

# Cablefax Daily™

Friday — July 31, 2020

What the Industry Reads First

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## Life Jacket: Broadband, Streaming Save Comcast NBCU in Q2

Comcast's broadband business was its savior again in Q2 as NBCU and Sky struggled to handle the effects of the COVID-19 pandemic. The operator recorded broadband net additions of 323K, marking its best 2Q in 13 years and easily beating last year's gain of 210K. Those results exclude 600K high risk or free Internet Essentials customers. While its competitor Charter plans to participate in the first round of the FCC's Rural Digital Opportunity Fund auction, Comcast is sitting this one out. Comcast Cable pres/CEO Dave Watson said the operator has very few adjacent areas that would offset any regulatory costs associated with participating in the RDOF proceeding. Instead, Watson said the company is examining new ways to expand its footprint through edge-outs. Witness the recent purchase of Southern Vermont Cable. Xfinity Mobile saw slower wireless sub growth in the quarter, but still managed to add 126K lines, ending the period with 2.39mln subs. Comcast lost 478K video subscribers, more than double the 224K lost during 2Q19. Their video base is now shrinking at 5.9% annually, but management has made it clear that it's not going to fight to keep every video customer. "The video decline now is a conscious choice—we've argued for more than a year that cable operators will let video subscriber losses accelerate, and will benefit with higher margins as a result," MoffettNathanson said in a note. "But, given the backdrop of the coronavirus crisis, it seems fairly obvious that neither Comcast nor their peers would be able to stop this slide even if they wanted to." Thursday marked the first earnings call since NBCU launched the ad-supported Peacock. The service has seen 10mln sign-ups in the two weeks since its July 15 debut. "Big number, but remember Comcast has 19 million video subscribers who get PeacockTV Premium tier for free—unclear why more have not activated, plus Cox has over 3.5mln video subs that also get Premium for free," Lightshed Partners analyst Rich Greenfield tweeted. NBCU CEO Jeff Shell was optimistic that there are plenty of chances to grow Peacock in the next few years, particularly because of the postponement of the Tokyo Olympics. "For Peacock, it's a bit of a silver lining for next year," Shell said. NBCU revenue fell 25.4% in the quarter to \$6.1bln, with Peacock being one of the very few bright spots. The launch of the AVOD is Comcast's latest move to devote more energy towards streaming, and that doesn't seem to be slowing any time soon. Shell said NBCU's television group, which is now headed by Mark Lazarus, is "finalizing a new structure" that will ensure more resources are transferred from the traditional TV side to streaming initiatives. More details will be released soon. "It is said that crises tend to accelerate and exacerbate



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SESSION

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### Chris Bastian

SVP, Engineering and  
CTIO, SCTE · ISBE



Bastian is responsible for all areas of technology, engineering and information technology, ensuring that SCTE and ISBE maintain a leadership role in standardizing and operationalizing advanced technology and that the organizations have the robust platform needed to deliver learning and development courses and other member services.

Bastian spent 15 years with Comcast, serving in variety of capacities and ultimately as executive director of Comcast's Xfinity WiFi network. Previously, he had held network operations and engineering positions with RCN and had spent 10 years in engineering and leadership capacities with the National Security Agency.

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# CONGRATULATIONS TO ALL THE HONOREES!

**Jonathan Bullock, EVP, Corporate Development & Government, Hotwire Communications | Years in Industry: 12 | Education: Yes**

**The COVID-19 pandemic has forever changed my perspective on...** Parenting.

Bullock's pretty passionate about the two Bs... barbecue and broadband. A native of rural North Carolina, he has strong opinions on both. The barbecue should use a vinegar-based sauce, and the broadband should be everywhere. Over the past year, he's pursued legislation in Hotwire markets that would allow municipalities, counties and electric cooperatives to partner with operators to deliver fiber broadband and other services to their underserved communities. Bullock has a knack for seeing opportunity that others often miss. His creative thinking led to Hotwire entering the advertising business in the Caribbean via a partnership with Cable Bahamas. Hotwire has essentially created an interconnect introducing south Florida and national brands to the Caribbean markets.

**Number of subscription services:** 5

**Without sports on TV, I have...** "The Last Dance," "90 Day Fiancé" and my kids fighting.

**What about travel used to annoy you, but you now actually miss?** Eating out all the time—I want a restaurant.

**When restaurants open back up, my first stop will be...** The Boro in Swansboro, NC

**Last content I streamed:** "The Last Dance"

**Slack channel I spend most of my time on?** #ModSquad with my old office friends

**"Tiger King" is a thing because...** whether Carole Baskin killed her husband is the real story!

**Biggest challenge facing advertising?** Teaching sales teams that they don't have to sell in person.

**Best Zoom background goes to...** Me. I always have the best Zoom backgrounds—Kristin is just being nice to the rest of the team.

**Last show binged not on your networks:** "Ozark"

## GO WHOLE HOG



**Kristin Johnson, Co-founder & CEO, Hotwire Communications | Years in Industry: 20 | Education: BA Lawrence University**

**The COVID-19 pandemic forever changed my perspective on:** Work from home.

The company Johnson helped create 20 years ago has grown into a serious competitor, consistently ranking as one of the country's fastest ISPs. But Hotwire is about more than fast broadband. Johnson has insisted on white glove service, tailoring the entire customer experience. She hasn't been afraid to lead Hotwire into new areas, including establishing an interconnect in the Caribbean with Cable Bahamas and brokering new partnerships, including leasing a municipal fiber system in North Carolina. This sort of innovation landed Hotwire as Cablefax's 2020 Independent Operator of the year. Johnson also believes in giving back, serving on the board of Make-A-Wish Southern Florida. In 2020, Hotwire created a new foundation, Empowering Communities, to increase connectivity to underserved households.

**How has the pandemic shaped the industry's future?** It has really highlighted the importance of the services we provide which are essential to keeping our customers connected to family, friends and co-workers.

**Number of subscriptions to streaming services:** 3 - Amazon prime, Hulu, and Netflix

**The future of broadband is...** the future of this country's ability to compete in the new global economy.

**Slack channel I spend most of my time on?** Team Hotwire

**Working from home has taught me...** how grateful and blessed I am to be able to work from home.

**Best Zoom background goes to...** my team has gotten very creative during our executive Zoom meeting competitions.

**Best TV commercial you've seen recently?** Gillette "We Believe: The best men can be"

**Last show binged not on your networks:**

"Fauda" Season 3

**What product could you not live without?**

Coffee, without a doubt.

**Worst job you ever had?** Making cotton candy at the fair in high school. That stuff is very sticky.

## FEEL THE HEAT



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trends, and that is certainly true in the television business,” Shell said.

**Shell Optimistic on AMC-Universal Deal:** NBCU's filmed entertainment division saw revenue fall 18.1% to \$1.2bn due to lower theatrical revenue, but CEO *Jeff Shell* believes the company's exclusivity deal with **AMC Theaters** will get the money flowing again. It also gives him a chance to engage the growing segment of the population who doesn't go to movie theaters. “This structure with AMC allows us to take advantage of people who do go to the movie theaters, 17 days of exclusivity at minimum for theaters, but very soon after in the same marketing window, we can tap into that very large audience who doesn't go to movie theaters, but is just going to SVOD to watch movies. And that's within the marketing window of the giant marketing we spend that goes to theatrical,” Shell said. “We think this structure allows us to tap into this incremental revenue stream, allowing AMC to share in it a little bit, and other exhibitors and at the same time preserve that theatrical window which is so critical to the film business.” Shell pointed to *Judd Apatow's* “The King of Staten Island” as the type of film that could thrive under this type of model, and said he anticipates that movies will stay longer than the minimum 17 days. “That would be a 17-day normal time,” Shell said. “We can toggle that based on the type of movie.”

**Barnett Leaving AMC Networks:** *Sarah Barnett* will exit as **AMC Networks** Entertainment Group pres after Labor Day, with COO *Ed Carroll* stepping in on an interim basis. No word yet on the next step for Barnett, whose week started on a high note with AMCN garnering 2 of the Best Drama Emmy nods for **BBC America's** “Killing Eve” and **AMC's** “Better Call Saul.” “This is a year that has confronted us with radical change on multiple fronts,” said Barnett. “After a lot of consideration—and with a slightly breaking heart—I have decided that it is the right time for me to follow my curiosity and leave things in the very capable hands of the outstanding team at AMC Networks. Shaping stories and connecting them to audiences alongside brilliant people inside and outside of this company has been a unique joy and privilege for the past 11 years.” Barnett joined the programmer more than a decade ago when it acquired **Sundance Channel**. She moved into her current post in 2018 after heading BBC America and earning critical acclaim for the debut of *Killing Eve*.

**Altice Adds:** **Altice USA** posted better-than-expected 2Q results with revenue growth of 1%, thanks to broadband revenue growth of 14.2% YOY. The MSO saw its best ever quarterly residential broadband and customer relationship net additions (70K and 53K, respectively). Adjusted for both the **FCC** Pledge and the NJ executive order prohibiting cable and telco providers from terminating services, residential broadband additions would have been 53K in the quarter, still a significant YOY gain from the 13K in 2Q19. The network also saw increased usage and demand for higher speeds during quarantine. Altice saw a 59% increase in average data usage per customer, and speed upgrades were up 40% YOY. And its 1 Gig coverage is continuing to grow, now available in 76% of the MSO's foot-

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print. Altice reported video losses of 35K, a jump from 21K in 2Q19. Adjusted for the FCC Pledge and the NJ order, losses would've been 43K. Altice Mobile now has more than 140K lines, posting 34K net adds despite lower sales and marketing spend during the COVID shutdown, which Altice says is an early indication of churn reduction. Q2 revenue in news and advertising was down 15.6% YOY, and despite a rebound, CEO *Dexter Goei* said during an earnings call that he feels "cautious on national advertising, excluding political" for the remainder of the year. And don't expect to see **NBCU's Peacock** available any time soon on Altice. Goei declined to comment directly on the AVOD, but did say he thinks "the whole world of OTT content is getting more cluttered, there's a lot of options out there, lots of different colors and tastes." **Comcast** just reported that Peacock has more than 10mIn subs since its initial launch, but Goei said that "it's also difficult to see which ones are successful, or which ones just have users with free access to the content. I think the economics in many of these platforms still remain challenging relative to the affiliate fee." Altice stock rose over 6% in after-hours trading.

**Verizon Launches LTE Home Internet:** **Verizon** has launched a new broadband service using its 4G LTE network, with initial rollouts in Savannah, GA; Springfield, MO and Tri Cities, TN/VA/KY. This is significant because it allows Verizon to expand internet customers outside the Fios and 5G home footprints into rural areas. Of course, it's not as fast as fixed broadband. Verizon is advertising download speeds of 25Mbps with peaks up to 50Mbps and unlimited data for \$40/month for Verizon wireless customers (\$60/month for non-wireless).

**No T-Mobile Answers at Shentel:** **Shentel** may be a small provider in rural parts of the country, but its 2Q earnings are a pretty good snapshot of how strong broadband additions are during the COVID crisis. Through 2Q, the rural provider has added 9,039 net broadband RGUs—that's more than it added in all of 2019 (and more than it added in 2018). 2Q net adds alone of 6,028 are more than 2017 net adds (4,919) and 2016 (4,762). Stay-at-home orders in Shentel's markets, which include VA and WV, strengthened broadband adds, while postpaid wireless was softer. Shentel even recorded video net adds of 100 in 2Q, the first quarter of positive video net adds since 2014. As Sprint's largest PCS affiliate, we are waiting to see what happens to Shentel's wireless business now that the **T-Mobile-Sprint** merger is complete. Shentel and T-Mobile had a negotiation period that ended on June 30 without a new affiliate arrangement, so now T-Mobile has until Aug 31 to decide if it wants to purchase Shentel's PCS business. If it doesn't, Shentel has 60 days to exercise its purchase option for T-Mobile subs in the footprint. If that doesn't happen, T-Mobile must sell or decommission the legacy T-Mobile network and customers so that Shentel becomes the exclusive provider of the new T-Mobile service in the area. T-Mobile is slated to begin integration of the brands, rate plans, etc on Aug 2. "The impact to Sprint customers in our affiliate area is uncertain at this point in time. We're trying to learn more about T-Mobile's integration plans and assess the impact to our business," CEO *Chris French* said during the company's 2Q earnings call. Meanwhile, Shentel's already started working with **DISH**, the new owner of the prepaid **Boost** business, on marketing plans for the product.

**FCC Reveals Final C-band Cost Catalog:** The FCC's Wireless Telecommunications Bureau released the final cost catalog for C-band relocation expenses and lump sum amounts Thursday, and it will not compensate cable operators for integrated receivers/decoders. If it had elected to do so, it would have allowed cable operators to more easily transition to fiber delivery, something **ACA Connects** had fought for. The Bureau decided that the lump sum was meant to calculate what it would cost for operators to move earth stations, nothing more. Broadcasters and programmers had opposed the inclusion of IRDs, but ACA Connects has previously said the exclusion could invite legal challenges that would ultimately delay the C-band transition. "The Bureau could have taken another couple of months to get the lump sum amount right without compromising the C-band auction schedule or the accelerated transition deadlines," ACAC pres/CEO *Matt Polka* said. "However, in its own rush to get things done, the Bureau has wholly discarded the directions of the Commission, and in turn small cable operators—who never asked for this transition, have nothing to gain from it, and only ask to be made whole—are denied the promises the Commission made to them in the C-band Order."

**CBS All Access Expands:** We knew it was coming, but **ViacomCBS** officially debuted its expanded **CBS All Access**. The streamer now has more than 3.5K episodes from 70 series available from **BET**, **Comedy Central**, **MTV**, **Nickelodeon** and **Smithsonian Channel**. Its growing original slate also includes a new SpongeBob series "Kamp Koral," set to premiere in early 2021. The service also began rolling out a new user interface across all major device platforms with enhanced personalization and discovery features.

**Spectrum News Via App:** In a move that appears to target **Charter's** broadband-only subs, **Spectrum Networks** launched a local news app that features the linear feeds of all Spectrum News networks as well as original content, weather info and curated content from partner news orgs. The Spectrum News App is free to anyone for the first 30 days, and after the trial period, will be available to all authenticated Spectrum residential video, internet and mobile customers at

no additional charge.

**Distribution:** **Entertainment Studios Networks** and **Evoca** signed a deal that will place all eight of ESN's global networks on the latter's [new subscription television service](#) delivered via ATSC 3.0. The portfolio of nets to be carried include the **Weather Channel**, **Cars.TV**, **Comedy.TV**, **ES.TV**, **MyDestination.TV**, **Pets.TV**, **Recipe.TV** and **Justice Central.TV**.

**Discovery Joins On Addressability:** **Discovery** is joining the On Addressability initiative with distribution partners **Charter**, **Cox** and **Comcast** to enhance its addressable capabilities across its portfolio of 18 networks. The initiative will allow Discovery to offer advertisers dynamic ad insertion in both VOD and linear environments. The industry-wide initiative launched in 2019, spearheaded by **Comcast Advertising**. On the programming side, Discovery follows **AMC Networks**, which joined On Addressability in June.

**Spectrum Outage:** Another reminder of how crucial broadband has become. **Twitter** lit up Wednesday night with **Charter** customers in L.A. complaining that their internet was out. A spokesperson said the outage was predominantly in Southern California, lasted about an hour and was the result of a routing issue. Charter said the problem was resolved in the 7pm PT hour.

**Mediacom Supports Iowa Esports:** **Mediacom Business** will be the official broadband provider for the second annual "Fortnite in Iowa" esports tournament in Des Moines. On Aug 1, 100 single and 200 paired on-site participants will compete in "Fortnite," a video game in which players compete to be the last one standing on a battlefield.

**Doing Good:** **AT&T** is committing \$10mln to create economic opportunities and foster upward mobility for Black and underserved communities facing social inequities and higher unemployment, exacerbated by the COVID-19 pandemic. Key focus areas include workforce readiness and targeted local initiatives, and the company will put \$4.5mln towards collaborations with YouthBuild USA, Jobs for America's Graduates and Year Up. Additionally, AT&T will host 200 Year Up interns annually by 2022. Year Up works to provide young people with career readiness through year-long corporate internships and college classes. AT&T will focus on supporting Black technology developers and entrepreneurs in collaboration with Nex Cubed, and \$5.5mln is going to the employee-led AT&T Believes program where teams with diverse backgrounds in markets across the US volunteer time to create economic empowerment and social equality.

**Programming:** **HBO Asia's** original anthology series "Invisible Stories" will premiere in the US on Aug 3, available to stream on **HBO** and **HBO Max**. -- Season 2 of "Warrior," based on *Bruce Lee*, will debut on **Cinemax** in October. -- **Showtime** renewed "Vice" for Season 2.

**People:** **Boycom Vision** pres *Patricia Jo Boyers* was re-elected chmn of **ACA Connects**, with **Cable One** COO *Mike Bowker* tapped for a second two-year term as vice chmn. Last year, the independent operator organization changed its name from the American Cable Association to ACA Connects. The new moniker is solidified with members approving a change in the bylaws that will allow companies that move from traditional video to broadband-only to maintain membership. The provision also makes it possible for other broadband-only companies to participate as members. -- **WarnerMedia** is expanding its leadership team in the DTC division. The company named *Noelle Huynh* vp of research, **HBO Max** and *Liz Lundy*, vp of content research, **WarnerMedia Entertainment**. Huynh comes over from **Facebook Marketing Research**, and also served as director of research strategy at **Hulu**. Lundy spent five years at **Netflix** working on global original series and films. -- **Amphenol Corporation** named *Rita Lane* to its board, increasing the board to nine.

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# PROGRAMMER'S PAGE

## True Life – I'm Stuck in Quarantine

When the first season of MTV's iconic documentary series "True Life" debuted in 1998, it tackled subject matter that most of its young audience probably didn't have a lot of experience with—from heroin addiction to working as a porn star. This latest iteration chronicles stories that viewers will likely feel they could have been cast in. "True Life Presents: Quarantine Stories" is a four-part, self-documented look at young people adapting to life in quarantine during the COVID-19 pandemic (premieres Aug 5, 9pm, MTV). "We tried to find stories that are compelling and unique—and we also tried to find relationships that were at some sort of crossroads or important life decision in the midst of this crisis," said showrunner *Tolani Holmes*. "But at the same time, this is universally relatable right now...we're all trying to navigate life, relationships and everything in between during a crazy time." In that spirit, the limited series looks at couples whose relationships are being tested by the crisis as well as individuals who have had to move home with their families during the pandemic. One episode features a senior **NCAA** basketball player who has had to move back home due to coronavirus. Producing such content remotely had its challenges—and advantages. "Creating content during a global pandemic has never been done before and its definitely difficult, but the advantage is that the participants are capturing themselves around the clock and turning on the camera at times when a producer may not have had access to them previously... so the footage is extremely intimate and raw," Holmes said. "True Life has always been a series that is known for unfiltered and authentic storytelling—and capturing relationships during a global crisis is as real and raw as it gets. The series is truly documenting history." – *Amy Maclean*

**Reviews:** "Flower of Evil," streaming on [Rakuten Viki](#). Is the glass half empty or half full? Restrictions on travel and gathering make production of TV content problematic. Certainly, there's plenty in networks' vaults that, for whatever reason, didn't catch on at their premiere. In addition, on-demand has years of good and great material. And what about re-viewing "The Sopranos," "Mad Men" or "The Shield"? You could also turn to foreign-language content. If you enjoy political dramas and not seen Danish series "Borgen," get moving. **Netflix** agrees. It's reuniting the cast and creator *Adam Price* for a fourth season. We can't wait. Did you like **Showtime's** "Dexter"? If so, **Rakuten Viki**, a Korean streaming service, offers "Flower of Evil." While some of the English subtitles don't make total sense and the acting may seem stiff, it's a fascinating watch. The plot centers on a young, attractive married couple (*Lee Joon Gi* and *Moon Chae Won*) and comparisons with Dexter are apparent (no pun intended). In the opening ep, Gi's parents excoriate him privately for marrying Won's character. She's a detective and you, son, have "a troubled past." Recall Dexter's dad appearing as a ghost to do the same sort of thing? The pandemic is bad news, of course. But with the chance to view foreign-made TV, the glass can seem half full. – *Seth Arenstein*

Basic Cable P2+ Prime Rankings*		
(07/20/20-07/26/20)		
Mon-Sun	MC	MC
	US	US AA
	AA%	(000)
FNC	0.991	3,045
MSNBC	0.664	2,039
CNN	0.439	1,349
HGTV	0.424	1,303
TLC	0.406	1,249
ESPN	0.333	1,022
HALL	0.324	995
TBSC	0.282	867
HIST	0.276	849
FOOD	0.261	802
DISC	0.229	704
ID	0.223	685
INSP	0.213	656
USA	0.208	638
TVLAND	0.195	599
TNT	0.185	567
A&E	0.179	551
BRAVO	0.168	518
LIFE	0.162	497
ADSM	0.162	496
HMM	0.152	467
NATGEO	0.148	454
AMC	0.146	448
NAN	0.146	448
NICK	0.145	445
FX	0.144	441
APL	0.141	432
WETV	0.138	423
FRFM	0.137	421
SYFY	0.137	421
GSN	0.137	420
PARA	0.130	400
COM	0.125	383
TRAVEL	0.112	345
MTV	0.111	341
BET	0.110	337
DSNY	0.107	329
VH1	0.102	312
OWN	0.095	293
DSJR	0.095	292
HBO	0.093	287

\*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.



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