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What the Industry Reads First

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Convergence: Cable's Relevance Growing at Mobile World Congress

While it would be hyperbole to say cable is making waves this week at the inaugural **Mobile World Congress Americas**, the role of cable providers in the near-term future of wireless service has a segment of attendees talking. The conversation is only natural in the wake of **Comcast's** Xfinity Mobile launch (powered in part by an MVNO agreement with **Verizon**) and a steady flow of M&A rumors involving cable operators and wireless carriers. **Charter** added to the fire Wednesday with its announcement of a partnership with **Samsung** for 5G and 4G LTE trials ahead of its own launch of a wireless service next year. Like Xfinity Mobile, it plans to launch its service as a WiFi-first MVNO in conjunction with Verizon. "This has been the world's longest convergence, right?," **PwC** principal *Rob Mesirow* asked rhetorically during a sit-down with **Cablefax**. "For years now, the cable industry coming together, the wireless industry coming together, the landline industry. It really just comes down to their ability to deliver data in whatever form." The cable and satellite contingent isn't out in full force, but execs from Comcast, Charter and **DISH** are representing the industry in San Fran this week. For the many mobile-focused vendors here, the convergence of cable and wireless represents a new area of opportunity. Mesirow envisions a future in which there is little distinction between so-called cable companies and wireless providers because the companies that succeed will be the ones that offer consumers a one-stop shop. That means bundling high-speed internet, pay-TV service, voice and wireless service, as well as content. "We're going to see everybody evolving into that model," Mesirow said. "I think it's going to be very difficult, particularly in the larger markets, to compete unless you have that quadruple play, if you will." How each large cable company attempts to transform itself into full-on "access providers" remains to be seen. Comcast and Charter have taken the first steps via MVNO agreements with Verizon. Charter characterizes its wireless plan as an "inside-out" strategy for building its network, focusing first on wireless in the home and office, followed by expansion to the outdoors. It also plans to acquire newly available spectrum to bolster the network. **The Besen Group** founder/CEO *Alex Besen*, whose boutique consultancy sponsored an on-site seminar on cable companies venturing into wireless, also noted **Altice** is providing wireless service in all of its international markets and predicted the new entrant to the US cable market will launch a US mobile business in 2018. Panelists characterized the launch of Xfinity Mobile via the Verizon MVNO and WiFi hotspots as a good start for Comcast that allows it to create stickiness, attract some customers

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and protect its legacy business. Comcast execs have described it as an incremental offering. There was a feeling Tuesday, however, that the nation's largest cable operator has bigger plans in wireless. Besen outlined a scenario in which Comcast adds an MVNO agreement with another large wireless carrier like **Sprint** to its existing Xfinity Mobile network. That would provide Comcast the capacity to serve as an MVNA, or mobile virtual network aggregator, enabling smaller cable companies to offer wireless service to their subscribers. He pointed to Comcast's licensing of its X1 platform as a white-label service as an example of Comcast already embracing this type of business model. Besen also suggested Comcast could invest in its own small cell network. Mark Lowenstein, managing director of advisory firm Mobile Ecosystem, said it makes less sense for a cable player to acquire Sprint than perhaps it once did. He pointed to increased availability of spectrum as a reason Sprint might not be as attractive a path into the wireless business. Still, he noted that because of the saturation of wireless service in the US market, cable players' success in wireless would depend on taking market share for the four main carriers. He asserted there is more potential for ARPU lift in the broadband space than the wireless space.

Comcast Gets Down to Business: Comcast is making good on its promise to bolster enterprise efforts, launching a platform aimed at helping the segment manage their networks, systems and costs across multiple locations. Dubbed "Comcast Business ActiveCore SDN," it's billed as the first cable-delivered, gig-ready SDN platform in the country. Software Defined Wide Area Networking (SD-WAN) is the first business product powered by it. Companies are already on board for SD-WAN, including **Jim Ellis Automotive Group** in Atlanta, which operates 15 locations across the state with more than 1,000 employees. Comcast Business announced an SD-WAN trial in May at Interop ITX.

Android Boxes: Arris is using IBC 2017 to show off a new portfolio of UHD HDR set-tops with Android TV, aimed at helping simplify the launch of Android-based services for operators. The boxes have WiFi connectivity, DVR options and can be integrated with DVB networks and conditional access and DRM security solutions.

Football Sling-ing: Sling TV wants to make sure its lack of CBS doesn't stop anyone from subscribing to the virtual MVPD service, so it's giving away antennas. Those living within areas qualifying for an OTA antenna are eligible for a free Winegard indoor antenna if they prepay for two months of Sling. They'll also be eligible for an AirTV player and adapter with a Winegard antenna for \$70 if they prepay for a three-month subscription.

People: Amy Introcaso-Davis will take on a new role at E! as evp, development & production. She'll lead the development of the network's unscripted content, reporting directly to E! pres Adam Stotsky. She joins from GSN, where she most recently served as evp, programming & development. -- You.i TV bolstered its sales team with three new execs: Perry Weinstein, Andrew Leighton and Peter Goldstein. Weinstein will head global initiatives as vp of sales and international development while Leighton, as vp, Eastern region, will be finding ways to boost the network's national and global media accounts. Goldstein will operate as sr director of West Coast sales.

Happy Trails: ESPN sent word Wednesday that evp, admin Ed Durso will retire at year-end. The well-known exec joined the sports company 28 years ago this week. "He has been an integral part of helping us secure many of our major rights and distribution deals, launched our first business development unit which gave birth to both *The Magazine* and ESPN.com, and has represented our company with members of Congress, FCC commissioners, governors and Presidents. Virtually every major business decision ESPN has reached over the last three decades was benefited by Ed's sound judgment, reason and insight," ESPN chief John Skipper wrote in a memo. How much of a legend is Durso? He actually appears in ESPN's Pete Rose flick "Hustle" as MLB's lead counsel in the 1980s because he was indeed lead counsel for baseball back then. At ESPN, he's reported to four different presidents and is one of the company's longest serving board members. Come January, chief counsel Diane Morse will assume Durso's seat on the ESPN board.

CTHRA Honors: CTHRA announced its 2017 Excellence in HR winners, with NBCU's "HR for HR" team earning the title of Team Innovator of the Year. It's given to a team that has shown innovative thinking in solving problems and positively influencing their company's culture. CTHRA also is honoring Michelle Martin, CBS' vp of specialty services, HR, with the Aspiring Leader award, citing her initiatives on mental health, caregiving and the Veterans Network. The awards will be presented by CTHRA and Cablefax at a luncheon during the Disruptive Thinking HR Symposium, Oct 26 in Philly.

Think about that for a minute...

Public Utility

Commentary by Steve Effros

I was reminded the other day about the advertising campaign AT&T (the original one) ran in the old days with pictures of its control centers, its strand maps and all of the other nuts and bolts that it took to put that system together. The point was to impress upon all of us who were using the “long distance telephone system” how complicated it was to build and maintain and that these folks were actually doing one hell of a job to keep it up and running as well as it was; errors, price complaints and all. It was very effective. It's time for the cable/broadband industry to do the same thing.

It's not that anything major is about to happen and we need to polish our image, although that is always the case, or that I expect some significant political moves in the near future. I wish there would be. I wish we actually could get on with the business of getting a new communications law written by Congress instead of the ping-pong regulatory mess we're in now on things like net neutrality. But that's not likely to happen soon. So why now?

Well, as we all have, I've been watching the coverage of hurricanes Harvey and Irma. You can't miss the commentary about how many poles have been knocked down, how many underground vaults have been flooded, how long the power is likely to be out, how many cell towers are not working. And all of that, of course, is true and serious and worthy of reporting. But do you see what's missing? Have you heard anything about the broadband system? The one that is considered so important in some communities for continued growth that they want to build their own with municipal funds? The one folks are concerned is creating a “digital divide” because the new, good



jobs, the telecommuting and the like, are all going to be dependent on that system? Nope. Almost no mention at all.

Obviously the broadband systems in Florida and Texas communities were just as hard hit as was the telephone, cellular and power grid. Obviously the herculean efforts of the phone company, the power company and the water folks, are to be applauded and the public has been sensitized to the fact that these vast infrastructure utilities are going to take some time and a lot of money to rebuild. And just as obviously, the same thing is true for the broadband system. Our companies are sending in crews from all over the country to speed the recovery. We are just as affected by those downed poles, just as intent on getting the system back up and running.

But there seems to be so little recognition of the extent of the complex, expensive to maintain, extraordinary system we have created that little if any mention is made of the fact that it, too, was seriously damaged in these two calamities, and that it, too, is going to take time to recover. We need to change that lack of knowledge and understanding or we will always be put in the position of, on one hand being considered (and sometimes regulated) as a “public utility” that is critical for the economic future, and on the other hand being ignored as an afterthought. When that happens a lot is demanded and expected and very little is given in the way of support or at least understanding and appreciation of what we do. It's time we changed that.

Steve

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(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 Cablefax.)

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