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Special Work Culture section Pg 5

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No Sweat: fuboTV Not Worried about Lack of Sports

We're learning more about what's going on behind the scenes at **fuboTV** after the streamer closed its merger with **FaceBank** in April. The vMVPD finished 2019 with $150mln in revenue, up 100% YOY. And while advertising revenue may have taken a hit due to COVID-19, co-founder and CEO *David Gandler* isn't worried. "COVID really hasn't impacted us to the degree I was concerned about. Q1 was a pretty strong quarter, I think we're still on track to hit our targets for 2020, despite a five-week hit we took on the ad side," he said, speaking at an investor conference Wednesday. "We rebounded pretty quickly in the last 10 days, and I'm actually very excited about the future." Before the coronavirus pandemic really went into effect, viewers consumed about 50% sports and 50% news and entertainment programming. That's now shifted to about 5% sports, and 95% everything else, and viewers are consuming more than ever, the exec said. fuboTV hit all-time highs of seven hours per day of engagement, with viewing averaging anywhere from 140 to 152 hours per month per active user, and consumers are watching more channels. "When you're a heavy sports viewer you're watching the same four, five, or six channels," said Gandler. The average fuboTV user used to watch about 10 channels, and during COVID that channel lineup has jumped up to about 18. "COVID's allowed people to really learn the system that we've built, and the service that we've built is more than just sports," said Gandler. "Which I hope carries into post-COVID and post-pandemic… Assuming 3Q sports maintains the tentative schedule that was put out there, I think we're going to be in a very good place. The numbers look solid, and we'll continue to optimize and enhance our content portfolio, there'll be some new product innovations." Fubo is also busy shaking up its ad strategy, despite not having an ad sales team, experimenting in shifting from only 30-second spots to including 15 second spots. "Advertising is a growing component of our business model, it's important to clarify we have a dual revenue stream," said Gandler. "Ours is subscription and ads, and it allows us to really grow our RPU." Currently, fuboTV has a two-minute ad load on a per hour basis, which Gandler said is in line with pay TV services like **Comcast** and **Charter**. "TV typically sells 30 second ads, and if they do sell 15s, which they prefer not to sell, they'll sell that at 65% of the 30 second price," said Gandler. Fubo is selling the 15-second spots at the same rate as 30, moving from four 30-second spots to three 30s and two 15s. "Effectively we're increasing the number of units we can sell, so there's an impact there. If there's a continued increase in engagement hours, obviously that allows

WERE YOU READY FOR THE DISRUPTION COVID-19 BROUGHT TO THE INDUSTRY?

Join us to learn how operators have adapted to the crisis: increasing social distancing, while maintaining customer satisfaction.

CSG and PACE invite you to join Amy Allen and Rick Fernandez, CSG subject matter experts and Courtney Long (VP, Customer Care; Atlantic Broadband) to learn how contact centers are adapting and innovating during COVID-19. Discover what your contact center can do to keep delivering great customer experiences and stay ahead of the competition.

WEBINAR: EMPOWERING CONTACT CENTERS FOR AGILITY IN UNCERTAIN TIMES

May 27, 2020 | 1:00 PM MTN

Featured Speaker:
Courtney Long
VP Customer Care Atlantic Broadband

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us to monetize more inventory. As we hone in on addressability and first-party data, you'll see another layer of premium that we can add into that, and when you just overlay all that with the fact that we're a sports platform, and sports commands higher CPMs. There's a lot of leverage here that we can pull on the ad side to offset any price hikes in the shorter or midterm, if we feel that it could get a little dicey," he said. And don't be surprised if you see price hikes in the future. The service is currently priced at $54.99, but Gandler said an increase isn't out of the question. "We've been the first to raise prices every year for the last three years," said Gandler. "I'm looking at this from a $125 perspective. If you have this traditional pay-TV package and you're at $125, we're at $54.99 today, but $59.99, $64.99? Those are still great prices given what people are paying today," he said. "And if we can continue to leverage our technology and provide more value as it relates to cost per hour, if we can continue to bring that down, then my sense is there's going to be room for us to increase pricing. It becomes a value question."

Distribution: It's not clear if it's a result of the COVID-19 crisis or the uptick in cord-cutting, but it seems like programming negotiations are a little less rancorous these days. We're hearing of several renewals that include rate reductions, particularly among the independent networks. No rate reduction here, but **Turner** and **NCTC** recently wrapped up a renewal for their agreement that expired last month. Sources described it as an extension of the current agreement, with rate increases in the single digits beginning in 2021. -- **WarnerMedia** snagged several distribution agreements to make **HBO Max** available across cable and gaming platforms when the streamer debuts on May 27. **Altice USA**, **Cox**, **Microsoft**, **NCTC**, **Samsung**, **Sony Interactive Entertainment** and **Verizon** are on board to offer Max to existing HBO customers or at a $14.99 price point. Playstation4 and Xbox One users who subscribe to the service will be able to download the app on their consoles, while select Samsung TVs will offer the option to download and purchase HBO Max directly. **AT&T**, **Apple**, **Charter**, **Google**, **Hulu** and **YouTube TV** already signed up to offer HBO Max at launch (still no deals announced with **Roku** and **Amazon**). -- **Hallmark Drama** is moving on up. Previously, it had only been offered on **Charter**'s OTT offering TV Essentials. But the operator is gearing up to add it to Digital Tier 1/Silver packages.

Pole Victory for AT&T: The **FCC** Enforcement Bureau granted *AT&T*'s pole attachment complaint against **Florida Power and Light Company.** The Bureau found that for claims through the end of 2018, AT&T paid a rate to attach that was "unjust and unreasonable." For claims beyond 2018, the FCC is hoping the two will work it out. The Bureau's order directs the parties to confer in light of the decision and to attempt to resolve their remaining disputes. They are to report their progress to Commission staff within 30 days.

NARB Against AT&T: A panel of the **National Advertising Review Board** is recommending that **AT&T** discontinue its "5G Evolution" and "5G Evolution, The First Step to 5G" claims on an appeal after a challenge from **T-Mobile** before the **NAD**. NARB agreed with NAD's findings and recommendations that determine both claims will mislead consumers into believing that AT&T is offering a 5G network.

Cable ONE Upsizes Public Offering: **Cable ONE**'s public offering of common stock was upsized from $400mln to $425mln of shares. It has granted the underwriters an option for 30 days to purchase up to an additional 37,500 shares of its common stock at the public offering price, less the underwriting discount. The offering is expected to close on or about May 22. Net proceeds are expected to be $409.1mln or $470.4mln if the underwriters exercise their option to purchase additional shares in full.

Getting Back to Business: The offers to help local businesses as they get up and running again continue to pour in. *Charter*'s ad arm **Spectrum Reach** rolled out a partner program that includes a 50% match on purchased TV campaigns, up to $5K in monthly value, for new and existing clients on any advertising campaigns booked for June and July. Spectrum Reach also is offering creative messaging support and holding free virtual roundtables to connect local business owners with national experts to help them rebuild their businesses.

NAB Show Goes On: An estimated 40K people have accessed the inaugural **NAB Show Express** since the event launched online May 13. In total, participants consumed more than 1.6mln minutes of video content via the event's broadcast channels, on-demand videos and social media streams over the past week. Content will remain free and available through the end of August. NAB canceled its annual conference in Vegas because of COVID-19. Last year's NAB Show had more than 91K attendees.

Tackling the Digital Divide: **Truist** is donating $1.5mln to the **Community Education Alliance**, which will work with the newly formed **Empowering Communities Corp** to increase connectivity to more than 2100 underserved households in East Spencer, NC; South FL; and the Belmont Neighborhood in Philly. Both nonprofits are tied to **Hotwire Communications**, which is focusing on low income broadband deployment in its footprint. In partnership with **Dell Technologies** and Hotwire, these efforts will provide Chromebook laptops and enable private LTE networks over MiFi devices for home internet connectivity. "The Empowering Communities Corp's mission of bridging the digital divide and bringing educational and online equality to our communities is taking a great step forward as we utilize technology in groundbreaking ways to rapidly and affordably connect entire, unserved neighborhoods to the Internet and the world," said Empowering Communities Corp dir and vp *Jonathan Bullock*. Truist's contribution is part of a $50mln COVID-19 philanthropic pledge.

Programming: **Discovery Channel** and **Science Channel** are going live on May 27 with the **NASA** launch of SpaceX's Crew Dragon capsule. "Space Launch Live: America Returns to Space" will air on both channels beginning at 2pm ET/11am PT. It's the first crewed space mission to be launched into orbit from US soil since 2011. The event also will feature appearances from *Katy Perry*, former NASA engineer and YouTuber *Mark Rober* and other surprise guests. -- **TV One** celebrates Black Music Month with the debut of Go-go music doc "The Beat Don't Stop" June 21 at 8pm. A year in the making, the doc delves into the music subgenre that originated in DC and celebrates the legacy of Go-go music Godfather *Chuck Brown*. Wind me up, Chuck! -- "Muppets Now," the first original series from **Muppets Studios** for **Disney+**, hits the streamer July 31. -- **Fox News** SVOD service **Fox Nation** acquired the rights to "Duck Dynasty." Seasons 1-6 will launch June 1, and Seasons 7-11 will be available June 15. -- "Sherman's Showcase" will return on June 19 with a one-hour "Black History Month Spectacular." The special will premiere at 10pm on **AMC** and be aired immediately after on **IFC**.

Hallmark Wants to Save USPS: **Hallmark** has launched a campaign in support of the **US Postal Service**. The card maker, and parent to **Crown Media Family Networks**, is encouraging folks to text "Hallmark" to 52286. That then sends folks to a web link encouraging them to send an email to members of Congress to call for more financial support for USPS.

People: *Armando Nuñez* is stepping down from his role as **ViacomCBS**' chmn of its global distribution group and chief content licensing officer. *Dan Cohen* will take over in June, and Nuñez will transition to an advisory role. -- **BBC Studios** promoted *Valerie Bruce* to gm in its LA production business. *Sam Zoda* has been promoted to evp, production.

Editor's Note: A FAXIES Award sure looks nice in the office… But time's running out to submit nominations for ***Cablefax***'s annual PR and Marketing awards. Enter by May 29. -- Memorial Day weekend plans scuttled because of COVID? We got you. Join Cablefax's weekly Friday happy hour at 4pm ET for some fun, off-the-record chit chat to get your weekend off on the right note. -- Missed ***Cablefax: The Magazine***'s Work Culture List? We'll be highlighting some of the profiles from the issue in Cablefax Daily over the next few weeks. Read about this year's D&I honoree on p5.

THE WORK CULTURE LIST PROFILE:

DIVERSITY & INCLUSION A+E Networks

A+E Networks doesn't just talk the talk when it comes to diversity and inclusion. Its workforce is more than 50% women, and the same is true at its corporate officer level.

Over the past two years, the company implemented a strategy that includes unconscious bias training for senior to mid-level leaders. It is deploying it enterprise wide to the whole organization this year. "We're really looking at how we take it to the next level," says Karen Gray, EVP HR. "It's fundamentally important because in literally every aspect of the employee life cycle, the recruitment cycle, how do you get promoted? How do you get raises? Succession planning? All of those are opportunities for growth, but if you have unconscious biases, there are these little moments, negative or positive, that can get in the way of making neutral decisions that then affect the employee in that group."

A+E Networks also has a Multicultural Advisory Council that works to increase accurate representation of diverse perspectives during the entire creative process, and advises content creators, marketers and strategists. The group came together about four years ago and is composed of about 15 people, representing different races, genders and sexual orientations.

"We're constantly in this process of evaluating content to the extent that we're asked by the program creators," says Distribution SVP Michelle Strong, who is one of the Council's leaders. "If it touches a multicultural audience in any way, we're continuously asked to think about the title that they've come up with and to make sure we feel like it will resonate with a diverse viewer."

Other responsibilities include looking at scripts, first cuts of content and providing feedback. "We're looking at ourselves and understanding we are a media organization, we shape and we influence culture," says Marcela Tabares, SVP of Ad Sales Research and co-leader for the Council. "We act as a mirror. We normalize ideas, we impact social values. When you realize that's the kind of impact you have on culture, you have to be representative within the walls itself. How can you tell stories that connect and resonate with people, if they aren't told from diverse lenses?"

A+E Networks launched Pride @ A+E, its first employee resource group, at the end of December 2019. Domenic Vermeulen, a production coordinator for A+E Studios in L.A., created the pride group as a new employee. In February, the group hosted an event called "Gun Violence is a Drag," raising nearly $10,000 for the non-profit The Drew Project. "We really want to make sure our employees are feeling cared for and supported," says Vermeulen. "To have [EVP HR] Karen [Gray] and [President] Paul [Buccieri] on our side, specifically for this group, but for more cultures beyond that. We're looking to take care of our employees."

A+E Networks also has a strong commitment to veterans, with partnerships at Team Rubicon, Headstrong, America's VetDogs and Veterans in Media & Entertainment. The company offers paid fellowships to military veterans, and outreach at military bases in partnerships with the USA and HireHeroes USA.

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Think about that for a minute...

A Big Problem

Commentary by Steve Effros

I've spent some time in the past here ruminating about the entire issue of whether "big" is good or bad. As usual, especially for lawyers, the answer is never simple. It's an "on the one hand, on the other hand" sort of thing. Of course when these types of issues land in the political realm the complexities get overtaken by the bumper-sticker arguments and very little serious discussion takes place. So it shouldn't come as a surprise that we are about to go through another bout of catch-phrase and anecdotal argumentation when it comes to antitrust law and how it should, or shouldn't be applied to a growing number of dominant companies.

This whole question is particularly important in our business, since the always-mentioned "monster" companies, (remember FAANG?) Facebook, Apple, Amazon, Netflix and Google are all deeply intertwined with telecommunications. Of course we shouldn't leave out Comcast, AT&T, and Verizon, either. The overarching issue, simplistically, is whether some, or all of these companies have become so big that they should be regulated differently or, indeed, be broken up. The legal/political language being used is whether the antitrust laws are working or should they be changed.

As I said, this is not simple, but some folks try to make it sound that way. Is "big" "bad?" Well, if you're Zoom and you wound up in the right place at the right time with the right product, you might argue that the sudden moves by the "700 Pound Gorilla," Google, to change the name of their hardly used "Hangouts" product, attach it automatically to everyone's GMail account and offer it for free is not quite "fair" competition! The "big" competitor is clearly trying to take advantage of its size.

Google argues that it was responding to the (possibly somewhat manufactured in my view) serious concerns about Zoom's security. But Zoom responded to those concerns very quickly. You don't really hear much about "ZoomBombing" any more. So did we really need the "big guy" to come in and save us all? Good question.

Walmart is big, too. Lots of complaints about "big box stores" wiping out the little groceries. But Walmart is now delivering more fresh fruits and vegetables in major cities than any of the small grocers could afford to do. They're the largest seller of organic food in the country, and they single-handedly forced most shippers to significantly reduce their use of cardboard waste. Big, yes, but bad?

The current political effort seems to be to at least forestall any more mergers initiated by big companies until a further review of the antitrust laws is undertaken. That may make sense. Do we really want Google and Facebook to buy up all of their nascent competitors before we get a chance to reconsider? It may be they're right, that those companies could not survive on their own, and certainly wouldn't be able to handle the logistic crush that the pandemic has created. The "big" companies have done very well in that regard, and the smaller ones simply could not. So big is not always bad, but sometimes, as in the Facebook purchase of both Instagram and WhatsApp, you have to start to wonder.

The whole issue does need a thorough re-look. Hopefully not one that is governed only by divisive political posturing and campaign hyperbole. There are good arguments on both sides and it's time to try to balance or modify the costs and benefits. Big is not automatically bad, but it is a big problem!

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.)