

Cablefax Daily™

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What the Industry Reads First

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Lasting Change: How the Pandemic Has Changed the Industry

The COVID-19 pandemic has changed everything about how people live and work, and it's tough to imagine the world returning to any semblance of normalcy. But that's not entirely a bad thing. The pandemic has pushed those across the industry to think outside of the box, work around the clock to add additional capacity to networks or to brainstorm new series concepts that could be filmed and distributed remotely. A number of those named to the **Cablefax 100** agreed that the pandemic forced operators to move even faster on efforts to bolster their networks and keep them running under heavy strain. "What we have seen as a result of this pandemic is the acceleration of so many business and cultural trends—nearly all of them involving connectivity," **Altice USA** CEO *Dexter Goei* said in his Q&A. "We are going to see more reliance on connectivity than ever before, particularly as customers and businesses get comfortable with transitioning analog behaviors online, such as virtual doctor visits or telecommuting." **Cable One** pres/CEO *Julie Laulis* agreed with the sentiment, saying that even more DSL customers are switching to broadband for speed and reliability. More customers are also adopting online sales, support and self-installation. Laulis said Cable One is providing more flexible scheduling for associates and devoting more capital to continue building the network of the future. It's likely that fewer dollars will be moving towards office space with many throughout the industry saying the pandemic has forever changed their opinions on work from home. **Discovery** pres/CEO *David Zaslav* said his employees have been much happier to have the flexibility to work remotely. "We'll never have as much real estate or as many desks again," he said. On the content production side, we've all seen how programmers moved quickly to fill holes left behind by the lack of sports seasons and stay-at-home orders that hindered the filming of new series. **Fox News** CEO *Suzanne Scott* said that the industry is fully tapping into the "technical capabilities allowing for new ways to broadcast, edit and produce live, long form and digital content." And now that companies have worked out the kinks with remote productions, some believe it's a trend that will stick around. "The astounding amount of content that's been produced from apartments, shot by teenagers on cell phones, and managed from home offices which weeks before were guest rooms proves what we can do as an industry," Discovery chief lifestyle brands officer *Kathleen Finch* said. "I predict a more nimble, stripped down approach to a lot of content moving forward, and to an increased expectation from viewers for a more authentic, intimate look at the lives of talent and celebri-

What percent
of Game Show
Network
Viewers watch
LIVE?

50%

70%

99%

**GAME
SHOW
NETWORK**

**COMMON
KNOWLEDGE**
Host JOEY FATONE

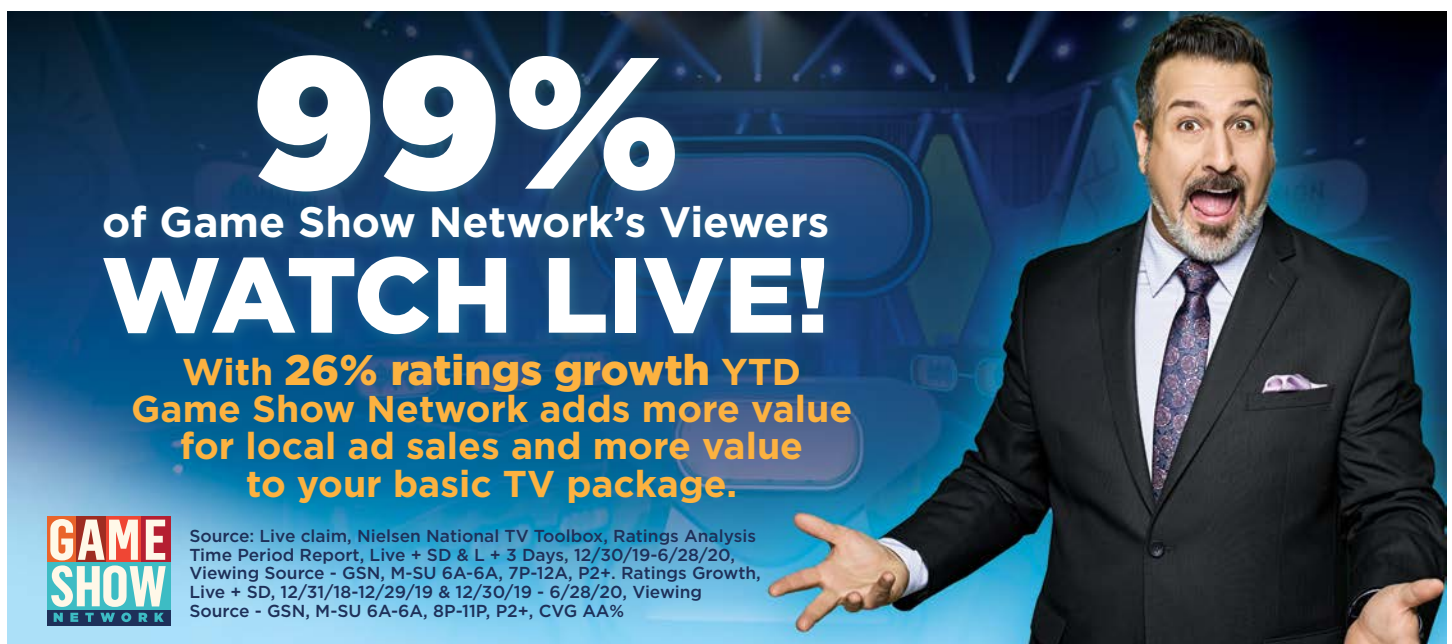
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ties.” And, perhaps most importantly, the pandemic reminded programmers and their audiences of the role networks and shows have in building and supporting communities from all across the globe. “We provide a safe harbor during trying and unprecedented times, a way for our consumers to feel more connected to others like them, and we foster a sense of belonging and inclusion,” *Jessica Rodriguez*, **Univision** chief marketing officer and president, entertainment said. “The pandemic reminds us to focus on our audience’s deeply held values around family, faith, collectivism, duty, progress and cultural pride.” *Read more responses from the rest of the Cablefax 100 in the newly-released magazine.*

Altice Selling Chunk of Lightpath: We can stop the guessing game over whether **Altice USA** will sell enterprise business **Lightpath**. It’s keeping control of the company and selling 49.99% of it to **Morgan Stanley Infrastructure Partners** (MSIP) for an implied enterprise value of \$3.2bln. Altice USA will receive total gross cash proceeds of approximately \$2.3bln from the sale and related financing activity (net cash proceeds of approximately \$1.1bln after tax and initial debt repayment). Look for more details on the deal during Thursday’s earnings call. The transaction is expected to close in 4Q.

CES 2021 Goes Digital: The **Consumer Technology Association** canceled the in-person portion of **CES 2021**, transitioning the event to an all-digital experience. In January, the Vegas-based event drew more than 4400 exhibitors and 171K attendees. “Amid the pandemic and growing global health concerns about the spread of COVID-19, it’s just not possible to safely convene tens of thousands of people in Las Vegas in early January 2021 to meet and do business in person,” CTA pres/CEO *Gary Shapiro* said in a statement. “Technology helps us all work, learn and connect during the pandemic—and that innovation will also help us reimagine CES 2021 and bring together the tech community in a meaningful way.” Next year’s event, still scheduled for Jan 6-9, will still focus on keynotes, product showcases and networking opportunities. CTA also said it plans to return to Las Vegas for CES 2022, which will combine “the best elements of a physical and digital show.” The question now becomes how many other events in the first half of 2021 will also elect to go virtual. **Mobile World Congress Barcelona**, which was forced to cancel its 2020 gathering, is currently scheduled to take place March 1-4.

Emmy Nominations: It’s a strange year, but the show must go on. The 2020 Emmys are set to take place September 20, and nominations were unveiled Tuesday. Combined, **Walt Disney**-owned properties, now with the **Fox** entertainment assets, took in 145 nominations, but it still wasn’t enough to claim the most. **Netflix** hauled in a record-breaking 160 nods, the most of any network or streamer. **HBO** clocked in behind with 107 nominations. **FX** led all cable nets with 33 nods, **Amazon Prime Video** had 30, and **Hulu** got 26. **Disney+** and **Apple TV+** both earned their first nomina-



99%
of Game Show Network’s Viewers
WATCH LIVE!
With **26% ratings growth YTD**
Game Show Network adds more value
for local ad sales and more value
to your basic TV package.

GAME SHOW NETWORK

Source: Live claim, Nielsen National TV Toolbox, Ratings Analysis Time Period Report, Live + SD & L + 3 Days, 12/30/19-6/28/20, Viewing Source - GSN, M-SU 6A-6A, 7P-12A, P2+. Ratings Growth, Live + SD, 12/31/18-12/29/19 & 12/30/19 - 6/28/20, Viewing Source - GSN, M-SU 6A-6A, 8P-11P, P2+, CVG AA%

tions, 19 and 18, respectively. Even **Quibi** is making an appearance, boasting 10 nominations. **VH1** has 13, 10 coming from “RuPaul’s Drag Race.” Netflix series “Ozark” and HBO’s “Succession” lead the drama category with 18 noms each, and Amazon’s “The Marvelous Mrs. Maisel” heads up the comedy side with 20 noms. With 26 nods, HBO’s “Watchmen” has the most nominations out of any series. Disney+ came in with 15 for “The Mandalorian,” as did **Pop**’s “Schitt’s Creek” for its final season. The nominations also set several diversity records. Female directors landed a record 33% of nominations this year, and a woman was nominated in all seven directing categories this year. In total, 16 women have been recognized out of 48 total directing nominations, nearly double 2019’s numbers. In all acting categories, non-white representation jumped to 41.5%, with 49 out 118 acting nominations going to people of color.

AMC Theaters, Universal Reach Deal: **AMC Theaters** and **Universal** ended their feud, announcing they reached a new deal regarding theatrical exclusivity. AMC will have exclusivity for all Universal and Focus Features films in the first 17 days of release, and then Universal will have the right to make those films available on PVOD. Negotiations are still underway for international distribution.

Big Broadcast Wants COVID Funding: With another COVID-19 relief bill in the works, broadcasters are renewing their push for financial support. On Tuesday, the co-chairs of the Congressional Broadcasters Caucus, Reps *Tom Emmer* (R-MN) and *Brendan Boyle* (D-PA) sent a letter to House and Senate leadership urging a portion of funding go to local broadcasters. “Many small broadcasters have been able to stay afloat during this time thanks to the Paycheck Protection Program, but their colleagues who are part of larger ownership groups have not had that same benefit, even though the stations are run much the same,” the two wrote. **The American Television Alliance** has been a chief opponent of allowing large, publicly traded broadcast groups, such as **Sinclair** and **Hearst**, to receive such money. ATVA largely fights for retrans reform, with its members including cable, satellite, phone companies as well as independent programmers. Boyle and Emmer noted that in the CARES Act, hotels, restaurants and others were given the ability to count their employees for the purpose of the PPP by individual location rather than as part of their ownership groups.

MLB Update: The **MLB**’s season isn’t going exactly as planned. The Miami Marlins now have as many as 17 positive COVID-19 tests, forcing Monday and Tuesday’s games in both Philadelphia and Miami to be postponed. The MLB has revised the schedule to pause the Marlins’ and Phillies’ season. Miami is now halted until Aug 3, and the Phillies shut down until Friday. The Yankees and the Orioles are suffering from the side effects, and now the teams will play each other on Wednesday and Thursday. The Marlins were set to play the Nationals this weekend, but the vast majority of Nats players voted not to travel to Miami.

PBS Gets New Channel: **PBS** is launching a PBS Documentaries Channel on **Amazon Prime Video**, coming Aug 4. The channel will launch with 900 hours of content, including *Ken Burns*’ entire collection. It will cost \$3.99/month with an Amazon Prime subscription.

Ratings: It was a good month for news nets. **Fox News** had its best July in network history, averaging 1.631mln viewers in total day, up 19% YOY. **MSNBC** also saw 41% YOY growth, averaging 1.197mln viewers. **CNN** had its most-watched July in the net’s 40-year history in total day, averaging 994K total viewers, up 79% YOY. In prime, Fox News averaged 3.218mln, up 32%. MSNBC was up 39% to 2.084mln, and CNN up 89% to 1.51mln viewers. -- **ESPN** saw the most-watched **WNBA** opener since 2012, and the weekend’s four-game viewership average was up 63% over the 2019 regular season average. The slate averaged 401K viewers across **ABC** and ESPN. ESPN’s telecast between the Seattle Storm and the New York Liberty at noon averaged 419K viewers, the most watched season opener on ESPN since 2016. -- **NBC Sports** delivered the most-watched Premier League season in four years, also the longest season ever, spanning 352 days. The season ended on Sunday, and delivered an average of 462K viewers per match window, up 1% from last year.

People: A trio of **Cox** execs are taking on new roles, effective Aug 3. *Keith Holmes*, Cox Communications services svp, residential services, will become evp, **Cox Business**. Current Cox Business evp *Steve Rowley* moves over to president, **Cox Automotive**. He is taking over for *Sandy Schwartz*, who will serve in the new position of CEO of the **Cox Family** office, overseeing family investments. He’ll continue to oversee Cox newspapers in Atlanta and Dayton, Ohio, and until the end of the year, will retain the title of CEO at Cox Automotive. -- *Taylor Owings* will serve as acting chief of staff and senior counsel of the **DOJ**’s antitrust division. Owings, who has served as counsel to the assistant attorney general since Feb 2018, will replace outgoing chief of staff *William Rinner*. Rinner will continue to serve as senior counsel until his planned departure in the coming months. -- **Face- Bank Group** appointed *Daniel Leff* to **fuboTV**’s board, effective immediately. Leff is an investor in fuboTV through venture capital groups **Luminari Capital** and **Waverley Capital**.

INDEPENDENT OPERATOR OF THE YEAR **Hotwire Communications**

For years, Hotwire Communications was one of the best-kept secrets in broadband. It quietly built out fiber, struck new partnerships and ratcheted up speed. But the cat is now out of the bag, with the company consistently ranking Number 1 on Netflix's speed index, PC Mag touting it as one of the nation's fastest ISPs and incumbents waking up to some serious competition.

Hotwire, a CLEC and franchised cable operator, has a footprint that covers a wide swath of the North and Southeastern United States, including Pennsylvania, Florida, Georgia, North Carolina and New York.

"When we started Hotwire as a residential focused company, the one thing that was very important was to own the network. You control quality of service to customers, obviously. But we thought broadband would be the next utility at that time," explains co-founder and CEO Kristin Johnson. "We really started Hotwire with the mandate of future-proof infrastructure, and the best future-proof infrastructure for internet was fiber. We were one of the first internet companies to do all fiber back in 2002."

When Jonathan Bullock joined Hotwire in 2012 as part of its acquisition of FTTH provider Connexion, the company was still fighting for recognition. Not anymore thanks to consistent growth that has propelled it to Tier 2 status. "It's a good feeling not to have to introduce myself and explain who we are and where we are every time I go into a meeting anymore," says Bullock, now EVP, corporate development. As for that growth, Johnson says annual growth hasn't been less than 20% a year for the last 18 years. Hotwire's sub base is primarily a mix of HOA communities and MDUs, but it also has a rapidly growing commercial/wholesale business. And it's taken on unique partnerships, such as leasing the fiber network built by the town of Salisbury, N.C.

"From its earlier days serving primarily colleges and multiple-dwelling units, Hotwire was doing two things—planning for its successful future while learning to develop and deploy the best broadband network. And it shows

today as Hotwire moves into more traditional franchise deployments, partnering with municipalities, and acquisition of other systems," says ACA Connects president and CEO Matthew Polka.

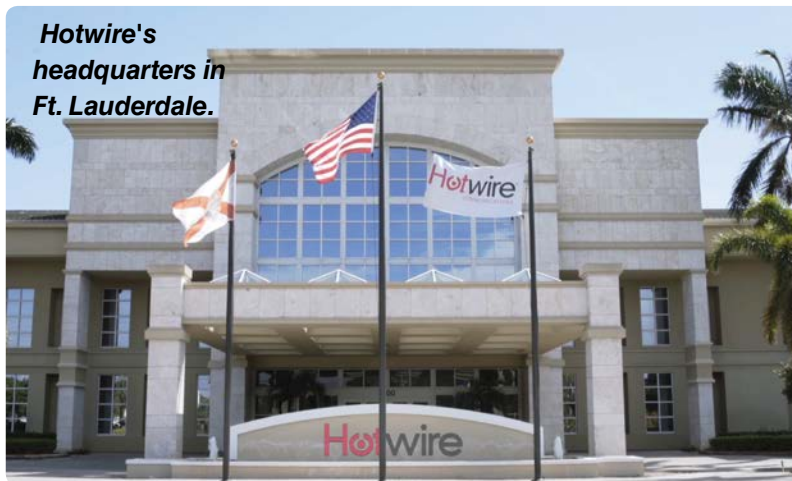
The Hotwire team has built up such a reputation that former Cablevision and Altice USA exec Mandy Esposito pursued joining the company. "I really loved the overall mission and the connection to the customer and the customer experience," says Esposito, who joined in 2018 as SVP, operations. "Every person at Hotwire, from the executive team down connects with customers. We speak with

customers. We're in their homes... It aligned very closely to me with when Kristin Dolan took over Cablevision and how she had that same vision of really providing that local presence and amazing customer experience."

This isn't just lip service. When Esposito first took over operations, she spent about 45 minutes walking an elderly customer at a launch property through her services. "I still keep in touch with her from time-to-time because she's an elderly woman who lives alone, and I pass by her community every day on my way home, so I check in with her," she says. "I think all of that really goes into how when we're thinking of something new, how we display it and how we roll it out. We don't always do the same thing for everyone. We tailor it."

That experience includes IPTV, with Replay TV functionality, fast-channel change, voice remote and TV Everywhere capabilities. "One of the biggest innovations on our platform is the local community content we put on it," says Johnson. "When you launch your TV, your TV experience is actually personalized to your community. On your TV platform, you can see local news, announcements from your HOA board, meetings. We're really hyperlocal."

There's also the Fision app and Fision Direct product, which provides SMS. "It's not a text message to tell you that you have an appointment. It's as we're onboarding



**Hotwire's
headquarters in
Ft. Lauderdale.**

an entire property, welcoming each customer to the Hotwire family and taking them through the entire journey of them becoming a customer and getting their first bill,” Esposito says.

The coming year will bring more innovation, including a cloud-based version of Hotwire’s TV platform with a cloud DVR. Hotwire also will launch in two more communities in Florida—Tampa and Jacksonville. The pandemic helped to bring about an entirely new set of projects for the company, including around virtual self-service, such as self-service (scan a QR code and walk through set-up) and AI technical support. “These were always things on the technical roadmap, but COVID just made the urgency much more profound,” explains Johnson. No one could really have fully prepared for the COVID-19 crisis, but Hotwire was helped by having a really strong business continuity plan given its footprint in hurricane magnet Florida. “We took it to the next level. We’d never had an experience where we had to bring the entire company remote, including customer service, in a matter of days,” the CEO says.

Hotwire stands out from peers through a number of out-of-the-box partnerships, including the recent creation of an advertising interconnect with Cable Bahamas. “There’s 44 million people in the Caribbean who aren’t being advertised to in an efficient way. The Caribbean cable world technologically may have been a little bit behind the US, but there’s a lot of spending power over there,” Bullock says in explaining why Hotwire decided to jump in. “They spend \$20 billion a year on imports from the US and tens of millions more in their visitors coming to the US for shopping, healthcare, vacation and entertainment.”

Bullock credits Hotwire’s nimbleness for allowing the team to find creative ways to expand the company’s presence and utilize its infrastructure. He’s been exploring the possibility of partnering with electric co-ops for the upcoming FCC Rural Digital Opportunity Fund auction that will dole out billions for broadband construction in unserved and underserved areas. “Co-ops,



Technicians in the field in the time of COVID.

just like municipalities and Hotwire, are locally oriented. They’re very deeply involved in their communities,” he says. “They’re in a situation where they are experiencing declining energy revenues, but they’re experienced in infrastructure, they have access to capital and partnering with an experienced ISP makes a lot of sense for them.”

Like many other broadband providers, Hotwire took the FCC’s Keep Americans Connected pledge during the pandemic. But it didn’t stop there. Philanthropy has always been core to the business, but the company took it to the next level this year and launched a foundation called Empowering Communities. “We were really lucky to be given a \$1.5 million grant from one of our banking partners, Truist, to really build out this mission in a pretty big way,” says Johnson. “We’re going to be standing up private LTE networks in three low-income communities that are adjacent to Hotwire communities and providing free broadband to kids so they can connect to school in this new stay-at-home COVID environment.” Dell is providing Chromebooks to help students stay connected for the upcoming school year.

“We’re looking forward to doing more with that foundation and really take what we do best, which is provide broadband service and connect those that can’t afford to pay,” says Johnson.



CONGRATULATIONS TO ALL THE HONOREES!

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