

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## Making Progress: Charter Offers Update on Smart Cities Initiative

It's been nearly two years since **Charter** and **US Ignite** chose St Petersburg, FL, as a Smart Gigabit Community, and an initiative that initially focused on smart lighting and remote education has expanded significantly. While smart lighting continues to be a focus, a marine-focused STEM education initiative, implementation of smart intersections and digital inclusion efforts are now also a part of the conversation.

During a showcase Wednesday, **Spectrum Enterprise** vp, enterprise services innovation **Gunnar Peters** said the development of smart cities is a journey, but encouraged those looking to get involved to get input from citizens and city departments and partners before diving into long-term solution development.

His smart lighting initiative is already online, and the installed lightpoles do a lot more than conserve energy. They house IoT sensors and capabilities that allow the innovation district to collect a variety of data points, and Spectrum has run fiber to all of those light structures to support high bandwidth applications like cameras and emergency buttons. Each light structure also serves as a WiFi hotspot.

"It is a great starting point for other cities to look at what they might want to deploy and smart lighting brings a lot of functionality," Peters said.

Next on the list is a project involving smart intersections. The current proof of concept includes three mounted cameras,

computer vision and edge computing to process and analyze data like the direction of travel and mode of transportation for each vehicle, bike or person within the area. The hope is that the design will lead to increased pedestrian safety.

"Spectrum created an opportunity to transform data collection and provide the city with unprecedented detail based on real-time information that could potentially uncover new insights and alternatives to intersection design," **Patti Zullo**, Spectrum Enterprise senior director of smart city solutions, said. "It can allow the university, the city, the Innovation District and the city's engineers a level of data visualization really not previously realized, leading hopefully to better planning."

On the digital inclusion front, the St Petersburg Innovation District and the Deuces Live District first convened a group of government, industry and non-profit orgs in December 2019 to find solutions for the city's digital inclusion gaps. Since the onset of the COVID-19 pandemic, the working group has looked to expand internet access, distribute computers and other electronics to community members and offer technical assistance and training.

"Our aspiration is for St Petersburg to be a digitally-inclusive city, one where all individuals have access to online resources as well as skills to use them meaningfully," St Pete Innovation District executive director **Alison Barlow** said. Charter and **Microsoft** are among those counted as partners on the project, which is currently fundraising in the hopes of hiring a full-time coordinator and expanding services.

With the success of St Petersburg, Spectrum and US Ignite have

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## 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*

been eyeing other cities that could benefit from smart cities solutions. In late January, the pair were awarded a multi-year grant and resources from the state of Ohio for the design and implementation of smart transformation initiatives. As it did in Florida, Spectrum will provide all network connectivity and use its smart cities and vendor partnerships to develop a proof of concept that uses smart devices, collects data and delivers real-time insights. The first project underway is in Lima where smart technology is being utilized to improve traffic and safety at multiple railroad crossings.

**DISH/SLING DROPPING NBC RSNs**

**DISH** and **Sling TV** are dropping three NBC RSNs at the end of the month. **NBC Sports Washington, NBC Sports Bay Area** and **NBC Sports California** will go dark for the pair's subs, effective March 31. "The NBC Regional Sports Networks offered to continue distribution on fair market terms. DISH and Sling declined those terms and will be dropping the networks. The many other distributors that continue to carry the RSNs are listed on each RSN's website," an NBCU spokesperson said. DISH countered by saying the RSN model is fundamentally broken and that it has to think of all of its customers when engaging in contract negotiations. The provider dropped the **Fox Sports** RSNs in July 2019 and dropped NBC Sports Chicago in October of the same year. "Each contract cycle, the price for RSNs goes up, but only a small fraction of our customers watch those channels to any meaningful degree," DISH said. "We believe it is no longer reasonable to include the NBC RSNs in our core packages because of the ever-increasing rates the station owner continues to demand. We remain open to working with Comcast NBC to offer their content in a way that provides choice and value to all our customers."

**COMCAST BULLISH ON STREAMING**

**Comcast** is feeling upbeat on streaming, and we don't just mean **Peacock**. CEO *Brian Roberts* reminded folks that the company owns a third of **Hulu** today. "That has been a tremendous company. We have an exit opportunity in a couple years and that is creating real value for Comcast shareholders. I don't know whether that's reflected in our price or not, but the opportunity to get a lot of cash from Hulu is coming our way," Robert said at an investor conference Wednesday. **Disney** took full operational control of Hulu from Comcast in 2019. Comcast can sell its 33% stake in Hulu to Disney in 2024 at a valuation of at least \$27.5 billion. The Hulu gift keeps giving, with Comcast able to redeploy the content it has on Hulu. "We're looking at streaming and saying do we have the piece parts, and I think we do," Roberts said. "We're looking at other companies. We're looking at consumers. Is it a winner-take-all or is it you need to be relevant and have content your customers want and they find you? And that's what we've found so far." The CEO was also bullish on the Summer Olympics taking place this year, saying it's becoming a matter of 'how' instead of 'if.' "I think we're getting past the point of 'if.' I'm very hopeful... This is the perfect moment for the world to come together," he said.

**FUBOTV SHARES NOSEDIVE**

**fuboTV** shares plummeted 18.5% after Tuesday's after-the-bell 4Q20 earnings report in which the company said it expects to lose subs in 1Q21, predicting a sequential decline of 3%-5%. For 4Q, paid subs totaled 547,880— with 92,800 net subscriber additions in the quarter. Revenue totaled \$105.1 million, up 98% YOY (excluding revenue FaceBank AG), marking the first quarter to top

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\$100 million. But the total net loss for 2020 was pretty hefty at \$570.5 million, including a \$248.9 million charge for impairment of intangible assets. That's compared to a net loss of \$35 million for 2019. Execs on fubo's earnings call chalked the expected sub declines up to seasonality, calling it a much lower reduction than the vMVPD experienced last year. "Longer term, we're still projecting strong growth in our subscribers," said CFO *Simone Nardi*. The company's also gearing up to launch sports wagering, first with free-to-play predictive games. fubo, which recently closed on the acquisition of sports betting and interactive gaming company **Vig-tory**, has secured its first market access deal for its sportsbook in Iowa through Casino Queen. On Wednesday, fubo said it had secured access agreements in Indiana and New Jersey through Caesars Entertainment, bringing fubo Sportsbook to a minimum of three states at launch. It's also reached deals with **MLB** and the **NBA** to be an authorized gaming operator for each league, giving it access to official data, league logos, etc. The sportsbook is expected to launch in 4Q21. "We don't see wagering simply as an add-on product to fuboTV. Instead we believe there are synergies between streaming consumers who enjoy wagering and wagering customers who enjoy streaming live sports," CEO *David Gandler* said. "In 2021 and beyond, we are laser focused on bringing to life our vision of a streaming platform that transcends the industry's current virtual MVPD model and experience."

#### A+E KICKS OFF UPFRONTS

**A+E Networks** was the first network group to make its upfront presentation to advertisers, getting the ball rolling Wednesday at a virtual upfront that clocked in a little over 30 minutes. The programmer is touting more than 2500 hours of programming for its linear nets in 2021-22, including a cross-network series on **A+E** and **Lifetime** exploring *Janet Jackson's* life. Other noteworthy projects include a cross-company commemoration of the 20th anniversary of the 9/11 attacks, a **History Channel** series with *Bill Clinton* in 2022 and a two-picture deal with *Reba McEntire* for Lifetime. "In a year where creating premium content was a challenge, we never stopped producing and innovating," said A+E Networks group president *Paul Buccieri*. He also noted A+E is continuing its commitment to corporate responsibility and D&I. "Now more than ever, we are committed to using our platform for purpose as well as entertainment," Buccieri said. Those efforts include the "Mission to Honor" campaign which provides supports for veterans and military families as well as Lifetime's "Broader Focus," which is focused on hiring and amplifying female creators.

#### NET NEUTRALITY WATCH

Sen *Ed Markey* (D-MA) [pledged](#) to launch legislation to bring back 2015 net neutrality rules soon. Speaking at a **Free Press** and **Fight for the Future** event, Markey said he would reintroduce legislation in the coming weeks. But that's not the only path forward. He said once the **FCC** has three Dems in place, he will urge the agency to reverse the 2017 Restoring Internet Freedom Order, according to reports.

#### NFL WAITING GAME

There's been breathless anticipation for new **NFL** rights deals to be announced this week or next. The *WSJ* reports **Amazon**

could end up carrying several Thursday night games exclusively on Prime Video, while the traditional TV networks may pay as much as double their current rate. At an investor conference Wednesday, **Comcast** CEO *Brian Roberts* called the NFL a "big priority," but said the company would approach talks on value with "realism" when it comes to value. *Sports Business Journal's John Ourand* [reported](#) that deals with **CBS** and **NBC** are practically done, with each network paying roughly \$2 billion/year to keep their packages. He cited sources as saying **Fox** was pushing back on a \$2.25 billion deal to keep its Sunday afternoon games, but indicated a deal was still likely to get done. **Disney** and the NFL have reportedly agreed to renew "Monday Night Football," with SBJ putting it in the ballpark of \$2.6 billion per year.

#### CHARTER DOUBLES INTERNET SPEED

**Charter** doubled the starting download speed of Spectrum Internet to 200Mbps from 100Mbps in 17 additional markets representing 6 million homes. The faster speeds are available now to new customers and will roll out to current residential customers in the coming weeks. The expansion means the 200Mbps will be standard to nearly 85% of Charter's footprint. New 200Mbps markets include Cleveland, Seattle-Tacoma, Houston and Columbia, SC.

#### WOW'S BUSINESS CUSTOMER PLAY

**WOW!** is making its "Local Advantage" ad promotion available to new business customers. Customers can be featured in WOW!-produced commercials in the broadband provider's local markets, with the spots running over various networks for a 12-week period.

#### CROWN RESTRUCTURES MARKETING FUNCTION

**Crown Media** is undergoing a strategic reorg of its marketing department, renaming it **Crown Global Brand Group** and giving it four divisions: Brand Marketing & Ad Sales Marketing, Brand Production and Operations, Brand Creative, and Brand Design. *Jennifer Lee-Temple* will become svp, brand design. *Danielle Mullin* is now svp, brand marketing & ad sales marketing and *Lissa Grunfeld* will be vp, brand production and operations.

#### PROGRAMMING

"Gangs of London" will make its US debut April 4 at 10pm on **AMC**. The series has already been renewed for a second season, which AMC will co-produce. – **Peacock** will be the streaming home for the Premier Lacrosse League's 2021 season. Peacock Premium will feature every game of the season live and commercial-free, including 23 games that will stream exclusively on the platform. It will also provide on-demand access to encore presentations of every matchup of summer 2020's PLL series. TV coverage will also be aired during the season across both **NBC** and **NBCSN**. The streaming and TV schedule will be announced closer to June 4, when the season begins.

#### PEOPLE

Sports streamer **DAZN** tapped former Disney DTC exec *Kevin Mayer* as chairman. He most recently was CEO of **TikTok**. Ex-ESPN president *John Skipper* is stepping down as DAZN chair to focus on content company **Meadowlark Media**. – **REVOLT** upped *Detavio Samuels* to CEO and *Colin McIntosh* to COO/CFO.



Think about that for a minute...

Don't Forget the Consumer

Commentary by Steve Effros

My friend and colleague, Craig Moffett, of the research firm MoffettNathanson released a very interesting and important analysis yesterday about cord-cutting and what he suggests should be a reconsideration of the entertainment value chain. I agree with much of what's in it, but at the great risk of questioning anything Craig says (I very rarely do that because he's usually right) I think some important things need to be added to complete the new picture being painted.

There's no way I can do justice to the piece here, summarizing it in 600 words. Suffice it to say it reaches some obvious conclusions: yes, cord-cutting is increasing at a significant rate. Yes, the "cable industry" is not terribly concerned about that, and neither are investors since the "industry" is fundamentally a physical, transport mechanism and the substitute for "MVPD" service is "vMVPD" service or individual "streaming services" (we'll call that "DTC," direct to consumer, for short) both of which are dependent on that same transport which yields higher margins for the cable industry than aggregated "cable service" does today.

It's also hard to argue against the point that the "entertainment" value chain has always been anchored by the creators of that entertainment. The studios, the "media companies" that have bought the studios. Consumers don't watch a "cable" or "broadband" or "the internet," they watch content. "Content," as we have repeatedly been told, is "king." Bill Gates said that in an essay in 1996. It's still true. What's changing, according to Moffett, are the intermediate steps of getting that content to consumers. We have all been used to program networks defining genres and establishing program schedules. Those networks were then aggregated by the cable operator and sold to consumers. That's what's going away.

Time schedules become superfluous in an "on demand" world. The media conglomerates own most of the major studio creators, or buy from them and are now aggregating the content themselves (think Disney+, for instance). They are now sidelining the "virtual" multichannel video program aggregator/distributors (i.e. Hulu) and the cable MVPDs and selling direct to consumer

both in subscription (SVOD) and advertising based (AVOD) form. While the "cable guy" will survive and still do well because he or she controls the transport, the "cable network" loses its raison d'etre. I agree with all of that. That's why this is such an important piece to read.

But, but... there are a few thoughts that need exploring; what about the local broadcast networks? Let's remember we have a regulatory system that requires they be part of local transport. Will that political expediency survive? If so, how does that work if network and transport aggregation (bundling) is no longer viable? Remember, too, while I appreciate that this research is laser-focused on valuation and business plans and the stock market, there's another piece that needs to be considered: the consumer.

Folks are already upset about not being able to figure out what to watch. They complain to me constantly about the process of navigating for what seems like forever going through screen after screen of available content to decide what to view. How, and who is going to "fix" that? Moffett acknowledges that the Roku/Flex/Apple TV intermediary role is there for navigation and additional advertising opportunities, but suggests it's not terribly significant, just as the cable aggregation is becoming a side note as well. I'm not so sure. Curation has value.

I would suggest that a beefed up discussion that included regulatory realities related to broadcasting and consumer realities regarding the additional costs of content marketing and product placement as well as navigation have to be added to the mix before we get a really clear idea of where all this is going.



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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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