

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Sudden Interest: Plenty of Potential Buyers for Altice's Suddenlink Systems

Instead of asking who wants to buy **Suddenlink**, the better question might be who doesn't? There is some footprint overlap with operators such as **Cable One**, **Charter** and **Astound Broadband**. Let's not forget the possibility of **Breezeline** stepping in, which would be ironic given Altice USA's unsuccessful attempts to acquire the 13-state operator from Cogeco in 2020. But don't count out infrastructure funds, which have been very active in the space.

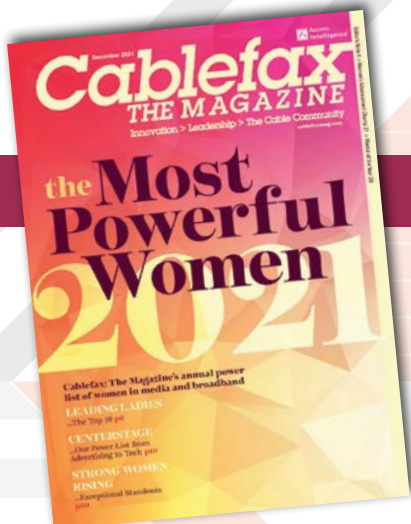
Recent examples include **Goldman Sachs Asset Management's** infrastructure business snapping up **ImOn Communications** and funds managed by **Blackstone Tactical Opportunities** and **Blackstone Infrastructure Partners** making a hefty investment last year in **Hotwire Communications**. There's already some history here for Altice USA, with **Morgan Stanley Infrastructure Partners** spending about \$3.2 billion in 2020 to buy 49.99% of its **Lightpath** fiber enterprise.

Speculation of a Suddenlink sell-off came Thursday after *Bloomberg* [reported](#) that Altice USA is looking to unload the Suddenlink systems, which it bought in 2015 for \$9.1 billion and marked its first entry into U.S. cable. From there, it went on to strike a deal valued at \$17.7 billion for **Cablevision**, which it operates under the **Optimum** name. *Bloomberg* reports Altice is working with Goldman Sachs on a possible sale that could be worth up to \$20 billion—a pretty big number, and it's an amount that would get Altice USA out from under

its heavy debt load. Altice shares closed up more than 22% to \$11.23 on the news. At times, the stock was up 43%, with trading halted multiple times due to the volatility.

Altice USA has been in a state of flux. Not only has it been struggling with broadband growth while peers have still been adding subs, but it's had a lengthy list of recent high-profile departures, including Telecommunications President *Hakim Boubazine*, CTO *Philippe May* and Altice USA News and Advertising President *Jon Steinberg*. EVP of Government & Community Affairs *Lee Schroeder* announced last year she would be leaving this month, but has since decided to stay in the job. Whether she'll be helping the company through the local, state and federal government red tape that comes with an asset sale remains to be seen. Altice USA is not commenting on the *Bloomberg* report, saying it doesn't respond to rumors.

Thankfully, analysts do. "Today's news report shouldn't come as a complete surprise. Even cable bears would likely concede that Altice USA is trading below its intrinsic value. What is surprising, at least to us, is that they are considering a breakup and sale while they are still a public company," **MoffettNathanson's** *Craig Moffett* wrote in an email. "A large part of our recent reticence in taking a more constructive stance on the company despite its appealing valuation has been our fear that majority owner *Patrick Drahi* would be much more likely to take the company private first, potentially at only a modest premium, in order to capture the upside of a Suddenlink sale for himself."



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Original holiday movie premiere,
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Unduplicated Viewers

Campfire Christmas was the
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Contact your Crown Media representative to partner today.

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Moffett didn't blink much at the price tag, saying he believes there would be significant interest from both private equity and strategic buyers. In fact, in September the firm issued a report that analyzed Altice USA's footprint and estimated that Suddenlink's upgraded footprint (capable of speeds up to 1 Gbps) is worth 12x EBTIDA and non-upgraded footprint is at 8x. "Approximately 42% of Altice USA (by homes passed) is legacy Suddenlink footprint, all with little fiber overlap and relatively low broadband penetration, suggesting a long runway for growth. Of this, approximately 82% is fully upgraded and 18% is not yet upgraded," the research note said.

With this leak coming just as 2Q earnings season gets underway, look for analysts to ask some leading M&A questions in the weeks ahead. Then there's Altice's earnings, with the company already warning that the second quarter is historically its worst of the year.

POST-WARNERMEDIA AT&T FIGHTING INFLATION

AT&T is surging forward with its fiber-first agenda, recording 316,000 AT&T Fiber net adds in 2Q22. The quest to deepen its penetration is ongoing, but the figure now sits at nearly 37% across its footprint. On the wireless front, the company added 813,000 postpaid phone net adds and saw churn in that segment of 0.75%. Revenues were up 5.2% YOY to \$19.9 billion thanks to higher service and equipment revenues. AT&T estimates those inflationary pressures to be more than \$1 billion above the elevated cost expectations the company embedded into its outlook. In particular, its Business Wireline segment is experiencing more challenges than expected. On the consumer side of the business, it is seeing an increase in bad debt to slightly higher than pre-pandemic levels, but the issue right now isn't that customers aren't paying at all. CEO *John Stankey* said on the company's earnings call Thursday it is more so a question of when they pay their bill compared to their behavior in times of reduced stress. Thus far, the company has continued its cost-cutting measures and raised prices on select plans to minimize the impacts of inflation as much as possible. Some of the customers impacted are choosing to pay the price increase while others are using it as an opportunity to migrate into better plans. "The pricing strategy we implemented is being executed in a proactive and methodical way that enables some of our longest-standing customers the opportunity to take advantage of our most robust offers, while also ensuring that we're responding to the real-time cost pressures in our business," Stankey said. AT&T also launched wireless plans in recent days that don't include **HBO Max**, instead offering benefits that could offer more value to customers vacationing in the summer. AT&T Unlimited Premium, which replaced Unlimited Elite last month, includes 50 GB of data/month

with costs starting at \$50/month per line when a customer purchases four lines. Stankey said the move is allowing AT&T to examine other benefits they could include that could mean stronger growth for those plans. That doesn't mean dropping HBO Max or entertainment offerings in general from wireless plans is the forever strategy. "I don't think anything should be viewed as static, and I think entertainment as part of a wireless bundle is probably something that's going to be around with us in this industry for a good period of time," Stankey said.

CARRIAGE

Verizon Fios warned that its carriage agreement with **One America News** ends on July 30, saying it has been negotiating terms for a new agreement with owner **Herring Networks**.

Cablefax Executive Round Up

Has inflation impacted your business customers, and if so, what are you doing to support them?



Bill Archer
EVP and President
Spectrum Enterprise

"Our clients are diverse, and the economy affects their operations in different ways. Helping each one get the most value from their IT investment takes a tailored approach. Our solutions are scalable and flexible, making it easier

for organizations to implement the modern infrastructure that will meet their needs today while laying the foundation for future growth. Some clients are also struggling to fill job vacancies. Our managed network services are helping organizations simplify their IT operations and free up in-house talent for other priorities."



Katherine Gessner
President
MCTV

"We've heard general concerns from our commercial clients about rising inflation and issues with seemingly never-ending supply chain issues. We recently increased our broadband speeds which has helped customers have more

choices and get more bang for their buck. Our team is very generous with their time and expertise in helping businesses right-size their services if they have cost concerns - even if that means reducing their level of service. We want to do what's best for our customers. It pays dividends in the long run!"



Misty Jensen
VP, Business Sales & Advertising
WOW!

"Inflation can be particularly challenging for small businesses. In response, WOW! has designed creative, flexible, and budget-friendly offerings for business customers, including Fiber Flex which delivers asymmetrical speed tiers so customers don't have to pay for upload speeds they may not need, a small business bundle designed specifically to meet the needs of small businesses, and our Local Advantage program which features small businesses in 1,000 WOW! Business TV commercials over 12 weeks."

OGN lost distribution earlier this year on **DirectTV**, which had been its largest distributor.

PARAMOUNT'S GELICK TALKS REACH OF SERVICES

Talk about the doom, gloom and death of linear TV has died down, and some believe the future of linear can be seen in how it is incorporated into some of today's most popular streamers. Speaking at **Parks Associates'** "Future of Video" event, **Paramount** Chief Product Officer *Robert Gelick* emphasized that **Paramount+** and **Pluto TV** still have linear components. Subscribers to Paramount+ Premium \$9.99/month plan receive a stream of their local live **CBS** station, and Pluto TV uses curated channels as well as a channel guide to help viewers navigate the platform. "It's been a huge differentiator for us in the space, being the contrarian ... and leaning into the power of either local live TV or what I would say is a channel guide of editorially driven program channels," Gelick said. "We know that most of our subscribers who view both on demand and linear end up being the most sticky that we have." He went on to discuss how that user experience is practically as important as the breadth of content you have on a service. There's still plenty of work to do across the space when it comes to personalization, search and discoverability. Gelick believes that cracking that code is key to attracting eyeballs and keeping them around. "The shift of distribution models and how people consume doesn't change the fact of the breadth of what people like to watch," Gelick said. "You may come into a service looking for one thing specifically, but the secret—and I think what differentiates folks—is how you get a breadth of consumption out of any user."

DEMS LOOK TO ELIMINATE MOST DATA CAPS

Senators *Ben Ray Lujan* (D-NM) and *Cory Booker* (D-NJ) introduced legislation Thursday that would create limits to the data caps broadband providers can apply to subscribers. The Uncap America Act of 2022 would direct the **FCC** to create definitions for when a data cap is created for network management and when it is not. The Commission would also be granted enforcement authority to take action against providers that violate those conditions.

MEDIACOM TO USE CBRS

Mediacom is tapping **Samsung** for the deployment of CBRS spectrum solutions that will help it connect rural communities across the U.S. The cable operator won 576 CBRS licenses covering 178 counties within its current footprint through the **FCC's** Priority Access License spectrum auction. Through the partnership, Mediacom will be able to use Samsung's CBRS 4G and 5G RAN solutions to offer high-speed broadband in more remote or underserved portions of the country using fixed wireless technologies. Commercial deployments are expected to begin this fall.

CNN ADDS NEW NAMES FOR A NEW DIRECTION

CNN CEO *Chris Licht* finalized the network's executive team, marking a shift that began with his and **Warner Bros. Discovery** CEO *David Zaslav's* desire to focus on hard news. *Virginia*

Moseley will be the EVP of Editorial for CNN US, where she'll manage CNN's TV and digital news gathering. *Johnita Due* is now EVP of Integrity and Inclusion and *Chris Marlin* will be Group EVP of Strategy and Business Operations. Joining CNN to lead its worldwide PR and brand strategy as EVP and CCO is *Kris Coratti Kelly*. *Michael Bass* and *Amy Entelis* will continue their roles as EVP of Editorial for CNN US and EVP of Talent and Content Development, respectively, and *Ken Jautz* will stay in his position of EVP of News. *Calvin Sims* will depart from the organization after being EVP of Standards and Practices for nearly two years.

FAST IS THE FUTURE?

Comcast looked at free ad-supported streaming and its value to advertisers in its recent FAST Report, finding FAST services have more than doubled in one year. Six of 10 households with a connected TV are using services like **Xumo**, **Tubi** and **Pluto**. While the average U.S. consumer has 4.2 streamers, Xumo data revealed viewers will on average watch over 100 minutes of FAST content. When it comes to advertising, a recent survey showed 75% of respondents were OK with ads on a service as long as the content remained free. That same survey found 69% of consumers would consider replacing a paid streaming service with an ad-supported platform.

VIX+ ARRIVES FOR DISH, SLING TV SUBS

DISH is making **Vix+** available for customers through DISH TV and **Sling TV**. Those with DISH TV can subscribe through Hopper and Wally devices, while the Vix+ is available as a standalone service on the Sling app. Both come at \$6.99/month.

WOW! MOBILE COMES TO ENTIRE FOOTPRINT

WOW! mobile is now available to all customers within its footprint. HSD customers will get a monthly discount if they purchase the mobile service as well. Non-WOW! customers can participate in the offering, which includes no-contract and plans as low as \$15/month that offer 1GB, 3GB, 8GB or unlimited data. WOW! partnered with Reach Mobile to access its 5G network.

PEOPLE

Warner Bros. Discovery named its global corporate and media relations team. *Megan Klein* will head corporate communications and help Chief Corporate Communications Officer *Nathaniel Brown* in media relationships, finance and investor relations, government affairs and more. *Laura Watson* will oversee executive communications and be responsible for strategic planning and messaging, and *Kim Page* will manage internal communications. *Blake Bryant* will lead global brands, franchises, experiences, home entertainment and licensing, and *Monica Neal* will run DE&I at the company. *Arielle Falkowitz* will manage corporate relations.

OBITUARY

Sad news from the cable trade pub world. *Jim Barthold* passed away Thursday morning following a diagnosis of leukemia and congestive heart failure. He was 71. Barthold's work appeared in many cable industry publications over the years, including *Cable World*, *Communications Technology*, *CED* and *Broadband Gear Report*. He was the first editor of *FierceCable*, which launched in 2010.

PROGRAMMER'S PAGE

Online Love Shines in 'We Met in Virtual Reality'

Connecting digitally in a meaningful and fulfilling way continues to be a challenge, but one VR platform has become a safe haven for individuals from all walks of life. VRChat, an online platform that allows users to create, publish and explore virtual worlds, is the backdrop for HBO Max documentary "We Met in Virtual Reality." Arriving on the streamer Wednesday, it was filmed entirely within VRChat from the perspective of Joe Hunting, who directed, produced, edited and wrote the project. He had been exploring the platform for fun when he met Jenny, a user who was using VRChat and full body tracking technology to teach American Sign Language and create a community for people who are deaf or hard of hearing. She and the community, called Helping Hands, sparked the idea for the film. "It was just so inspiring to me and I immediately knew that there was so much truth in what they were doing in terms of using VR for good, for education and for community," Hunting told **CFX**. "From that, I was led down a path of going to different communities and I immersed myself." He met dance instructor DustBunny and her partner Toaster as well as performers DragonHeart and IsYourBoi, two couples that came together on VRChat and are preparing to meet in-person for the first time. Hunting used traditional documentary shots and interviews to ground the film, which could be jarring to some that aren't familiar with these digital spaces. It was as much a creative choice as it was one of respect for the VRChat users that shared their personal troubles and triumphs with him during filming. "I really wanted the film to feel authentic in the VR Chat experience, so we're on a level playing field with the subjects and we're not looking at them from somewhere else. We're in it with them," he said. "That was a very intentional decision in using conventional forms in documentary to bring us into this world in a very organic and real way, so the usernames and their avatars would feel accessible instead of alienated." – Sara Winegardner

REVIEWS

"MH370: Mystery of the Lost Flight," 8pm, Tuesday, **History**. The old saying that 'you couldn't create a better mystery if you were trying to' applies here. All we know from Malaysia Air flight 370 is that it was bound for Beijing, having departed Kuala Lumpur Airport late in the evening of March 8, 2014. The scheduled 5.5-hour flight on a Boeing 777 carried 239 passengers. Its initial ascent was routine. Nearly 40 minutes in, though, its crew lost contact with air traffic control over the South China Sea. It remained on military radar another hour. History offers a dispassionate, well-made, 90-minute mini doc. – "Dickie V," 4pm ET, Saturday, **ESPN**. OK, so he needs "V" after his name, unlike Cher, Madonna and Beyoncé, still Dick (actually Richard) Vitale, is an icon of ESPN and college basketball. This 90-minute paean is a must-see for sports fans, of course. It's also, for the most part, a terrific antidote to these troubled times. Vitale's love for his life, basketball and the human race is a story accessible to non-sports fans, too. And Vitale's work for cancer patients provides a huge piece of irony. The best summation, though, belongs to ESPN anchor *Scott Van Pelt*, who's interviewed countless superstar athletes. Not a big deal anymore, he says. But "I'm in awe of Dick Vitale." Awesome, baby. – Seth Arenstein

BASIC CABLE		
P2+ PRIME RANKINGS*		
(07/11/22-07/17/22)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	0.690	2149
MSNBC	0.403	1256
HALL	0.287	895
HGTV	0.283	883
TLC	0.264	823
TBSC	0.249	777
DISC	0.235	733
INSP	0.234	728
HIST	0.225	700
CNN	0.211	657
FOOD	0.199	619
ID	0.175	544
TVLAND	0.173	539
LIFE	0.157	488
USA	0.154	481
BRAVO	0.144	448
TNT	0.134	419
WETV	0.132	410
FX	0.131	406
A&E	0.130	405
AMC	0.123	384
NATGEO	0.120	374
GSN	0.118	367
BET	0.116	362
HMM	0.114	354
SYFY	0.109	340
ESPN	0.108	337
TRAVEL	0.100	312
APL	0.100	310
OXY	0.099	307
PRMNT	0.095	296
SUND	0.091	285
MTV	0.084	263
FETV	0.084	261
IFC	0.083	258

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

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