

Cablefax Daily™

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What the Industry Reads First

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Spot On: Stankey Talks HBO Max, WarnerMedia Management Shakeup

AT&T CEO *John Stankey* described WarnerMedia's recent restructuring as "spot on," noting that the changes to the media division were accelerated due to the COVID-19 pandemic. Speaking during the *WSJ Tech Live* conference on Monday, Stankey said that "the movement that started during my tenure, and that *Jason Kilar* has continued in his tenure being supported by the rest of the leadership team, has been nothing short of significant and absolutely spot on in terms of the direction."

Those changes, which included a [major internal reshuffling](#) around **HBO Max**, were originally slated for late 2021. "We all woke up one day and all the sudden major revenue streams disappeared," said Stankey. "We see some dynamic occur where streaming becomes more important because people are holed up in their homes, and so very quickly it was really clear that a new day had dawned."

In the new structure, which Stankey noted was similar to those of **NBCU** and **Disney**, now has a very focused approach to thinking strategically about how a singular investment can be used across all of the company's distribution capabilities. "Now we just need to execute and get the right product in front of the customer that ultimately drives some of the growth we'd like to see in our direct-to-consumer business as we move HBO Max forward," said Stankey.

HBO Max launched in May, and while Stankey declined to give any subscriber number updates, he did say that the service is "ahead of subscriber counts" of its initial targets announced last year. "I'm incredibly happy with where we are," Stankey said. "We have done exactly what we said we were going to do." At the end of June, about 4.1mln subs had activated the HBO Max app. "Am I satisfied that we're clipping along at the right rate to be strategically in the position to be one of the surviving platforms moving forward? I'd like to see that pace quicken," said Stankey. He also pointed out that Disney was "further up the customer acquisition curve than anyone expected," reporting 10mln signups on its first launch day in November.

Stankey said the HBO Max has reached its initial goal of one hour of daily viewer engagement, and has a younger audience skew than HBO. "Were we able to get HBO to grow again, which it hadn't done for five

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years, by broadening the amount of content that a customer could see?" asked Stankey. "Yes. I feel really good about where we are, but we still have work to do to get to scale."

When asked about the rumored potential sales of DirecTV and WarnerMedia's ad unit Xandr, Stankey declined to comment, but did say the management team is considering all options. "If there are some opportunities for us to look at the portfolio and we decide there's something that doesn't fit into that growth profile, and it's distracting management, is it something we'd consider for a divestiture or some other structural alternative? Any good management team should be thinking about those things," he said. He did emphasize that he views advertising as "being critical" to the future of AT&T. "What we're doing is not backing away from advertising in any way shape or form, we just want to make sure that we're focused on our execution in the right way," said Stankey. AT&T will report 3Q earnings on Thursday.

Altice USA Puts Forth New Cogeco Offer: Altice USA still hasn't given up on the chance to acquire **Atlantic Broadband**. The operator presented a revised offer to **Cogeco** and **Cogeco Communications** Sunday to acquire 100% of the issued and outstanding shares of Cogeco. Altice USA has also reworked its arrangement with **Rogers Communications**, the largest long-term shareholder of Cogeco, to sell all the Canadian assets of Cogeco at an adjusted net price of \$3.95bln should the transaction with Cogeco be completed. The new offer also includes a \$682mln payment to the *Audet* family, which holds 69% of all Cogeco voting rights, for their ownership interests. Rogers has also bulked up its side of the transaction, recently announcing that it would invest \$2.28bln to bring connectivity, jobs and economic growth to Quebec should it be successful in its bid for Cogeco's Canadian assets. Rogers would maintain the Cogeco brand and the company's Quebec headquarters. Altice USA said if it is unable to arrive at a mutually satisfactory agreement by Nov 18 or it does not see a clear path forward to the completion of a transaction, it will withdraw the revised offer. "We encourage the Cogeco boards to act in the best interest of all shareholders and stakeholders as they thoughtfully consider this offer, and we respectfully request that the boards engage with us to discuss our proposal," Altice USA CEO *Dexter Goei* said in a statement. Cogeco and Cogeco Communications confirmed Monday that they had received the proposal and would be passing it on to the companies' boards. The revised proposal has already been reviewed by the Audet family and it has indicated that it does not intend to sell its shares and will not support the new deal.

GI Partners to Acquire Vast Broadband: Vast Broadband has signed an agreement to be acquired by **GI**

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The Collapse of Theatrical Windows?: With theaters shuttering, will day-and-date releases become the new normal? **Universal Pictures** is the first out of the gate, announcing "Trolls World Tour" will be available April 10 for a rental. Other in-release movie titles are set to be available as soon as this Friday. The movies will be available on **Comcast, Sky** and a "broad range of on-demand partners." Titles to be made available include "The Man" and "Emma" with a suggested retail price of \$19.99 in the US.

Tuesday — March 17, 2020 What the Industry Reads First Volume 31 / No. 050

For Now: Providers Set Aside Disputes During Coronavirus Outbreak
As they face the common enemy that is the coronavirus pandemic, **Cox Media Group** and **DISH** have set aside their retrans dispute for now so that **DISH** can resume its carriage of 10 **CMG** stations in **NY**, **OR**, **WA**, **AZ**, **LA**, **MS** and **ID**. No word on how long the truce will last.

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Friday — March 13, 2020 What the Industry Reads First Volume 31 / No. 050

New Normal: Companies Roll Out Contingency Plans in Face of Covid-19
With a growing number of students and employees working from home, it's mission critical for the nation's broadband providers during the Covid-19 pandemic. Operators big and small are up-ending their day-to-day operations to ensure service remains uninterrupted.

Wednesday — March 18, 2020 What the Industry Reads First

Covering Covid-19: Content Companies Step Up Efforts
Programmers are shuffling schedules to respond to the coronavirus crisis. **The Weather Channel** is airing live programming at 50 minutes past the hour to share educational content during school closures. Topics include why thunder happens, how rainbows form and more. **Pledge** during the school closure. Topics include why thunder happens, how rainbows form and more. Scheduled for Friday at 2pm.

From the Commission: Another 116 broadband and telephone service providers have taken the **Keep Americans Connected Pledge**, agreeing to take specific steps to keep Americans connected for 60 days. Some notable names taking the pledge include **Hotwire Communications**, **Middle**

Partners, an investor in data infrastructure businesses, in partnership with industry veteran *Rich Fish*. “As a native of the Great Plains, I am thrilled to partner with the local employees at Vast to bring high quality internet connectivity to my home region,” Fish said in a statement. Upon closing of the deal, Fish will become CEO of Vast Broadband, a position currently held by *Jim Gleason*. Based in Sioux Falls, South Dakota, Vast Broadband delivers high-speed broadband, video and voice services to over 60K residential and business customers. The operator is currently owned by **Pamlico Capital** and **Oak Hill Capital**.

Doing Good: Altice USA is offering its Altice Advantage 30Mbps broadband solution complimentary for 60 days to households with K-12 and/or college students who do not currently have home internet access. Altice Advantage includes unlimited data, free equipment and reduced installation. Following the 60-day period, households will be able to retain their service for \$14.99/month. -- **Atlantic Broadband** announced Monday that it is the first ISP in Connecticut to deliver broadband to households with school-aged children to support remote learning under the state’s “Everybody Learns” initiative. The initiative was launched in July in an effort to close the state’s digital divide. The Connecticut State Department of Education allocated funding from the CARES Act and portions of the Governor’s Emergency Education Relief Fund to support the initiative.

Comcast Launches VPN Offering: Comcast Business is partnering with **Aruba**, a **Hewlett Packard** company, to launch Comcast Business Teleworker VPN. The solution is designed to help enterprises provide remote workforces with the same secure connection to their corporate network that they have when physically in their offices.

CTA Taps Microsoft to Power CES 2021: The **Consumer Technology Association** has selected **Microsoft** as its technology partner for the all-digital **CES 2021**. Microsoft will provide solutions, support and the underlying cloud technologies that will enable the conference’s event platform. The event, scheduled for Jan 11-14, will use Microsoft Azure, Microsoft Teams and Microsoft Power Platform to deliver an exhibit showcase, media events, conference programming and networking events.

NAB NY Kicks Off: The show must go on, albeit virtually, and with a few technological difficulties. **NAB NY**’s six-day experience kicked off Monday after a technical glitch delayed the opening by a few minutes. In NAB pres/CEO *Gordon Smith*’s opening remarks, he said that despite all the challenges of 2020, the COVID-19 pandemic has “created opportunities to re-examine our business models and integrate different tools and technologies so that we can create new ways to continue to thrive.” Smith particularly pointed to the importance of local broadcasters delivering news during the pandemic and keeping communities informed and connected.

Pluto Gears Up for Brazil Launch: Pluto TV confirmed its lineup of channels for Brazil ahead of the AVOD’s December launch in the country. Pluto TV Brazil will have thousands of hours of content on 24 curated streaming channels, available on all mobile, web and CTV devices.

Ratings: The Season 3 midseason premiere of **WE tv**’s “Love After Lockup” scored 1.3mIn total viewers, 780K A25-54 and more than 600K W25-54 in Nielsen L+3 ratings. -- **HGTV**’s competition series “Brother vs. Brother,” which aired Wednesdays at 9pm, delivered a 50% ratings gain over the prior six weeks and 20% YOY lifts. The six-episode series attracted more than 18.7mIn total viewers, representing a .71 L+3 rating among P25-54.

Mark Your Calendar: WICT Rocky Mountain Chapter announced its 2020 virtual Tech It Out Conference. The event will be held on Nov 12 from 8am-12:30pm MST. Industry speakers include **Charter** chief product and technology officer *Rich DiGeronimo*, **Comcast** evp/chief network officer *Jan Hofmeyr*, **CableLabs** svp/ chief marketing officer *Rachel Beisel* and Comcast West Division svp, customer experience and call center operations *Dana Filip-Crandall*.

Programming: Tubi has entered into a content deal with Chinese film and television studio **Wanda Pictures**. The partnership will launch with exclusive English-dubbed versions of “Detective Chinatown 2” and includes the anime film “The King’s Avatar: For the Glory.” Both films will soon be available on Tubi in the US and Canada, with “The King’s Avatar: For the Glory” also being available in Spanish in the US and Mexico. -- **Stephen Colbert** will host a live election night special for **Showtime**. “Stephen Colbert’s Election Night 2020: Democracy’s Last Stand: Building Back America Great Again Better 2020” will air Nov 3 at 11pm ET.

People: Allen Media Group tapped *Raoul Marinescu* to fill the newly-created position of pres, advertising sales for digital media. Marinescu most recently served as vp, revenue partnerships for **Pluto TV**.