subscription Questions:
Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: $1,999.00/yr

Access Intelligence, LLC,
9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

one product around multiple brands. “I think being an aggregator isn’t necessarily going to be the answer for us. We’ve seen what **Netflix**, **Paramount**, **HBO** and **Peacock** have done. It’s a billions-of-dollars expedition to try to get a break-even business,” Lazarus said. The other reason he won’t combine the brands in one product is that the audiences are different. “The two most similar, candidly, would be CNBC and Golf. Those audiences have a lot of overlap [but] I don’t know that we would combine. We could bundle.”

MATHEW ON THE AI CUSTOMER SERVICE CHALLENGE

Although operators have touted the benefits of having AI agents tackle customer issues, **Optimum** CEO *Dennis Mathew* thinks there’s still work to do to make the automated service experience feel more seamless. “I’ll get escalations every now and then: ‘Hey, I’m not able to talk to a person’... and so we have to figure out how to leverage AI across the entire customer journey to make it a seamless experience for the customer because it shouldn’t be that they’re getting frustrated,” Mathew said at a **Paley Summit**. “Are they frustrated that they feel like they’re not talking to someone, or they’re talking to a bot? Maybe. But ultimately, they’re frustrated because they have a problem that they just need resolved. And so, it’s up to us to embed this AI in a way that puts the customer at the center.” Mathew agrees that there’s a clear benefit to embedding AI into the app experience to make it easier for customers to solve problems rather than forcing them to call their provider. “Nobody wakes up in the morning ever and says, ‘I want to call my cable company today.’ It’s probably the last thing anybody wants to do. If I could, I would not call myself,” he joked.

AT&T: FIXED WIRELESS WILL PEAK, CONVERGENCE HARD TO BEAT

AT&T added 769,000 advanced connectivity internet customers in 3Q26, a record quarter that included 442,000 fiber and 327,000 fixed wireless adds. While CEO *John Stankey* continues to see intense competition across the board, he remains confident that his company’s convergence strategy will be a long-term differentiating factor. AT&T also tacked on 379,000 postpaid phone net adds with churn remaining steady at 0.92%, marking a second consecutive quarter of more than 1 million net adds across fiber, fixed wireless and postpaid phone. Total revenue rose 5.3% YOY to $32.3 billion, with service revenue up 3.8%–the best growth in more than four years. Adjusted EBITDA grew 5.4% to $12.5 billion. On the convergence front, about 42.8% of AT&T’s advanced home internet households also take its wireless service, and the company grew its base of high-value converged relationships by approximately 350,000. Stankey acknowledged fixed wireless will remain sustainable for certain customers and uses, but added that it’ll likely see a peak followed by a decline as better technologies settle in. For now, it remains a growth product—280,000 of the aforementioned 327,000 fixed wireless net adds were consumers getting Internet Air. **New Street Research** chalked up AT&T’s 3Q26 as “solid,” despite a crowded wireless backdrop. “Strong postpaid phone net adds, ARPU growth, and stable churn should be seen as an indicator of a rational wireless industry,” NSR wrote in a note. “Strong fiber and FWA net adds may be seen as a slight negative for the Cable industry as it signals AT&T continues to take share.”

CARR ISSUES ANOTHER WARNING AGAINST ‘FAKE POLLS’

It’s election season (if you couldn’t tell by the onslaught of political ads on TV), and **FCC** Chairman *Brendan Carr* issued another warning to broadcasters that air fake polls “designed to do nothing more than interfere” with the electoral process. In a post on **X**, Carr noted a “significant surge” of misleading polls ahead of the 2026 midterms and claimed broadcasters and journalists have been amplifying them. He added that broadcasters are prohibited by the terms of their licenses from engaging in news distortion or promoting broadcast hoaxes. “If broadcasters believe they should provide their viewers with additional context and information about Polls they have covered, they can now take those actions consistent with FCC regulations,” he wrote. Commissioner *Anna Gomez*, however, pushed back in her own post. “Pollsters who intentionally mislead the public should answer for it, but broadcasters who report publicly available polling data should never be punished when a poll is wrong,” she said, adding that the FCC’s news distortion rules don’t apply to a station that reports on data in good faith.

REPORT: OPTIMUM NEARS DEBT DEAL

Optimum is close to striking a debt restructuring agreement that would not only resolve ongoing litigation with creditors, but also give them control of the operator. That's according to a *Wall Street Journal* report, citing people familiar with the matter, which notes **Apollo Global Management**, **JPMorgan Chase** and **Oaktree Capital Management** are the firms negotiating with Optimum. Of course, terms can change since an agreement hasn't been finalized yet, but *Bloomberg* writes that a deal could be struck before the end of November.

MORE FROM NETFLIX

Netflix co-CEO *Ted Sarandos* said the streamer's strategy isn't changing, but its U.S. content slate and general performance need to get better—a sentiment echoed by fellow co-CEO *Greg Peters*. The two held their quarterly interview Tuesday afternoon, dissecting 3Q26's results after a few months of adjustments. One of those changes came recently when *Bela Bajaria* was ousted from her post as Chief Content Officer. Sarandos thanked Bajaria for her decade-long run, before welcoming incoming CCO *Peter Rice*. "We've seen an opportunity to take our slate to the next level, especially in the U.S., where we can have an outsized impact when we create a big buzzy show that members love and talk about all over the world," Sarandos said. "… Peter Rice understands talent relations. And in a competitive market, creative talent have choices of where they want to work, and we want Netflix to always be the place that they love to do the best work of their life. Peter is the exact right person to lead those efforts in the U.S. and around the world." Regarding the recent layoffs, which were Netflix's largest since 2022, Peters said the company "over-invested" in some areas after years of rapid growth. On the advertising front, Netflix saw its ad business grow by more than 80% this year, but that's still behind its own targets. "We've seen some delays in the rollout and partner integrations for some of those new ads products. So getting to the integration model that we want sometimes takes a bit more work with our partners, but we strongly believe that a modest short-term hit for a better long-term strategic position is a good ultimate trade-off," Peters said.

NCTA SEEKS CHANGES TO FCC'S INTERNATIONAL CARRIER OVERSIGHT PLAN

NCTA is asking the **FCC** to narrow a plan to tighten oversight of licenses that let U.S. carriers handle communications to and from other countries. The licenses are known as international Section 214 authorizations. A draft order and further notice of proposed rulemaking on international Section 214 is slated for a vote at the FCC's Oct. 29 open meeting. The draft builds on a 2023 proposal in which the FCC recognized there is no set process for periodically reviewing existing authorizations to monitor risks once an authorization is granted. Under the draft order, authorization holders would need to provide some one-time information and share details about facilities that carry communications across the U.S.-Mexico and U.S.-Canada borders. In an ex parte filing, NCTA, **Comcast** and **Charter** urged the agency to narrow and clarify the cross-border facilities disclosures, limit the one-time information collection to "information necessary to address national security risks" and give existing holders at least 120 days to respond. "NCTA also reiterated its concerns about requiring U.S. providers to report detailed information about their operational cyber and physical security plans and practices, which could provide a roadmap for bad actors to compromise their networks," according to the ex parte, which urged the FCC to evaluate the draft order's cybersecurity certification before adding obligations through the further notice.

FIBER FRENZY

Cable One launched multi-gig service in Clifton and Morenci, Arizona, , offering plans with speeds of up to 2 Gbps. Sparklight recently invested more than $18 million in network upgrades throughout the Galla River Region, having wrapped up the project in 2025. -- Tennessee's **United Communications** finalized its acquisition of **Loretto Telecom**. The combo adds 8,000 additional locations to United's fiber network in Lawrence County. It also marks United's fourth purchase in the last decade.

CARRIAGE

The **MyFree DirecTV** FAST platform added four sports channels to its lineup through a new partnership with C15 Studio. **F1 Channel**, **MotoGP Channel**, **DP World Tour** and **Yahoo! Sports Network** are now available, bringing the total number of sports channels on the free ad-supported service to 43.



THINK ABOUT THAT FOR A MINUTE...

COMMENTARY BY STEVE EFFROS | STEVE@EFFROS.COM

Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of CFX.

OF LIGHTS AND TUNNELS

Remember the old saw about hoping to finally see "the light at the end of the tunnel?" Then we realized that it could actually be a train's headlight coming at us? I have bad news. For those of us concerned about information technology developments, regulation and the like, when you turn around to get away from what's coming at you, there's another light coming from the other direction as well! A bad place to be.

OK, so I'm stretching that metaphor a bit. But the point I'm trying to make is that we're in a situation where the cable/broadband providers look to be positioned in the middle of a potential train wreck, and we had better get prepared. The "train" coming from one direction is the increasingly (it would appear) out-of-control, fast developments in broadband use, applications and capabilities such as the already unintended consequences of social media and the frighteningly evolving capabilities of AI.

From the other direction are the political, business, legal, regulatory mashups of what should be done about all those things and how we can, might or maybe can't do anything about it, by whom? My warning: it's entirely possible that those who have built and, in theory, control the delivery infrastructure (that's us) are going to be assigned the job of fixing or at least trying to apply the brakes, like it or not.

It's no secret that we really didn't anticipate the mess and damage now being caused by unconstrained social media. The entire logic behind Section 230, which insulated the creators and providers of the means by which anyone can essentially say anything about anyone else online and flood the network with paid influence peddling, was that it would encourage the major build-out of the internet. It worked. Google, Facebook, Twitter, etc., became wildly successful and some of the wealthiest companies in the world based on the avoidance of accountability for what the users of their product said or did.

I've argued for a long time now that eliminating that legal avoidance, allowing individual legal actions against those companies, would act as a significant brake on the chaos now being caused. The companies would become responsible for what they have wrought. Indeed, there are now the first seemingly successful legal challenges, with juries returning landmark verdicts against Meta, and in one case also Google's YouTube, over alleged harms to young users.

The difference there is that the company itself, because it creates the algorithm that delivers the information, is no longer protected by the claim that it is not the creator of the information. But what if we just got rid of the idea behind Section 230 completely?

Now comes the other train—AI regulation. The argument again is that we should not interfere with the uncontrolled competitive system that accelerates progress in this field, even though we all acknowledge we don't know how it will develop or even how it actually works! The EU, China, U.K., Canada, Australia and others are already creating legal guardrails. But there is a general agreement that the technology is moving so fast that our Congress and this administration won't be able to, or even want to, do the job, assuming they have the expertise to do it, which they don't. So the "solution" suggested is allowing the mega companies to create a consortium to "self-regulate." Are you comfortable with the idea of Elon Musk self-regulating? Actually, are you comfortable with just about any of these billionaires, who think the laws don't apply to them, self-regulating? I sure don't.

So now what? The technology unintended consequences train is coming in one direction; the political, legal, regulatory train is coming in the other. The most likely safe harbor folks might focus on, it seems to me, is going to be those who control the delivery infrastructures for all these things. Could the ISP monitor the amount of data being used? Could limits be placed on speed, timing, number of data packets, etc., that any user could commandeer (even if they could pay for them)? The answer to all those questions seems to be yes.

Who would supervise and enforce that? You guessed it; us. Will it all work out this way? Who knows. I'm just suggesting we all start preparing for that eventually if the trains actually meet in the middle of the tunnel.