TUESDAY, JANUARY 7, 2025 VOLUME 36 | NO.004

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

CES 2025: Bridging the Skills Gap Between AI and End Users

Artificial intelligence unsurprisingly dominated conversations during **CES** Tuesday, but for as much promise as experts believe the technology has to revolutionize enterprise operations and the lives of consumers, they are also being realistic about what could hold back its adoption.

During a panel entitled "AI at the Edge: How AI is Moving from Cloud to Device," **Omdia** Principal Analyst, Smart Home *Jack Narcotta* noted a disconnect between all the excitement around the promise of artificial intelligence and other next-gen technologies and frustration from consumers and enterprise customers that don't know how to unlock its potential without significant training.

"There's all kinds of different ways to get there and the roadmap isn't particularly clear because there's so much excitement to deliver these new features, to put AI in devices, to make things easier, to make them more intelligent," Narcotta said. "There still needs to be work done to make it easier for us as a consumer to be able to use the device just that much more easily."

Microsoft VP, Partner Sales *Mark Linton* also noted that technologists need to build trust with customers that will ultimately encourage them to continue to try integrating AI tools into their daily lives. That means trusting an AI tool not only with personal data, but also trust that an AI tool isn't malfunctioning or hallucinating when it goes to work.

"As an industry, we have to think about easy to use, reliability and quality of the output, and then also trust with customers there as well. Otherwise, it just won't get adopted. If it's not easy to use, you won't use it at all," Linton said. "You don't change your daily habits because it's easier to do it the old way than it is to try and adopt the new way. Users will typically reject it."

The topic of AI has been inescapable for some time, and **Informa** Research VP, Consumer *Nicole Peng* wondered if that has actually contributed to some individuals' frustration when a tool doesn't work exactly as advertised.

"I think the frustration comes in expectation… we have to admit we set expectations too high," she said. "What we've been telling our clients is maybe to start with some features, small steps and let people try it."

She advocated for letting consumers first adopt AI on their smartphones since those devices are used every day. That would encourage a slower adoption of different capabilities rather than a complete overhaul of routine and could reduce frustration or friction points.

Qualcomm SVP/GM, Technologies Planning & Edge Solutions *Durga Malladi* is optimistic about AI's ability to simplify user interfaces and ultimately make technologies more accessible for folks of all ages, abilities and savvy.

"We made our devices so complex, and that's what makes them really awesome, but they really have to be easier to use as well," he said. "We have to think a little bit more about all the people that actually use it, not just the tech savvy crowd."

CTA AGAIN PUSHES BACK AGAINST EXCESSIVE USE OF TARIFFS

CES's opening day wasn't just about the latest and greatest advances in technology. With less than two weeks left until the inauguration of *Donald Trump*, **CTA** President *Gary Shapiro* took a moment to highlight the policies the organization believes will move the country and the economy forward and what could ultimately bring innovation to a halt. "We need policies that enable startups, allow businesses to flourish and create the next generation of tech leaders, policies that create rules of the road for tech companies and offer guardrails to protect safety, privacy and fairness. Here in the U.S., that means finding a way to break through the gridlock and pass sensible immigration reforms to promote highly skilled immigration and recognizing that tariffs are taxes paid for by American businesses and the American people and the world," he said. "With the growing scrutiny of the tech ecosystem and a new U.S. administration coming soon, the conversations that we're having here at CES over the next four days have never been more important." On Sunday, CTA released updated research reporting that tariffs on technology products could lead to a $90-143 billion decline in U.S. consumer purchasing power. It also projected that purchases of laptops and tablets could drop by as much as 68%, consumption of gaming consoles could decline by as much as 58% and consumption of smartphones could decline by up to 37%.

BROADCASTERS BAND TOGETHER AT CES, FORM WIRELESS DATA JV

CES brings the tech world together in Las Vegas, and the broadcasters have used it as a moment to show off their latest collaboration. **Scripps**, **Gray Media**, **Nexstar** and **Sinclair** have launched **EdgeBeam Wireless**, a jv designed to provide wireless data services using ATSC 3.0 facilities. Among the potential applications the broadcasters believe EdgeBeam is capable of are automotive connectivity and enhanced content delivery networks that can significantly improve the viewing experience across streaming services. EdgeBeam is also hoping to partner with other broadcasters to add capacity and unlock the ability to provide nationwide services. Should it achieve nationwide coverage, EdgeBeam claims broadcasters could provide a complementary backup to GPS capabilities in the event GPS satellites were subject to interference. New ATSC 3.0 receivers are on the way later this year as well with **RCA** launching a lineup of NEXTGEN TV sets and accessory receivers. Those products and others are being showcased at ATSC's exhibit at CES.

CRUZ TAKES COMMERCE REINS

Ted Cruz (R-TX) was officially ratified Tuesday as Chair of **Senate Commerce, Science and Transportation**, marking the first time the committee has been led by a lawmaker from the Lone Star State. "My top priority in this role remains the same as it has throughout my entire career in the Senate: pursuing policies that will create jobs and spur economic growth. To that end, the Commerce Committee will be focused on expanding commercial access to electromagnetic spectrum, boosting human and commercial space exploration, improving the safety and efficiency of our nation's transportation system, ensuring the future and viability of college athletics, and much more," Cruz said in a statement. The committee has three new Republican members: *John Curtis* (R-UT), *Bernie Moreno* (R-OH), and *Tim Sheehy* (R-MT) and three new Democrat members: *John Fetterman* (D-PA), *Andy Kim* (D-NJ), and *Lisa Blunt Rochester* (D-DE).

DIGESTING FUBO-DISNEY DEAL

Public Knowledge is urging antitrust regulators to carefully scrutinize the **Fubo-Hulu+Live TV** transition to determine if its in the public's interest. "While the settlement allows for the launch of **Disney**, **Fox** and **Warner Bros. Discovery**'s **Venu Sports** streaming service, having multiple services under common ownership or control is not a substitute for genuine competition between independent companies. The streaming marketplace needs more independent competitors, not fewer," said *John Bergmayer*, PK's Legal Director. **Bernstein Research** sees the deal as accretive to Disney's margins. "It is generally believed that Hulu+Live TV operates at zero margins, which is a drag on the rapidly expanding DTC (Disney+ and Hulu) margins on a consolidated basis. As Disney aims to deliver >10% DTC margins in 2026, offloading vMVPD financials (~$4.4B in LTM rev) would certainly help," the firm said.

NEW STREET: 2025 BIG YEAR FOR TECH, MEDIA POLICY

A new report from **New Street Research** dubs 2025 the "most consequential year in communications and media policy in three decades," citing the likelihood of dramatic changes in universal service, spectrum and media ownership policies by the end of the year. However, the most important issues affecting companies in the sector—taxes, tariffs and mass deportations—aren't industry specific. "While the stakes may not be as great as they were in the 1990s, 2025 will see a policy activism that will drive changes throughout the telecom and media ecosystem, with no entity, other than perhaps **Starlink**, in a position to dominate the debate but all in a position to advocate for some improvements to their current

Cablefax Daily (ISSN 1069-6644) is published daily by Access Intelligence, LLC | www.cablefax.com | 301.354.2101 | Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com | Managing Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com | Associate Editor: Noah Ziegler, 301.354.1704, nziegler@accessintel.com | Director of Business Development, Cablefax: Ellen Kamhi, 917.626.5574, ekamhi@accessintel.com | Production Manager: Joann Fato, jfato@accessintel.com | Kerry Smith, Divisional President, Marketing & Media Group, ksmith@accessintel.com | Group Subs/Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com | Annual subscription price: $1,999.00/year |
Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

competitive position," the firm said. New Street doesn't see much regulatory risk for ISPs from new demands, with net neutrality and bulk billing going away. "The most important policy issue affecting competition among carriers will not be the regulation of their services but rather the allocation of spectrum," particularly given that fixed wireless needs more to economically serve customers. The firm also identified *Elon Musk*'s influence as key for telecom policy, especially when it comes to improving broadband satellite's position with the government. New Street sees media as the sector most likely to be affected by government policy in the new administration, with a further loosening of the broadcast ownership rules likely and suggestions of a possible broadcast incentive auction. There's also speculation that the new regime could put the thumb on the scale for affiliates of **ABC**, **CBS** and **NBC**, with **FCC** Chair designate *Brendan Carr* writing **Disney** last month and expressing concern that Disney/ABC was "attempting to extract onerous financial and operational concessions" from affiliates. "While we think it is a stretch for Carr to assert legal authority to intervene in network/affiliate negotiations, if Carr is successful, it would be a positive for **Nexstar** and **Sinclair** and a negative for Disney, **Comcast** and **Paramount**," New Street said.

COMCAST, PARAMOUNT DEAL

No public carriage dispute for **Paramount** and **Comcast**, which signed a multi-year renewal of their distribution agreement. The deal includes continued carriage of Paramount networks, and Comcast subscribers will retain access to Paramount's streaming services **Paramount+**, **Pluto TV** and **BET+**, and Comcast has the right to make **Paramount+ with Showtime** available to qualifying Xfinity customers. Terms of the agreement weren't disclosed.

PARAMOUNT RENEWS WITH VIDEOAMP AMID NIELSEN FEUD

As the **Paramount** vs **Nielsen** standoff continues, Paramount is renewing its partnership with the media measurement company **VideoAmp**. VideoAmp will supply both demographic and advanced audience measurement across its footprint of 40 million households and also support all areas of Paramount's ad business across content, local and syndication verticals for both measurement and currency. The news comes while Paramount is still searching for a new agreement with Nielsen after the two's previous contract expired at the end of September. The dispute centers around the pricing of Nielsen's service, however, the ratings company claims Paramount is asking for a nearly 50% price reduction. VideoAmp's measurement and currency solutions encompass 98% of the TV publisher ecosystem.

DISCOVERY+ PRICE INCREASE

Discovery+ is the latest streamer to up its price in the U.S. It will increase rates by $1 starting today, with the ad-supported option going for $5.99/month and the ad-free plan for $9.99/month. The prices are effective immediately for new subscriptions, and existing subscribers will get a 30-day notice and see the price change starting with their next billing cycle on or after Feb. 7.

NAD SIDES WITH CHARTER

The **National Advertising Division** ruled in favor of **Charter** after **Verizon** challenged the company about its Spectrum Mobile Unlimited and Unlimited Plus wireless data plans. NAD said Charter had substantiated certain express and implied claims, which included multiple unlimited data claims that indicated Spectrum Mobiles plans include unlimited talk, text and data. NAD said the advertising "conveys the message that Spectrum Mobile customers who subscribe to an Unlimited or Unlimited Plus plan will be able to consistently engage in typical online activities, regardless of the amount of data consumed in any given month." However, it still recommends Spectrum Mobile modify website advertising by disclosing high-speed data limitations in close proximity to its "Unlimited" claims. Charter said it'll comply with the recommendations.

XUMO GETS SHARP

TV manufacturer **Sharp** is set to roll out a new line of QLED 4K UHD TVs that feature the **Xumo** operating system in the U.S. Arriving this spring, the TVs will come in 50, 55, 65, 75 and 85-inch options and offer the same content discovery capabilities found on devices that **Comcast**, **Charter** and other Xumo-partner companies offer to customers.

RATINGS

The College Football Playoff boosted **ESPN** to a sweep of the weekly primetime and total-day cable ratings. It posted a whopping 6.69 million viewers P2+ in prime the week of Dec. 30-Jan. 5. **Fox News** trailed in second with 1.73 million and **Hallmark Channel** in third with 828,000. Hallmark finished 2024 as the most-watched entertainment cable network among total day with households, total viewers, P18+ and W18+. **HGTV** and **Paramount** rounded the top five with 633,000 and 580,000, respectively. ESPN finished the week with 2.94 million viewers in total day. Fox News (1.34 million) and Hallmark (461,000) once again had spots No. 2 and 3.

PROGRAMMING

Prime Video unveiled the crew for its upcoming **NBA** studio show once the league's new media deal kicks in starting October. Reporter *Taylor Rooks* will host the show alongside former NBA stars *Blake Griffin* and *Dirk Nowitzki*. – **Fuse** and **Fuse+** will debut "Taking Care," a doc featuring *Lauren Miller Rogen* and *Seth Rogen* as they navigate the challenges of Lauren's mother's early-onset Alzheimer's disease, on Jan 13 at 9pm ET/PT. The 38-minute film will be available to stream on Jan 22 on **Amazon**, **iTunes** and **Google Play**. – **Sony** revealed at **CES** that the second season of **HBO**'s "The Last of Us" will begin this April, available to stream on Max.