

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

Temperature Drop: Domestic HBO, HBO Max Subs Take a Dip

HBO Max and **HBO** took a dip in the U.S. in 3Q21, falling by 1.8 million to 45.2 million subscribers. Global launches ultimately saved the day, upping the services' combined subscriber numbers worldwide to 69.4 million, a 1.9 million increase over 2Q21. Those challenges weren't a surprise to management, who expected the drop due to the decision to pull HBO Max from **Amazon Prime Video Channels**. The company expects subscriber growth to get stronger in 4Q due to the premieres of blockbusters like "Dune" and the new season of "Succession," but the majority of its sub additions for the remainder of 2021 are expected to come from its international markets.

WarnerMedia CEO *Jason Kilar* said on AT&T's 3Q21 earnings call he was still pleased with the results, given the potential damage that could have come from the **Amazon Channels** exit, and is looking forward to the growth of HBO Max's AVOD product in 2022. The product first launched in June, but does not include access to the theatrical releases that also get day-and-date premieres on HBO Max. That all changes next year, when **Warner Bros.**' theatrical model shifts back to a version of its pre-pandemic norm. Some motion pictures will have exclusive theatrical runs before arriving on HBO Max 45 days later, while others from Warner Bros. will come directly to HBO Max upon theatrical release.

WarnerMedia revenues were \$8.4 billion, up 14.2% YOY. Subscriptions came in at \$4 billion, up 14.7% due to the growth of

HBO Max. Advertising declined 12.4% to \$1.4 billion due to the timing of the **NBA** season last year and lower political ad spending.

On the wireless front, **AT&T** saw 928,000 postpaid net phone additions in the quarter, the company's best result in more than 10 years. Postpaid churn clocked in at 0.72%. Broadband continues to be a huge push, and the company now has 5.7 million AT&T Fiber customers. Of those, 3.4 million are on 1 gigabit connections. Broadband revenue grew 7.6% YOY thanks to 289,000 fiber additions and higher pricing. And more than 70% of those fiber net adds are new AT&T broadband customers. Still, **New Street Research** called AT&T's fiber net adds "uninspiring" given its efforts to expand its addressable base and drive penetration numbers. "This should help cable stocks that have been beset by competition fears in recent weeks," the firm said.

While AT&T isn't participating in the Emergency Broadband Benefit for its postpaid wireless subs, the company does believe that the general consumer is stronger in general because of efforts by the federal government to prop up household income. And while that can't last forever, it does signal how lawmakers are thinking about broadband and prioritizing its accessibility.

"If you examine where we are in the infrastructure bill and think about what is moving from a federal policy perspective on building better infrastructure, whether or not Congress gets that through, of course, is a question," Kilar said. "But you work under the assumption that there seems to be some bipartisan view that we need to do the right things around infrastructure, and then broadband and connectivity to the internet seems to come at the top of the list."



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WHAT ABOUT WARNERMEDIA-DISCOVERY?

Don't expect **AT&T** CEO *John Stankey* to give any details around AT&T's view of **WarnerMedia's** merger with **Discovery** until the deal's construction is further along. What that means to him is the point when the two sides would be in the final stages of receiving either a consent decree or outright approval to get the transaction moving along. Stankey doesn't expect to reach that phase until the early part of next year. Until then, AT&T and Discovery will be keeping a close eye on what is transpiring in Washington. "There's a chance that policy may change around how different types of distributions or different approaches get taxed, and all that has to be factored into our overall equation of how we get value back into the shareholder's pocket in the right way," Stankey said. "And the more information we have around that, the better informed that'll be and, I think, the better it will be for shareholders as they move through it."

SO LONG, ROB STODDARD

Many years ago, **Cablefax: The Magazine** bestowed **NCTA's** *Rob Stoddard* with its first "Nicest Guy in Cable" award. It's a moniker that stuck, despite Stoddard's humble protests, for reasons obvious to those who know the longtime cable exec. Soon though, we'll just have to make do with calling him "Nicest Guy" as Stoddard has announced plans to retire as the cable trade association's SVP for Industry & Association Affairs, effective Jan. 3. "You may have heard the saying, 'It's a beautiful thing when a career and a passion come together.' That's been my good fortune these past 36 years. Following great runs in journalism and government, I've been so lucky to leverage my passion for the wonders of our business into an immensely

satisfying and gratifying cable career. I feel blessed to have spent these last two decades serving NCTA," Stoddard said in announcing his decision to NCTA staff. "I've treasured the amazing opportunity to work with you and many other NCTA colleagues—past and present—amplifying the merits of one of the most groundbreaking and consumer-centric industries our nation ever has known." Prior to assuming NCTA's Industry & Association Affairs role, Stoddard led NCTA Communications & Public Affairs for 15 years. Those years included the Brand X Supreme Court case that cleared the way for internet services not to be regulated under Title II (a fight still raging), the digital TV transition and three different CEOs for the organization. He also spent years as chief communications officer for various cable operators, including **AT&T Broadband**, **MediaOne** and **Continental Cablevision**. Stoddard serves on the boards of several cable industry and journalism associations, having previously worked as a journalist and a press secretary. He's a mainstay at industry events and a longtime diversity advocate.

FTC FINDS ISPS COLLECT TROVES OF DATA

The **FTC** presented a staff report Thursday, declaring that many ISPs collect and share far more data about their customers than many consumers expect. "In short, internet service providers are surveilling users across a broad swath of activities, enabling hyper-granular targeting in the serving of ads and other services," FTC chair *Lina Khan* said. The report stems from orders the FTC issued in 2019 to **AT&T**, **Verizon Wireless**, **Charter**, **Comcast**, **T-Mobile** and **Google Fiber** and to affiliated ad entities **Xandr**, **Verizon Online** and **Verizon Media**. The report, approved on a 4-0 Commission vote, found several ISPs combine data across



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product lines; combine personal, app usage, and web browsing data to target ads; place consumers into sensitive categories such as by race and sexual orientation; and share real-time location data with third-parties. “Even though several of the ISPs promise not to sell consumers personal data, they allow it to be used, transferred, and monetized by others and hide disclosures about such practices in fine print of their privacy policies,” the FTC said. Charter issued a statement, noting that it’s called for an opt-in, national privacy framework for several years: “Individuals deserve to be confident that their personal information online is protected, no matter where they go online.” **The US Chamber** said the FTC report brings to light the need for Congress to pass a national data privacy law “that is holistic and protects all Americans equally.” Khan said the report is intended to be part of an ongoing conversation about commercial data practices, adding that the **FCC** has the clearest legal authority and expertise to oversee ISPs.

CARRIAGE

Cox is the second traditional MVPD to make **discovery+** available for purchase to customers across its platform. The streamer is available on Cox Contour 2 and the Contour Stream Player. **Comcast** launched discovery+ on X1 platform and Xfinity Flex earlier this year. More of these deals are in the works. “Our MVPD partners are very important to us and we look forward to rolling discovery+ out on more of their platforms in the coming months,” said **Michele Barney**, President of Affiliate Distribution at **Discovery**. Discovery+ is available in the U.S. starting at \$4.99 per month, with an ad-free version available for \$6.99 per month. Cox customers new to discovery+ can enjoy an extended 30-day trial of the service when they sign up through the operator.

BATTLE AT THE FCC OVER APARTMENTS

The **FCC** voted in September to refresh the record on a 2019 proceeding examining broadband competition in apartments, gated communities and other multiple tenant environments. That’s “MTEs” for short, or as they used to be called, MDUs—multiple dwelling units. Fixed wireless ISP **Starry** is primarily available in MTEs. It told the FCC this week that many incumbent fixed providers use exclusive agreements that stunt competition and affordability, particularly in the wake of the pandemic. “While the Commission has clearly prohibited exclusive access agreements, incumbents use a variety of other contractual tools—sometimes in combination—to erect barriers to competitive entry in MTEs, to consumers’ detriment,” said Starry. It said these tactics can include exclusive marketing agreements, which can have 10-year terms, that prevent new entrants from advertising the service within the building or holding sales events in the building. It also spoke out against exclusive revenue share agreements and exclusive wiring/rooftop access provisions, saying both benefit incumbents and limit consumer choice. On the flip side, **NCTA** told the FCC that competition, deployment and consumer choice in MTEs are strong. It said the FCC should extend its ban on exclusive MTE access to all providers, but leave alone the exclusive wiring deals and other arrangements outlined by Starry. “Far from hindering choice, such wiring arrangements promote true competition for voice, video, and broadband service by giving a

provider a reasonable period of time to recover the significant investments it must make to install, maintain, and service the wiring,” the association said. Similarly, NCTA said revenue sharing and exclusive marketing pacts encourage MTE deployments by reducing the costs consumers may otherwise bear. “Revenue sharing agreements do not reduce incentives for building owners to grant access to competitive providers as they can simply seek similar arrangements with multiple providers,” NCTA said. “If these agreements are prohibited, building owners will find other revenue sources (such as door fees) to defray their costs, or will forgo or reduce infrastructure investment, to the detriment of MTE residents and tenants.” Starry’s not a proponent of mandatory access to MTEs, but the **AARP** is. It wants the FCC to establish a database of qualified ISPs, suggesting Form 477 could serve as a foundation, while brand new entrants could provide the Commission with evidence of managerial, financial and technical capabilities.

A BIT MORE ON THE WICT NETWORK

The Women in Cable Telecommunications officially [changed its name](#) to **The WICT Network** Wednesday, and we’re learning a bit more. The new moniker is meant to widen the circle of the association to be more inclusive of all women in media, entertainment and technology. Staffers said the name is step one and to expect an update to the bylaws regarding membership, etc. WICT chapters will soon follow suit on the name change, so stay tuned...

THE NEXT STEP IN SMART ENERGY

Robert Cruickshank Associates have made Optimum Load Shaping signals available nationwide that allow operators to reduce electrical expenses and enable greater efficiency in electric grids. The signals time-shift electric load on the power grid by tapping in to IoT devices. RSA said operators can use those products to gain more control over their own powering requirements, and potentially reduce their operational costs by as much as 20%. “From a risk reduction perspective, using OLS to mitigate congestion keeps the grid from overheating, thus reducing premature failures and electric arcing that starts wildfires. From a capital deployment perspective, OLS is a non-wire solution to installing new and larger infrastructure such as transformers and power lines, all of which take a lot of time and money,” CTO **Robert Cruickshank** told **CFX**.

PEOPLE

More former **Crown Media Family Networks** execs have joined upstart **GAC Media**. **Mary Dzabic** was named CFO, reporting to President/CEO **Bill Abbott**. She spent more than 20 years at Crown, most recently as SVP, Finance. **Sarah Murphy**, previously Director of Advertising Sales at Crown, joined as VP, Ad Sales & Marketing Partnerships. **Bally Sports** promoted **Kendall Burgess** to VP, Technical Operators for the RSNs. She previously served as the Senior Director of Operations for Bally Sports South and Bally Sports Southeast.

EDITOR’S NOTE

Cablefax Daily will not publish Friday, Oct 22. As always, Cablefax.com will keep you up-to-date on any breaking news before we return Monday.

PROGRAMMER'S PAGE

Black Voices Celebrated in 'Horror Noire'

It's a new age in the world of horror. Black directors and writers are at the center of **Shudder's** "Horror Noire," an anthology series coming to the streamer on Oct 28. Each chapter has its own story, but the stories will be linked thematically. And while people of color have been featured as supporting characters in horror films and shows of the past, Horror Noire's stories will place people of color in the spotlight. "It's just exciting to be able to tell six such brilliantly written, really complicated stories from a Black point of view," executive producer **Shelby Stone** said during a **TCA** panel. "That, for me, was the challenge—to make sure that we really got that right and we honored those stories." It was important for all involved in the making of the series to avoid any of the tropes associated with people of color in horror movies, including the ones that have them killed off first or act as spiritual guides to other characters. If those events were to happen in Horror Noire, the crew wanted it to feel authentic to those characters. "We definitely do want to lean away from those tropes, but it's important to realize that it is okay for characters to die and okay for characters to have magical knowledge as long as they're well-rounded characters and they're not the only representative of that group in the film," writer **Tananarive Due** said. "We get the opportunity to express our stories based on our own cultural myths and our own experiences." Everyone on the panel credited **Jordan Peele's** "Get Out" as a huge reason for why a series like Horror Noire could get made. It opened the door for Black storytellers to get a seat at the table with studio executives. "I see so many talented Black writers out there who are just blowing it up, and they actually have people who are willing to listen to them because on the other side of the desk in the executive suites are people who look like them," writer **Steven Barnes** said. "You can't keep denying that there's money to be made here." – **Sara Winegardner**

REVIEWS

"What Happened, Brittany Murphy?" streaming, **HBO Max**. An apt title for a short, two-part doc about an actor whose potential was seemingly limitless. Unfortunately, it remains unclear what happened and exactly why **Brittany Murphy** died at 32, in late Dec. 2009. How she died is clear. The official explanation was severe pneumonia, anemia and multiple drug intoxication. That's not surprising given that at her death Murphy was a shell, physically and mentally, of the performer whose first film, "Clueless," announced her talent, at age 17. We also learn the side table in her bedroom was home to some 90 bottles of prescription pills. What's confusing is if or how **Simon Monjack**, Murphy's husband, figured into her death. Murphy's friends and colleagues have little good to say about him in this **Cynthia Hill** doc. A screenwriter, Monjack is portrayed as the epitome of a slimy hanger-on, driving Murphy to set and then waiting for her. Friends say the couple barely left their Hollywood Hills home. The other player in this sad tale is Murphy's mother **Sharon**. For us, the most chilling scene was watching an extended clip of Sharon and Monjack on "Larry King Live." Being charitable, we'll say the two seem unusual together. And then, months after Murphy's death, Monjack dies. The cause is like Murphy's pneumonia, anemia and drugs. – **Seth Arenstein**

BASIC CABLE

P2+ PRIME RANKINGS*

(10/11/21-10/21/21)

MON-SUN	MC US AA%	MC US AA (000)
TBSC	1.212	3776
ESPN	0.826	2573
FNC	0.727	2264
MSNBC	0.388	1209
HGTV	0.297	924
TLC	0.241	752
INSP	0.234	730
HALL	0.225	700
FOOD	0.209	650
CNN	0.208	647
USA	0.206	641
DISC	0.199	621
NFL	0.183	569
HIST	0.174	542
HMM	0.172	534
TNT	0.171	531
ID	0.170	529
BRAVO	0.160	499
TVLAND	0.158	492
LIFE	0.154	480
A&E	0.149	463
AMC	0.145	450
WETV	0.140	435
FRFM	0.136	425
GSN	0.126	392
FX	0.115	358
BET	0.107	334
NATGEO	0.100	312
TRAVEL	0.098	304
NAN	0.094	292
SYFY	0.093	289
APL	0.090	279
FS1	0.089	278
MTV	0.087	271

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