# Cablefax Daily TM Tuesday - April 7, 2020 What the Industry Reads First Volume 31 / No. 067

#### Quick Bites: Quibi Users Don't Want to Be Stuck with Phone Viewing

Despite a pandemic and one tech company's attempt to block it from launching altogether, short-form mobile streamer Quibi hit Android and iOS app stores Monday. Quibi is the first of the streaming services set to launch during the COVID-19 pandemic and it's by far the most unique of the pack. The platform designed with millennials in mind offers "quick bites" of content for \$4.99/month with ads or \$7.99/month for an ad-free experience. Folks can get a taste of Quibi with a 90-day free trial and a partnership with **T-Mobile** gives customers on unlimited wireless family plans a year of the service at no additional cost. But how is the mobile-first strategy being received with many folks finding themselves sequestered to their homes? Many are asking for changes to the platform that will allow them to share Quibi's impressive lineup with their friends and loved ones. When Quibi took the CES stage in January, CEO Meg Whitman said that the company wasn't trying to shrink TV onto phones. Instead, the platform would offer premium programming in the palm of your hand. Quibi has even gone so far as to not include an option on the app to cast a show onto your home television, and that choice has rubbed some the wrong way. "I know you're weirdly obsessed with being mobile, but I'm sitting on a couch with a 75" TV in front of me. How about the OPTION of using it?" one Twitter user said. Another complained that not having the option included prevented him from watching a series at the same time as his partner. Whitman has said that the option to cast will eventually be available for users, but offered no timeframe on when that could be introduced. Critics widely said that while users should take advantage of the 90-day free trial, there are definitely adjustments Quibi needs to make to create additional buzz once that period is over. David Friend, a pop culture reporter at The Canadian Press, noted on Twitter that the platform blocks viewers from taking screencaps to share with friends on social media platforms. "Since it's mobile-only, people can't easily snap a picture to share on social media any other way, so how does Quibi expect these shows to create visual discussion?" Friend said. When we booted up the app for the first time, it was surprising when Quibi didn't ask for any information on what we liked to watch. Yet, the first screen you're taken to is one labeled "Today for You." While the UI is attractive, it's challenging to navigate all of Quibi's content on a phone screen, especially when user preference isn't taken into account. Shows are categorized into sections like "Laugh Out Loud" and "Adrenaline Rush" that only add to the confusion. Even so, the



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The Society of Cable Telecommunications Engineers (SCTE), along with its global brand, the International Society of Broadband Experts (ISBE), CableLabs® and NCTA is seeking proposals for papers and presentations for Cable-Tec Expo® 2020's Fall Technical Forum workshops.

This year's Program Committee, co-chaired by Ed Marchetti of Comcast and Tom Monaghan of Charter, is searching for subject matter expertise in categories related to the industry's 10G initiative, as well as breakthrough service opportunities that will shape the future of connectivity.

Key Dates & Action Items

- Abstract submission deadline April 10, 2020
- Program Committee selections will be announced by May 12, 2020
- Selected participants are required to complete and submit an electronic version of their white paper and an associated
- PowerPoint presentation by August 7, 2020, for inclusion in Cable-Tec Expo® 2020

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For general questions regarding the Expo technical workshops or the abstract submission process, e-mail us at EXPO\_info@scte.org

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viewing experience is everything the platform promised. The Turnstyle technology, which allows viewers to dynamically switch between landscape and portrait views with a turn of their phone, is fast and responsive. But will a quarantined user base embrace a platform built for commutes, taxi rides and the like? Time will tell.

**Frontier Channel Drops:** No April Fools' joke here. **Frontier** removed **MLB Network**, **AXS TV** and **HDNET Movies** from its lineup on April 1. The channel drop comes as several programmers, including **Anthem**-owned AXS TV and HDNET Movies, are offering affiliates free preview periods with more Americans stuck at home. "We are greatly disappointed to learn that Frontier Communications has chosen to discontinue distribution of AXS TV and HDNET MOVIES to their customers especially during this time, when people are yearning for quality music programming as they isolate at home. We understand that distributors need to make difficult content choices and we are working hard to be accommodating to cost pressures facing all our customers, while striving to improve our programming," Anthem distribution svp *Randy Brown* told CFX. Frontier also plans to remove **EPIX** from its Ultimate package come June 1, making it available a la carte for \$5.99/month.

**Broadband Money for Small ISPs:** A bipartisan group of lawmakers are pushing for funding to help ensure small broadband providers can keep students and low-income families connected during the current pandemic. "While the third coronavirus package included funding for rural broadband deployment, it did not include funding to help small broadband providers sustain services and upgrades for students and low-income families. We now urge you to include funding in the next expected relief package for a temporary emergency relief fund at the **FCC** to help small broadband providers continue these critical services for students and low-income families throughout the pandemic," said a letter sent Monday to Congressional leaders and signed by more than 20 members, including Sens *Amy Klobuchar* (D-MN) and *Lisa Murkowski* (R-AK). Last month, a bipartisan coalition introduced the Keeping Critical Connections Act, which now has 11 cosponsors in the House and 17 in the Senate. It would appropriate \$2bln for the FCC aimed at small broadband companies with fewer than 250K customers. They could be compensated for broadband services—if they provided free or discounted broadband services or upgrades—during the pandemic for low-income families who could not afford to pay their bills or provided distance learning capability for students.

**NBCU Permanently Reducing Linear Ads: NBCUniversal** is working to assist its consumers and marketing partners during the COVID-19 pandemic, announcing it is reducing the number of ads across several categories. In a blog post, chmn of advertising and partnerships *Linda Yaccarino* said that beginning immediately, NBCU will come up with different approaches to scale back ads to "do what's right for our audience and marketers." The company is reducing ads in news



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programming, late-night **NBC** and **Bravo** shows, reality programming and competition shows. **Comcast** cable subscribers will also have access to more ungated content on X1. The company had already planned to move the ad innovations introduced at **Peacock**'s investor day in January to the linear nets, but will now accelerate those efforts in light of the pandemic. NBCU is also providing free resources to marketers. "Our teams are scaling our new commerce technologies, while waiving technology fees," Yaccarino wrote. "Simultaneously, we're opening up more creative services, building custom marketing materials for more clients, and giving our partners more access to remote production teams, brand assets, and talent–all without the associated fees." NBCU is also offering free editing and translation services to reach people in both English and Spanish, and donating inventory to existing media schedules so brands can get PSAs out.

**Apple Acquisition:** In what would be its third acquisition in a week, **Apple** is reportedly in the process of purchasing VR streaming service **NextVR** for \$100mln. The news was first reported by **9to5Mac**. NextVR has over 40 tech patents and currently provides VR experiences for viewing live events with headsets from **PlayStation**, **Oculus**, **HTC**, **Microsoft**, **Lenovo**.

<u>Charter Raising Minimum Wage</u>: Charter announced it will permanently raise its minimum wage to \$20 an hour. The initial \$1.50 increase will go into effect immediately for frontline field technicians and customer service call center employees, regardless of current salary. Subsequent increases will come so that by 2022 all hourly employees will have a minimum starting rate of \$20 per hour.

**FCC Rejects Petition Over White House Pressers:** The **FCC** Office of General and Media Bureau shot down a petition by **Free Press** that sought an investigation into broadcasters that have aired statement by President *Trump* during White House Coronavirus Task Force briefings. The emergency petition claimed Trump and various commentators have made false statements regarding COVID-19 that have caused or will cause public harm. "The Commission does not—and cannot and will not—act as a self-appointed, free-roving arbiter of truth in journalism," said the letter order, co-signed by General Counsel *Tom Johnson* and Media Bureau Chief *Michelle Carey*. "Even assuming for the sake of argument that Free Press's assertions regarding any lack of veracity were true, false speech enjoys some First Amendment protection, and section 326 of the Communications Act, reflecting First Amendment values, prohibits the Commission from interfering with freedom of the press or censoring broadcast communications."

**Doing Good:** Global Citizen, WHO and Lady Gaga teamed up for the global special "One World: Together at Home," airing April 18 at 8pm. The special will be telecast on ABC, CBS and NBC, and a host of other platforms. NBCU will air it on Bravo, E!, MSNBC, NBCSN, NBC News, NBC News on YouTube, Peacock, Syfy and USA; Disney on ABC, ABC News Live, Freeform and Nat Geo; ViacomCBS' on CBS, Channel 5 in the UK, Network 10 in Australia, Telefe in Argentina, and BET, MTV, CMT, Comedy Central, Logo, MTV2, Paramount Network, Pop, TV Land and VH1. Hosted by *Jimmy Kimmel, Jimmy Fallon* and Stephen Colbert, Lady Gaga curated a vast array of talent including *Elton John, Billie Eilish, Paul McCartney, Lizzo* and more. The special is not designed as a telethon, but more to raise money ahead of time and let the show focus on messages of solidarity and entertainment. Lady Gaga and Global Citizen have already raised \$35mln. -- Cartoon Network launched the new initiative CNCheckIN to help kids stay safe, creative and entertained. A new series of PSAs will provide hand-washing tips and how to stay in touch with friends. The net will provide DIY projects and how-to-draw lessons, and also unlocked content on Cartoon Network and the CN app.

<u>Keep Connected</u>: RCN, Grande and Wave Broadband launched the Internet First program, offering new customers 25Mbps of high-speed service for \$9.95/month with the first 60 days free to all qualifying low-income households.

**ESPN COVID Programming Strategy:** In a world without live sports, nets are having to pivot and adapt. **ESPN** is scheduling a "horizontal fashion" Monday through Sunday, with themed programming attached to leagues or sports, according to programming evp *Burke Magness*. Monday night is tied to Monday Night Football, Wednesday is traditionally an NBA night, and Thursday is college football. In the wake of the coronavirus, ESPN added an MLB block on Tuesday, Friday night is now movie nights and Saturday fight night. Sunday nights will have the upcoming *Michael Jordan* doc "The Last Dance" for the foreseeable future. "While the theme nights provide structure, we are not going to hesitate to break from that construct when there is a special opportunity or when the moment demands it," Magness said in an interview with ESPN's "Front Row." Examples include Thursday and Friday, in what would have been Masters Week. ESPN will present iconic Masters Final Rounds in primetime.

<u>People</u>: CuriosityStream named Damone Jones as its svp, corporate and education partnerships. He comes over from CBS Interactive, where he served as senior director, marketing partnerships for its high school sports outlet MaxPreps.

### CFX TECH

#### **The Chain**

In just a few short weeks, many industries were turned upside down due to the spread and the effects of the coronavirus. And with COVID-19's origins in the Wuhan province of China, there were plenty of questions as to how the supply chains of some of the world's biggest names would begin to crumble.

But those supplying cable providers have thus far been able to weather the storm fairly well. According to **Technicolor**, dealing with adversities like spikes in memory costs and the trade wars between the US and China over the last few years had prepared them well for the disruptions that have come with the pandemic.

Technicolor builds its supply chain on the CART philosophy: Continuity, Agility, Resilience and Transparency. "Those previous experiences have prepared us to respond accordingly in this area," Technicolor Connected Home pres, North American Cable *Eric Rutter* said. "The operators that we're talking to have been extremely appreciative of how we have been reactive, how we have been proactive and how we have communicated not only the challenges in supply, but what we're doing to manage and mitigate them."

*Lawrence Hau*, Technicolor Connected Home's svp, global sourcing, has been monitoring the COVID-19 pandemic since January and heads an internal crisis management team.

"When the entire country shut down, we got pretty nervous," Hau said. "We found a secondary source whenever possible. We started to talk to suppliers to move their manufacturing location, where possible, outside of China immediately." Hau highlighted Vietnam, Malaysia, the Philippines and Thailand as up-and-comers that have worked quickly to fill some of the gaps that emerge when China is shut down.

The data that Hau's team tracks is funneled to *Todd Dietz*, Technicolor Connected Home's svp, North

American cable. He's been passing that along to Technicolor's cable customers, sometimes on a weekly basis.

"We try to paint the macro picture for them as far as what's happening, what are the dynamics that we're seeing in the industry as well as trying to look around the corner and see where the next potential hotspot could come up and what is the impact there," Dietz said. "Where it really makes an impact to our customers is when we personalize the message and clearly articulate in a very deliberate fashion what the impact is to the products that they're buying."

**CommScope**'s supply chain has also been affected by the COVID-19 pandemic, but it has benefited from having a broad manufacturing and operations footprint. CommScope svp, global operations *Gordon Robb* said most of its factories are fully operational and its global output is close to capacity. Despite reduced staffing levels at some factories due to local government restrictions, it is also seeing strong results from its worldwide operations time.

"As the pandemic creates circumstances beyond our immediate control, we are experiencing extensions in lead times for some product deliveries, and those orders potentially at risk are being assessed and rescheduled. Our global supply chain team is working closely with our suppliers to secure materials and with our transportation and logistics partners to manage and mitigate any potential disruption to supply," Robb said. CommScope is also continually monitoring freight patterns with the ability to divert goods, if needed. – Sara Winegardner

<u>Cisco Making Backhaul Buy</u>: Cisco announced its intent to acquire Fluidmesh Networks Monday. The privately-held company specializes in wireless backhaul systems. Cisco plans to use the acquisition to bolster its industrial wireless portfolio, particularly in areas related to transportation and manufacturing.

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- SCTE•ISBE's President and CEO, Mark Dzuban

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