

Special Work Culture section Pg 4

# Cablefax Daily™

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What the Industry Reads First

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## Looking Ahead: Altice USA Still Has Eyes for Atlantic Broadband, Teases 3Q

Cue Rick Astley's "Never Gonna Give You Up." **Altice USA** CEO *Dexter Goei* hasn't actually rickrolled anyone, but he is making it clear to **Cogeco** that a full commitment's what he's thinking of when it comes to a deal that would give the company **Atlantic Broadband**.

He declined at an investor conference Wednesday to discuss next steps given the Audet family's strong rebuff of the unsolicited bid, but said "we're working." "This is a marathon, not a sprint. We're committed to trying to come to an end game," the exec said at Bank of America's Media, Communication & Entertainment Conference.

Under the initial \$10.3bln proposal, Altice USA would purchase Cogeco and sell the Canadian assets to **Rogers**, which owns about 33% of Cogeco. "I think our friends and partners over at Rogers not only would like to consolidate the market in Canada, but just as importantly, they have a large stake in that company that is effectively dead money from their standpoint because it's been there for a very, very long time. They'd like to be able to sort out their situation one way or the other," Goei said. There's some speculation that if a deal doesn't get done, Rogers could dump its Cogeco shares and consider overbuilding it in Canada.

If Altice USA can't buy Atlantic Broadband, the company will continue to look for attractive M&A opportunities. There isn't much available though, so assuming that doesn't happen, Goei said look for more share buybacks and possibly deleveraging its balance sheet.

The CEO offered a sneak peek of 3Q thus far. "The unwind of the **FCC** pledge obviously has an impact on our subscribers. We're going to see some churn numbers by definition there as people run into hardship issues, but we have been very thoughtful with our retention efforts—creating payment plans, depending on what the circumstances are, doing more than that," Goei said. "The success rates in retention have been very, very good." He predicted the company would do at least as well as last year on a broadband subscriber basis, if not better. SMB took its hits in 2Q due to the pandemic, but Goei said the segment saw "outstanding" install numbers for July and August. "I'm cautiously optimistic that we've turned the corner here based on what we see today, excluding a major shutdown again of business," he said.

Even advertising appears on the upswing. Altice USA said in 2Q that it thought it would be down 30% YOY, but as of

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June, it's down 16% YOY. "In Q3, quarter to date, we are pretty much flat year over year on news and advertising, but we continue to be year-to-date slightly below the overall comp relative to last year," Goei said. "The goal is to get to flat to relative to last year. That would be a Herculean performance given what we went through. That's the range—slightly down to flat in news and advertising."

**Bakish Leans Into Streaming:** For **ViacomCBS**, streaming momentum is in full swing. "Streaming is clearly important and we're progressively leaning more and more into it," said ViacomCBS pres/CEO **Bob Bakish** at a BofA virtual media conference Wednesday. "And the good news is we're seeing strong momentum in users, in subscribers, in consumption, all of which are showing very material growth trajectories." Bakish said. **AVOD Pluto TV** saw record Monthly Active User (MAU) growth in both July and August, and consumption is "growing even faster." The company remains confident that Pluto will reach 30m domestic MAUs by the end of the year. Overall, subscription revenue growth was up 50% in Q2, and ViacomCBS expects it to accelerate again in Q3. In July, ViacomCBS added content to **CBS All Access** from the Viacom cable nets, as well as nearly 200 **Paramount** movie titles. Bakish described the additions as a "preview launch" for the upcoming rebrand of the streamer. "Those changes are already paying off for us. Streams and time spent have increased significantly since the preview launch," he said. "In August, a strong double-digit percentage of time spent on the platform came from brands that were not on the service before. We're also seeing a notable reduction in the average age of CBS All Access viewers." The streamer is still on track for its rebrand in early '21. Bakish also took the opportunity to announce that CBS All Access renewed its distribution deal with Prime Video in a multiyear deal with **Amazon**. On the advertising side, Bakish said that the upfront is "very, very far along... we feel good about how it is shaping up."

**NBCU Shakeup:** **Bonnie Hammer** has been upped to vice chmn at **NBCUniversal**, following **Ron Meyer's** abrupt exit. Her role will be a little different than Meyer's, serving as a corporate adviser and commitment to social issues, focusing more on the TV side. Universal TV pres **Pearlana Igbokwe** is taking over Hammer's former role of chmn, Universal Studio Group. Igbowke has been with NBCU since 2012.

**Holland Out at Netflix:** In a shakeup at **Netflix**, original content vp **Cindy Holland** is leaving the company after 18 years. **Bela Bajaria** was promoted to vp, global TV after four years at the company. Previously, Netflix's original TV content had been split between Holland and Bajaria.

**FX Focusing on Diverse Voices:** In **FX's** first virtual press day on Wednesday, **FX's** chmn **John Landgraf** took the opportunity to address the racial tensions sweeping through the US, and how **FX** is responding to increase diversity both in front

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and behind the cameras. Mentioning *Breonna Taylor*, *Ahmaud Arbery*, *George Floyd* and *Jacob Blake*, Landgraf said “every entertainment company is undertaking a thorough examination of how they can become more inclusive, diverse, and anti-racist, both internally and in the shows they produce.” FX released its first diversity report in 2016, in response to a 2015 article from *Variety* highlighting the lack of diversity at FX and other major networks. “The first report we delivered four years ago and the subsequent ones since grouped women and people of color together,” said Landgraf. “As our understanding has grown that racial inequity and gender parity are separate, though related issues, we from now on will be providing reports broken down separately by the gender identity and racial identity of FX’s directors, writers and actors.” Landgraf broke down some of those numbers for 2020 and 2021 (while noting these are pre-pandemic slates, so they are subject to change). People of color will direct 16% of episodes in 2020, increasing to 45% in 2021. In 2020, 34% of episodes will be directed by women, reaching 35% in 2021. This year, 42% of writers are POC, hitting 43% in 2021. In both years, 38% of series regulars are slated to be POC, and the gender split in both years will be 50/50. Citing shows like “Pose,” “Better Things,” “Atlanta,” “Snowfall,” and “Cake,” Landgraf said the net is also working hard to develop a deeper roster of shows created, run and ep’d by women and POC. “I’ve been at FX for 16 years and I’ve overseen the brand for 15. Truthfully I’m not proud of the fact it took me so long to take concerted action. But we are now making meaningful strides, learning quickly how to create equal access to opportunity and moving with urgency towards achieving a workforce that fairly reflects our country as a whole,” he said. He also noted that since FX began sourcing talent without bias from everywhere in the population, “our workforce, brand and shows have gotten measurably better.” In the last five years, FX took 25% of TCA Award wins, 18% of the Golden Globes and 8% of the Emmys. “We started looking for talent everywhere, in every segment of the US population, and our shows and brand got better,” said Landgraf.

**NAB Reschedules 2021 Show:** The 2021 **NAB Show** is moving to Oct 9-13, 2021 in Vegas due to coronavirus related concerns. The event had been planned for April 11-14. NAB is considering alternative dates for NAB New York, which usually takes place in October. “The pandemic remains a significant threat and the evidence suggests it will be well into next year before it could be under control in the US. We also have our own concerns around being able to deliver the type of event in April that will not only drive results, but one that can be produced safely for all involved and without significant limitations on the experience,” NAB said. The new dates overlap with **SCTE-ISBE’s** Cable-Tec Expo 2021 in Atlanta. “Through our BEIT partnership, NAB is contributing technical panels to the Cable-Tec Expo 2020 Virtual Experience. We look forward to their participation again Oct 11-14 of next year when Cable-Tec Expo returns to Atlanta,” SCTE said.

**NCTA, NAB Say Earth Station List Needs Correcting:** The C-band saga continues with **NCTA** and **NAB** asking the **FCC** to allow operators of certain earth stations a chance to correct their filings and register to be considered incumbent earth stations. The two stressed that this would only be for interference protection, not for any reimbursement for relocation expenses. They are looking to allow earth station operators to register additional antennas collocated at the same site where one antenna is registered and was included in Bureau’s final list of incumbent earth stations. “Providing such an opportunity to make corrections would be consistent with the Commission’s goals in the C-band proceeding, would help preserve content distribution to the public, and would in no way impair or impede the success of the auction of C-band spectrum later this year,” NAB and NCTA said in their joint filing. How did this happen? The associations said they’re concerned their members, and at least one prominent vendor, may have misinterpreted instructions and relied on the generalized statement that stations with multiple antennas at a single site could file a single application/pay a single fee.

**FX on Hulu:** In January, **FX** launched FX on **Hulu**, and chmn *John Landgraf* said that it has “exceeded our best expectations.” Landgraf noted that the comedy “Dave” is now the net’s most watched comedy ever, approaching 8mIn viewers per episode. Audience for “What We Do in the Shadows” jumped 54% from Season 1 to Season 2, and he is optimistic other series will see similar results. During a virtual press session, Landgraf addressed concerns that the FX brand could be absorbed by Hulu due to the amount of originals premiering on the streamer. “I think the question is can these brands be used as locators inside platforms,” he said. “You have a platform that’s the consumer-facing brand and inside the platform if you want to find a particular concentration of a particular kind of programming, you go through the brand to do that.”

**Obituary:** *Paul Kagan*, who founded **Paul Kagan Associates**, passed away Aug 23 of kidney failure. He was 82. Kagan was the first analyst to publish public company valuations based on multiples of cash flow. “Paul Kagan’s pioneering use of EBITDA in cable’s growth years spurred the worldwide success of our industry. His financial analyses unlocked the investment that sped up deployments and accelerated innovations in technology, content and monetization that continue to this day,” said **SCTE-ISBE** pres/CEO *Mark Dzuban*. Kagan sold Paul Kagan Associates in 2000 to Primedia. It was later sold to **SNL Financial** and renamed Kagan, a unit of **S&P Global Market Intelligence**. Kagan was named to the **Cable Center Hall of Fame** in 2011. The family penned a [beautiful remembrance](#) covering his personal and professional highs.

## THE WORK CULTURE LIST PROFILE:

### HR PROFESSIONAL OF THE YEAR Shannon Sullivan, Hulu



If there's a word that sums up the work ethic of Shannon Sullivan, it's intentional. With oversight for all aspects of HR operations for Hulu as SVP of talent & organization, Sullivan has led the creation of core talent systems from performance management to compensation to professional

development for a workforce that's grown from fewer than 100 when she joined in 2012 to close to 2,500 today.

"When I joined, we had a document that was almost a manifesto, describing what it's like to work here, and that really motivated me," Sullivan says. "But as an HR leader, as we continue to evolve we needed to make sure this document really speaks to not only a company of 30 people but a company that would hopefully be in the thousands as we scale."

Among initiatives Sullivan has marshaled: Flex annual paid time off for all salaried employees, gender inclusivity for all parental benefits including 20 weeks PTO, and the implementation of an emotional intelligence curriculum.

To keep a finger on the pulse of the employee experience, Sullivan's team conducts an annual survey each fall. During the most recent survey, 88% of employees recommended Hulu as a great place to work. "That's well above industry average, and I think one of the reasons why is we treat them like adults," she says.

Sullivan "does everything with true purpose and in a way that accounts for previous decisions and factors in future implications to ensure that she can stand behind her word. Nothing is random with Shannon—every decision and action has strong data and reason behind it," says colleague Bahareh Ramin, Hulu's internal communications director. "When she's faced with challenges or decisions that will have significant implications, she will set guiding principles to lead her decision making and then she'll hold herself accountable to those principles."

Take, for example, the company's vision of diversity and inclusion. By design, today 50% of recruiting efforts are

aimed at what Sullivan calls "underrepresented groups," including partnerships with AfroTech, Black Women in Tech, and Los Angeles LGBT Center's transgender job fair. "We've been doing some of this for years; what's different is now we set a target goal. In the last two years we've become much more intentional," she says.

This effort has broad implications for the company, a factor that's always top of mind for Sullivan. "In order to become the No. 1 choice in TV we need Hulgans who can mirror our subscriber base and can be advocates on behalf of those subscribers. And so it's not about HR just running the standard processes to increase representation in the organization, but the business really owning it," she says.

"You can have representation, but that only lasts for so long because if people come in and don't feel included—and included doesn't just mean friendly and nice, but that their ideas actually and work actually get heard—what research has shown is that people will end up just leaving. So we've spent a lot of time trying to create an inclusive environment."

Conflict resolution, under principles generated by Sullivan's team, begins with reinforcing a culture where employees know when they raise issues they are going to be addressed. The HR team empowers team managers to step in when issues arise, and Talent & Organization has a department of talent advisers aligned with each business unit who are there to help. "

Looking ahead, Sullivan already is thinking about what the deeper integration of Hulu into the Disney family means for employees.

"Our job is not to just protect the exact culture Hulu has had and wanting to keep it separate from Disney. We're integrating, so there will have to be some changes over time," she says. "But where I think we can play a pretty big role is regardless of the culture you're trying to have or the value statement that drives that, we know how to make that real in an organization."

*(This profile is abridged from the Work Culture List magazine)*

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## Think about that for a minute...

### What If

Commentary by Steve Effros

OK, a thought experiment for my first column post-Labor Day. What if we turned off the internet, or certain parts of it, for the run-up to the election? No, I don't really think this will happen, but thinking about it provides a certain amount of clarity about the impact of the technology we are responsible for.

After all, the title of this column is "think about that for a minute" (we call it TATFAM for short). Given what's going on around us in the political and, heck, just about every other world we live in at the moment, it seems to me now is a very good time to step back and take stock of what we can and cannot do to change things. There's very little argument about the desperate need for some change!

It's unlikely our technology can do much about the COVID-19 crisis other than to make sure the information going out to folks is accurate and makes them aware that there really have been close to 200,000 deaths associated with this virus, and that masks and social distancing really do make a difference. That informational role is largely affected by our "media" (like it or not) and our leadership (again, like it or not!)

But when it gets to things like the election, it would appear that the internet and "social media" are becoming a fundamental part of the equation as to what might or might not happen. Issues such as the reliability of mail-in (or soon electronic) voting, and even the fundamental things of where, when and how to vote are being communicated primarily through the internet, social media and even targeted advertising with as much vigor, if not more, than on the traditional media. What if that weren't the case?

As an example, there's little doubt in the intelligence



community that the Russians were heavily engaged in using the internet to try to affect the 2016 election, and that they are doing it again, even more so. Creating misinformation and strife by popularizing divisive posts is becoming almost the norm. So what can we do about it? Well, the current focus seems to be a demand that the social media companies, Facebook, Twitter, et. al. "police" their platforms and expunge misinformation about voting, COVID, or anything else we find corrosive (not necessarily offensive, but corrosive to our society.) That's a tall order, and they are unlikely to be able to do it.

Sure, some stuff will be taken down. The multiple fake web sites will be identified, or at least some of them will be, and the Russians will have to find other ways to spew their disinformation. But the problem is there are so many ways to do that, the companies are simply set up for failure if we expect them to be able to monitor the billions of transactions that happen in a week's time.

So I go back to my original thought: what if, for the one or two weeks before the elections, we just require the big social networks to shut down? No Facebook, no Twitter, Instagram or the like. To be sure, that would mean that the "good" information would have a harder time getting through to folks as well, but there would still be more curated sources, like cable, broadcast and newspapers to provide information. But it wouldn't spew as fast. Consumers would have a reasonable chance of knowing who was saying what and make rational judgements about what they're being told. Just an idea.

*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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