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# Cablefax Daily™

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What the Industry Reads First

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## Dollar Signs: fuboTV Becomes Latest to Play with Pricing

Sports-centric vMVPD **fuboTV** has announced a price hike, raising the price of its family bundle from \$60 to \$65/month. Current customers who subscribe to fuboTV's standard \$55/month plan will be automatically migrated to the family bundle, which includes three simultaneous streams and 500 hours of DVR. Customers can contact customer support to opt out of the move. Customers that signed up for fuboTV prior to June 29 will see the new price reflected on their first bill on or after Aug 1. All others will see it increase on or after Sept 1. Within the last month, fubo also increased the price of its Ultra bundle to \$84.99/month and of its Latino bundle to \$29.99/month for new customers. Prior to these moves, fuboTV's last price increases came in March 2019. Fubo justified the increase in pricing by pointing out the networks it has added over the past 12 months, including local **CBS**, **Fox** and **NBC** affiliates. But it's also lost some content, including the **Sinclair** RSNs at the top of the year. Even as it announced the price increases, fuboTV dropped **Turner** nets, including **TNT**, **TBS**, **CNN**, **Cartoon Network** and **truTV**. "Sometimes, to help us bring you new channels and deliver premium features like live sports in 4K, we need to remove other channels and adjust subscription prices. Therefore, Turner networks will be leaving fuboTV as of July 1," the service said on a help page. Come August, fuboTV will replace some of that lost programming with the addition of **Disney** and **ESPN** channels like **FX**, **Disney Channel**, **Disney Jr** and **ESPN**. Fubo's announcement comes one day after **YouTube TV** announced it would be raising its pricing by \$15 to \$65/month. **AT&T** is also raising first-year monthly pricing for new customers, according to the **TV Answer Man** site. New **DirectTV** subs will now pay \$59.99/month for the first year of its Select plan, up from \$49.99. Pricing has also increased on its Choice, Xtra and Ultimate packages. Turning to **AT&T TV**, the first-year price of its Entertainment plan is rising by \$10 to \$59.99/month. Similar increases are taking place on its Choice, Xtra and Ultimate plans. At a **Media Institute** luncheon this week, **Wells Fargo Securities** media analyst *Davis Hebert* said the rising price points of vMVPDs is really starting to slow their growth. "With no sports, it's going to be a tough thing to defend," Hebert said. "It's going to be interesting to see if people will leave because of the high cost of these virtual providers, not to mention the wealth of subscription video offerings that are now available to everyone at more reasonable prices." **MoffettNathanson** founding partner *Craig Moffett* agreed that the pricing shift would crush demand with the eventual net result being a smaller business. "It's mind boggling that this was a



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\$35 product just a couple of years ago,” Moffett told **CFX**. “To be fair, their old pricing never made sense, so I suppose you could argue that this is simply ‘fixing’ their previous underpricing.” **Sling TV** is trying to take advantage of the rising prices, announcing Wednesday it is putting a freeze on its \$30/month pricing for the next year for new and current users. “We believe now is not the time to make our customers choose between staying informed and entertained, and putting dinner on the table,” Sling said in a statement. All new and current subscribers as of Aug 1 will automatically get the price guarantee on any Sling TV service through Aug 1, 2021. Sling is offering a 14-day trial through July 6. For those that sign up and prepay for three months, Sling will include an AirTV2 DVT with an OTA antenna.

**DISH Closes Boost Acquisition:** DISH has officially entered the mobile game, closing its \$1.4bln acquisition of **Boost Mobile** from New **T-Mobile**. DISH will continue to utilize the Boost brand, but unveiled a new logo Wednesday. *John Swieringa*, who serves as group president, retail wireless and DISH COO, will lead Boost Mobile. “Our passionate team, from employees to retail associates to local business owners, is ready to compete,” Swieringa said. Boost customers should not see any disruption to service and will be allowed to retain their current phone numbers. DISH also unveiled its first mobile plan Wednesday, the \$hrink-It! plan. It starts at \$45/month for 15GB and then reduces customers’ monthly rates by \$5 after three on-time payments, and by an additional \$5 after six total on-time payments. Boost used to offer similar plans until July 2014. In addition to the \$hrink-It! plan, Boost will offer a \$35/month 10GB plan that includes unlimited talk and text. New T-Mobile’s divestiture of Boost Mobile to DISH was a condition of the **FCC**’s approval of T-Mobile’s acquisition of **Sprint**. “With this divestiture and its existing spectrum resources, DISH has the potential to make a big impact on a wireless marketplace that is transitioning to 5G, the next generation of wireless connectivity,” FCC chmn *Ajit Pai* said in a statement. “Of course, while this divestiture is good news, the Commission remains committed to ensuring that T-Mobile and DISH comply in the coming months and years with all of the conditions imposed by the FCC in this proceeding.”

**Content Producers Push for Pandemic Risk Insurance:** A coalition of news, sports and entertainment organizations, including **NCTA**, the **NFL**, **NAB**, **Nascar** and the **Screen Actors Guild**, have reached out to Congressional leaders in support of legislation to help businesses secure pandemic risk insurance to mitigate the risks associated with producing popular events and programs in the COVID-19 era. “Whether it be professional and collegiate sporting events, the next must-see film, a binge-worthy TV series, or a marquee Broadway production, we cannot envision any long-term recovery of these American experiences without some form of business interruption insurance that mitigates the risks associated with producing these popular events and programs in the COVID era now facing the country,” the coalition wrote in a letter Wednesday. The organizations cited legislation introduced by Rep *Carolyn*

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*Maloney* (D-NY) as a step in the right direction, adding they stand ready to work with all parties for a solution.

**Peacock Adds ViacomCBS Feathers:** When **NBCUniversal** streamer **Peacock** debuts nationally July 15, it'll do so with a slate of popular **Paramount** movies and TV shows from the **ViacomCBS** library. The licensing agreement includes series such as "Ray Donovan" and "Undercover Boss." The content will continue to be available on ViacomCBS platforms. Premium films from Paramount's library, including "The Godfather" trilogy and "American Beauty," will stream on Peacock in limited exclusivity windows throughout 2021, 2022, and 2023. Peacock's free tier includes more than 7500 hours of content. Peacock Premium, \$5/month, feature more than 15000 hours.

**Distribution:** **INSP** launched on **Philo** Wednesday. It's part of the vMVPD's 60 channel, \$20/month package. **Philo** also just added **GetTV**, a Sony Pictures Entertainment network that features vintage TV shows. -- **Ovation TV** inked a multi-year carriage renewal with **NCTC**. The arts network has been available to co-op members since 1996.

**Another Broadband Bill:** Sen *Amy Klobuchar* (D-MN) introduced "Accessible, Affordable Internet for All," a companion bill to Rep *James Clyburn's* (D-SC) bill by the same name that's aimed at closing the digital divide. Components include an \$80bln investment over five years to deploy broadband infrastructure, \$5bln over five years for low-interest financing of broadband, and a \$50 monthly discount on internet plans for low-income Americans. It also reserves \$5bln for students without internet connections and authorizes funding for WiFi on school buses.

**FCC Auction Alert:** The **FCC** said Wednesday that 271 bidders have qualified to participate in its 3.5Ghz auction, which kicks off July 23. Qualified bidders in the CBRS auction include **Comcast** (bidding as **XF Wireless**), **Charter**, **AT&T**, **Verizon**, **Cable ONE**, **Cox Communications** and **Midco**. The FCC identified 77 non-qualified bidders, including **Antietam Cable**, **Bluespan**, **Corning** and **Susquehanna Broadband**. -- The application window for the **FCC's** Rural Digital Opportunity Fund Phase 1 auction opened at noon ET Wednesday. Up to \$16bln in funding to bring broadband to unserved parts of America is up for grabs. The short-form application window closes at 6pm ET on July 15.

**Liberty Broadband, GCI Liberty Weigh All-Stock Merger:** Special committees from **Liberty Broadband** and **GCI Liberty** are evaluating the possibility of Liberty Broadband acquiring all outstanding shares of Series A common stock, Series B common stock and Series A cumulative redeemable preferred stock of GCI Liberty, according to an **SEC** filing. The Possible Exchange Ratio would consist of 0.58 of a share of Liberty Broadband Series C common stock for each outstanding share of GCI Liberty Series A stock, 0.58 of a share of Liberty Broadband Series B stock for each outstanding share of GCI Liberty Series B, and one share of a newly issued series of preferred stock of Liberty Broadband for each outstanding share of GCI Liberty Preferred Stock.

**Fox News Fires Ed Henry:** **Fox News** staffers received a memo Wednesday announcing the termination of anchor *Ed Henry*. The company said it retained an outside law firm to investigate after receiving a complaint on July 25 about Henry from a former employee's attorney involving willful sexual misconduct in the workplace years ago.

**Retrans Fee Disparity:** In 2018, the **FCC** issued its Communications Marketplace Report that found that small operators (10K or fewer subs) pay on average 32% more in retrans fees than operators with 75K+ subs. As the agency collects data for its 2020 report, **ACA Connects** is warning that the disparity in fees paid by the smallest and largest operators is actually likely much larger. It bases that on the fact that larger systems carry many more retransmission consent stations. ACAC also argues that size disparity should be calculated at the operator/parent company level, not the system level, saying that large operators own small systems and thus skew results. ACAC reps met with FCC staffers via teleconference last week. The 2018 report estimated small systems pay \$93.37 per sub per year in retrans payments, while large systems pay \$70.88 per sub on average.

**Programming:** Weeks after leaving **Netflix**, "Mad Men" has secured a new home. All seven seasons will return to **AMC Networks** this fall through a deal with **Lionsgate** that includes US rights for linear, SVOD and other platforms. The show, however, will first join **Amazon's** free, ad-supported **IMDb TV** service on July 15. IMDb keeps exclusive AVOD rights until AMC Networks gets them in 2021. -- **Comedy Central** inked a deal with *Mike Judge* that includes a reimagined version of "Beavis and Butt-Head," a darling of **MTV** in the 1990s. The expansive deal includes additional spinoffs and specials.

**Call to Action:** **Fuse Media** kicked off its "Be Heard. Be Change" call-to-action initiative. Beginning Sunday, a series of 30-second climate change vignettes featuring *Stacey Abrams*, a board member of Climate Power 2020, will air on Fuse and FM linear channels, as well as on Fuse online and social media properties.

**People:** *Naveen Chopra* becomes evp, CFO of **ViacomCBS** on Aug 10. He succeeds *Christina Spade*, who will transition into an advisory role after the company's 2Q20 earnings call. Chopra joins from Amazon, where he served as CFO of its devices and services business. He's also had senior roles at **Pandora** and **TiVo**.



## THE WORK CULTURE LIST PROFILE:

### EMPLOYEE INVESTMENT **WOW! Internet Cable & Phone**

Plenty of companies invest in their workforce with words of praise and employee-of-the-month awards. But in 2018, the board of WOW! Internet Cable & Phone earmarked funds for employee-focused initiatives like career training and development, improved wages and benefits, and recognition programs to the tune of \$25 million.

In other words, serious money.

"At a leadership level, we as a company truly believe that engaged employees—engaged in the sense of committed and want to come to work and be aligned with company values, direction and results—really makes a difference," says Allyson Crawford, WOW!'s VP of learning and development. While she wouldn't disclose a hard-dollar ROI on that investment, Crawford did allow that the increased productivity, personal and organizational growth, as well as real cultural change have been the returns in tangible, measurable ways.

WOW! gets data derived from regular monthly employee surveys administered through Officevibe, a software tool that measures the success and impact of various employee programs, and calculates an employee net promoter score (eNPS). While that summary engagement score hovered near 13 in December 2017, it has since soared to a current high of 32, according to the company.

Officevibe surveying also helps WOW! dig deeper. Each quarter, eNPS asks employees, "How likely are you to recommend WOW! as a place to work?" That score has trended upward as well, Crawford says. "One thing that's drastically changed in the last 18 months is our voluntary turnover numbers," she adds, a double-digit percentage she opted not to specify. "Our employee network is becoming more tenured, which increases our workforce's opportunities and capabilities, plus it builds the organizational capacity."

The multi-million dollar investment was also used to make compensation more competitive; new benefits include unlimited paid time-off for senior employees, flexible schedules that allow for work from home, as well as weekly deliveries of fresh fruits and vegetables to WOW!



offices. Employees are also encouraged to give back to the community and volunteer as part of the WOW! In the Neighborhood (WIN) program.

WOW!'s investment helped rev up service and excellence goals among its high-performing technicians, who'd already racked up 19 JD Powers awards for customer service, according to Rob DiNardo, SVP of field operations. In addition to friendly competition among techs in different markets, there are regular tech-to-tech incentives and feedback opportunities, including surveys of customers after a tech visit.

"For someone interfacing with customers, you want to motivate and incent them so that they're highly engaged and that positive energy passes on to the customer experience," DiNardo says. "We've seen our customer satisfaction scores from techs go up substantially over that."

The decision to make an eight-figure investment in employees is widely credited to Teresa Elder, who took over as WOW!'s CEO in early 2018. Part of the management team she built or brought with her focused carefully on employee communications. She leads a livestreamed "town hall" meeting every month to share information, showcase successes and talk with employees at all levels.

"It sounds simple, but it has revitalized how our employees live out values and we can see this through Officevibe statistics," Crawford says.

## CONGRATULATIONS TO ALL THE HONOREES!



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## Think about that for a minute...

### Google Perplexed

Commentary by Steve Effros

Google has all the answers. That's what we've all been taught to believe. And for a lot of stuff, that's true. All you do is ask Google a question and, bang, in a fraction of a second back come umpty-umpty hundred citations of where you can go for the answer. It's a very useful tool.



It's also, of course, a very profitable one for Google. Each time you ask one of those questions, such as whether cloth or paper diapers are a better idea to use, Google accumulates all sorts of information about you: there's likely to be a new baby in the house, or one coming soon, for instance. That information is then "anonymously" sold to clients, let's say a paper diaper company, which then pays Google to stick their ads in virtually every corner of what you do on the web for the next however many days or months. Sometimes it feels like years! They've become a dominant company and made lots of money that way.

But Google also strays into other areas of commerce. Laying fiber optic cables and offering cable television and broadband service, for instance. To be sure, they knew how to promote the hell out of what they were claiming to bring to the American public: the magic of Google Fiber! Google knew how to do all this stuff so much better than the old, bloated, disrespected cable companies with their too-big, too-expensive video packages and their workers who ran over rose bushes when they were trying to install antiquated "cable" rather than "fiber."

Never mind that fiber is a cable. Those sorts of details don't fit with the super-competent "we know how to do it better" Google hype. So what happened? Well, first they promised all sorts of build-outs in major metropolitan areas. Then they actually tried to build their miracle infrastructure. Turns out it was a little harder than they thought. Their "better way" of laying fiber resulted in cables pop-

ping up out of the street. The costs were higher than they thought, the maintenance was more troublesome, the customer service demands were something they weren't used to, and oh, the cost of programming for their video offering kept going up, so they had to keep raising their rates!

So much for the Google Fiber experiment. They've stopped building out any of the new communities they promised to enlighten. They stopped offering video service at all. They decided they made a mistake and have essentially "left the field."

Oh, and they started a new game instead; YouTube TV. This is the pre-eminent streaming service today. It really is quite good. Low price, lots of channels including all the local broadcast signals, unlimited DVR recording. Nice. And, of course, since they don't have to pay for delivery, the price looks a whole lot better in an ad than "cable television" since the cable guys have to pay for both the programming and delivery!

Ooops. One little problem Google is just picking up on: those pesky programming costs, remember those? They keep going up even if you're just a streaming service! So while the "introductory" price three years ago looked great, Google has now, with the latest price increase announced this week, almost doubled the cost of YouTube TV in that time!

Lest Google remain perplexed by all of this, let's clarify: the price of programming, customer support and the like isn't ever going to go down! It'll keep going up, and their subscription price will too. Welcome to the real world.

*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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