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What the Industry Reads First

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Town Hall: Cable Execs Weigh in on AIM/PAR Results

While cable has made strides in hiring women and people of color, the industry is struggling to retain minorities at the same rate as their white and male counterparts. **WICT** and **NAMIC**'s biennial study was presented during a joint Diversity Week town hall Tuesday, with the combination AIM/PAR survey finding representation of POC increased from the 2017 survey at all levels among the 21 organizations that participated this year (16 orgs participated in both the 2017 and 2019 surveys). POC board of directors increased from 15.3% in 2017 to 16.8% and POC executive/senior manager levels went from 25.1% to 28.4%. The representation of POC among respondents (26%) is higher than the national benchmark at 15%. However, the total turnover rate is 11.4% higher than in white communities. Similarly, the survey found the turnover rate for women is 7.3% higher than for men. "I think sponsorship and all this tie together," said *David Cohen*, senior evp and chief diversity officer at **Comcast**. "I don't want to sound trite, but you want to see what you want to be. And if you don't have enough senior talent in the company that are people of color or women, then young people of color and women are going to wonder about where they're going to be." Town hall panelists agreed unanimously that improving mentorship and sponsorship opportunities are key to increasing retention. "The truth of the matter is for anyone to be successful in a corporate environment they need to make sure they have advocates and sponsorship in the organization to be able to continue to advance," said *Rhonda Crichlow*, **Charter**'s svp and chief diversity officer. "The question for us is what are we going to do about that? We know when they get that level of sponsorship, they're inclined to stay in organizations longer and be much more satisfied with their career experiences." *Lee Schroeder*, evp of government & community affairs and chief diversity officer for **Altice USA**, said it's not just enough to hire women and people of color, but companies have to provide them with a level of support to help career advancement. "With millennial generations you have to do more to make them feel that you're cultivating their career with them, and you're giving them tools and bringing them forward. At some point you have to have some policies that go along and support the D&I programs," she said. Cohen added that the higher turnover rates may be partially due to other industries, particularly tech, recruiting talent away from cable. "The competition for our diverse talent, and particularly in the tech world and space, is much more intense than it's ever been," he said. "And I do think that's part of what's contributing to our turnover problem, we're the first place the tech companies

**GAME
SHOW
NETWORK**

**TOP 30
NETWORK**

600+ New Episodes in 2019

Source: Nielsen Media Research, NPower Time Period Report, P2+, Trad. Prime & Total Day, 12/31/2018 - 09/08/2019, CVG AA%, Game Show Network ranked against Ad-Supported Cable networks.

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go to recruit talent.” Promotional rates for POC are lower than whites (1.4% vs 1.9%), and according to the survey, white professionals under the age of 36 are promoted at more than two times the rate of young professionals of color. “Clearly more needs to be done, particularly in the area of retaining and promoting people of color. Companies need to shift from focusing solely on diversity to also focusing on inclusion,” said *Shuanise Washington*, pres/CEO of NAMIC. “That’s where you are going to start to see real progress because diversity without inclusion is not effective in the long term.”

Diversity Survey Stats: A few breakouts from the **WICT** and **NAMIC** biennial study, conducted with **Mercer** and underwritten by the **Walter Kaitz Foundation**... Among the 16 organizations that participated in both the 2017 and 2019 surveys, people of color representation increased at all levels, including 3.3% among executives/senior managers and 1.5% among board of directors. The largest gains were among operators, which saw increases of at least one percentage point or more across every level examined. Among those same 16 companies, representation of women increased 8.4% for boards and 2.2% for executives and senior managers, but female managers declined 0.7%. Operators saw declines at the manager level (1%) and executive/sr manager level (0.3%), while programmers saw increases in female representation across all categories, including 11.4% in board representation. “If current workforce dynamics persist, female representation at the manager level and above is expected to increase by one percentage point over the next five years, and increase by three percentage points in the next 10 years. This outcome could be improved if organizations are able to hire and retain women at the same rates as their male counterparts,” the study concluded. The study concluded that the representation of people of color at the manager level and above is expected to remain flat at 32% over the next 10 years if the current workforce dynamic persists. If retention and promotion of people of color is improved, that rate could rise to 43%, the survey projected. Of note, representation of young professionals of color at management levels is projected to decrease by two percentage points (from 38% to 36%) if current workforce dynamics persist.

Stephenson Stands by M&A, Vertical Integration: **AT&T** CEO/chmn *Randall Stephenson* called the ideas put forth in the **Elliott Management Corporation** letter “a mixed bag” at an investor conference Tuesday and is standing by a major focus of the letter: the company’s aggressive M&A strategy. “Does it make sense to vertically integrate? If you had asked me that question five years ago, I would have been hard pressed to find an argument why it made sense in the old world. In the new world, we think it makes all the sense in the world,” Stephenson said at the **Goldman Sachs Communacopia Conference** Tuesday. “In fact, we think that a company that can put together premium media, content creation and production with networks would have a significant strategic advantage.” Stephenson pointed to a shift in the way content is created as the driver behind that belief. “While the consumer is going to continue to consume



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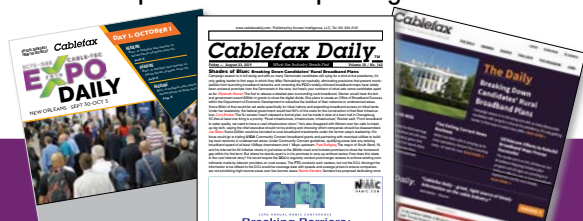
more and more premium entertainment, all of the growth is happening digitally. So if you're a content creation company and you're making content to distribute in the old world, which is cable, satellite, even movie theaters, that's probably not a very rosy picture," Stephenson explained. "But if you're a content creation company and you have a direct line of sight, a direct path to a large set of consumers, then you have a unique competitive advantage and that's the play we're running here." And even though Stephenson is far from announcing his retirement, he said he's been asked "a thousand times" if the newly-dubbed AT&T pres/COO *John Stankey* is his heir apparent. "If a year-plus ago, we had said we're going to go out and hire an executive to run what is now **WarnerMedia** and we wanted somebody to run a very traditional legacy media company, a media company distributing through the old distribution channels, cable and TV, there were a lot of people you could have gone out and gotten to run that business... that's not what we were doing," Stephenson said. "I will say if Stankey is successful at running this play over the next few years, he's in a pretty good position." Turning to Stankey's WarnerMedia, the Oct 29 WarnerMedia Day will serve as a reveal party for **HBO Max**, and while we don't have many details on what it will look like, Stephenson said this service isn't a copycat of any of its streaming rivals. "This is not **Netflix**, this is not **Disney**, this is not **Hulu**," he said. "This is different." And on the wireless side of the business, Stephenson isn't concerned about shifts that could come with a new entrant to the marketplace. "If the **Sprint/T-Mobile** deal gets done, we know what that play looks like, to run integrations of large-scale networks. They'll have a lot of great opportunity, they'll have a lot of spectrum to put to work. But it's a 2-3 year integration exercise. **DISH** will have a rather significant period of time to build out networks, so the next 2-3 years may be as predictable as they've been," Stephenson said. "But as soon as you say that, something will change."

Charter's Wireless View: Charter chief *Tom Rutledge* was bullish on wireless during an appearance at a **Goldman Sachs**' investor conference Tuesday. The company just launched and sold its first SMB mobile customer within the last few weeks, he said. "Most of our customers over time are going to have a mobile relationship with us," Rutledge predicted. The exec was upbeat on Charter's MVNO with **Verizon**, saying it could be very successful with its current relationship unchanged. "That doesn't mean we wouldn't do other MVNOs if there's an opportunity to do them. That doesn't mean we wouldn't put our own network out where it makes sense, economic sense," he said, noting Charter has been testing CBRS radios on its network and dual-SIM technology that allows customer to use its network or the wireless MVNO. **Altice USA** raised eyebrows this month with the launch of \$20/month wireless service through its **Sprint** MVNO. Rutledge was complimentary of the operator's launch, though he added he didn't know if he'd want to roll out a national MVNO on Sprint's network. The CEO said Charter didn't see an immediate need to go out and buy a lot of spectrum, explaining that CBRS can be used right now for free and it can deploy small cell on its network "very efficiently." As for M&A, Rutledge said he'd be down for another cable deal, but doesn't see anything available.

Discovery CEO Says RSNs Being Dropped From Skinny Bundles Would Be a Good Thing: When it comes to the cost of the average skinny bundle today, **Discovery** CEO *David Zaslav* believes they've inflated in size and cost to the point that the whole model is broken. The solution? Dropping RSNs from many, if not all, of those packages. "The real issue that we have is there's too much stuff that's being leveraged into this so-called 'skinny bundle,'" Zaslav said at the **Goldman Sachs** conference Tuesday. "There is no such thing as a skinny bundle with a regional sports network that costs \$10. That's just a slam-in, and unfortunately, some of those bigger players have enough leverage to force those in." Because of their high price tag, Zaslav believes that RSNs are set to be "puked out" of skinny bundles and that it would be "a good thing for the ecosystem," should they get the boot. "It is depressing to see the numbers of what people are watching on some of these skinny bundles and see where the economics are driven," Zaslav said. "I don't think it's sustainable, and I don't think it's in the best interest of the industry, and I don't think it's in the best interest of consumers and viewers. We're hurting our own business."

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Contact Olivia Murray at omurray@accessintel.com

Diversity Week Notebook: Diversity Week is in full swing in NYC, and top execs at **NAMIC's** 2019 conference opened up about the importance of mentorship. "Mentorship means someone has knowledge and you're sharing that for the other person's benefit to help that person advance. Sponsoring's a little different. It's when you have influence, especially when that person is not in the room, to help them or help their story be told," said **Cox** pres *Pat Esser*. "White males are very good at sponsoring white males. It is an unconscious bias, and you have to know when that's happening and stop yourself and say what am I doing?" **NCTA** pres/CEO *Michael Powell* shared his experience growing up with a four-star general as a father. "My growing up was the witness of a progression, and I think sometimes we talk about the examples we need as those from disadvantaged groups, and the advantage I had was growing up watching the evolution of a man, of a hero," Powell said. "When I was a young Army officer, I was very conscious of my race, particularly with helping young black soldiers." -- Before the honorees took the spotlight at **WICT's** 2019 Touchstones Lunch on Monday, **AMC Networks'** evp, co-head of corporate communications *Georgia Juvelis* took the stage with co-creators and stars *Meredith MacNeill* and *Jennifer Whalen* of the **IFC** show "Baroness von Sketch Show." The group discussed women in comedy and had several jokes that would not be appropriate for publication! MacNeill and Whalen talked about what it's like to be comedians in their 40s and the show's upcoming fourth season. The group also shared a sketch on what it would be like if women ruled the world, which played very well in the majority-female room. -- The 2019 L. Patrick Mellon Mentorship Program Luncheon featured former RNC chmn and Maryland lieutenant gov, now turned MSNBC contributor *Michael Steele*. In a panel moderated by **ABC News Live's** *Kimberly Brooks*, Steele talked about his career journey and the current state of US politics. "As I was standing on the state capitol steps in Annapolis, about to be sworn in as the seventh lieutenant governor of the state of Maryland and the first African-American to hold that job, the first Republican ever to hold that job, in the state's then 360-year history. As I looked out and saw all these people, many of whom probably didn't vote for me, I realized that my responsibility now was to serve the people without failing, to serve people regardless of if they voted for me or not," Steele said.

NBCU Streamer Name Honors Company History: NBCU's streamer finally has a name and it's a nod to the company's well-known logo. **Peacock** will roll out in April 2020 with more than 15K hours of content. The streamer will offer up both AVOD and SVOD options with details on pricing and distribution being announced closer to launch. So far, the slate includes reboots of "Punky Brewster" and "Saved by the Bell," fan favorites like "The Office" and "Parks and Recreation" and originals from NBCU showrunners.

CEOs Call for Privacy Law: Comcast's *Brian Roberts*, AT&T's *Randall Stephenson* and Amazon's *Jeff Bezos* are among a contingent of CEOs urging lawmakers to pass a national privacy framework. "We are committed to protecting consumer privacy and want consumers to have confidence that companies treat their personal information responsibly. We are also united in our belief that consumers should have meaningful rights over their personal information and that companies that access this information should be held consistently accountable under a comprehensive federal consumer data privacy law," read a letter from the CEOs, which include the heads of **Target**, **Johnson & Johnson** and **Bank of America**.

MNF Off to Good Start: ESPN's first three MNF games of 2019 have been up vs comparable games in 2018. This week's Cleveland Browns 23-3 victory over the NY Jets delivered an 8.8 overnight rating based on metered markets, according to **Nielsen**. That's a 7% uptick over Week 2 2018's Seattle-Chicago match-up.

Ready for the Kaitz Dinner?: At press time, there were a few seats left for Wednesday's annual **Kaitz Dinner** in NYC. Some of the talent to be featured at the annual fundraiser includes *Chris Spencer*, host of **Aspire's** "Icons, Idols & Influencers," and recording artist/actress *Christina Bell* of **Lifetime's** "The Clark Sisters: The First Ladies of Gospel." As with every year, funds raised go towards **WICT**, **NAMIC**, **T Howard** and **Emma Bowen Foundation** programs. This year's dinner honorees are **Comcast/NBCU** and **City Year**.

Programming: **HBO Max** has secured the streaming rights to all 12 seasons of "The Big Bang Theory." The series' 279 episodes will be available on the streamer at launch in spring 2020. **TBS** has extended its agreement to continue airing the show through 2028.

People: *Stephanie Mitchko* joins **Charter** as evp, CTO, overseeing the company's network, mobile, video and software engineering teams, as well as network architecture, tech policy, and emerging tech. She reports to chief product and technology officer *Rich DiGeronimo*. Mitchko previously was CTO and COO at **Cadent**. -- Former **Discovery** exec *Denise Contis* is joining **CNBC** as evp, head of content for prime. -- **Charter** hired *Cameron Blanchard* as svp, communications. She most recently served as chief communications officer at **Condé Nast** and previously spent 19 years at **NBCU**.