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Reuters
Verizon profit beats estimates on remote working boost

New York Times
It's Google's World. We Just Live in It.

Pittsburgh Post-Gazette
Editorial: Soulless Disney

New York Times
Greetings from swing state Pennsylvania. I'm Drowning in

Credit ratings agency Moody's Investors Service raised its rating on the cable television sector to "positive" from "negative" on Tuesday, fueled mainly by expected growth in broadband.

In a research note Tuesday, Moody's wrote that it expects cash flow in the sector to rise more than 5% over the next 12-to-18 months, based on the continued rise in broadband customers due to the pandemic. In the report, Moody's noted that cable broadband subscribers grew by about 2.5% (3.5 million customers) in Q2, and market penetration rose to 50% in the period, compared to 48% in the prior year. This despite video and voice customer declines in the 4-6% range annually.

Moody's estimated that broadband is replacing video at a 1.9 times clip, rising to 2.2 times in Q2 for the first time in five quarters, a sign of future strength. Although 5G wireless deployment could cut into wireline growth, the credit ratings agency noted that most operators are prepared to both defend against the threat and participate in the opportunity by expanding their footprints and purchasing spectrum.

Campaign Lit and Freaking Out About My Mail-In Ballot.

Politico
Trump, in Pennsylvania, faces an old foe: Obama

Allentown Morning Call
In the Lehigh Valley, Trump versus Biden pits neighbor versus neighbor

Washington Post
Threatening emails reportedly sent to Democratic voters in three swing states, sparking investigations

Philadelphia Inquirer
Editorial: Pay attention – Pa. is poised to fall off a budget cliff

"We believe the cable sector has less exposure than many others because voice and video subscriber losses have temporarily moderated, and there is much greater demand for residential broadband," Moody's senior vice president Jason Cuomo said in the report. "Video viewership and engagement is rising sharply as subscribers spend extraordinary time watching TV news and entertainment programming."

Moody's expects broadband subscribers to rise by at least 4% over the next 12-to-18 months, driven by demand for greater capacity and speed. Video customer losses are expected to rise beyond 5% over the same period, according to Moody's. – ***Next TV***

Netflix Inc. said subscriber growth slowed in the third quarter, highlighting the fresh challenges the company faces from competitors ramping up their own streaming services as the coronavirus pandemic continues to disrupt the entertainment industry. Netflix on Tuesday reported that it added 2.2 million subscribers in the quarter on a net basis, short of its forecast in July of 2.5 million new subscriptions for the period.

The slowdown comes after two quarters of much-larger-than-expected growth, during which the streaming service added nearly 26 million net subscribers—almost as many as for the entirety of 2019. "As we expected, growth has slowed," the company said in a letter to shareholders. Profit rose to $790 million, or $1.74 a share, from $665 million, or $1.47 a share, the year earlier. Analysts had expected $2.13 a share, according to FactSet.

The streaming giant's ability to reel in subscribers during the first half of the year marked it as one of the companies that benefited from the pandemic. Consumers moved to purchase Netflix subscriptions as Covid-19 initially spread and officials locked down economies, resulting in millions of people spending more time at home. The suspension of professional sports leagues, cancellation of events like concerts and closure of movie theaters earlier this year reduced competition. Executives at the Los Gatos, Calif.-based company previously warned that growth had been pulled forward amid the pandemic and said they expected subscription increases to lessen during the second half of 2020. Meanwhile, sports have resumed, more people have been traveling and cinemas have reopened. Netflix shares fell 5.4% in after-hours trading.

The company faces heightened competition from other media companies that have also started streaming television shows, movies and other content. Earlier this month, Walt Disney Co. said it would reorganize operations to focus on streaming initiatives, which include Disney+. AT&T Inc.'s WarnerMedia is in the midst of a similar restructuring to focus on the new HBO Max streaming platform and Comcast Corp.'s NBCUniversal is realigning its entertainment operations to give priority to its new Peacock streaming service.

Netflix is in the midst of setting up a new leadership team on its television content side. Cindy Holland, the original programming executive who played a key role in developing many of the streamer's most successful shows including "Orange is the New Black" and "Stranger Things," left last month after Bela Bajaria, who oversaw international and unscripted programming was promoted to head of global television. Similar to previous quarters, Netflix reported stronger gains in many markets overseas than in the U.S. and Canada. For the latest quarter, it said it added one million subscribers in Asia, 760,000 in the region including Europe and the Middle East and 260,000 in Latin America.

In North America, the company gained 180,000 additional subscribers for the third quarter, down compared with the gain of more than 2.9 million in the second quarter. The company reported revenue of $6.44 billion, up from $5.25 billion a year earlier. Analysts forecast $6.39 billion in revenue for the latest quarter.

For the fourth quarter, Netflix expects to add six million subscribers, down 31% from the 8.8 million it added in the same period last year. It also anticipates the first six months of 2021 to be down. The continued precariousness surrounding the coronavirus makes any projection uncertain, the company said. It is hoping that in later 2021 its growth will return to pre-pandemic levels. Even with the pandemic, Netflix is still forecasting that it will pass 200 million subscribers world-wide this year.

Netflix has indicated it is in no danger of running out of content despite the complications that Covid-19 has created when it comes to producing shows, forcing many to make adjustments. In an interview last month, Chairman and Co-Chief Executive Reed Hastings said the company would have more original content in 2021 than it has this year. In its letter to shareholders, the company said it is "confident that we'll have an exciting range of programming for our members, particularly relative to other entertainment service options."

Because Netflix makes much of its programming far in advance of when it is released, it has a large backlog of content. Newer streaming rivals are starting from scratch and don't have the full cupboards of original content that Netflix does. Netflix has developed a quick trigger finger when it comes to canceling shows. Just this week it grounded "Away," an ambitious drama set in outer space starring Oscar winner Hilary Swank, after one season. The drama "Teenage Bountyhunters," which premiered just a few months ago, has also been canceled.

The company continues to spend heavily on films. Releases planned for the fourth quarter include "Hillbilly Elegy," based on J.D. Vance's bestselling memoir and starring Amy Adams and Glenn Close, with Ron Howard directing. The company also plans to release "Prom" from Ryan Murphy, starring Meryl Streep, Nicole Kidman and Kerry Washington. Netflix also appeared to be unscathed by the controversy over the movie "Cuties," a film about preteen French girls growing up too fast in the age of social media. The movie was criticized in part for a marketing campaign that showcased the young female characters in provocative poses. Netflix acknowledged the promotional efforts behind the movie distorted the message of the film. – ***Wall Street Journal***

Two weeks before Election Day, a review of campaign advertising spending suggests there are really only two highly competitive congressional races in Pennsylvania. The parties are pouring the most money into the 10th District in the south-central part of the state, where Republican Rep. Scott Perry is facing a challenge from Democrat Eugene DePasquale, the state auditor general. Since Sept. 1, the campaigns and outside groups have spent a total of $6.8 million on television and radio advertising, according to the ad tracking firm Advertising Analytics.

That's more than the total combined advertising budget in the Lehigh Valley-based 7th District and the Northeastern Pennsylvania-based 8th District, where campaigns and outside groups have spent $6.4 million over the same time period. At the outset of the campaign, Republicans thought they had a shot at flipping those Democratic-held seats. That's not looking very likely right now, as Democrats lead in the polls and are outspending their rivals.

The second battleground is in the Bucks County-based 1st District, where Republican Rep. Brian Fitzpatrick is seeking another term against Democrat Christina Finello. TV and radio advertising there has totaled $5.3 million since Sept. 1, with the GOP holding a big edge. GOP groups have reserved $3.4 million in airtime over the next two weeks, almost triple the $1.2 million booked by Democrats. The Western Pennsylvania-based 17th District, where Democratic Rep. Conor Lamb is running against Republican Sean Parnell, is also attracting less ad spending than might have been expected. Democrats have spent $1.8 million there since Sept. 1, double the GOP budget. – ***Philadelphia Inquirer***

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