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What the Industry Reads First

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New Normal: The Shift in D&I Culture

Diversity Week continued Wednesday, with D&I leaders coming together at **NAMIC's** conference to discuss the "new normal" regarding the shift in diversity and inclusion culture at many corporations, how to hold uncomfortable conversations around race and inequity, and how to respond to the needs of employees.

Since the death of *George Floyd* in May, the country has been engaged in a social justice movement and a racial awareness reckoning at the national level. "In this moment, it is a movement," said *Salvador Mendoza*, vp of D&I at **NBCUniversal**. "The conversation, the engagement from companies, the engagement of colleagues, all of that feels totally different. If the premise is true that companies are a microcosm of society, it reflects into what is happening in our company."

Panelists agreed that companies need to arrive at the diversity and inclusion table first, and then ensure the right people are leading the conversations. "Put the right person in that role. It's not a checkbox," said *Mendoza*. "Number two is give the resources. Support that person in that role with the right resources and the right connections in order for that person to be successful." But there isn't necessarily a "right" person to head up D&I at large companies. "It is not easy work, it is not for the faint at heart," said *Tonya Cornelius*, vp of development, inclusion and wellness at **ESPN**. "It's a person who's going to be a deep study in this work, who has a global mindset in this work, who is a great collaborator, who wants to bring people along, who understands that diversity, equity and inclusion work is less of programming and more systemic in the organization to bring about sustainable change."

According to *Cornelius* and *Mendoza*, that sustainable change and cultural shift needs to come from the employee base. **ESPN's** been having these tough conversations for over a year now, and they have only accelerated as the majority of the company shifted to remote work. "I think the catalyst, unfortunately, was the murder of *George Floyd*," said *Cornelius*. "What really came out of those conversations was also a hard look at ourselves. Where do we have built in biases or inequities within our own organization, and how do we want to address those?"

She said that **ESPN's** nine employee resource groups made up of over 2.5K employees have been at the forefront, and are "leading conversations that matter to them." Over at **NBCU**, it's been the company's Black Employee



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Network group guiding discussions. “More than anything, they felt empowered,” said Mendoza. A year ago, he would’ve found it hard to believe there would be frequent internal company conversations about Black Lives Matter. “I think that applies to many companies,” he said.

According to Cornelius and Mendoza, it’s also about meeting people where they are, engaging with senior leadership, and allowing minority employees to feel seen and heard, which isn’t always easy. “There’s one thing in general, senior leaders don’t necessarily feel comfortable being vulnerable, and this is a vulnerable moment,” said moderator *Karen Gray*, evp, HR, **A+E Networks**. “White men of a certain age probably can feel very comfortable, but also I’m Generation X. My generation might not be as comfortable having these conversations.” While it may be a challenge, the panel believes companies can rise to the occasion. “This is not a zero sum game,” said Cornelius. “When we improve inclusion, everyone wins. When we demystify HR practices and create greater transparency and accountability, everyone wins. We believe everyone wins when you focus on diversity, equity and inclusion.”

10G To Be Major US Economic Driver: A survey released Wednesday by **Telecom Advisory Services** and funded by **NCTA** estimated that 10G will generate at least \$330bln in total economic output and create more than 676K new jobs over seven years. Network investment for 10G’s roll-out was estimated to lead to a \$126.7bln contribution to the US GDP while the evolution of networks to 10G will generate an estimated \$71.5bln in consumer surplus. In the study, *Dr Raul Katz* stated that those economic benefits were already important to the nation’s future prosperity before the COVID-19 pandemic, but 10G may become an increasingly critical lifeline as the nation navigates its new normal. “As Dr Katz’s new study indicates, cable’s 10G evolution will be built on investments that will create hundreds of thousands of jobs in the construction, manufacturing and electronic equipment sectors plus lead to the development of new applications and services that create even more jobs in the gig economy,” NCTA said in a blog post. “Most importantly, 10G networks will be the backbone of a more connected and more productive American future, enabling a variety of revolutionary applications across a range of industries and at home.”

Loeb Tells Disney to Drop Dividend, Add Content: Activist investor *Dan Loeb*, the founder of hedge fund **Third Point**, sent a letter to **Disney’s** board and CEO *Bob Chapek* Wednesday urging the company to pause its \$3bln annual dividend. Instead, that money should be used to beef up **Disney+**’s content offerings. “By reallocating a dividend of a few dollars per share, Disney could more than double its Disney+ original content budget,” Loeb said in the letter. “Beyond bringing additional subscribers onto the platform, increased velocity of dedicated content production will deliver several knock-on benefits spread across your existing base including elevated engagement, lower



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 this, the word 'DIVERSITY' is written in large, colorful, glowing 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

churn, and increased pricing power.” Loeb suggested that if Disney fully commits to expanding its original content offerings, it will further separate the company from its traditional media competitors, including **AT&T’s WarnerMedia**, **ViacomCBS** and **NBCUniversal**. “With Disney’s superior tentpole franchises and production capabilities, we believe that the company can exceed the subscriber base of the industry leader, Netflix, in just a few years,” Loeb said. He added that Disney would benefit from folding its other streaming properties into Disney+ to create one customer acquisition vehicle. Loeb also recommended that Disney shift more of its theatrical releases to its streaming services, as it recently did with “Mulan.”

AT&T Reportedly Continuing Attempt to Auction DirecTV: AT&T is moving ahead in an attempt to auction **DirecTV** in what’s shaping up to be a “fire sale,” according to a *NY Post* report. Bids are mostly coming from those in private equity and are supposedly sitting around the \$15.75bn mark. If accurate, that number would fall far below the \$49bn AT&T spent to acquire DirecTV back in 2015. **DISH** is allegedly not involved in the auction.

Diversity Week Notebook: We told ya **WICT’s** annual Leadership Conference was going to be a record-breaker. Last Friday’s 843 registrants broke the event’s previous high of 818 in 2018. But attendance numbers have only risen since then. When the conference wrapped Tuesday, more than 860 people had registered for the two-day event. Conference content will be available on-demand until the end of the calendar year for registered attendees that weren’t able to attend earlier in the week. **NAMIC’s** annual conference continues through Friday, with attendance also strong. Organizers report registration is up 40% YOY. Thursday’s lineup features a Town Hall on race and relevancy in the workplace that includes **ViacomCBS** CEO *Bob Bakish*, **REVOLT** co-head/COO *Detavio Samuels*, **Black News Channel** pres/CEO *Princell Hair* and **Telemundo** evp, chief admin and marketing officer *Monica Gil*.

Pivotal Ups Netflix Target: **Pivotal** raised its target price for **Netflix** by \$50 to a street high of \$650 for YE21, citing how the streamer benefitted from the COVID-19 pandemic and stay-at-home orders. “Specifically as it relates to 3Q results on the surface +2.5M (~60% y/y) net new subscriber guidance appears reasonable (given potential churn from strong 1H as economies open up somewhat + comping very strong 3Q’19 programming slate) + launch of **Peacock** and to a lesser extent **HBO Max** + the return of sports,” Pivotal said in a note. Pivotal also said that it views **Disney+** as complementary to Netflix as it appears to be mainly focused on providing content to children under 13.

Wilson-Scott to Head DEI at Comcast: **Comcast Corporation** promoted *Dalila Wilson-Scott* to evp/chief diversity officer. She’ll take over the position from Comcast evp, administration *Karen Buchholz*, who stepped into the role following *David Cohen’s* decision to step away from daily operations in December. Wilson-Scott will continue to lead the **Comcast NBCUniversal Foundation** and the company’s community impact work. Wilson-Scott was honored last year as a CFX Wavemaker during **Cablefax’s** event celebrating the Most Powerful Women in Cable. “Many times in our history, our industry has been on the front lines of positive change,” Wilson-Scott said at the event. “But there are many more waves we need to make to create the change we all wish to see.”

Verizon, Cisco Partner on Safe Event Tech: **Verizon Business** and **Cisco** are working together on solutions to create safer in-person experiences at sports and entertainment venues. Verizon’s 5G Edge will interface with the Cisco Sports and Entertainment portfolio to give them secure location analytics and data center technology. With their joint solutions, the pair will be able to leverage analytics to estimate wait times in lines, identify crowd density and manage crowd flows with digital signage and messages to venue staff.

Charter Notes: **Charter** announced that its subsidiaries **CCO Holdings, LLC** and **CCO Holdings Capital Corp** intend to offer senior unsecured notes due 2032. The notes will form a part of the same series of 4.500% senior unsecured notes issued on March 18 in the aggregate principal amount of \$1.4bn.

Adara Scores Tennessee Deployment: **Adara Technologies** said a Tennessee-based public utility is the latest service provider to deploy its SIPV Bandwidth Reclamation Solution. The unnamed utility passes 17K homes and provides high-speed internet, video and telephone services. It also offers commercial data services and wide area networks for businesses in the area.

People: **WWE** elected **Barstool Sports** CEO *Erika Nardini* to its board. -- **WOW!** promoted *Gary Nilsen* to svp, engineering and *Ryan Mitchell* to vp, network, product and service engineering. Both are longtime **WOW!** Employees, with Nilsen clocking more than 20 years at the company and Mitchell celebrating his 20-year anniversary this year.

Think about that for a minute...

It's All About Marketing II

Commentary by Steve Effros

Last week I asked why we're all so focused on broadband speed. The answer, I think, from every perspective, is that it's all about marketing. Users have been convinced that speed is the most important metric; we learned they'll buy it. Politicians and regulators promote it because "more" is always a better mantra. The "consumer" groups claim to be protecting the public by always seeking more, and cheaper, and edge providers gain by having someone else pay for as much delivery of their product as possible.

But as I've noted, this seems to leave out of the discussion who actually pays for all this, and whether it's really needed. If it's not, as I would argue is the case for something like multi-Gig service to the home, then pushing for the constant upgrading and construction of such infrastructure results in excess cost. That cost, as we all know, ultimately is paid for by consumers. Thus the "consumer advocate" argument for more, more, more actually may wind up hurting consumers. That's what I see happening now.

The base claim for why we need to build more, faster infrastructure is that the service offered today is insufficient. There is a "digital divide." But as has been repeatedly shown, except in remote rural areas and the tribal nation areas, the issue is not access. It exists, particularly in metropolitan areas or communities where most non-subscribers live. They don't use broadband because, according to surveys, they don't think it's of sufficient value to them. Don't forget, a significant number of folks lack computer literacy, are not gamers or major television watchers, or it's simply not within their budget.

Let's take that last point; too expensive. The political/lobbying response to that is to encourage more competition by constructing additional infrastructure, thus



presumably lowering prices. Does that make any sense? If someone in a small community says they don't drive because they can't afford the gas even though a superhighway goes directly in front of their house, does it make sense to "solve" that problem by building a second superhighway? The cost of that build will be reflected in their budget one way or another, by taxes, if built by the government, or in fees if privately built. If there are two superhighways, with two toll lanes, and each has half the customers it would have had, will the tolls go up or down?

The arguments just don't make sense. Forcing infrastructures to overbuild may look like it's "futuristic" but in this case it probably will have a negative impact on those who are claimed to be the object of the exercise. We need to take a step back and seriously reconsider what our objectives are.

Yes, we need broadband speed that will service current and foreseeable future needs. In many cases we already have that. In more rural parts of the country the issue is not whether the access to the infrastructure is there, it's the "middle mile" that's missing to deliver the speed. Competition is coming in all areas, through 5G, ATSC 3.0 and even satellites to assure that prices are constrained. In the major urban areas, where most of the non-users of broadband live, there is generally more than one broadband supplier already.

It makes far more sense to stop demanding more and start looking at the way we are using what we have. Efficient use and subsidies for those who can't afford it are likely far better solutions than just demanding more.

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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