

Cablefax Daily™

Monday — September 21, 2020

What the Industry Reads First

Volume 31 / No. 182

Supply Chain: Fiber Demand Skyrockets in Age of COVID

If you've tried buying a bicycle or a desk, you're probably familiar with some of the supply chain shortages COVID-19 has brought. Broadband and cable operator are running into their own backlogs as they embark on construction—particularly for fiber.

With the pandemic, "you had broadband demand go through the roof. So, you had folks who needed to get fiber optic cable and you saw lead times in the industry go from six weeks out to 30+ weeks. And that was really demand driven," *Keith Martin*, **Corning's** vp of emerging accounts and distribution channels, said during the recent Fall Conference for **NTCA – The Rural Broadband Association**.

Increased broadband usage isn't the only factor at play. There also is government funding for broadband projects in the CARES Act, as well as providers gearing up for major builds as part of the **FCC's** \$20bln Rural Digital Opportunity Fund auction, which kicks off Oct 22. Throw in damage from the recent hurricanes and wildfires, and there is no end in sight for demand.

"It's a going to be a problem for a while, and I don't know how they can catch up short of building factories and lines and that takes time," *Dick Beard*, director of business development for **Ervin Cable Construction**, told **CFX**. He's been working in the field in Iowa, trying to assist with repairs following a derecho that hit last month and caused more than \$23mln in damages to public infrastructure. "The positive is there isn't much trouble getting coax cable because not that many people are building new coax projects any more, but the fiber is getting way out. It went from six weeks to months in a matter of months."

Kathryn Condello serves as **CenturyLink's** senior director of national security and emergency preparedness. She offered up tips to NTCA conference attendees, telling them to look at any single source vendors, or perhaps more appropriately, their single region vendors. "The other aspect that needs to be looked at is supply chain transparency. This is the 'shared pipe problem.' You think you bought diversity, but it turns out everyone is going over that same channel," she said. "When you drill down to some subcomponent, you find they're all being provided by that same someone else."

Condello also recommends examining inventory management. "I recognize there's a cost to that because if you

**Cablefax Selected by SCTE•ISBE
as Exclusive Partner for the Official Show Daily**

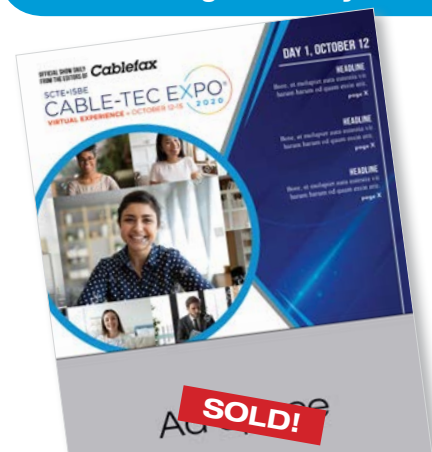
SCTE•ISBE
CABLE-TEC EXPO®
VIRTUAL EXPERIENCE » OCTOBER 12-15 2020

Supercharge Your Exposure!

“The Cable-Tec Expo Show Dailies by Cablefax are a valuable resource for keeping attendees and exhibitors informed of upcoming events, as well as clear and concise coverage of the previous day's highlights. Enlightening articles by its well-respected editors are also always a good read and round off the educational content.”

- David Atman, President, Lindsay Broadband

**Extend Your Brand
And Message Globally.**



Space is selling quickly! Contact Mike Farina at mfarina@accessintel.com • Albert Nassour at anassour@accessintel.com

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher, Cablefax & Synopsis: Robbie Caploe, 917.974.0640, rcaploe@accessintel.com ● Senior Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● VP, Sales: Mike Farina, 203.218.6480, mfarina@accessintel.com ● Sales Exec: Albert Nassour, 917.545.3129, anassour@accessintel.com ● Dir of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: Joann Fato, jfato@accessintel.com ● Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com ● Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,749.00/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

have more inventory than you need at this moment, then yes, it's not as efficient a use of capital or resources. But it's part of the risk management process individual carriers have to at least contemplate."

Jim Shortal, senior director of business continuity at **Cox Communications**, told **CFX** the company has certainly seen some supply chain impact, including for PPE. "We've seen lead times go up fairly significantly," he said. "Fortunately, early on and for several months, our supply chain had learned that because of the Chinese New Year holiday, you really bulk up in your inventory levels. So we were able to feed off that for a fairly good amount of time. We've had to make some adjustments, but as a whole, we're not sitting with anything that's out-of-stock and we can't do something."

When contemplating the increase in demand, it's not just about new construction. Operators reported in 2Q earnings that they saw an increase in customers taking faster speed tiers. Corning's Martin said that with some of the fiber optic installations, there's new hardware required to go to different gigabit tiers. The increase in broadband demand, the uptick in usage at home, and new buildouts, particularly in rural areas, has created a big shift in demand and product mix.

"All of that happened in what would normally be years in a matter of months," Martin said. "It's been an exciting time to be in our business because I think what it's done... has been pushing broadband farther out faster than we ever contemplated it could go. I think it's great for the long term, but unfortunate the circumstances that had to drive that."

Roku, NBCU Fight Over Peacock: Roku and Comcast NBCU are in a carriage skirmish, largely related to NBCU's streamer **Peacock**. However, at our deadline, there were signs that a deal may be close. Friday morning, Roku warned customers that 11 NBCU TV Everywhere apps were set to go dark on Roku, as well as dozens of local apps from NBCU and **Telemundo** stations, as early as Friday evening. NBCU said it was disappointed Roku is removing users' free access to the apps and that it "continues to block access to the only free premium streaming service available in the market, Peacock." The TV Everywhere deal between the two expired at the end of August, opening up the companies to a broader negotiation that would include Peacock, which launched in July. After multiple extensions, negotiations between the two soured, and the final extension has already expired. The crux of the disagreement comes from Peacock's AVOD model. In standard AVOD deals, Roku usually takes approximately 30% of ad inventory, but Peacock's ad model is heavily integrated with existing NBCU operations and is limited to five minutes per hour. Roku said it offered to extend the existing deal for Comcast's TVE channels as-is, but was rebuffed. Roku has had high-profile carriage disputes in the past, most notably briefly removing the **Fox** app in January 2020, three days before the Super Bowl. **WarnerMedia** and Roku have also yet to come to an agreement on the company's **HBO Max** streamer. Peacock and HBO Max also notably lack distribution on **Amazon Fire TV** platforms as well.

SCTE • ISBE

CABLE-TEC EXPO®
VIRTUAL EXPERIENCE • OCTOBER 12-15
2020

IMAGINE
THE POSSIBILITIES...

expo.scte.org

Attendee Registration Is Now Open. Register Today!

2020 OPENING GENERAL SESSION CEO PANEL!



MODERATOR:
PHIL MCKINNEY
President & CEO
CableLabs



PANELIST:
MIKE FRIES
CEO &
Vice Chairman
Liberty Global



PANELIST:
TOM RUTLEDGE
Chairman & CEO
Charter
Communications



PANELIST:
DAVE WATSON
President & CEO
Comcast Cable

Acquisitions: RCN, Grande and Wave finalized the previously-announced acquisition of EnTouch Systems. The deal adds 22K customers to their coverage area in Texas, and includes residential and business customers in Houston.

-- **Nexstar** closed on the purchase of **WDKY-TV**, the **Fox**-affiliated station in Lexington, KY, the first in the state for the company. The station was previously owned by a subsidiary of **Sinclair**.

Charter Asks for CBRS Interference Protections: The quiet period on the **FCC's** CBRS auction is up, and **Charter** was one winning bidder that commended the Commission for its efforts to encourage efficient use of the mid-band spectrum. It is also asking the agency to take further steps to ensure operations continue to run smoothly in the 3.5GHz band. "To ensure that consumers are now able to use this valuable mid-band spectrum, we encourage the FCC to adopt measures that will mitigate the risk of harmful interference in the band," Charter said.

You.i TV and MediaKind Team Up: You.i TV, provider of software tools for OTT application development, launched a new generation of its You.i Engine One product Thursday, with MediaKind as an initial deployment partner. MediaKind will use You.i TV to accelerate deployment and allow its video provider customers to offer more engaging user experiences.

Cablefax Dashboard

Tweet Tweet



Up Ahead

- Sept 22:** [Cablefax's FAXIES Awards Celebration, Also Honoring the Cablefax 100, Top Ops and Work Culture List](#)
- Sept 29-Oct 1:** [NCTC and ACA Connects' Independent Show](#)
- Oct 5:** [WICT Leadership Conference](#)
- Oct 6-9:** [NAMIC's 34th Annual Conference](#)

Research

- The time it takes to get engineers onsite (52% in the US), inadequate network monitoring (41%) and a lack of in-house skill (40%) are among the biggest challenges organizations face in resolving network outages quickly.
- Other priorities include diagnosing issues quickly (40%), informing customers (16%) and putting in place measures to prevent it from happening again (16%).
- More than half of orgs surveyed have not implemented a preventative maintenance program to minimize downtime. **(Source: Opengear)**

Quotable

"We're probably in the middle innings of a nine inning game right now of understanding COVID's impact to theatrical. we've got a few more to play out, and I don't think we'll know exactly how it plays out until we're 'back to normal,' where people are moving around in society without fear of risk and that means the concentration of the number of people getting into a building. I'm proud of the team trying a couple of different models. I think what we know is that the theatrical or the feature business will be one that probably has a variety of different forms of distribution moving forward." – **AT&T CEO John Stankey speaking at Goldman Sachs Communicopia Conference**

Help Save Lives. Donate Blood.

Schedule at RedCrossBlood.org

American
Red Cross