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WHAT THE INDUSTRY READS FIRST

This or That: Is 5G a Friend or Foe to Cable Operators?

(The following article is Volume 7 of the 13-part Broadband Game-Changer Series, brought you by Adara Technologies)

5G has captured a lot of headlines over the last few years, with wireless carriers touting it as the technology that will power the fourth industrial revolution. While it hasn't quite lived up to the hype as of yet, it would be a major mistake for cable operators to turn a blind eye to 5G's possibilities.

In many ways, 5G unlocks a number of new opportunities for cable operators. That's in large part because their networks have plenty of exactly what 5G needs to thrive: fiber.

It's no secret that mobile network operators are in the process of deploying small cells to improve their network's coverage and capacity, and those small cells can be backhauled over copper, through the air over mmWave spectrum or over fiber. Fiber is the most cost-effective, futureproof and the best suited to handle the ever-growing data demands of customers.

"The only transport media capable of scaling to these demands is fiber meaning it'll have to be available everywhere, particularly in the RAN to the hundreds of thousands of small and macro cells deployed worldwide," **Ciena** senior director, portfolio marketing *Brian Lavallée* said in a company blog post.

Folks are also examining using 5G to serve folks with fixed broadband, particularly in areas that are harder to serve. According to **ABI Research**, deploying fixed 5G wireless networks would allow broadband providers to save time and money on fiber deployments in those areas. 5G technology also promises high bandwidth and ultra-low latency, so customers could ultimately experience a similar end product.

"What 5G is bringing us is high-level capabilities to support a user data rate experience of 100Mbps," **Corning Optical Communications** optical network architect *Kevin Bourg* said during an **SCTE-ISBE** Cable-Tec Expo panel. "That's a pretty

good capacity that's provided for a user with their end-point device." That end-point device could be a mobile handset or even a fixed wireless access environment in areas where it's difficult to provide high-speed broadband services.

The most successful fixed 5G broadband deployments will see 5G wireless networks and fiber backbones working hand-in-hand to deliver those next-generation experiences. "Areas targeted for 5G coverage require lots of fiber to be successful, and not just for capacity reasons, but also to meet the other rather formidable 5G performance goals related to network diversity, availability, and coverage, since all three of these goals are achieved through a greater number of interconnected paths, of fiber," Lavallée said. "It's rather ironic that the projected performance goals of 5G wireless will depend on the availability of wireline fiber."

Cable operators including **Comcast**, **Charter** and **Cox** were recently declared winners in the **FCC's** CBRS auction, and Charter is among the operators examining how to use its WiFi spectrum with the CBRS spectrum to move traffic onto its own network that it may currently be paying someone else to carry. There are also a number of opportunities in the enterprise space the operator is keeping an eye on.

"There are applications where CBRS spectrum or WiFi spectrum used differently than it has in the past can be used in enterprise connectivity using a 5G factory... where you would control the inside of a building using spectrum," Charter pres/CEO *Tom Rutledge* said during the company's 3Q20 earnings call. "It's a tool. We look at spectrum as a tool to extend the connectivity, and we plan to use it in ways where it takes our cost structure down."

So how does cable's 10G story play into the 5G narrative? During a Cable-Tec Expo panel on **Mediacom's** 10G trial, **NCTA** svp, strategic communications *Brian Dietz* said they do compete in some instances, but they are widely complementary technologies. Consumers who want a seamless connectivity

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experience may have their needs fulfilled in the home by 10G, but will end up utilizing 5G whenever they're on the go. "Obviously, we think that 10G is a better product and will be a better product. It will be faster, have stronger reliability and lower latency," Dietz said. "It is companies like Mediacom that are going to prove that in the marketplace, but we think there's room for everyone in this field."

So with all that opportunity, is there a reason to view 5G as a competitive threat? Of course. Those wireless companies that have been quick to embrace 5G could easily begin battling with cable operators for share, using the technology as the backbone for new offerings and bundles.

T-Mobile is currently piloting its own home internet product that relies on the power of the company's powerful network. The pilot, which recently expanded to parts of 450 cities and towns, currently uses T-Mobile's 4G LTE capabilities, but will soon be able to take advantage of the company's 5G network.

At the same time, T-Mobile has just begun offering its post-paid wireless customers the chance to start testing its TVision video product. The internet-based streaming service starts at \$10/month, but the live TV package that is most comparable to a traditional pay TV offering comes in at \$40/month.

"We sequenced it to be sure it was here, despite all the merger and other distractions, in time for our 5G broadband launch," T-Mobile CEO *Mike Sievert* said during the company's 3Q20 earnings call. "We're serious about home broadband. It's going to be an important way that we grow this business and make money, and you have to have the full suite of services to really be able to serve customers there."

Cable One pres/CEO *Julie Laulis* made it clear during its earnings call that folks like T-Mobile aren't a threat yet, but it's important to never say never. "Right now, the speeds that they're talking about is not something that's worrying us, but we would never count them out," Laulis said.

INDUSTRY REACTS TO BIDEN WIN

After news networks called the 2020 presidential race for Democratic nominee *Joe Biden* Saturday, folks across the broadcast and cable ecosystem stepped forward with their reactions. **NCTA** pres and former **FCC** chmn *Michael Powell* took to **Twitter** to congratulate Biden, adding that the cable industry looks forward to working with the incoming administration. **ACA Connects** pres/CEO *Matt Polka* will be filling the administration team in on connectivity issues. "Our commitment to the President-elect, his Administration, and to Congress is to never stop doing all we can to ensure every American remains connected," Polka said in a statement. **NAB** also congratulated the new president-elect, and urged President *Trump* to admit that there is now a decisive winner in the election. "I was privileged to serve beside President-elect Joe Biden during my two terms as a Republican Senator from Oregon. I know Joe. I know his patriotic love for his country and of his good heart for all his countrymen," NAB pres/CEO *Gordon Smith* said. "With due respect to President Trump's rights to judicial review of election results, it is time to acknowledge the election of Joe Biden and to allow him the chance to bind our nation back together." **NAMIC** also congratulated Vice President-elect *Kamala Harris* on her historic win, which saw her break a number of glass ceilings for women everywhere. "History was made on Saturday with the election



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of the first woman, first African American and first South Asian American as vice president-elect of the United States,” NAMIC pres/CEO *Shuanise Washington* said in a statement. “While Kamala Harris stands on the shoulders of giants like *Shirley Chisholm*, *Charlotta Bass*, and many others who empowered women of color and showed them what is possible, her win represents a win for all women.”

FINAL ELECTION DAY RATINGS

This year we saw an Election Week, not a Day. On Saturday’s Day 5 of coverage, **CNN** came out on top in total day as well as during President-elect *Biden* and VP-elect *Harris*’ primetime speeches in total viewers, A25-54 and A18-34. In total day, CNN pulled in 4.247m total viewers, followed by **MSNBC** with 3.012m and **Fox News** with 1.725m. During the speech, CNN saw 13.698m viewers, followed by MSNBC with 8.528m. Broadcast nets **CBS** and **ABC** beat Fox News, with 5.632m viewers and 4.385m viewers respectively. Fox News followed with 2.964m. For post-Election Day coverage Sunday, CNN won in total day with 1.583m, followed by Fox News with 1.173m and MSNBC with 1.171m. In prime, Fox News topped with 2.188m, followed by CNN with 1.763m and MSNBC with 1.424m.

TIVO, COMCAST FINALLY AGREE ON LICENSING

TiVo and **Comcast** have finally settled their longtime legal battle, entering into a 15-year patent license agreement. The agreement is effective as of the expiration of Comcast’s prior agreement in 2016, providing broad coverage under TiVo’s patent portfolios into 2031. The deal resolves all of the outstanding litigation between the companies. “The agreement illustrates our ability to execute key renewals with our largest customers as the video market continues to experience significant technological and business evolution,” **Xperi** pres, IP licensing *Samir Armaly* said. Comcast evp/chief procurement officer *Peter Kiriakoulacos* also applauded the deal, saying it gives the MVPD a reasonable licensing solution for Comcast’s comprehensive patent portfolio while putting the litigation with TiVo in the past.

ESPN LEADERSHIP SHAKEUP

ESPN evp, content *Connor Schell* is exiting ESPN to form his own production company, effective Jan 8. Schell has been with ESPN since 2004. ESPN will be the first client of Schell’s production company, and he will still work closely with ESPN to produce “30 for 30” films, “The ESPYS” and other previously announced docuseries. Additionally, *Jodi Markley*, evp, content operations & creative services, will be retiring on April 2. She’s been with ESPN for 32 years. As part of these senior changes, ESPN is restructuring its senior leadership team. They include *Chara-Lynn Aguiar* as vp, strategy and office of the chmn; *Stephanie Druley*, evp, event and studio production; *Laura Gentile*, svp, marketing & social media; *Thomas Hennessy*, svp finance; *Rob King*, svp, editor-at-large; *Chris LaPlaca*, svp, communications; *Burke Magnus*; evp, programming and original content; *Kevin Merida*, svp and editor-in-chief, The Undeclared; *Diane Morse*, chief counsel; *Paul Richardson*, svp, HR; *Tina Thornton*, svp, content operations; *Mark Walker*, svp, content business development

and innovation; and *Norby Williamson*, evp and executive editor.

FCC COMMENT DEADLINE ON ION-SCRIPPS

Petitions to deny **Scripps** proposed \$2.65bn acquisition of **ION Media Networks** are due at the **FCC** on Dec 7. The FCC Media Bureau released the transaction’s comment schedule Monday. Oppositions are due Dec 22, with replies due Dec 29. If approved, the transaction would give Scripps a national TV business by combining ION with its existing **Katz** networks and **Newsy**.

NBCU DEBUTS ONE PLATFORM COMMERCE

NBCUniversal introduced a new commerce strategy. The company announced an expansive partnership with **PayPal**, which it says will help transform its entire One Platform into a “dynamic destination” for both content and commerce. It also debuted a new Retail Partner Network that’s currently made up of over 60 brands that will sit alongside all of the NBCUniversal brands.

DISH TARGET PRICE RAISED

Following a better than expected 3Q, **Pivotal Research Group** raised **DISH**’s YE ‘21 target price up \$1 to \$42. “We also conservatively decided to reduce our target value for DISH’s Sat TV business (which continues to be surprisingly resilient and cash generative) from 5X to 4X EBITDA [which is clearly not capturing the benefits of an inevitable merger with **DIRECTV** (and its significant synergies)],” analysts wrote.

UNIVISION DIVESTS STAKE IN EL REY

Univision exited its minority position in **El Rey Network**, an English-language cable net and production studio. El Rey will now be 100% independently owned, and financial terms of the deal were not disclosed. “This is an important and significant milestone for El Rey, and we’re thrilled to have full ownership of our brand,” said *Robert Rodriguez*, El Rey chmn. “Thanks to Univision’s support and guidance, El Rey has been able to achieve more than we ever imagined and I’m confident that with this strong foundation we will continue to successfully serve one of the most important and influential audiences.” The two had been partners for seven years.

TUBI TAPPED FOR PS5 LAUNCH

Tubi has been named a launch partner for **Sony**’s PlayStation 5 gaming console. Tubi will be directly integrated in the PS5 search interface when the console is released Thursday, and a Tubi featured row will be available on the video home screen.

DISTRIBUTION

Chicken Soup for the Soul Entertainment announced a collaboration between **Crackle Plus** and **Amagi** to power the linear channels for **Crackle**, **Popcornflix** and other AVOD platforms. At launch, Crackle and Popcornflix linear channels will be available on platforms like Plex and VIZIO Watch Free.

PEOPLE

Former **NBCU** TV exec *Chris McCumber* is headed to **Blumhouse TV** as its new pres. Current pres *Jeremy Gold* will move to a new position as pres of production, reporting to McCumber. McCumber left NBCU in September after 19 years, most recently as the pres, entertainment networks, **USA Network** and **SYFY**.