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What the Industry Reads First

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Upbeat Report: New Street Research Bullish on Cable

With the National Bureau of Economic Research officially declaring that the US entered a recession in February and Wednesday's news that the Fed is likely to refrain from rate hikes through 2022 to get the economy back to pre-pandemic levels, there's plenty of uncertainty out there. But at least one Wall Street firm is singing cable's praises. "We expect cable companies to emerge from the pandemic with more subscribers, higher margins, and faster FCF growth than we anticipated at the start of the year," **New Street Research** said in a report released Wednesday. "The pandemic has accentuated the value of fixed broadband as consumption behavior has adapted to a remote work environment, and has likely reduced the threat of wireless substitution permanently. We have long argued that cable companies deserve infrastructure multiples; we believe the improving trends throughout the pandemic support our view that multiples should expand." The analysts' thesis is supported by 1Q earnings reports that showed an acceleration in broadband subs while the costs of running the business was lowered because of customer self-installs and customer care transactions moving online. **Charter** added 582K net broadband adds in 1Q20, 60% higher than an already raised consensus. And the pandemic accelerated self-installs from about 55% of its business at the start of the quarter to more than 90% today. **Altice USA** reported its best ever quarterly net additions, adding 50K subs in 1Q20 vs 37K a year ago. It's not as far along on self-installs, with CEO *Dexter Goei* saying it is probably 12 months from a real push on the self-install side. **Comcast's** 477K broadband subs marked its best quarterly results in 12 years. It has enhanced its self-install strategy during the pandemic with drop-and-go kits that keep technicians out of the house. New Street estimates that the cost reductions should drive 10-20bps of margin expansion in 2020 and 30bps in 2021. "We expect accelerating revenue growth, falling costs, stable capex to drive strong double-digit growth in free cash flow for cable companies. Share repurchases will magnify growth per share, resulting in ~30% growth in FCF per share for Charter and Altice," New Street said in a note to clients, its third in a series that makes the case for the earnings power of cable. "Comcast's growth will be depressed by Covid-19 related issues at **NBCU** and **Sky** in 2020; however, we assume they can grow FCF per share in the 20-30% range in 2021 and beyond." New Street plans to hold a conference call Friday to discuss what it's calling a new normal for cable—record net adds and margin expansion.

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Atlantic Broadband Dropping SNY: Atlantic Broadband, the eighth largest cable operator in the US, intends to drop NY Mets RSN **SNY** from its Connecticut footprint at the end of the month. "Atlantic Broadband works to manage costs on behalf of our customers as the license fees we pay for these channels continue to rise. As a result, we sometimes discontinue channels due to rising costs, particularly if some of the content can be found on other channels already carried or online," *Andrew Walton*, a spokesperson for Atlantic Broadband, told **CFX**. "In this case, we decided to discontinue carriage of SNY in our Connecticut service areas effective June 30 only after carefully weighing costs against viewership, as well as the fact that certain games can be found on other channels which continue to be carried on our lineup." SNY said it's disappointed that the operator plans to drop it, including in its newly acquired **Thames Valley Communications** system. In addition to the Mets, SNY also provides coverage of the NY Jets, UConn women's basketball, football and men's hockey. "We worked in good faith to come to a fair agreement, but Atlantic Broadband was unwilling," SNY said in a statement that directed impacted viewers to a [website](#) for info on how to switch TV providers. Atlantic Broadband operates in 11 states, including Connecticut, Delaware, Florida, Maine, Maryland, New Hampshire, New York, Pennsylvania, South Carolina, Virginia and West Virginia. The SNY drop impacts only its CT markets.

New AMC Networks SVOD Bundles: AMC Networks is rejiggering its SVOD strategy, replacing **AMC Premiere** with **AMC+**. Comcast is the first to launch the new SVOD, which keeps the \$4.99/month price tag, making it available to Xfinity TV and Xfinity Flex (broadband only) subs. The service includes original series from **AMC** and sister nets like **SundanceTV** and **IFC**, ad-free with early premieres on demand. One of the big things that sets AMC+ apart from AMC Premiere is that it includes access to AMCN-owned streaming services **Shudder**, **Sundance Now** and **IFC Films Unlimited**. That's a pretty big bargain because a monthly subscription to each of those services is about the same price as the entire AMC+ bundle. The package also includes an ad-free premium linear network available to both Xfinity TV and Flex customers—another distinction from AMC Premiere, which was only available to Comcast customers who got AMC as part of their TV service. The programmer also is introducing the \$4.99/month **WE tv+**, which features on demand programming from **WE tv** and **UMC** (Urban Movie Channel). AMCN is expected to strike deals with other operators for the services. Its premium SVOD service **Acorn TV** continues as a standalone offering for \$5.99/month or \$59.99/year.

Cable Wants More Time On C-band: **ACA Connects** and **NCTA** are asking the **FCC** to extend the comment period on the next stage of its C-band proceeding to give parties more time to review transition plans submitted by satellite operators. The pair are asking for a six-day extension that would move the comment deadline to June 22, 10 days after satellite operators' transition plans are due. The additional time will better inform ACAC's and NCTA's comments on the



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lump sum payments that have been proposed for MVPDs currently utilizing C-band spectrum. "It will be challenging to evaluate whether a proposed lump sum amount is truly representative of the average cost to transition an earth station antenna before seeing the satellite operators' transition plans, as that cost average could be significantly higher or lower depending on the satellite operators' specific grooming plans," they said in their filing. The associations have also asked the FCC to make satellite operators transition plans available on the FCC's website immediately after they are filed, either Friday evening or Saturday morning and to disclose the methodology by which it arrived at the proposed lump sum amounts and the assumptions the Commission used. "Having an adequate opportunity to review the transition plans will be essential to providing meaningful comments, and providing this additional time in addition to the modest extension request will be extremely beneficial for the feedback the Commission receives," the pair said.

Social Media and Section 230: Sens *Marco Rubio* (R-FL), *Kelly Loeffler* (R-GA), *Kevin Cramer* (R-ND) and *Josh Hawley* (R-MO) asked the **FCC** to take another look at Section 230 of the Communications Decency Act and how its protections apply to social media companies. The request follows *Trump's* signing of the Executive Order on Preventing Online Censorship. Section 230 ensures that online platforms are not liable for content posted by their users and also limits a site's liability when it deletes content. "Social media companies have become involved in a range of editorial and promotional activity; like publishers, they monetize, edit, and otherwise editorialize user content," the senators wrote to FCC chair *Ajit Pai*. "It is time to take a fresh look at Section 230 and to interpret the vague standard of 'good faith' with specific guidelines and direction."

AMC Joins 'On Addressability': **AMC Networks** became the first programmer to join the 'On Addressability' initiative founded by **Comcast Advertising**, **Charter's Spectrum Reach** and **Cox Media** last June. The company will now be able to sell addressable ads across both linear and on-demand inventory across the three distributors 30Mln home footprint, increasing the amount of addressable advertising inventory available to national advertisers. The initiative is working to deliver a scalable and sustainable addressable solution to marketers that defines a set of common practices and standards. The distributors are working with **Canoe Ventures** for technical implementation and service management.

605 Launches Attribution Solution: TV measurement and analytics company **605** launched 605 IMP4CT, a self-service, web-based application designed to measure the impact of TV advertising campaigns. **AMC Networks** and **Discovery** are the first programming clients, with 605 promising more to come. The solution is designed to enable clients to augment aggregated and anonymized households viewership data with first and third party attributes and KPIs, which will allow them to study consumer behaviors across the marketing funnel. Essentially, users can gain insights on the impact of TV campaigns in both live and time-shifted environments. 605 said the solution delivers insights that identify which audiences respond most favorably to TV ads across linear, VOD and DVR, identify which networks, genres or dayparts deliver optimal results, identify variables such as geography and creative that drive desired outcomes, and calculate return spend against a variety of KPIs.

Discovery Tops Beta Research: **Discovery Channel** emerged as the major basic network with the highest amount of interest among cord-cutters (38%) in **Beta Research's** latest study. Close behind in a three-way tie were **Animal Planet**, **History** and **Nat Geo**. Amongst cord-cutters that are heavy users of services like **Netflix**, **Hulu** and **Amazon Prime**, **Food Network** emerged as the top-ranked basic net (45%). When looking at emerging networks, cord-cutters were most interested in **Crime & Investigation Network** (48%), **Sony Movie Channel** (48%) and **Smithsonian Channel** (43%).

Quibi (Finally) Adds Chromecast: More than two months after its initial launch, short-form streamer **Quibi** released an update adding Chromecast support for iOS and Android devices. The function has already been rolled out to all iOS users and should be available for all Android users by Friday, according to a tweet from Quibi chief product officer *Tom Conrad*. Quibi added support for Apple Airplay at the end of May.

Firstlight Greenlights Accelerator: **Firstlight Media** launched an incubator designed to accelerate the growth of scalable OTT services. The initiative will be led by Firstlight co-founder/chief business officer *Paul Pastor*, a veteran of **Disney** and **Discovery**. Pastor will work with aspiring Tier 1 operators to ensure that they have access to the technology, knowledge and strategic drivers of business success.

Distribution: **TV5MONDE USA** and **FaceBank Group** struck a deal to bring the flagship TV5MONDE USA network to **fuboTV**. Customers will be able to access the net by purchasing the TV5MONDE add-on package for \$9.99/month, which includes TV5MONDE Cinema on Demand. -- **Reelz** launched a linear channel on **The Roku Channel** Wednesday.

People: **FaceBank** named *Diana Horowitz* to the newly-created position of svp, ad sales for **fuboTV**. Horowitz previously held positions at **Telestream**, **IBM Watson Media**, **Comcast Technology Solutions** and **Scripps Networks**.

THE WORK CULTURE LIST PROFILE:

ACCESSIBILITY AWARD **Cox Communications**

Part of Cox's DNA is to strive to have a diverse workforce that reflects the communities it serves. To help achieve that goal, the company recently completed a full accessibility audit of its career website. That included fixing major issues, making it readable with a screen reader, and updating the accessibility statement to make it more prominent.

As part of its mission to make sure everyone at Cox is getting the message of inclusion, the company celebrates National Disability Employers Awareness Month every October. One of those gatherings featured Mandy Harvey, a former contestant on Season 12 of "America's Got Talent" who is profoundly deaf. "Mandy performed for Cox employees, but even better were the stories she shared regarding overcoming obstacles when she lost her hearing," says Ilene Albert, Cox's executive director, product development & management.

Every May, the company celebrates Global Accessibility Awareness Day. Inspirational speakers have included Kyle Pease, an athlete with Cerebral Palsy who has competed in Iron Mans and the NY Marathon with his older brother despite being in a wheelchair.

"We are constantly trying to educate and empower our employees. Both those that are on the frontline as well as those in the product development organization, in addition to our talent development team," Albert says. "We put policies in place to make sure that accessibility is part of everything that we do."

In 2018 and 2019, Cox Communications was named a NOD Leading Disability Employer, an award given by The National Organization on Disability to honor companies

that demonstrate exemplary employment practices for people with disabilities.

"In addition to training of our team here at Cox, we try to promote accessibility as a technology imperative and really integrating that into our organization," Albert says, explaining that in 2016 the company built a dedicated competency for accessibility within the product organization. "Our focus is on ensuring that our products and services are accessible by all. Since that time, we've been working to integrate accessibility development and testing in all aspects of our business. And we're training our employees on how to better support our customers with diverse abilities."

That work has included examining everything from payment kiosks in retail stores to working with technology teams to ensure that anything web-enabled can be used with assistive technology. Albert points to Cox's customer service chat option. If they want to make billing changes, a lot of time that means calling in. But that doesn't work as well if someone is deaf or hard of hearing, so Cox changed that policy for those customers. In 2018,

Cox set up an accessibility support center for customers who rely on key services, including closed captioning, video description and voice guidance.

"We're trying to meet our customers where they are in the most efficient manner," says Albert. "For accessibility to be successful at a company, it needs to become second nature with our other objectives. We have a small accessibility team. That's because accessibility is everyone's responsibility here at Cox."

(Excerpt from the 2020 Work Culture List magazine)



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Think about that for a minute...

Co-opted Opinion

Commentary by Steve Effros

There are so many things happening so rapidly right now in the debate over what journalism is, or should be in the era of “instant” news that it’s impossible for me to cover it all in one column.

This is a subject I’ve studied and commented on since my college days. It’s why I got into the “news business” in the first place, working at ABC and NBC network news in Washington, DC during my college years and then after graduation doing a stint as a staff writer at the New York Times.

Now my former employer is in the news itself as controversy surrounds the publishing of an “opinion” piece by Senator Tom Cotton supporting the notion that troops should have been sent into American cities with “overwhelming force” to quell what he characterized as totally out of control riots and “delusional” local officials. In normal times this would have been the presentation of “one side” of what has been an ongoing debate for the past week about triggering the “Insurrection Act of 1807” as the president reportedly was considering. Needless to say, the Times had multiple opinion columns denouncing such an idea.

But in this case the publication online (it never wound up in the printed version of the newspaper) created such a backlash within the Times newsroom that the opinion page editor resigned and the Times is reconsidering its entire approach to the opinion page. That’s the important news. What should news organizations do about all this? Is there an appropriate place for “opinion pages”? To be sure, the Times had separate staffs for their news pages and their opinion pages. But the “traditional” journalistic approach, as explained by the now-former editor, was to seek out both sides of any major issue and let readers digest the positions of the parties in their own words.



The reporters, in this case, however, said that in the heat of what is going on right now, with lives, sometimes theirs, at stake in the streets, inviting someone to use the Times pages to support “domination” was morally wrong and based on alleged facts that could be easily refuted. They weren’t because this was on the opinion page rather than on the news pages which would have added context. The Times bosses ultimately agreed that it shouldn’t have been published.

Can we have “fact checked” opinion pages, or is opinion just that, not necessarily fact based, or even worse, incorrect information based. But isn’t it just as important to learn that someone like a Senator is basing his decisions on palpably incorrect information? None of this is easy.

Should we always have two opinion pieces side by side? That smacks of the PBS NewHour approach of having “the two sides” sitting across from each other and letting them just spout their talking points. Not very enlightening. What about having an opinion piece and a direct but specific rebuttal written and printed together? Would that help? Or maybe we should just let Fox and MSNBC, for instance, or the Wall Street Journal declare their allegiance and let the “buyer beware.” That’s what’s happening now, but it doesn’t solve the journalistic problem for those seriously trying to “curate” information for the benefit of their readers or listeners.

As I said, this is tough stuff, and it’s being forced on us by a new age of instant communication and an unfortunate willingness of some to co-opt the opinion pages without regard to accuracy or potential impact. Things will have to change.

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.)

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