

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Sky High: Starlink Staying in Beta, Maintaining Single Price Point

Starlink doesn't have a timeline for when it will move out of the beta phase as there's still a long way to go before its broadband service is available and capable of taking on a large customer base.

"We still have a lot of work to do to make the network reliable. We still have drops, not necessarily just because of where the satellites are in the sky," **SpaceX** pres/COO Gwynne Shotwell said at the Satellite 2021 LEO Digital Forum Tuesday. "We'll keep in it until the network is reliable and great and something we'd be proud of."

The public beta of SpaceX's Starlink began in October and is now open to customers in the US, Canada, UK, Germany and New Zealand. That consumer base includes those who had been completely disconnected and tech savvy individuals that are giving feedback on the network's performance.

Service is currently priced at \$99/month plus the \$499 upfront cost of the equipment necessary to establish a connection with SpaceX satellites. Within the next two years, the company expects the cost of the terminals purchased by customers to cost a few hundred dollars within the next two years.

Shotwell said there are no plans to introduce a tiered pricing structure in the future. "We're going to try to keep it as simple as possible and transparent as possible," she added.

Beyond making the service more accessible, Shotwell's other short-term priorities are on making the service more reliable.

The service does have global reach at this point, but it cannot provide connectivity at that scale just yet. The hope is that after another approximately 28 launches, each pushing up to 60 satellites into orbit, Starlink will be able to tout continuous coverage across the globe. Any additional satellites launched following that will be used to boost capacity.

Shotwell made it clear that she views Starlink as a complement to companies like **Comcast** and **AT&T** and the services they provide. "They can do extremely well, cost effective, in cities. We just cannot lay that much bandwidth in that limited area," she said. "Scaling to consumer customers is definitely a challenge and also making sure we can build a reliable network poses a challenge, but none of which we can't solve and we're certainly looking forward to doing great work in this field."

The Starlink constellation will be able to serve every rural household in the United States within the next 3-5 years, she said, estimating that number to be 20 million households. The focus on the US is mainly because its citizens speak English, are close to SpaceX headquarters and if there is a problem with the user terminal, another is able to be shipped out quickly.

Starlink was awarded nearly \$900 million in the **FCC's** Rural Digital Opportunity Fund auction to connect 640K locations in the US, but there are plenty that doubt SpaceX's ability to meet deployment deadlines. The FCC gave the company six years to deploy half of its constellation and nine years to deploy the remainder. "With about 1,400 in orbit today, SpaceX will need to operate another 4,500 satellites by the end of

Mark Your Calendars!

Cablefax Award Submission Deadlines:

The FAXIES Awards

Entry Deadline: March 19
Final Deadline: March 26

Cablefax 100 Nominations

April 9

Top Ops Nominations

April 23

The Diversity List Nominations

July 16

Most Powerful Women Nominations

September 10

Program Awards

Entry Deadline: November 19
Final Deadline: December 3



2024 and another 10,500 by the end of 2027,” **MoffettNathanson** analyst *Craig Moffett* said in a recent note. To meet the FCC’s 2027 requirements, he believes the company will need to increase its launch cadence from approximately 120 satellites/month to 200.

Moffett has no trouble imagining Starlink as a “potential game-changer” for helping bridge the digital divide in the US. The opportunity outside of the US is even larger. But he doesn’t think that Starlink will significantly change the terrestrial broadband business as we know it today.

“It is harder for us to envision SpaceX becoming a meaningful competitor to terrestrial alternatives, however. That’s not because of any shortcoming in the service itself... rather, it is because capacity constraints will likely force Starlink, like any business, to focus its resources on the highest and best use for that capacity,” Moffett said.

MOBITV BID WATCH

May 7 is currently the deadline for potential bidders for **MobiTV** to submit a qualified bid. If there are multiple qualified bids, then an auction would be held on May 12. IPTV vendor MobiTV filed for voluntary Chapter 11 bankruptcy on March 1, with its CEO assuring customers at the time that it’s not going out of business and would continue to provide service. Things are moving along, with Monday marking the case’s 341 Meeting of Creditors, which gives creditors and a US trustee the opportunity to question MobiTV under oath about its conduct, property, etc. *The Mercury News* reported last month that MobiTV had warned California officials that the company may cease all operations as of May 2. MobiTV said there are no plans to shut down at this

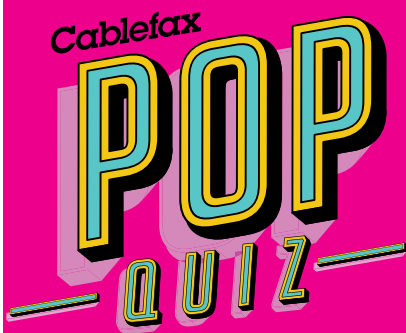
time. “In early March, MobiTV was required through the Worker Adjustment and Retraining Notification (WARN) Act to provide all employees with conditional notice of the possibility for employee termination if the company’s restructuring efforts are unsuccessful,” a company spokesperson said. “At this time, MobiTV is not planning to cease operations, and we are continuing to operate uninterrupted throughout the Chapter 11 process, with the focus of securing new ownership or investment to emerge as a stronger Company positioned for long-term service and sustainable growth for years to come.”

PUSH FOR FIVE FCC COMMISSIONERS

Free Press has launched a consumer campaign, urging people to email the White House and their senators to nominate and approve a fifth **FCC** commissioner. The agency has been deadlocked with two Democrat and two Republican commissioners since Biden was sworn into office and *Jessica Rosenworcel* became acting chair. “The Biden administration needs to nominate a fifth commissioner who is not beholden to the telecom industry and will stand up to ISPs. One who supports reinstating Net Neutrality and Title II authority for regulating broadband like the essential utility it is,” the Free Press missive reads. A contingent of women Democrats, including Rep *Anna Eshoo* (D-CA), have been urging Biden to make Rosenworcel’s chair appointment permanent.

POWELL CALLS FOR NO OVERBUILDING, RATE REGS

It was clear from the get go that cable’s not head over heels in love with the *Biden* Administration’s infrastructure plan. But **NCTA** chief *Michael Powell* wrote a [blog](#) Tuesday saying the industry share the proposal’s end goal of ensuring 100% of American have access to robust broadband. He outlined how



What was Alexis’ middle name (which her family forgot) on “Schitt’s Creek”?

[CLICK HERE TO ANSWER](#)

Last week’s answer: Chuck Dolan & Gerry Levin launched the nation’s first pay TV network, HBO.
Kudos to last week’s winners: Thomas Bailey, Sparklight; Paul Schneider, PSPR

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the industry thinks the country can get there, and not surprisingly, “no overbuilding” was #1 on his list. “When a high dollar program like this one is proposed, there is temptation to think there is enough cash to do any and everything without making hard choices. Such a lack of discipline is what often leaves unserved communities without a chair when the music stops and the money runs out,” Powell wrote. NCTA is also concerned about the plan’s suggestion that government would regulate broadband rates instead of providing subsidies to low-income households. Powell argued that subsidies would be lower than any reasonable price from a government regulated process, which he predicted would “drag on for years at regulatory agencies and through the courts.” He also calls for allowing every technology that can deliver broadband to unserved communities to be able to compete for federal funding and not favoring government and non-profit networks. Powell also spoke out against a 100Mbps downstream/100Mbps upstream requirement, saying it doesn’t reflect consumers’ actual “wildly asymmetrical” usage and would hamper ISPs from ambitious targets like multi-gigabit networks.

STILL SAVING SET-TOP ENERGY

NCTA and the **Consumer Technology Association** renewed their voluntary agreement for improving the energy efficiency of set-top boxes through 2025. This marks the third time the agreement has been extended since it was initially signed in 2012, with the renewal including more rigorous energy-efficiency commitments starting in 2023. The extension has a special emphasis on IP set-tops, cutting power levels for IP non-DVR set-top boxes by an average of approximately 43% from 2021 levels. By the end of the extended terms, the total energy used by set-top boxes in the US is projected to be one third of the energy used by set-top boxes in 2012. All of the major MVPDs, including **AT&T/DirecTV**, **Comcast**, **Charter**, **DISH**, **Verizon**, **Cox**, **Altice** and **Frontier** are signatories as are **CommScope**, **Technicolor** and energy efficiency advocates.

ALTICE USA COMPLETES MORRIS BUY

Altice USA announced the closing of its \$310 million acquisition of **Morris Broadband** Tuesday. As the Morris assets in North Carolina are integrated into the larger company, Optimum services will start to launch across the Morris footprint. Altice USA will communicate directly with those customers about how to continue to manage their accounts.

DISTRIBUTION

The **AMC+** subscription bundle is now available on **YouTube TV**. The bundle offers viewers programming from across **AMC Networks** and full access to **Shudder**, **Sundance Now** and **IFC Films Unlimited**. AMC+ is also available through **Comcast**, **DISH**, **AT&T/DirecTV**, **Apple**, **Amazon** and **Roku**.

BASKETBALL, NEWS, COWBOYS WIN IN RATINGS

Stanford’s 54-53 victory over Arizona in Sunday’s NCAA Div 1 Women’s Basketball Championship games goes down as the most-viewed women’s championship since 2014, with 4.1 million viewers on **ESPN**. It’s a nice 9% bump from 2019’s title game. The Women’s Final Four also performed well for ESPN, with Fri-

day’s two semifinals averaging 2.203 million viewers (+20% from 2019 semifinals on **ESPN2**). – Not even college hoops action could knock **Fox News** out of the #1 spot in prime (2.186 million total viewers) and total day (1.198 million viewers) last week. NCAA Men’s tourney net **TBS** was virtually tied with **MSNBC**, with 1.632mln viewers in prime compared to MSNBC’s 1.639mln. MSNBC had a firmer second-place position in total day, where it averaged 1.019mln viewers compared to third-place finisher **CNN**’s 816,000. – **INSP** said final 1Q data from Nielsen Npower shows the net notched its highest-rated quarter ever. The general entertainment channel (with a heaping dose of cowboys) averaged a .265 24/7 HH rating, higher than every other quarter since the network began receiving Nielsen ratings in 2010.

SPOTX SEES SPENDING INCREASE

With connected TV gaining momentum during the pandemic, video ad platform **SpotX** saw global ad spending increase 42% in 2020. The uptick was driven primarily by OTT clients that account for nearly 70% of overall ad spend today. North America remains SpotX’s largest market at 88% of overall spend in 2020, but business in EMEA and APAC is accelerating at 107% and 66% year-over-year, respectively. SpotX said that with the help of partnerships it reached 70 million CTV households in the US, a 40% increase in household reach since May 2020.

INDUSTRY LEADERS TACKLE MENTAL HEALTH

A coalition of entertainment companies, mental health experts and organizations are teaming up to tackle the role entertainment plays in changing the narrative surrounding mental health. The Mental Health Storytelling Coalition includes companies such as **Amazon Studios**, **ViacomCBS**, **NBCU**, **Starz**, **Showtime** and **Disney**. Industry figureheads and celebrities will mark the beginning of the collaboration at the Mental Health Storytelling Summit the first week of May. The Coalition will also unveil a Mental Health Media Guide during the summit with best practices and evidence-based recommendations for storytellers.

PROGRAMMING

The 2021 Scripps National Spelling Bee will kick off its first round of competition on June 12 from 10am to 6:30pm ET. The quarterfinals will be June 15. Both will be broadcast on **ESPN3**. The semifinals on June 27 and finals on July 8 will be broadcast on **ESPN2** with a play-along version on **ESPNU**. – **Showtime** will host a virtual farewell for “Shameless” Sunday at 10pm ET following the series finale. Viewers can visit GallagherHouse.com to view a cast reunion and virtually explore the Gallagher home. – **TNT** will provide live coverage of **ONE Championship**, the largest global sports media property in Asian history, with “ONE on TNT I” Wednesday at 10pm ET. The main card event will feature six-time ONE Flyweight World Champion *Adriano Moraes* vs former 12-time UFC World Champion *Demetrious Johnson*. The **B/R** app will stream live coverage of the ONE lead card at 8:30pm leading up to the TNT telecast of the main card event. Live streaming of the main card event will also be available on the TNT website as well as Watch TNT and B/R. ONE on TNT will air weekly on Wednesdays for the next four weeks on TNT and the B/R app.

BEHIND THE NUMBERS

Evolution of vMVPDs: Taking on Traditional Pay TV and Thriving



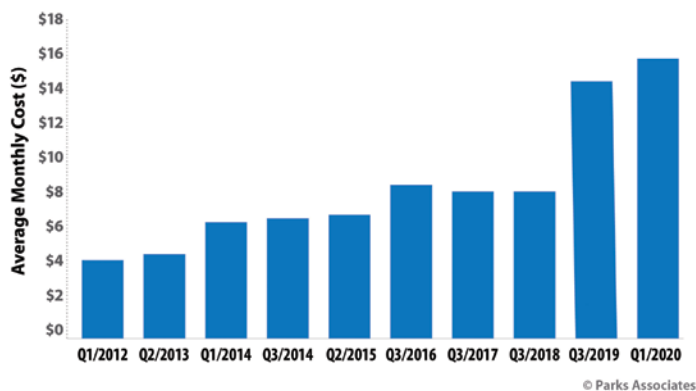
Paul Erickson
Senior Analyst,
Parks Associates

Virtual MVPDs, online video services that provide bundles of live, linear channels, have found a unique position between traditional pay TV and standalone over-the-top (OTT) services. Subscriber losses in traditional pay TV continue, while the vMVPD category continues to grow - thanks to consumer dissatisfaction with traditional pricing and the desire for greater flexibility in the devices they can consume their content on. Parks Associates' latest research

shows that steady growth will drive vMVPDs to more subscribers in the US than satellite and telco IPTV combined by 2023.

vMVPDs represent a small but growing percentage of the total pay TV market, and over time will likely become a significant method by which "pay TV" is sold and consumed. Online pay TV overall, including vMVPDs, is poised to compete strongly with traditional pay TV over the long term. Currently 29% of current subscribers to traditional pay TV report they are unhappy with the price and value of their service. Additionally, US broadband households spent an average of \$16 per month on OTT services in early 2020, double what they spent just two years ago. vMVPDs are currently seeking to address these consumer needs with a variety of different bundles and value propositions.

Average Household Monthly Expenditure on OTT Services



COVID-19 has accelerated the pace of trends that were already taking place across the TV landscape prior to the pandemic, and re-acquainted many with TV services, albeit via a different medium – the internet. While traditional pay TV subscribership continued to fall, streaming service adoption and viewership rose. Broadband subscriptions have continued to grow over the same period that pay TV has declined.

While cellphone sales continued their slow decline, smart TV sales still grew strongly in North America over 2020 and accelerated during COVID-19. OTT video's overtaking of traditional pay TV in US household adoption has thus itself been accelerated. These all point to a future where OTT delivery will be a preferred delivery medium, particularly as lockdowns end and the growth in mobile video consumption resumes apace.

This future will also be one where simply delivering traditional pay TV packages and prices over a different medium will not be a recipe for success for either vMVPDs or the ecosystems around them. Last week, at Parks Associates' Future of Video conference, Shane Cannon, President of skinny bundle newcomer Vidgo, mentioned that he hopes to carve out a position in the market through its content focus and social TV feature business model. The company announced it was dropping free trials in December, and instead offering the low entry point of \$10 per month for two introductory months, to help grow its subscriber base.

T-Mobile launched a unique strategy to target cord cutters through distinct content offerings, when it unveiled its vMVPD service TVision in November. Despite the steady growth of the online pay-TV market, TVision courted controversy early on when content providers filed complaints over T-Mobile's separation of channels between its VIBE and LIVE plans. Providers including ViacomCBS, NBCU, and Discovery stated that TVision's inclusion of their channels on the skinnier VIBE (\$10/month) plan, but not the LIVE (\$40+) plan was contrary to content agreements.

T-Mobile attempted to appease providers by expanding the LIVE channel offerings, but the company faced further financial constrain when its video software partner MobiTV announced bankruptcy and required \$15.5 billion in bailout. T-Mobile opted to shut TVision down in April and focus on bolstering its 5G internet service, and instead offer video services to its subscribers via partnerships with former rival vMVPDs. Current TVision subscribers are offered \$10 a month off of a subscription to Philo or YouTube TV as long as they remain with T-Mobile. Additionally, T-Mobile customers will receive the discounts for one year starting on April 6.

The industry will see similar partnerships develop as cord cutters seek the most advantageous offering among multiple vMVPD services. Wireless companies that develop brand-name video services to showcase their network capabilities require significant resources. Bundling with third-party vMVPDs offers a more valuable long term prospect that avoids potential churn triggers within the fiercely competitive vMVPD market.

For more information about this Parks Associates data or Future of Video please visit FOV2021.com.