

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Latest and Greatest: CES 2023 Kicks Off Thursday

The turn of the year means it's time for the world's largest technology show. After two years of significant disruption, CES is well on its way to a return to form.

The Las Vegas-based show organized by the **Consumer Technology Association** kicks off tomorrow and is expected to bring around 100,000 in-person attendees—more than double the estimated 45,000 attendees at CES 2022, which was abbreviated by the Omicron variant of COVID-19. While it's not quite back at a pre-pandemic attendance level yet, this year will be the first time the show breaches the six-figure mark since 2020, a sign of eagerness from many to see the latest and greatest products for themselves. On the exhibitor side, approximately 1,000 new companies are coming to show off their wares on the show floor.

"We've learned something during this pandemic: We've learned how much we as humans need other humans to be with," CTA President/CEO *Gary Shapiro* said. "I think nothing is more exciting than CES or other trade shows because that's where business gets done."

The event's more than 2 million net square feet of exhibit space will feature the likes of **Allen Media Group, Ampersand, Charter, DirecTV Advertising, DISH, Quickplay, Samba TV** and many more. Nearly 1,000 startups will be present including 20 country pavilions, spanning places like France, Ukraine and the Democratic Republic of the Congo,

which will be at CES for the first time.

There's been a lot of focus on tech and its regulation over the past several years, and those contentious conversations will have a home at this year's show. **FCC** Commissioners *Nathan Simington* and *Geoffrey Starks* will participate in a "Conversation with a Commissioner" panel alongside **FTC** Commissioner *Rebecca Slaughter*. The three will preview what their respective agencies will take on in the coming year starting at 9:20am PT on Saturday. Shortly after that concludes will be Reps. *Jay Obernolte* (R-CA) and *Yvette Clark* (D-NY), who'll give a glimpse at what will be investigated by the 118th Congress when it comes to spurring innovation while considering regulation in areas like Big Tech.

FTC Attorney Advisor *Nina Frant* and **Public Knowledge** President/CEO *Chris Lewis* will be on a panel talking about consumer privacy policies at 4pm PT on Saturday. Also on Saturday at 2:20pm PT is a discussion about the next step in providing connectivity to all featuring **NTIA** Administrator *Alan Davidson*.

Last year, the chatter was centered around the metaverse and the opportunities that it could bring across different industries. Now, CES is launching a new product category for Web3 that will encompass technology from the metaverse, digital assets and blockchain. CTA also partnered with cryptocurrency company **CoinDesk** to create a Web3 studio that'll have interviews with executives, coverage of crypto and blockchain news and more to showcase how the metaverse's impact in other industries such as health care and automotive.



Who Deserves to Rank Among Cablefax's Annual Top Power Players?

The Cablefax 100 salutes the most influential executives whose leadership continues to take the industry to new heights. We will rank the top professionals in the media, cable & broadband industry and publish the list in the June edition of Cablefax:The Magazine.

It's free to enter — but you must submit your entries by Jan. 21!



Nominate at www.Cablefax100.com | Questions: Kate Schaeffer at kschaeffer@accessintel.com

Whether it's **Samsung** revealing a concept of a phone that both folds and slides to enlarge a screen, or in-home entertainment startup **Displace** unveiling the first truly wireless TV, CES gives companies the chance to peel back the curtain and show off their recent workings. Cox Communications is hosting a breakfast Thursday where it is expected to announce that Cox Mobile is live in all of the company's markets. It's also a chance for the company to unveil its MNO partner after its plans to launch with **Verizon** were halted by a lawsuit from **T-Mobile**.

Networking is an important aspect as well, especially for underrepresented groups in the field. That's why CTA and **Quickplay** teamed up to host the first-ever LGBTQ+ focused social event to be held Friday at 4pm PT.

"It's my hope it serves as a foundation for future tracks and events where we can say, 'Hey, let's build a community where people can connect, can mentor, can create business relationships, but more importantly, elevate and showcase the diversity sitting within the tech community,'" Quickplay Co-founder and Chief Business Officer **Paul Pastor** told **CFX**.

Pastor said the event has been put together very quickly and he hopes to find a core group of folks to serve as advocates for similar networking opportunities to be held in the future at CES and other industry technology-centric events. As CES attendees will be looking at the fruits of a company's labor, Pastor said the representation and diversity behind that work will help showcase the community and lead to more opportunities.

"When you begin to create avenues for conversations with other groups and other people, you begin to also create them in your business strategies about who the consumer targets are, and how you get better at informing how you build your product," he said.

A wide array of keynotes and featured speakers will also be on tap at CES 2023. **Netflix** President, Global Advertising **Jeremi Gorman** will participate in a keynote on building connections in a fast-paced environment Thursday at 11am. Allen Media Group Chairman/CEO **Byron Allen** and **Amazon Studios** Global Head of DEIA **Latasha Gillespie** highlight other speakers at the conference.

SOHN RENOMINATION GETS BIG REACTS

The reactions came in quickly after the White House renominated **Gigi Sohn** to serve as the fifth **FCC** commissioner late Tuesday. **Public Knowledge** was, expectedly, among the first to offer support alongside **Common Cause**, **CWA**, **Fight for the Future** and **Free Press** with all urging for a swift confirmation. "Gigi is a knowledgeable nominee with a long record of commitment to the issues before the FCC and I congratulate her on [her] nomination as a Commissioner at the agency," FCC Chair **Jessica Rosenworcel** said in a statement. "I look forward to the day we have a full complement of five commissioners." Her opponents were also quick to voice their opinions with folks like the **Fraternal Order of**

The WHO and the WHY

CFX's spotlight on recent new hires & promotions



HEATH
Simpson
PRESIDENT/CEO
RITTER COMMUNICATIONS

3 THINGS TO KNOW

- Heath was promoted from CFO to his new role as part of a company reorganization. He's been at Ritter since 2020 and he has since provided strategic insight and leadership for the company's financial operations. Now Heath will oversee Ritter's dealings in finance, IT, project management, customer service, field operations, facilities and HR.
- He has nearly 30 years of financial experience, spending 10 years at AT&T as Executive Director, Corporate Development and five years at Frontier as SVP, Financial Planning & Analysis, Strategy and Corporate Development. Heath also was CFO of a private telecom infrastructure company BACOM from 2017-18.
- Heath is a former officer in the U.S. Army Reserve and holds a Master of Business Administration and Bachelor of Business Administration degrees from Texas Christian University.

Police sending a letter to **Senate Commerce** leadership urging them to convince the White House that Sohn will be unable to receive a majority's support. "Her extreme views, such as regulating broadband like a public utility, establishing government-owned networks, and undermining intellectual property protections, have not changed and therefore the Senate should again reject her nomination," said **Jordan Crenshaw**, VP of Policy for the **U.S. Chamber's** Technology Engagement Center. The renomination doesn't mean much in the near term. Sohn will be vetted again by Senate Commerce, and Ranking Member **Ted Cruz** (R-TX) is no fan of the nomination, particularly after Sohn's involvement in **Locast** and her criticisms on social media of members of the Republican party. That delay also means she most likely, even if confirmed, won't have a hand in proceedings like **Standard General's** purchase of **TEGNA**.

ROKU REVEALS FIRST LINE OF SMART TVS

Roku is bringing its own lineup of smart TVs to stores this spring. The Roku Select and Plus Series TVs will be available in 11 models ranging from 24" to 75" and have features designed with streaming fans in mind. That includes access to free live TV as well as Find My Remote and Private Listening. All Select Series TVs will include the Roku Voice Remote while all Plus Series offerings will be bundled with the Roku Voice Remote Pro. Retail pricing will range from \$119 to \$999.

FUBOTV WANTS TO BE THE GREAT AGGREGATOR

FuboTV isn't afraid of a recession. "COVID helped companies like **Peloton** and Fubo and **Netflix** drive subs. I will say that the recession will help us in rationalizing our cost structure and helping our counterparties rationalize their businesses. Obviously, the [streaming] plus world doesn't make a lot of sense for reasons we all know—high churn, low prices, maximum output, hit rates that are below 7% for TV shows and just the marketing costs of having to market every single program," FuboTV CEO *David Gandler* said during a Citi investor conference Wednesday. During that rationalization period, FuboTV is hoping to establish itself as the video aggregator of choice, particularly for sports fans. "I think ultimately we're going to go back to where we started, which was 'I make money on the bundle, customers are happy, shareholders are happy,'" he said. "I think that aggregation is probably the key to success in the media landscape." FuboTV's recent loss of **AMC Networks'** channels didn't come up during the 40-minute discussion. The company is gearing up to release Fubo version 3.0, which will be tested first in France. Asked why FuboTV doesn't combine with **Amazon** or **Apple**, which are dabbling in sports, Gandler said it's not something being talk about. "I think we can be a very strong player independently over the next few years because I think the market is actually coming in our direction," he said. On the advertising front, CFO *John Janedis* didn't have numbers to share but said the company feels pretty good that it's shaping up well. "I would tell you from a cancellation perspective, we're really not seeing much—maybe like one or two related to supply chain."

AMPERSAND AUTOMATING ADDRESSABLE

Ampersand introduced an automated addressable TV functionality Wednesday designed to streamline workflow and processes between buyers and sellers. It will automate the planning of addressable campaigns across Ampersand's supply partners including **Charter, Comcast, Cox, Altice USA** and **Verizon**. All Ampersand clients will benefit from the new functionality through its dedicated managed service, and it plans to release a self-service option in the near future that would allow clients to plan and buy addressable TV directly.

AT THE COMMISSION

The **FCC** is back in business on Jan. 26 with its first open meeting of the year. The agency will consider a proposal to establish reporting and notice requirements for any outages of the 988 Suicide and Crisis Lifeline. Also on the agenda is a package of proposals designed to resolve a number of questions and concerns with the Rural Health Care Program. – The Commission committed more than \$34 million in a new Emergency Connectivity Program funding round. It will support applications from the third application window and fund projects for more than 250 schools, 15 libraries and two consortia. – The FCC proposed rules Wednesday that would allow wireless communications for unmanned aircraft system use in the 5030-5091 MHz band and sought comment on if measures are needed to facilitate the use of flexible-use wireless networks.

RATINGS

The last week of the year (Dec. 26-Jan. 1) saw **ESPN** easily take the top spot among cable nets in prime (7.76 million) and total day (2.97 million) thanks to the College Football Playoff. **Fox News** was second in both categories at 1.34 million and 1.1 million, respectively. **Paramount**, helped by the mid-season finale of "Yellowstone," knocked **Hallmark Channel** out of third place in prime (1.199 million vs 1 million). – Fox News handily won 2022 in prime and total day. But that's not the only place cable audiences are tuning for news. **Spectrum News** networks in Raleigh (14%), Austin (7%), Cleveland (7%), and Charlotte (3%) recorded year-over-year **Nielsen** ratings growth, while **CNN** (-1.7%) and **MSNBC** (-1.2%) recorded double-digit drops in viewership as compared to 2021. The Spectrum News mobile app also reached engagement milestones, netting 920,000 new downloads, with users spending 30% more time on the app as compared to 2021.

PROGRAMMING

Apple TV+'s "Shape Island" premieres on Jan. 20. The family-friendly stop motion series is based on the picture books from *Mac Barnett* and *Jon Klassen*. – **Cinedigm** signed an exclusive agreement with Cirque de Soleil to bring nearly 30 hours of live performances, documentaries and acrobatic content to its platforms. Starting in March, Cinedigm will feature blocks of Cirque content on **Cineverse** along with **Dove Channel, Docurama** and **AsianCrush** as well as third-party platform partners. – **Lifetime**'s next "Ripped from the Headlines" feature is coming next month. "The Girl Who Escaped: The Kara Robinson Story" will be executive produced by *Elizabeth Smart* and premiere on Feb. 11 at 8pm ET. – **Showtime** released the series premiere of four-part docuseries "Boys in Blue" early for free online viewing on streaming platforms and on demand through Feb. 28. It is available on Sho.com, Showtime.com and on partner platforms. The docuseries will premiere on the network on Jan. 6.

PEOPLE

Damian Riordan has been upped to VP/GM, Distribution for **Scripps Networks**, effective immediately. He joined the company in 2021 after the acquisition of **ION Media**, previously initiating and nurturing relationships with U.S. broadcast partners. *Matthew Hijuelos* has also been promoted to VP, Distribution Partnerships, reporting to Riordan. His responsibilities will include strategy, development and execution of partnerships across cable, satellite, telco, digital and OTT platforms. Hijuelos is also an ION veteran and has spent time with **Akamai Technologies, KPMG Consulting** and **J.P. Morgan**. – *Harold Morgenstern* joined **Allen Media Group** as President, Direct Advertising Sales & Partnerships. It's a newly-created role that gives him oversight of all direct digital ad sales, brand sponsorships and revenue partnerships for the company's AVOD services. He joins from **Plex** and has held positions at **Pluto TV, Discovery** and **ESPN.com**. – *Andrew Morse*, the ex-**CNN+** Head and CNN Worldwide EVP/Chief Digital Officer, was tapped as the new President and Publisher of the *Atlanta Journal-Constitution*. The newspaper is owned by **Cox Enterprises**, which also owns **Cox Communications**.

Think about that for a minute...

Convergence II

Commentary by Steve Effros

Early last month I wrote a column entitled "Convergence." It focused on the early telecom use of the term relating to computers, televisions, phones, tablets and so on. That, in turn, has now morphed into far more significant and broader issues of convergence and I noted the significance of ChatGPT, AI, the power of the "big Tech" folks; Apple, Meta, Google, Amazon, et. al. But my "red flag" warning back then was on the unexpected speed with which machine learning and "AI" have developed, and the massive implications that has.

There's another part of the "convergence" equation, however. That's the merging of business plans, and businesses in the telecommunications sector. Let's admit it, those business plans that we, particularly in the video distribution business, knew were in the process of change, are actually changing much faster than we thought.

Is the "cable package" dead? Well, no, but it's certainly being challenged far more rapidly than had been expected. Sure, many saw this coming. The bundle had gotten too big, too expensive. Programmers insisted on loading more and more additional channels onto their negotiation demands for carriage on cable. Prices went up. The trajectory of what was happening was obvious and it's coming to pass. The big bundle is succumbing to the ease of new methodologies for watching video.

Yes, almost all the major players have developed business plans looking toward and offering streaming services rather than a cable bundle. Note that most of them are the same "major players" who also insisted on the cable bundles in the first place. The assumption seems to have been that we would witness a shift as opposed to a decline in this convergence. But that's not what appears to be happening.

You see, offering competing "streaming" services requires a whole lot of money. First, you need to have a lot more technology to support the streams. Then you need to get folks to know about "your" stream as opposed to the other streams. The way to do that is to make sure you have programming that is

unique. That requires you to either buy (consider what YouTube is spending on NFL football) or you create it (consider what Netflix, Amazon and Apple are paying for "original" programming.) You should get some idea of the problem that has arisen.

And that's not including the cost to constantly promote all this programming to induce folks to subscribe to your service over someone else's. The numbers, it turns out, don't look good. In fact, they look very bad. Almost all of the streaming services acknowledge that they don't even expect to be "in the black" for years. I might add; if at all.

This, in turn, is leading to yet another form of consolidation. The cable bundle business plan is faltering. The "solution," to shift to branded streaming service, has also started looking like it may not financially work. Another shift that is being tried now is to add advertising to the subscription service, which makes the whole experience look an awful lot like a repeat of broadcast or cable programming business plans. Is that really where we want to go?

I don't know, but the significant difference now is that there are some new players in the game; the Big Tech guys. And they have money, lots of it, or at least they did until the meltdown of the stock market in the past half year. If they decide to continue with their plans to spend lots and lots of money on original product and sports, then they may change the equation. Not necessarily to create a successful business plan on its own, but to shift own-

ership (convergence) to companies who are not relying on subscription revenue but seeking those subscriptions for another reason. That would be a game changer.



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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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