

Challenging the Broadband Status Quo



Service providers and communities are creating new paths to ensure a bright broadband future.

In 2023, broadband spending could taper off because of high interest rates and economic challenges, but buildout expansions remain high. A few factors are driving this.

Demand for household internet keeps growing. Leichtman Research Group (LRG) found that 90 percent of U.S. households now get internet service, up from 84 percent in 2017. In addition, Dell’Oro forecasted that the broadband equipment segment would grow 5 to 7 percent in 2023.

Jeff Heynen, vice president of broadband access and home networking for Dell’Oro, said in a blog post, “The revenue growth this year shows the continued emphasis on expanding and improving broadband network capacity by operators as well as state and national governments.”

FIBER MARCHES FORWARD

As DSL customers dwindle, telcos and communities are amplifying fiber-based broadband. Despite supply-chain constraints and a tight labor market, RVA LLC’s annual fiber-to-the-home (FTTH) report revealed that fiber providers passed an additional 7.9 million homes in 2022.

Led by AT&T, Frontier and Lumen, as well as independent telcos and communities, fiber broadband passings in the U.S. rose 13 percent over the past 12 months.

CORRECTION: We incorrectly reported that T-Mobile and Starlink are John Deere satellite communication partners in the November/December 2022 issue.

CABLE’S NEW BATTLES

FTTH and fixed wireless access (FWA) will continue to challenge cable’s broadband lead.

Cable operators continued to see some pain in the fourth quarter of 2022. Comcast lost 26,000 broadband customers because of Hurricane Ian. Without the impact from the hurricane, Comcast said it would have added approximately 4,000 broadband customers. Charter added 92,000 new broadband customers, up from the 75,000 it added in the third quarter.

Wireless broadband has been a factor, growing to 903,000 in the fourth quarter. T-Mobile and Verizon added 524,000 and 379,000 new FWA subscribers respectively. New Street Research forecasts that though FWA could peak in 2023, FWA is pressuring cable.

Heynen said the cable industry faces two battles: technology and perceived value. “Cable’s biggest challenge is [...] managing consumer perception,” he said. He added that cable “will continue to fend off new fiber and FWA competitors” by promoting speeds that are equal to fiber (at least on the downstream side) and leveraging subscriber support that exceeds what the upstarts provide because of their years of experience.

Though all roads may lead to broadband, success in 2023 will require providers and communities to break away from the status quo. 🌱

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