

# Cablefax Daily™

Thursday — April 19, 2018

What the Industry Reads First

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## Outside the Box: Pennsylvania Waves Carrot for Broadband Buildout

When it comes to getting broadband to that final two percent of Americans, it is going to take some creativity. That means trying new things—maybe even receiving government funding, something cable has traditionally skipped. “These publicly funded programs are going to happen... If we don’t get involved, we’re not doing what we’re supposed to be doing” in terms of ensuring that the money is spent in a responsible and efficient manner, **Armstrong** vp, regulatory & interconnection **Shawn Beqaj** said during the **Broadband Cable Association of Pennsylvania’s** annual Cable Academy on Wednesday. Armstrong has received more than \$83m in funds from the NY Broadband Program, which launched in 2015 to ensure that all New Yorkers have access to high-speed internet by the end of 2018. The success of that program certainly caught the attention of border state Pennsylvania. **Gov Tom Wolf** did a trip through 14 counties in rural PA last summer and the number one issue he heard was the need for broadband. “We decided to take a swing at the issue as soon as possible,” said **Mark Smith**, who was tapped as executive director of Broadband Initiatives. Just a few weeks ago, Wolf unveiled the Pennsylvania Broadband Investment Incentive Program aimed at reaching an estimated 800K Pennsylvanians who still lack access to high speed internet. It’s tied to the **FCC’s** upcoming Connect America Fund Phase II auction, with the state pledging up to \$35m in financial incentives to private providers bidding on PA service areas in the auction. Given the timing, the state had to utilize funding already allocated by the Legislature. “That actually was not that easy to find,” said Smith, who described how talks were held with several different agencies. Ultimately, the money came out of allocations for **PennDOT** (Dept of Transportation). “They were in the process of writing a strategic plan to expand PennDOT’s network... looking to the future and what autonomous vehicles bring and all the technical assets that PennDot is deploying throughout the state,” he said. Providers who apply for money from the program have to provide PennDOT with a benefit on the network, which Smith said could range from a connection for a high-traffic roadway to connections between PennDOT facilities throughout the state. “It’s probably more valuable to PennDOT than it would cost providers to give... We’re open to discussing that trade off,” he said. The state is not requiring that the transportation benefits be given in the same census block a provider is bidding on. Any provider who wishes to participate in the program will be subject to state guidelines and requirements that will ensure that service is delivered by June 30, 2022 and broad-

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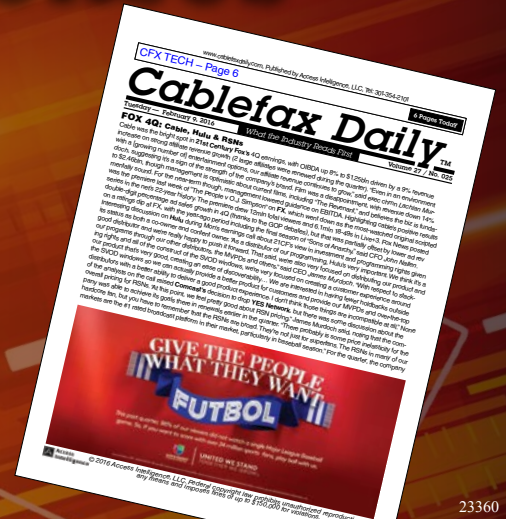
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As excitement builds for the [Cablefax Leaders Retreat](#) on April 30 – May 1, we're laser focused on creating something completely unique and impactful. We've invited some participants to be "conversation starters" for their area of expertise, but once the conversation gets going everyone in the room will be able to add their own insights and perspectives. And the takeaways that come out of these interactive discussions are sure to be pretty incredible for everyone involved. View the updated agenda below for details.

## April 30, 2018 – DAY ONE

### 8:30 – 10:00 a.m. | Prep Talk: Artificial Intelligence and the TV Ecosystem

For those arriving early, we will host an off-the-record, interactive discussion delving into the many issues surrounding AI, including how the technology affects the consumer experience, customer service, content navigation, privacy, the Internet of Things and more. AI experts from IBM and Davis Wright Tremaine will be in the room to help us work through both the technological and legal implications, respectively. This is a great way to prepare for many of the issues that will be addressed throughout the Leaders Retreat.

In this pre-retreat discussion, you'll learn how to:

- ➔ Leverage AI while weighing the advantages and risks.
- ➔ Prepare the business for potential regulatory demands around AI and machine learning.
- ➔ Deploy machine learning front-end and back-end operations.
- ➔ Avoid charges of cultural or racial algorithmic bias.
- ➔ Determine which actions should be fully automated or left to affirmative human intervention.

### 10:00 – 11:00 a.m. | Morning Break

### 11:00 a.m. – Noon | Welcome Brunch

### Noon – 1:30 p.m. | Industry Leaders Forum Finding the Best... and Keeping Them in Times of Change

In this welcome session, we'll set the stage for two days of game-changing discussions vital to the future of your business and career with a round of interactive discussions.

Then we'll tackle recruiting, retention and diversity as the industry faces unprecedented competition for talent amid a rapidly evolving TV ecosystem in a series of off-the-record discussions.

First, **Comcast EVP and Chief Diversity Officer David Cohen** will discuss ways that the industry's biggest player continues to draw the best and brightest even amid Silicon Valley's growing influence.

Then top media business headhunter **Ann Carlsen of Carlsen Resources** will share insights on how the cultures of traditional media and Silicon Valley can differ, and what both sides are doing right and wrong to attract top talent.

And finally, **Needham & Co's Laura Martin** will widen the conversation to explain how these OTT players are trying to aggregate their way to dominance, sharing exclusive insights from her newest report, "The Future of Media: An Epic Battle."

### 1:30 – 6:00 p.m. | Afternoon Activities

Join your peers for a round of golf, kayaking adventure or a conservation tour at White Oak.

### 6:00 – 7:15 p.m. | R&R: Relax and Refresh

### 7:15 p.m. | Cocktail Reception

### 8:00 p.m. | Networking Poolside Dinner

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## May 1, 2018 – DAY TWO

### 6:15 a.m. | Sunrise Walk (optional)

What better way to wake up than a crisp walk along the beach to take in the sights, smells and sounds of beautiful Amelia Island.

### 8:00 – 9:00 a.m. | Breakfast

### 9:00 – 10:30 a.m. | Industry Leaders Forum Measuring Success Here, There and Everywhere

We'll cover a lot of ground in this morning discussion as we examine how industry leaders can measure success, whether in Washington, around the world or simply with customers and viewers. Often it all comes down to understanding the goals of policymakers, competitors and customers.

First, our conversation starters **NCTA COO Dane Snowden** and **ACA President & CEO Matt Polka** will prime us on the deregulatory tsunami that has changed the game in Washington. But the outlook for net neutrality, consolidation, retransmission consent, 5G and other hot topics could hinge as much on policy as each company's position in the marketplace.

Then we'll discuss how the U.S. market differs (and often doesn't) from international markets as the media business becomes an increasingly global endeavor. Helping us to kick off that discussion will be as **Liberty Global's Bob Leighton**.

And finally, as Facebook and others face more governmental scrutiny on the use of customer data, **Parrot Analytics' Alejandro Rojas** will give us a glimpse into the future. Spoiler alert: It's all about marrying thousands of data points into an intensely accurate profile of customer behavior.

### 10:30 – 11:00 a.m. | Networking Break

### 11:00 – 12:30 p.m. | Industry Leaders Forum Embrace the Future, Prepare the Present

As we start to formulate retreat takeaways, we'll explore the TV ecosystem, how it could evolve in the future—and how executives with varied missions and corporate situations can seize the initiative and future-proof their businesses. As always, everything is off the record.

First we'll chat with **Philo's Mike Keyserling** about how this innovative virtual MVPD has wooed cord-cutters and cord-nevers (ie, millennials) with a stripped down package devoid of sports, news or broadcast nets. Is this the future of media or just another option for an increasingly fractured marketplace?

Then we'll tackle the economics of OTT and skinny bundles, as well as how so many options make marketing even more vital for traditional players. **CTAM's Vicki Lins** will start us off with a primer on how content providers and distributors are positioning themselves amid the changing TV ecosystem. How can the industry enhance its reputation as consumer perceptions morph and evolve—especially as it expands services with the connected home and beyond?

Finally, we'll turn our attention to futuristic endeavors as we discuss artificial intelligence and machine learning with **IBM's Michael Clanton**. What's the state of the technology and how will both traditional and new players best position themselves to profit from it in the coming years?

### 12:30 – 2:00 p.m. | Lunch

### 2:00 – 3:00 p.m. | Industry Leaders Forum It's a Wrap... Now What Can We Take Back to the Office?

In this final session, we'll discuss overall takeaways from the last two days of discussions—and we'll brainstorm key actions that senior executives must take today to ensure a robust and growth-oriented strategy going forward.

### 3:00 p.m. | Final Toast and Good-byes

**Registration is limited! [www.cablefax.com/event/2018-cablefax-leaders-retreat](http://www.cablefax.com/event/2018-cablefax-leaders-retreat)**



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band speeds meet or exceed 100 Mbps, while encouraging the delivery of gigabit service. With the FCC's auction not until July, the verdict is still out on how successful PA's effort will be. Armstrong's Beqaj was complimentary, particularly in how quickly it came together. "While nothing is perfect, it's elegant and simple," he said, noting that a principal pillar of the program is to identify where broadband is and isn't. Some operators in the room suggested the state look at other options, such as tax credits for ISPs building out broadband. "Everything is on the table," Smith said.

**BCAP Notebook:** BCAP celebrated its 30th Cable Academy this week at Kalahari Resorts in the Poconos. It was a fitting location, with the Poconos transforming its image over the years from a vacation land with dated heart-shaped hot tubs to the home of innovative resorts such as the award-winning Woodloch Pines and the Kalahari, home of America's largest indoor waterpark. Cable also has been hard at work transforming its image from that of a monopolistic "cable guy" to an industry on the cutting edge of technology. **Pocono Mountains Visitors Bureau** vp, marketing *Brian Bossuyt* suggested cable try to borrow a page from hospitality. "Keep in touch with customers and talk to customers throughout their journey. Maybe look at it as less of a technology company and more as a hospitality company providing a service and entertainment in the home," he said. **Service Electric Cablevision** marketing dir *Scott Young* complimented resorts like Kalahari and **Disney** that find ways to keep customers engaged constantly, even months before and after a stay. "They also do a good job identifying who the ideal customer is," he said. -- **ACA** pres/CEO *Matt Polka* implored BCAP members to be ready "with the facts" when their customers approach them about net neutrality. "You have to be ready to show the nature of what your company does each and every day to support your customers and communities—the fact you're not blocking, not throttling, not discriminating," he said. Polka, who was honored at the annual conference with the President's Award for his work on behalf of PA operators, said that a legislative fix for net neutrality seems difficult right now with the midterms ahead. "Democrats do believe, and I think they may be right, that they have the ability to retake the House and Senate this year. The two issues that they feel will help them retake the majority will be the tax reform bill ... and net neutrality," he said. "Net neutrality is an issue that they truly believe has energized their base, particularly younger voters." -- Interesting to hear *Tom Steegmann's* take on business services, given his past at **AT&T**, **Verizon** and **MCI**. This year, he joined **Charter** as sales manager to government customers, primarily to the city and state of New York. "The biggest difference we see in cable from telcos is the way we treat bandwidth. It's a lot cheaper." While price points often pull business customers in, "what we're seeing over time is better reliability of service," he said, adding that his previous employer became more committed to mobility and was walking away from wireline. "Cable seems very committed."

**Down on the Farm:** FCC chmn *Ajit Pai* affirmed the agency's continuing commitment to expanding broadband access in rural America in an appearance at the **Farm Foundation/USDA Summit**. He joined executives from **Farm Founda-**

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tion, **NTCA, National Rural Electric Cooperative Association, CoBank** and the **National Rural Utilities Cooperative Finance Corporation** in the first of a number of listening sessions aimed at highlighting the importance of e-connectivity across the board. According to the latest numbers from the FCC, more than 24mln Americans still lack access to terrestrial fixed broadband at the 25/3 Mbps standard, including 30% of the rural population. Pai spoke to the agency's efforts to modernize key universal service programs to maximize their impact, giving them a focus on sections of the country that are off the grid. "The FCC should not and will not subsidize companies in areas already covered by private investment when other areas have no access at all," Pai said. The next listening session will be in June in Minnesota, with more sessions to be completed over the next six months.

**They Shoot, They Score:** **fuboTV** has raised \$75mln in Series D funding. This round included **AMC Networks** and existing investors **21st Century Fox, Luminari Capital, Northzone, Sky** and **Scripps Networks Interactive**, which was recently acquired by **Discovery**. The start-up has now raised \$150mln, with the additional funding going towards growing its engineering and product teams to continue launching new features on its sports-first live streaming TV platform. Fubo is available at \$19.99 for the first month and \$44.99/month for each following month on desktop, mobile phones, tablets and TV connected devices.

**Playing Favorites:** **HGTV** and **ID** each ranked as being "one of my favorite channels" by network viewers, 15 percentage points higher than the average broadcast network. That's according to the latest **Beta Research** survey. 31% of customers are also more likely to buy products advertised on HGTV as well as **MTV** and **Nickelodeon** amongst top-ranked basic networks, according to the brand identity study. **Universal Kids** came out on top amongst digital basic networks at 40% whereas the average broadcast network ranked at 20%. Customers are most likely to watch programming on their smartphones, tablets or computers when it comes from **Cartoon Network** (34%), **Disney Channel** (34%) and **MTV** (34%) as well as from **Universal Kids** (43%) and other digital basic networks **American Heroes Channel** (41%), **Nick Jr** (38%) and **Velocity** (38%).

**Hope for Charter:** **Charter Communications'** shares may be down 10.4% YTD thanks to video, but not all is lost. **Macquarie Research** continues to believe that the cable company will continue to outperform its peers. The current share price reflects growing video pressure from initiatives like the digitization of **Time Warner Cable** and the rollout of World Box along with potential wireless disruption in broadband. In other news, Charter's subsidiaries have closed on \$2.5bln in senior secured notes. That includes \$800mln in aggregate principal amount of notes due 2038 and \$1.7bln in notes due 2048.

**Making the Move:** Georgia cable provider **Bulloch Telephone Cooperative** is migrating from its current cable solution to a complete IPTV solution, thanks to a video sharing partnership with **Innovative Systems IPTV Middleware**. The decision was made as a way to cut down its existing ecosystem to deal with a single vendor managing the overall solution, a move that *Travis Boseman*, Bulloch's manager of network engineering, believes will allow them to be more efficient. Improvements in the pipeline for Bulloch customers include better picture quality, a revamped program guide and features such as **Restart TV**.

**Lights, Camera, Action:** For the second year in a row, the **TCM Classic Film Festival** is partnering with students on a social campaign to raise awareness for the four-day event. 18 students from LA area film and communication schools will be reporting, commenting on and capturing video from the events and screenings for social media promotion. The content will be shared on **Facebook, Twitter, Instagram** and **Tumblr** through the hashtag #TCMFF. Last year's content reached more than 28mln over the course of the festival. This year's festival will run from April 26-29.

**Programming:** **truTV** has greenlit a second season of variety sketch series "At Home with Amy Sedaris." **A24** will produce 10 half-hour episodes of the series later this year. -- **Sundance Now** has greenlit Season Two of relationship dramedy "This Close." Created, written by and starring *Shoshannah Stern* and *Josh Feldman*, the show will begin production on eight episodes in summer 2018 in Los Angeles. -- **Velocity** has entered into a multi-year agreement to become the exclusive US and Canadian destination for coverage of "24 Hours of Le Mans," starting with the 2018 race on June 16 and 17. In partnership with **Eurosport**, **Velocity** and **Motor Trend** will also live broadcast the full FIA World Endurance Championship "Super Season," which kicks off this May.

**People:** **NBCUniversal Telemundo Enterprises** has added three to its executive team. **Univision** veteran *Ronald Day* was appointed to evp of programming for Telemundo Networks, current Telemundo Station Group CFO *Amanda Calpin* will serve as CFO for Telemundo Networks and **Albavision** chief content officer *Ignacio Barrera* was named svp of sales and business development for Telemundo Global Studios.

## Think about that for a minute...

### A Tough Job

Commentary by Steve Effros

I had an all-day experience yesterday that reminded me that those of us doing battle here in Washington on issues which seem to never end are not the only ones who sometimes think we have “thankless” jobs. I spent the day with some “cable guys.”

We all know, and have long talked about the image of the “cable guy” as the installer who arrives hours late, tracks mud through the house, runs over the rose bush and drills holes in the wrong walls. Jim Carrey memorialized that image in the movie of the same name. Being in the business, and knowing how difficult it is to go into millions of homes and always be on time and never make a mistake didn't seem to make a difference when it came to the many years of effort the industry has put in to try to correct, or at least get our customers to understand all the things our crews have to put up with. Well, I have witnessed it all in the past few weeks as my long desire to switch out of my FiOS service and back to Cox (Contour/X1) as my provider finally came true.

I knew I had a tough installation. I have a house part of which was built in 1890. It's got lots of difficult line runs and getting a new line from the pole to my house was no easy trick either, especially since it snowed the day “miss utility” tried to mark the other wires! We should have known then that this whole thing was going to be a challenge. I have to admit, I “pulled rank” a little bit and talked to my friends at Cox before starting the process. I got absolute “white glove” treatment, with Brandon, my main contact, doing a great job of keeping me informed through the process, especially the hassle of porting over my phone lines from Verizon. That



did not go well, but I knew it was not Cox creating the problem! I also know that the average customer doesn't know that.

Anyway, “the day” finally arrived, after preliminary visits scoping the project out by two different supervisors! Two, and ultimately three trucks were deployed. Tony, Alan and Supervisor Joe wound up on the scene because, aside from the difficult rewiring (they originally estimated the install would take up to 6 hours) for some reason that is still not totally clear, the computers, service authorizations, etc., just didn't click on one of the three boxes. Since I know just enough to be dangerous about all this, I participated in the speculation as to what was going on. Boxes were swapped out, changed positions to make sure the wiring wasn't at fault for the communications problem, three levels of tech assistance were called. It was amazing!

Aside from all the obvious frustration, these guys were great. Lots of putting on and taking off of booties to protect the house, lots of calls back and forth to get the phone lines to finally work, and the communications glitch ultimately was resolved. It took ten hours! My deepest thanks for a job well done to Brandon, Joe, Alan and Tony! Theirs can be a really tough job, and they did it with poise, a smile and stayed pleasant throughout. It would be a good idea if we could do some ads, some video of the real job these guys have to do. Our customers would understand a lot more, and that can only help.

*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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