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WHAT THE INDUSTRY READS FIRST

Fast Enough: Reliability, Convergence Top of Mind for Industry CTOs

As competition for every broadband customer rages on, the differentiating factor between networks isn't speed. The message at **SCTE's TechExpo** this week is that the focus these days has to be on reliability and meeting customers where they are with the services they want.

At a CTO panel Wednesday morning, **Comcast** President, Technology, Product and Experience *Charlie Herrin* pointed to the record-breaking viewing of the Paris Olympics across **Peacock** as an example that customer desires are changing the nature of communications networks, but they continue to ask for reliability, high fidelity video experiences and, increasingly, more personalization across a variety of touchpoints.

"You can always increase your spectrum and get that speed. For me, it's really about the capabilities of that network," Herrin said. "How do we continue to deliver low-latency applications, whether you're gaming or working from home? How do we build more AI into the network itself? … Customers don't buy a network. They buy a service."

Cox EVP/CTO *Len Barlik* said operators are drawing a lot more telemetry from the network every day and that's allowing them to look deeper at the stability of connections and come up with predictive and proactive strategies. But today, he believes the industry remains far more reactive to situations than what it would ultimately prefer to be.

"Our investments that we continue to make for the next generation coming forward in driving all of that telemetry, not only within the network elements but at the customer premises as well, doing the correlations and learning from that—that is the next step," he said. But in the meantime, Cox is instituting different policies to try to help it move toward that mission, including cleaning up the process of onboarding customers to ensure the connection is as pristine as possible.

A focus for **Charter** since the launch of its **Spectrum Mobile** product has been on convergence and how it can provide benefits to Spectrum customers that subscribe both to internet plans and sign up for a Spectrum Mobile line. The idea is to make the wireless and wired networks work better together than they ever would apart, and Charter EVP, Connectivity Technology *Justin Colwell* pointed to Spectrum Speed Boost as an example of that. It allows Spectrum Mobile customers to get faster speeds when they're connected to a Spectrum advanced WiFi network, and Comcast offers a similar service to customers across its Xfinity Mobile WiFi hotspots.

"More than 87% of mobile traffic actually happens on WiFi," Colwell said. "So the home network in particular really is the mobile network and defines the customer experience."

For *Ron McKenzie*, Advisor to the CEO at **Rogers Communications**, the acquisition of **Shaw** allowed his company to truly embrace the idea of convergence and drive it to another level. There is the opportunity to use both its wired and wireless networks to manage traffic across Canada, but he also spoke to the ability of Rogers to use its wireless network as a backup when customers experience disruptions to their fixed broadband service.

"Fiber cuts happen," McKenzie said. "If you've got the capability of a seamless handoff… to your wireless network as an example, you can ensure you've got the ultimate reliability."

There's been a lot of talk around the "Experience Era" at TechExpo from the show floor to breakout sessions, and McKenzie believes strongly that over the next several years, the focus of the industry will shift even more to personal experiences, application management and more for customers. He recalled an eye-opening moment he had when Rogers launched fixed wireless as a service and a demographic that immediately took to the plan was students who shared a house with others and wanted their own dedicated connection.

"It's that personal experience that people are looking for. That ability to take an application, to manage that on the wireline

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infrastructure and be able to deliver that service anywhere seamlessly—I think that is amazing," McKenzie said. "That is something that is absolutely viable and I think that's the vision."

COMCAST'S CLOUD CORE NETWORK

SCTE Tech Expo was the site of a lot of big technology announcements, with **Comcast** joining the party this week by unveiling Janus, an initiative that leverages leading-edge cloud and AI/machine learning technology to transform the way its core network will deliver internet experiences. Initial trials are underway within Comcast's network hub in Atlanta, with wide-scale rollout expected in 2025. For the first deployment, it's using Network Cloud software developed by **DriveNets** and a "white box" hardware solution. By virtualizing its core network, Comcast can improve experiences such as streaming live sports in 4K, gaming, video conferencing and VR. Janus manages the flow of internet traffic by shifting management and control of its core routing, switching and transport network functions to its edge cloud platforms. These functions have traditionally been managed by proprietary hardware systems in facilities across the country. "Data usage continues to skyrocket at unprecedented rates, primarily due to the rapid increase in streaming high-quality live sports," *Elad Nafshi*, Comcast's Chief Network Officer, said in a statement. "Janus builds upon years of investment and innovation to maximize our network performance and will be a gamechanger for our customers, our business, and the environment."

SIMON TAKES OVER TENNIS CHANNEL ON INTERIM BASIS

Following *Ken Solomon's* removal as Chairman/CEO of **Tennis Channel** two weeks ago, the network's parent company **Sinclair** has named *Bill Simon* as Interim President. Simon was most recently EVP, COO and CFO of Tennis Channel and has held various leadership roles since joining the network as CFO in 2005. He'll oversee all aspects of Tennis Channel's business operations. Solomon's departure came after a *Wall Street Journal* report revealed Sinclair executives saw his non-Tennis Channel activities—specifically Solomon's spot as a board member and adviser for **Merit Street Media**, which is owned by *Dr. Phil McGraw*—as a growing distraction, according to people familiar with the matter. The move won't impact Sinclair's potential plans to sell the channel.

MALONE ON LIBERTY-CHARTER COMBO, MEDIA BUSINESSES

The world of *John Malone* is a busy one, and this week was no

CFX Exclusive: Potential Cordcutters Rank ESPN High in EMR Study

It's been a while since we've seen a syndicated cable network study from Beta Research. Last fall, Beta and sister company Erdos & Morgan were folded into a new company—**Erdos Media Research**. While Beta had conducted numerous studies each year focusing on basic cable networks, it has shifted to one syndicated EMR Basic Network Evaluation Study, measuring "must have" networks, perceived value, viewer satisfaction, favorite basic networks and other metrics. The new study has just been released, and this Cablefax-exclusive chart looks at the basic networks that received the most mentions by surveyed potential cord cutters when asked what their five favorite basic networks are.

Not surprisingly, **ESPN** tops the chart given that 73% of viewers surveyed by EMR also listed it as a must-have channel, followed by **ESPN2** (68%) and **Disney Channel** (67%). **Nat Geo**, **Weather Channel**, **Investigation Discovery** and **Cartoon Network** all notched 66%. ESPN's high ranking is particularly noteworthy given Disney's plan to launch the flagship channel as a direct-to-consumer offering next fall. It also helps explain why **Fubo** has challenged the launch of sports streamer **Venu**, which plans to offer live and on-demand sports content from ESPN, **Fox**, **TNT** and other networks.

The EMR Multichannel Subscriber Study – Evaluation of Basic Cable Networks was conducted June 2024 online among a national sample of 1,500 cable and satellite dish subscribers age 18+. The study measured 42 basic cable networks.

ERDOS MEDIA RESEARCH

2024 EMR (FORMERLY BETA) BASIC NETWORK EVALUATION STUDY

PERCENT MENTIONING AMONG FIVE FAVORITE BASIC CABLE NETWORKS

Top-Ranked Basic Networks	Total Potential Cord-Cutters - Age 18+
ESPN	23%
Food Network	20%
Comedy Central	20%
Disney Channel	16%
FX	15%
Discovery Channel	15%
Nickelodeon	15%

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exception to that with the news that **Charter** and **Liberty Broadband** officially kicked off talks to merge. Malone shed more light on the negotiations in a summarized conversation with **MoffettNathanson**, where he revealed talks began around six months ago when Liberty noticed an inefficiency with the current Liberty-Charter structure as Liberty would sell Charter securities into Charter to maintain its 26% ownership stake. That was the catalyst of how the structure could be altered, which has now resulted in an exchange of merger proposals. However, the **GCI** factor and potential due diligence and regulatory approvals mean the process could stretch well into 2027. As for the overall cable market, Malone sees the No. 1 ongoing headwind being technological change and the requirement of defensive capex spending. In his view, the cable industry's competition—or fear of it—has forced an increase in defensive capex. "It's not clear to me, as it sits, that [cable is] a good business," Malone said. His stance on streaming was much clearer when asked if it was a good business. "No. It's a terrible business," he said, citing that streaming isn't profitable in its current model, which has led to unsustainable costs, particularly in sports content, which has driven up overall prices.

MOODY'S DOESN'T SEE CREDIT IMPACT FOR CHARTER-LIBERTY

Moody's has chimed in on the proposed **Charter-Liberty Broadband** merger, indicating Charter's Ba2 Corporate Family Rating, all other credit ratings and the negative outlook are unlikely to be impacted by the possible transaction. The firm questioned whether the deal would see Charter assume only Liberty Broadband's debt and not the debt of its subsidiary **GCI**, or if it'll be all-encompassing. Either way, Moody's estimates Charter's leverage would increase by no more than approximately .1X, all else held constant. The firm did point out that it's possible that Liberty Broadband's debt and leverage could be lower than current if debt is repaid between now and the deal's closing. "If Charter acquires GCI in the transaction, we don't believe it will have a material impact on Charter's operating performance or national distribution," Moody's said. "GCI is very small in scale relative to Charter, with revenue and EBITDA representing approximately 2% of Charter. GCI's gross leverage (excluding the parent company) at Q2 LTM was 3.1x (excluding preferred stock and any other obligations at the holding company)."

TECHEXPO NOTEBOOK

Charter, **Comcast** and **Broadcom** are jointly developing unified DOCSIS chipsets for network nodes, smart amps and cable modems, the trio announced Wednesday. The chipsets will power both DOCSIS 4.0 specifications and they say the development will chart a path forward toward the delivery of speeds upwards of 25 Gbps over existing networks. Artificial intelligence and machine learning will be integrated through Broadcom's embedded Neural Processing Unit, giving operators advanced cyber-security detection and protection, the ability to track anomalies across channels, network self-healing and predictive network power management, among other features. It will still be some time before we see the final product as the initiative is still in the early planning stages. At TechExpo, Comcast is showing off early versions of technology that supports 25 Gbps speed and support for up to 3 GHz. – Attendees of **SCTE's TechExpo** have kept a close eye on their weather apps of choice as Hurricane Helene powers on toward Atlanta. Many moved flights to Wednesday evening or Thursday morning to try to avoid disruptions. The final session on the show's agenda is the SCTE International Cable-Tec Games Awards on Thursday from 12:45-1pm ET.

DISNEY PASSWORD SHARING CRACKDOWN IS UNDERWAY

Disney+'s pursuit to crack down on password and account sharing is underway. The streamer implemented its paid sharing program this week throughout the U.S., Canada, Costa Rica, Guatemala, Europe and the Asia-Pacific region. Users can add someone who lives outside of their primary household to their Disney+ subscription for an additional $6.99 per month for Disney+ Basic and $9.99 per month for Disney+ Premium. Only one extra user is available per account, and it can't be used for Disney Bundle subscribers or for subscribers billed through Disney's partners—at least for now.

ANTHEM ACQUIRES CANADIAN BROADCASTER HOLLYWOOD SUITE

Anthem Sports & Entertainment is going Hollywood, announcing that it's acquired the independent Canadian broadcaster **Hollywood Suite**, its four linear TV channels and an accompanying On Demand film offering. **Hollywood Suite**, which originally launched in 2011, is available to more than 10 million homes in Canada through **Rogers**, **Bell**, **Prime Video**, **Cogeco** and others. Hollywood Suite's four channels feature movies from the '70s, '80s, '90s and '00s, and they'll join Anthem's portfolio, which already consists of **Game TV**, **Game+**, **Fight Network** and **AXS TV** as well as **HDNET MOVIES** and **Gravitas Ventures**. Hollywood Suite President/co-founder *David Kines* will continue to manage the business. The transaction is subject to regulatory approval by the Canadian Radio-Television and Telecommunications Commission.

PEOPLE

NBCUniversal Telemundo named *Joaquin Duro* as its next EVP, Sports, with *Eli Velazquez* departing from the company at the end of the month. He was most recently SVP, AVOD Streaming and Digital for NBCU Telemundo. Velazquez has been with the company for 25 years, first joining in 1999 as a sports producer. – **Charter** is promoting *Robyn Tolva* to the newly created role of SVP, Customer Service Reliability. She'll oversee a team that'll work with different departments across the company to address pressing customer issues. Tolva, who recently led Charter's development and launch of the **Xumo** Stream Box, will report to EVP, Customer Operations *Cliff Hagan*.

Think about that for a minute...

Obsolescence

Commentary by Steve Effros

I decided to look up the definition of "obsolete" or "obsolescence" the other day. You'll understand why in a moment. One Dictionary defined obsolescence as "… the state of being no longer needed because something newer or more efficient has been invented." Another definition was "…the process of becoming obsolete or outdated and no longer used." I sure wish that was true in the realm of telecom regulation and policy. Unfortunately, it just doesn't work that way.

An example of how far from reality that definition is popped up recently when I noticed that once again there is an effort to legislatively or by regulation require that all car radios sold in the United States continue to have AM band capability.

Now, to borrow a phrase, think about that for a minute. When was the last time you tuned in to an AM radio station? I know some of you, but very few, will respond to me by pointing out that you still do. But you're definitely the exception. AM was superseded by FM a long time ago, and FM is being seriously challenged by streaming services delivered via cellular and satellite technology. Why would the government require the use of something that is no longer needed since a "newer and more efficient" one has been invented?

The answers are painfully obvious. The folks who own those stations want to preserve their businesses, even if it takes a government mandate that consumers use, or at least buy those outdated devices, and meanwhile the government has limited authority over the "new" stuff, but still has power over the obsolete technology, so "…power corrupts, and absolute power corrupts absolutely."

We've gone through this drill with television. Yes, it might be useful to continue to have some television broadcast stations. Sure, we all know about the "tornado warning" argument, although that's getting pretty worn out with almost everyone having a smartphone these days. But to tie up all that "oceanfront" spectrum which could be used for lots of new, innovative stuff, when just a few stations would do, makes no sense. These technologies, however, have taken on a life of their own and the regulatory structure we live under almost guarantees that while they may be suffering from obsolescence, they will not become obsolete.

A major reason why is that our telecommunications regulatory structure simply cannot keep up with the technological rate of change. This is going to become even more obvious now that "AI" assisted research is about to turbocharge that rate of change. One example: Google recently described some of the work being done by their "GNoME" (Graph Networks for Materials Exploration) project which works with the materials sciences folks. They've identified an estimated 2 million new chemical compositions of inorganic crystals, some of which (they estimate around 380,000) potentially could be very useful in the future. Think everything from batteries to power supplies to who-knows-what! The estimate is that without the AI boost, those findings would have taken about 800 years of traditional materials research! Get the point?

Our regulatory structure of statutory interpretation which had allowed policy to at least try to keep up with advances, is protecting old technology and doesn't have (after the elimination of the "Chevron" court deference) the ability to adapt. The only option is for either a constant process of rewriting laws by Congress, which we all know isn't going to happen, or a fundamental change in how society puts "guardrails" around the new while allowing the "old" to become obsolete.

It just doesn't serve anyone to continue to simply protect old technologies because they have essentially "captured" the regulatory agencies (and Congress). Sure, they should be protected from unfair competition. But we should no longer protect industries, or regulators from the natural (and accelerating) process of obsolescence.

Steve

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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.)