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WHAT THE INDUSTRY READS FIRST

Most Valuable Program: March Madness, HBO Max Elevate AT&T's 1Q

Fans were excited to see March Madness in 2021, but nobody was more thrilled to see the college basketball tournament return than **AT&T**. Advertising revenues at **WarnerMedia** rose 18.5% YOY in 1Q21 to \$1.8 billion thanks to the **NCAA** competition and content revenues saw a 3.5% boost, in part because of higher licensing across the **Turner** networks.

March Madness was only one aspect of WarnerMedia's successful quarter. AT&T added 2.7 million **HBO** and **HBO Max** subscribers in the quarter and can now count 44.2 million domestic subscribers across the two services. Subscription revenues came in at \$3.8 billion, up 12.6% thanks to both that subscriber growth and the May 2020 acquisition of the remaining interest in the HBO Latin America Group.

The service is also continuing to gain attention for the blockbuster movies that **Warner Bros** is releasing on HBO Max in conjunction with the films' theatrical releases. It's still too early to make a call on what WarnerMedia's windowing strategy will look like post-pandemic, but the company is confident in the decision to bring those releases to its streaming service.

"We've got more of the year to get through to see what that balance is between theatrical revenues versus SVOD. But when you look at the customer growth on SVOD and you see some of the early data coming back on movies like 'Godzilla vs. Kong' in the theater, I think you can all see that there's probably a pretty compelling rising tide lifting all boats in this case," AT&T

CEO *John Stankey* said during the company's earnings call.

The company is now reporting **DirectTV** and **U-verse** results in its Corporate and Other segment instead of as part of its Entertainment Group, which also included results from its consumer wireline business. AT&T's traditional video business lost 620,000 subscribers between DirecTV and U-verse. The company is no longer reporting results for **AT&T TV Now**, which stopped accepting new subscribers in January.

The international launch of HBO Max and the introduction of the service's ad-supported tier are both still set for June. Details like pricing for the AVOD offering won't be revealed until just before the launch, but AT&T believes there is an opportunity to develop bundling offers for that tier with its mobility services. Stankey thinks something like that could be popular with younger demographics.

"We believe the AVOD product actually pairs well with some of our prepaid offers and how we might position it because it tends to line up on a more price-sensitive, socioeconomic dynamic," Stankey said. "And we think that opens up a marketing channel and an awareness channel, and ultimately, an opportunity to drive penetration in other places where, again, customers are a bit more price-sensitive."

Some 11 million customers who subscribe to HBO or HBO Max are also subscribing to one or more connectivity products, the company said. AT&T added 235,000 **AT&T Fiber** customers in the quarter, and its fiber penetration rate is now higher than 35%. Stankey said the company is seeing a high level of

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satisfaction from customers when it bundles in a streaming service with broadband and he's feeling good about continuing forward with that strategy.

"That feels, to me, like a new version of pay TV with broadband. It feels like a forward-leaning entertainment product and service coupled with broadband, where we know that when we bundle, we drive churn down," Stankey said.

He also said that there's more the company can do when it comes to service integration between wireless and broadband that will make things more appealing for those customer bases. AT&T's product roadmap moving into 2022 will start to introduce some of those strategies.

"But I don't want to oversell it because right now our broadband footprint, as you know, doesn't cover the entire United States, and we do need to be successful in marketing and selling in the entire United States in our wireless business to be successful," he said.

AT&T TALKS BROADBAND POLICY

When asked about the potential fiber investment included as part of *President Biden's* infrastructure proposal during **AT&T's** 1Q21 earnings call, CEO *John Stankey* said he believes the bill is still somewhat amorphous. It's still early innings in terms of determining what that funding could look like, how much money could be directed to fiber and implications for operators. "We're actively involved in that discussion right now talking about our learnings and our understanding of what we think good policy would be if, in fact, the government chooses to put some subsidy in place around that and some incentives in place," he said. "We think it should probably get to a different place than the rough framework that the White House put in place, and we think that there is support on both sides of the aisle and other policy aisles of this administration to try to drive it that way. I believe some of the things were frankly not characterized properly." He added that AT&T has actively been talking with the **FCC** on the Emergency Broadband Benefit program and how the agency will go about administering it. His sense is that the Commission will go about it in a way that will definitely help those customers that do have income stress. "I think we're probably at a peak right now at need. As people return to schools in person, I think there's going to be a little bit of pressure taken off this dynamic moving forward," Stankey said. "But again, we weren't banking on a lot of government subsidy in the guide we've given you on our direction. So if it breaks the right way, it will be a good thing for us."

COMCAST REPORTS 10G PROGRESS

Comcast revealed Thursday that it had conducted the first-ever live lab test of the Full Duplex DOCSIS system-on-chip device, an important milestone on the way to achieving 10G. Comcast technologists in Philadelphia and Denver conducted

the test by installing the **Broadcom** SOC in a simulated network environment to track the performance of its Full Duplex DOCSIS features. The team was able to deliver upstream and downstream throughputs of more than 4Gbps, and future optimization is expected to drive greater capacity.

FCC SPREADING THE EBB NEWS

More than 11,000 individuals and organizations have signed up to get information about the Emergency Broadband Benefit program, according to **FCC** acting chair *Jessica Rosenworcel*. Speaking to reporters after Thursday's FCC open meeting, she declined to give an official consumer launch date for the program, but said she expected to announce more info "very soon." More than 647 broadband providers have been approved for the program, with providers invited earlier this week to test the system. Those tests, which include privacy and

Cablefax Executive Round Up

What do you think will be the theme to come out of this year's upfronts?



Robyn Greene Arrington
VP, Original Programming and Production
TV One & CLEO TV

"With productions being challenged by the disruptive nature of the pandemic, I believe that we can confidently agree that television is deftly navigating this transitional period. The traditional meaning of upfront from a corporate standpoint has shifted and we reminisce on the theme of last year's being flexibility. NOW we look forward to a resurgence of interest for robust diverse content in this year's upfront."



John Kozack
SVP, Multimedia Sales
Univision

"For the first time, upfront is being treated as a holistic marketplace and I expect the pace of the market will be quick. In my conversations, with brands pursuing new growth opportunities, many are embracing the streaming landscape and multicultural marketing. There has finally been a real shift and importance placed on multicultural strategy, and it is refreshing to see."



Fernando Romero
Head of Advertising Sales
Fuse Media

"There'll be a concerted effort to adopt a more holistic approach to reaching diverse audiences, extending presence across multiple screens—including both streaming and traditional linear TV— and re-evaluating the importance of social awareness. This upfront should not be about GRPs, spots or dots. Marketers must shift towards media partnerships that genuinely reflect and celebrate the fabric of today's blended America. They should support minority audiences via programs that inspire, unite and foster positive change for all."

security checks, are ongoing. While there is a consumer webinar on the EBB program next Tuesday, she said that outreach efforts include more than 60 different events. The agency is also working with other federal government agencies, including the Department of Labor and HUD, to spread the word. “We have outreach in too many directions to count,” she said. “Simultaneously, we are working to make sure our systems for processing consumer applications are ready to go.”

GOP'S INFRASTRUCTURE PROPOSAL

Republicans unveiled their \$568 billion infrastructure alternative to Biden's \$2 trillion proposal. The GOP plan includes \$65 billion for broadband over five years compared to \$100 billion in the administration's infrastructure package. No real details on how that money would be doled out, but Republicans stressed that federal funding should encourage private sector investment. The idea is for the GOP proposal to serve as a guide as the Senate continues to develop bipartisan bills. It may be a quarter of the size of the Democrats plans, but it still represents the largest infrastructure investment that Republicans have ever put forth.

NIELSEN BOOSTS STREAMING MEASUREMENT

Nielsen launched a syndicated service providing total viewership and audience demo insights by streaming platform alongside linear TV ratings. The Nielsen Streaming Video Ratings service estimates that among homes that are streaming capable, Netflix accounts for about 7% of total TV time. Homes that can stream jumped from 18% to 25% in only a year's time, according to Nielsen. At launch, Nielsen Streaming Video Ratings will include viewership details from 10 top streaming platforms as well as seven categories of apps including subscription-based, ad-supported, network, social, gaming as well as MVPD and virtual MVPD apps.

SCOTUS TAKES A BITE OUT OF FTC

The US Supreme Court unanimously ruled Thursday that Section 13(b) of the Federal Trade Commission Act doesn't grant the FTC the authority to obtain monetary awards on behalf of defrauded consumers. Payday loan companies had challenged the \$1.3 billion restitution award levied by the FTC. Senate Commerce chair Maria Cantwell said the committee is working to move legislation immediately to make sure the FCC's restitution authority is protected. FTC acting chair Rebecca Kelly Slaughter urged quick action, declaring that the Supreme Court has “deprived the FTC of the strongest tool we had to help consumers when they need it most.”

FCC APPROVES FOREIGN BROADCAST DISCLOSURES

The FCC voted unanimously Thursday to require new disclosures when foreign governments and their agents lease time on broadcasters' airwaves. “We know that foreign entities are purchasing time on broadcast stations in markets across the country, including Chinese government sponsored programming and Russian government sponsored programming right here in our nation's capital,” FCC acting chair Jessica Rosenworcel said. “This is not a strictly recent phenomenon. During the last several years, press reports about the presence of this programming have multiplied.” NAB has said it supports the

goal of ensuring the public understands when programming is supplied by foreign governments, but that it should be focused on the “handful” of broadcasters that air such content instead of creating burdens for the vast majority that do not. It thinks the item adopted fell short. In a blog earlier this week, NAB general counsel Rick Kaplan complained that the FCC order doesn't address the web or pay TV provider such as DISH and DirectTV, which provide entire foreign government-sponsored networks such as CGTN and RT America.

EARTH DAY

Programmers put on a ton of Earth Day content every year, from Discovery's climate special with VP Kamala Harris to CW's airing of speculative documentary “2040.” But there's also a ton going on behind-the-scenes. WOW! used the annual event to announced new sustainability initiatives, including more energy-efficient WOW! tv+ box and streaming devices, self-install kits, energy-efficient batteries, replacing copper cables with fiber to the home and more. The MVPD has also reduced its carbon footprint by consolidating offices, doing so with 17 facilities in the past year—an approximate 10% reduction. Less offices, the company boasted, reduces usage of IT equipment and utilities, including water and energy usage. CableLabs boasted in an Earth Day blog post that its HQ in Louisville, CO, recently subscribed to Xcel Energy's Windsource, ensuring that its office is powered by 100% renewable energy. The Kyrio test lab and offices are now also powered by 100% renewable energy. And both CableLabs and NCTA reminded us of the “Voluntary Agreement for Ongoing Improvement to the Energy Efficiency of Set-Top Boxes,” between all of the major cable, satellite and telco multichannel video programming distributors, manufacturers of set-top boxes and energy advocates. The agreement, just extended for a third time through 2025, has already saved consumers \$7 billion in energy costs.

SPECTRUM BUSINESS, SCORE PARTNER

Spectrum Business announced a partnership with volunteer business mentor network Score Thursday to sponsor six free webinars for small business owners and entrepreneurs. The webinars start Friday at 2pm ET and run through June 28. Each two-hour webinar will be led by an expert from Score and focus on how to set up, run and grow a small business. All webinars will be open to Spectrum Business customers and non-customers.

DRAFTKINGS OF SLING

Sling TV launched exclusive sports betting information channel DraftKings Basketball Channel in partnership with DraftKings Thursday. The channel will be available to Sling TV subscribers and Sling Free users. New DraftKings customers get a \$50 free bet using promo code SLING in addition to a deposit bonus of up to \$1,000 with their first deposit.

RATINGS

The April 8 Season 10 premiere of “Bringing Up Bates” on UPTv ranked as the highest-rated season premiere in the show's history among W25-54 and Households.

PROGRAMMER'S PAGE

Familiar Ties in Apple's 'Mosquito Coast'

Paul Theroux's novel "The Mosquito Coast" turns 40 this year, but there's still plenty of adventure left in the story as evidenced by **Apple TV+**'s upcoming seven-ep series (first two episodes drop April 30, with new eps every Friday). It stars *Justin Theroux*, and yes, there is a relation. Justin, who calls the novelist uncle, first read the book when he was about 12 years old. "This was just one of those happy accidents that the stars aligned, and we were able to do it," he said during the **TCA** Winter press tour. Ah, but the family connections run deeper than that. For those who haven't read the book or watched the 1986 film starring *Harrison Ford*, the main character is Allie Fox (Theroux), a brilliant, stern inventor who uproots his family for Mexico when they suddenly find themselves on the run from the US government. "I also, sort of anecdotally, have an intimate knowledge of certain aspects of Allie Fox, because it's our suspicion, or my suspicion—and it's been corroborated—that it's based loosely on certain members of our family, my grandfather, who had a certain thriftiness to him," Justin said. Writers have a reputation for being sensitive to having their written word translated to the screen, but Justin said he really thinks his uncle was thrilled. "If it were another author that perhaps wasn't a family member, I would be far more intimidated and have been in the past in previous roles. But I think he's at the stage in his career where he was just sort of chuffed by it and thought it was fabulous," he said. It sounds as if creator/exec producer *Neil Cross* was more nervous about approaching the elder Theroux, telling critics he was terrified to engage with a man who hugely influenced him. "But he was an absolute gentleman, I have to say. Much to my long-standing relief and abiding disbelief, he's been a fantastic part of our team," said Cross. — *Amy Maclean*

REVIEWS

"Secrets of the Whales," streaming now, **Disney+**. This **National Geographic** series of four films about five different whale species—orcas, humpbacks, belugas (whose resemble to dolphins is uncanny), sperm whales and narwhals—is so compelling, even Jonah would enjoy it. Since the pandemic began, this column has praised content that can lift viewers from the COVID-19 morass, as well as the economic distress that's followed in its wake. This series does that with room to spare. We're not sure what viewers will like most: the exotic locations (we can't watch a Nat Geo series without at one foray to an atlas), the photography, the storytelling (well done, *James Cameron*), the music (props to composer *Raphaëlle Thibaut*) or *Sigourney Weaver's* slightly sardonic narration. Owing to our un-whale-like amount of space here, we'll tout two of the stories. In one, a young narwhal, who'd lost track of his mother, found solace, and literally his existence, in the form of a pack of belugas, who adopted him. Another terrific moment features whale expert *Brian Skerry* and a mother orca, making sure, as mothers are wont to do, that he wasn't hungry (you'll see). In the end, though, it's a love story between Cameron, Weaver, Skerry and these majestic creatures, whose feelings and culture seem reminiscent of their mammalian cousins, us. — *Seth Arenstein*

BASIC CABLE		
P2+ PRIME RANKINGS*		
(04/12/21 - 04/18/21)		
MON-SUN	MC	MC
	US	US AA
	AA%	(000)
FNC	0.724	2,231
MSNBC	0.482	1,484
HGTV	0.438	1,349
CNN	0.342	1,053
ESPN	0.306	941
TBSC	0.298	917
HALL	0.293	901
HIST	0.265	815
FOOD	0.261	805
DISC	0.248	765
INSP	0.245	753
USA	0.244	752
TNT	0.231	713
TLC	0.224	688
LIFE	0.201	619
A&E	0.196	604
ID	0.183	564
HMM	0.171	526
TVLAND	0.169	522
SYFY	0.160	493
BRAVO	0.147	451
FX	0.139	427
ADSM	0.126	388
WETV	0.123	378
GSN	0.123	378
NATGEO	0.120	370
APL	0.118	362
AMC	0.115	354
NAN	0.109	336
FRFM	0.108	333
MTV	0.105	323
TRAVEL	0.100	309
BET	0.097	300
DSJR	0.094	289

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

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