

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

One Year In: A Look at COVID's Impact as Pandemic Anniversary Nears

It's hard to pinpoint exactly when the COVID pandemic started. It's personal. For some, it may be March 13, the last time their children attended in-person school. Or maybe it was the date of their last night out at a restaurant or rock concert. However, for cable's network engineers, the start can be pinpointed pretty accurately by the dramatic growth in network data usage.

At **Comcast**, peak internet traffic rose 32% over pre-pandemic levels—and over 50% in some markets in March. In the span of four months in the wake of pandemic lockdowns, Comcast's network experienced almost 2 years-worth of traffic growth. "We were ready. The network is the engine that makes everything possible. We have a long history of making very strategic investments in our network and have spent more than \$15 billion since 2017 focusing on every aspect of the network—from the hardware to the software technologies to the people to the process," Comcast Cable evp, chief network officer *Jan Hofmeyr* told CFX.

With the one-year anniversary of the COVID-19 pandemic nearing, Comcast released a slew of stats Tuesday to back up how the internet was there when much of the world stayed home: it built an additional 39,153 route miles of fiber into the network from 2017-2020; peak downstream traffic in 2020 increased 38% over 2019 levels and peak upstream traffic increased 56% over 2019 levels; Comcast customers

generated more than a trillion internet requests (DNS lookups) each day—a first.

Especially notable was that while **Zoom** and video conferencing got much of the pandemic buzz, it still only accounts for less than 5 percent of the MSO's overall network. "I think video conferencing pretty much peaked," Hofmeyr said. "It went up, and now it's pretty stable at the levels today and I don't expect that to change much. In 2021, with school returning on campus, you might actually see a decline in the video conferencing side. It's such a small percentage in our overall network traffic, it really doesn't influence much in terms of how we think about the network."

The same isn't true for video streaming, which accounted for 71% of all downstream traffic last year—growing 70% over 2019 levels. "As you see more and more of these streaming solutions launched, I see video consumption going up. I don't think we're going to see a slowdown in video consumption any time soon."

Charter CEO *Tom Rutledge* backed up that sentiment with remarks at an investor conference Tuesday. "Television is becoming a broadband product, clearly," he said, though he added his company would continue to provide traditional video along with OTT and serving as a storefront to aggregate some of the streaming options available today. "Live TV will continue to be sold in a linear package for a significant period of time. There are a lot of customers and users who enjoy that experience, but it is being priced out of the market in many ways," he said.

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In terms of responding to the COVID-19 crisis, Charter and Comcast tell a similar story. “The pandemic really for us was about executing the strategy we had,” Rutledge said. “We changed and modified offers, packages and behavior, including our social responsibility behavior and things we did for the community. But fundamentally, we executed.”

Hofmeyr recalls Comcast execs asking early on what needed to be done to meet the surge in broadband usage. “Everyone expected that we needed to do something different. But you built the network to do this. You built the network to handle traffic peaks and spikes,” he said. “We didn’t change much in terms of how we operate the network. When you look back at 2020, that was one of the celebratory moments for me, to see that we were able to build something that could withstand these kinds of increases.”

CHARTER ON RURAL BUILDOUTS, WIRELESS

Charter recently announced plans to invest about \$5 billion to support broadband buildout to unserved areas—with \$1.2 billion of that offset by support won in the FCC’s Rural Digital Opportunity Fund auction. “Yes, the cost to construct on homes passed in historic terms is high, but so is the customer relationship opportunity on a per home passed basis. When you do all the math, you can pay a lot to build these low-density areas,” Charter CEO *Tom Rutledge* said at an investor conference Tuesday. “When you put the subsidy together with the amount of capital we’re committing, we can make a return. Yes, it’s going to be complicated. Yes, it’s expensive. Yes, there are lots of miles, but there is high penetration, low churn and it works.” His remarks came a day after **Altice USA** CEO

Dexter Goei told **CNBC** cable and wireless companies in the US should be looking at merging. Charter’s mobile business through its MVNO with **Verizon** ended 2020 with 2.4 million lines. Rutledge quipped that he’s not going to guess whether **T-Mobile** buys a cable operator or vice versa. Instead, he said he believes there’s an opportunity to continue to grow that mobile relationship into the overall broadband relationship, noting that 400 million wireless devices are connected to its network today through WiFi. “We could evolve the way we’re going for a long period of time without that [type of M&A] happening,” he said. “I can’t say it’s impossible. The relationship between the customer overall connectivity and their mobility I think is a long-run convergence. How it gets manifested in M&A and how it gets manifested in investment in the United States isn’t fully clear.”

MOBITV LAYOFFS

Last week, ahead of its voluntary Chapter 11 bankruptcy filing, **MobiTV** laid off an unspecified number of employees. The pink slips follow another round of layoffs over the summer. MobiTV confirmed the latest job cuts, but didn’t provide numbers. “Last week, MobiTV made the difficult decision to say goodbye to a small percentage of our workforce to better align headcount with the go-forward strategy for our operating platforms,” a spokesperson said. According to bankruptcy court documents, MobiTV’s \$15.5 million debtor in possession financing is from TVN Ventures, a subsidiary of **T-Mobile**. On Tuesday, the court issued an interim order authorizing MobiTV to pay critical vendor claims up to a cap of \$500,000 in aggregate. Critical vendors are deemed necessary to continue to operate its managed IPTV

Cablefax



Join Us for Virtual Happy Hour with the Editors

We miss seeing you! On Friday, March 5, let’s kick back with your favorite beverage and catch up.

We’ll chat about the news of the week, what we’re binge watching and anything else on your mind. (casual & off-the-record)

Our virtual happy hour will start at 4pm ET on Friday, March 5. [RSVP here](#)

**Note: We are using Zoom Platform*

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business, which is used by several cable operators, including **Vast Broadband** and **EPB**. MobiTV's CEO has reached out to customers to assure them that business will continue.

OLD THEATRICAL MODEL NEVER COMING BACK?

Theaters have been some of the hardest-hit businesses since the start of the COVID-19 pandemic, and a number of executives across media think some of the temporary changes made over the last year are here to stay. "I think the consumer is probably more impatient than they've ever been before. Particularly since now, they've had the luxury of an entire year of getting titles at home, pretty much when they want them. So I'm not sure there's going back," **Disney** CEO *Bob Chapek* said during a Monday appearance at the Morgan Stanley Technology, Media and Telecommunications Conference. "But we certainly don't want to do anything like cut the legs off a theatrical exhibition run." **Netflix** COO/chief product officer *Greg Peters* said during a Tuesday session of the conference that he was particularly optimistic about changes to the traditional theatrical space and the opportunities it could offer streaming services. "It's great to be in a room with a bunch of people and watch incredible content presented in a high quality way," Peters said. "But it's a different experience than being able to watch it at home, and for different people in different moments in time, each of those is relevant." **ViacomCBS** chief *Bob Bakish* thinks **Paramount+**, launching Thursday, strikes the perfect balance between the experimental models that have come to fruition during the pandemic and the theatrical window of old. "Some of these other film moves that have been made, it's not clear to me they're sustainable. But this move, it puts the titles in the theaters. So if people want to go and get a big screen experience, they can do that," Bakish said. "But if you look at the curve, the degradations on most film titles, they do very little business post day 30 and certainly post day 45."

CONDE TALKS DEI AT NBCU NEWS

NBCU News Group chmn *Cesar Conde* is still wholly committed to his goal of enhancing DEI efforts across **Comcast NBCU's** news division. He used a Tuesday appearance at the Knight Media Forum to discuss his goal of having a workforce that has 50% people of color and 50% women. "What we hoped would happen is happening. Many of the great ideas and initiatives that are coming since we announced it are happening organically," Conde said, who set the goal last July. "This was not created by one individual. This was borne of communications and conversations, very difficult and uncomfortable conversations in many cases... from the grassroots of our teams, we had buy-in because they saw the ideas that they had put forward built in." Another of his commitments has been to expanding his division's talent pipelines. The first step was the January launch of NBCU Academy, a multiplatform journalism training and development program designed to prepare college-level students for a career in the media industry. The program currently counts 17 academic partners including HBCUs and colleges with significant Latino, Asian American and Pacific Islander, Black, Indigenous and tribal populations. "We think that's good for the industry and good for the country," Conde said.

MSNBC WINS FEBRUARY TOTAL DAY

MSNBC won total day for all of ad-supported cable for the month of February, a first for the **NBCUniversal** network. The net delivered 1.36 million total viewers, up 37% from February 2020. **Fox News** was a close second in total day at 1.323m, though its viewership was down 32%. **CNN** saw the biggest increase in viewership, up 76%, though it was third in total day at 1.191 million total viewers. Fox News finished first in prime for February with 2.473 million viewers compared to 2.193m for MSNBC and 1.687m for CNN. **HGTV** (1.09m) and **Hallmark Channel** (1m) rounded out the top five nets in prime. MSNBC's "Rachel Maddow Show" was the top cable new program for the month, averaging 3.541m viewers, followed by Fox News' "Tucker Carlson Tonight" (3.39m).

SCRIPPS ADDING TWO MORE NETWORKS

Scripps will launch two free national television networks on July 1. **Doozy** will serve W25-54 and feature off-network shows like "Storage Wars" and "Married at First Sight." **Defy TV** will be directed at M25-54 and focus on series like "The Curse of Oak Island" and "Forged in Fire." At launch, the two networks will be available in at least 75% of US television homes with more carriage agreements to be announced. The pair will join **ION, Bounce, Laff, Grit, Court TV, Court TV Mystery** and **Newsy** in the Scripps Networks portfolio.

FOX BET LAUNCHES MASKED SINGER GAME

Fox Bet's Super 6 app is getting a tie-in with the March 10 premiere of "The Masked Singer" at 8pm on **Fox**. Viewers who download the app will be asked to make six predictions of what will occur on the show that night. For each correct answer, users of the app will receive an entry into a prize drawing where a total of \$20,000 will be given away each week. Users who enter each week will receive an extra entry into a grand prize sweepstakes with a \$100,000 grand prize, which could be awarded to a single player following the show's season finale in May.

DISTRIBUTION

Lionsgate and **Starz** closed a multiyear exclusive first window theatrical output agreement on Tuesday for all theatrically released Lionsgate and **Summit** label films. The agreement will go into effect when Starz's current agreements with Lionsgate and Summit expire at the end of 2021 and 2022, respectively.

PROGRAMMING

AspireTV and **Kin** announced a deal to bring three new series to the network this year. The first show, "Just Angela," will debut on Mar 30 at 9 pm ET. The second show is currently in development.

PEOPLE

John Higginbotham was upped to evp/COO of **ACA Connects**. Before joining ACA Connects in Feb 2020, he served for more than 20 years as assistant general manager, telecommunications at **Frankfort Plant Board**. *Caroline Persinger* was promoted to manager of grassroots, and *Tomeika Slappy* was upped to ACAC's assistant to the president/CEO. **INCOMPAS** said **Allied Telecom Group** and **Zayo** have joined the association. Allied's CEO *Ken Williams* and *Brandon Reed*, Zayo's vp of underlying rights and government relations, were appointed to the INCOMPAS Board of Directors.