

Cablefax Daily™

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What the Industry Reads First

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Lessons Learned: CEOs Share Insights on COVID-19, Video at Indie Show

NCTC and **ACA Connects'** Independent Show started off with a bang Tuesday, bringing together 11 CEOs from across the industry to talk shop and discuss their experiences during the COVID-19 pandemic. For many, the lesson of the importance of long-term investment is one that will never be forgotten.

"There are some who might have thought 'Wow, why do you continually put hundreds of millions of dollars into this network when you're only at 17% utilization? You have a lot of capacity.' We knew the time would come—not because of a pandemic, we assumed it would be products and services—where people would need that reliable, high-speed broadband connection," **Cable One** pres/CEO *Julie Laulis* said.

When folks across the country were forced to work and learn from home back in March, many realized the importance of having a high-speed broadband connection at their homes. "By the end of April, we had already hooked up our entire annual HSD goal for the entire year," **Vyve Broadband** pres/CEO *Phil Spencer* said. "It has been a struggle, but from a business standpoint, broadband has been the most essential service, so that's been a big positive for us."

The growing importance of broadband has pushed video somewhat to the backburner, and operators are now primarily using video as a complementary service to their primary internet products. "We still provide video, we still intend to provide video, and the reason we really do is because we still believe there are a large number of customers out there that want a linear video connection, and we don't want to not get those customers when they want to get an internet product and a video product," **Vast Broadband** pres/CEO *Jim Gleason* said.

Maintaining a competitive video product is only getting more challenging with retransmission consent negotiations looming at the end of the year. "The increases that we're looking at are just as massive as they've ever been," Gleason said. "We'll probably renew most of our retrans deals this year, but I bet in three years, we renew a minority of them."

Speaking on what priorities **MCTV** has for the future, pres *Katherine Gessner* said the operator is focusing on constantly improving its customer service options. "It's not enough any more to say we've got this great internet ser-

RATINGS UP 24% YOY
propelling Game Show Network to
TOP 20
NETWORK

Brooke Burns
host of MASTER MINDS

Ken Jennings
star of MASTER MINDS

GAME SHOW NETWORK

Source: NPOWER, Ratings Analysis Time Period Report, Live + SD, 12/30/2019-9/13/2020 & 12/31/2018-12/29/2019, Viewing Source - Ad Supported Cable Orig. -ALL, M-SU 6A-6A, P2+, CVG AA%


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vice, but our customer service is awful. People want the full package,” she said. “It’s all about finding new ways to do things, and being more efficient with peoples’ time.”

Cable One is focusing on integrating its past acquisitions, including **Fidelity Communications**, while continuing to pursue accretive M&A. “We do believe that we are a natural aggregator of rural cable assets in America,” Laulis said.

And Laulis has already found another opportunity for Cable One. Cable One and **Mega Broadband Investments** announced an agreement late Monday that will see the former purchase a 45% minority stake in MBI from affiliates of private equity firm **GTCR** for \$574.1mln in cash. MBI includes Vyve Broadband, **Northland Communications** and the broadband assets of **Eagle Communications**, all of which are unified under the Vyve Broadband brand. In addition to the minority stake, Cable One will have the right to purchase the remaining interests in MBI at a predetermined multiple of earnings beginning in 2023. The transaction is expected to be completed during 4Q20, and Cable One will disclose more information on the deal during its 3Q20 earnings call in November.

Cox Makes \$60 Billion Distant Learning Commitment: **Cox Communications** is stepping up its commitment to close the digital divide, with CEO *Pat Esser* announcing a \$60mln pledge over the next year aimed at the digital learning gap. To help put America’s increasing reliance on the internet in perspective, Esser said Cox alone has experienced two years’ worth of traffic growth in the last five months. Cox also is extending its free internet service to new qualifying customers through year-end and has launched a Cox CARES Act Solutions for Education program aimed at helping school districts that are subsidizing internet with CARES Act funds. The announcement was made at a virtual press event Tuesday that included **NCTA** pres/CEO *Michael Powell*, **Common Sense Media** founder/CEO *Jim Steyer* and Sen *Jacky Rosen* (D-NV). The theme of the day was that connecting everyone can’t happen without help. “We cannot have the impact on our communities that we desire in isolation. Our commitment remains strong, but we can’t do this alone. We need to continue to partner with our cities, our school districts and our community-based organizations to get families connected,” Esser said. NCTA’s Powell made a plug for the cable industry’s recently announced **K-12 Bridge to Broadband** initiative to help schools and states identify and potentially connect students in low-income families. “I’m often asked, ‘can we really close the digital divide?’” Powell said. “Well, of course we can. But it will take a community of partners, an immense amount of hard work, serious, long-lasting commitment and a lot of resources. I’m very glad the cable industry is going to lean into that problem.” New customers that sign up for Cox’s Connect2Compete program before the end of the year will receive the company’s low-cost internet for two months free, and \$9.95 per month thereafter. Cox’s CARES Act Solutions for Education includes CARES Act specific internet speed tiers and Cox Business Managed WiFi.



The image shows the cover of Cablefax Diversity magazine. The cover features the title 'Cablefax THE MAGAZINE' at the top, with the subtitle 'Innovation > Leadership > The Cable Community'. Below the title, the word 'DIVERSITY' is written in large, colorful, stylized letters. At the bottom of the cover, there are three circular icons labeled 'THE LEADERS', 'EXEC OF THE YEAR', and 'THE INFLUENTIALS'.

CONGRATULATIONS TO ALL THE HONOREES!

This year more than ever, Cablefax is proud to continue our longstanding recognition of the top multi-ethnic industry executives, based on their accomplishments and influence.

In this issue, Cablefax unveils some new distinctions, including LGBTQ+ Exec of the Year, D&I Mentor of the Year, Thrivers Under 30, Trailblazers and Diversity Organization honors.

Enjoy the digital issue and also read expanded Q&A with The Leaders at www.CablefaxDiversity.com

Netflix Target Price Raised: Analysts over at **LightShed Partners** raised **Netflix's** target price to \$630 from its Oct 2019 price of \$375, citing a lack of movie competition from competitors like **Disney+**, **Apple TV+**, **HBO Max** and **Peacock**. "Netflix not only shrugged off competition, the COVID-19 pandemic has pulled forward industry change, breaking the theatrical business just as Netflix's theatrical investments are starting to bear fruit," a research note read. The analysts cited reasons to own Netflix stock, including unprecedented industry scale, predicted to reach over 300mln global subs by 2023 and 400mln by 2026. LightShed also noted that increased streaming competition has accelerated cord-cutting, and that the pandemic has accelerated industry transformation.

FCC Nixes Cable Recordkeeping Rule: The **FCC** adopted an order eliminating the requirement that cable operators maintain records in their online public inspection files regarding their interests in video programming services. It also throws out a public inspection file requirement that cable ops maintain info regarding the carriage of the services on cable systems they own. The item was originally slated to be voted on at Wednesday's open meeting. This marks the 24th order the FCC has issued in its Modernization of Media Regulation Initiative. The FCC had instituted the requirement to help police compliance with the Commission's channel occupancy limits, but the limits were remanded by the DC Circuit Court of Appeals in 2001. The FCC previously determined there was no sound evidence for establishing new limits.

Distribution: A+E Networks launched a new FAST (free ad-supported streaming TV) channel **Skills + Thrills**, debuting on **The Roku Channel** on Tuesday. The series features fan-favorite reality series alongside nonfiction and competition programming. The company says the channel will roll out across major streaming platforms in the coming month. The channel joins A+E's other FAST channels including **Lively Place** and **Crime 360**.

Ratings: Fox News Channel ended 3Q20 as the No 1 net in all primetime among total viewers, becoming the first cable net to ever pass all broadcast networks in weekday prime for a full quarter. In prime, Fox News drew in 3.507mln total viewers for the quarter, up 44% YOY. **MSNBC** had its highest-rated quarter in prime in its history, with 2.122mln, up 39%. **CNN** had 1.526mln, up 47%. In total day, Fox won with 1.751mln, up 29%. MSNBC saw 1.207mln, a gain of 37%, and CNN 971K, up 56%. 3Q20 marked CNN's highest total day on record.

MNF Ratings: Week 3 of **ESPN's** MNF drew in 14mln viewers, with MNF now up 4% season-to-date from 2019 viewership (four games each year). This season, MNF is averaging 12mln viewers per game. ESPN said all 2020 ratings now include out-of-home reporting.

On the Circuit: Realscreen Summit has moved to a virtual event, Jan 25-Feb 4 2021. The event will also include a virtual celebration of the Realscreen Awards. The Summit was originally set to take place Jan 25-28, 2021 in New Orleans.

Spooky Season Programming: Networks are getting ready for Halloween, announcing a slew of programming for October. **LMN** debuted a fall slate of programming featuring 13 new movies, premiering during the net's second annual "Shocktober," "Hateful & Grateful" and "Slay Bells" themed months. The stunt kicks off Oct 1 and will run through December. **SYFY** announced its "spooktacular" Halloween lineup for "SYFY Halloween," including the new original horror film "Tales from the Hood 3" at 9pm from *Spike Lee*. "The Strangers: Prey at Night" debuts Thursday at 9pm. Throughout the month, movie marathons include "Harry Potter" and "Fantastic Beasts" marathons every Sunday. On Oct 3, the net will marathon horror comedies including "Zombieland," "The Mask" and "Monster House" beginning at 12:50pm. **AMC Networks'** streaming service **Shudder** has already been ahead of the curve when it comes to spookiness, but it will debut a new original "The Boulet Brothers' Dragula: Resurrection" on Oct 20. The nets join **Travel Channel**, which is hosting its third annual "Ghostober," with paranormal frights all month.

Programming: WE tv renewed Thursday night series "Growing Up Hip Hop: Atlanta" and new series "Waka & Tommy: What the Flocka." -- **Showtime** announced a new film "Bad Hombres," chronicling the Tecolotes de los Dos Laredos, the world's only binational professional baseball team. The film premieres Oct 16 at 9pm and will also be available on the Showtime streaming service and Showtime Anytime.

People: Nexstar named *Tom Carter* pres and COO, effective Oct 1. Carter will maintain his current role as CFO for the foreseeable future, and he also entered a new employment agreement through Dec 31, 2023. -- **Nickelodeon** tapped *Conrad Montgomery* as vp, current series, animation. He'll serve as the executive in charge, overseeing the production of animation series from greenlight to final delivery. He was formerly senior director, current series at **Cartoon Network**. Nick also announced three exec promotions in its animation development and current series departments. *Dana Cluverius* has been promoted to svp, current series animation; *Claudia Spinelli* to svp, animation development; and *Kelley Gardner* to vp, current series animation.