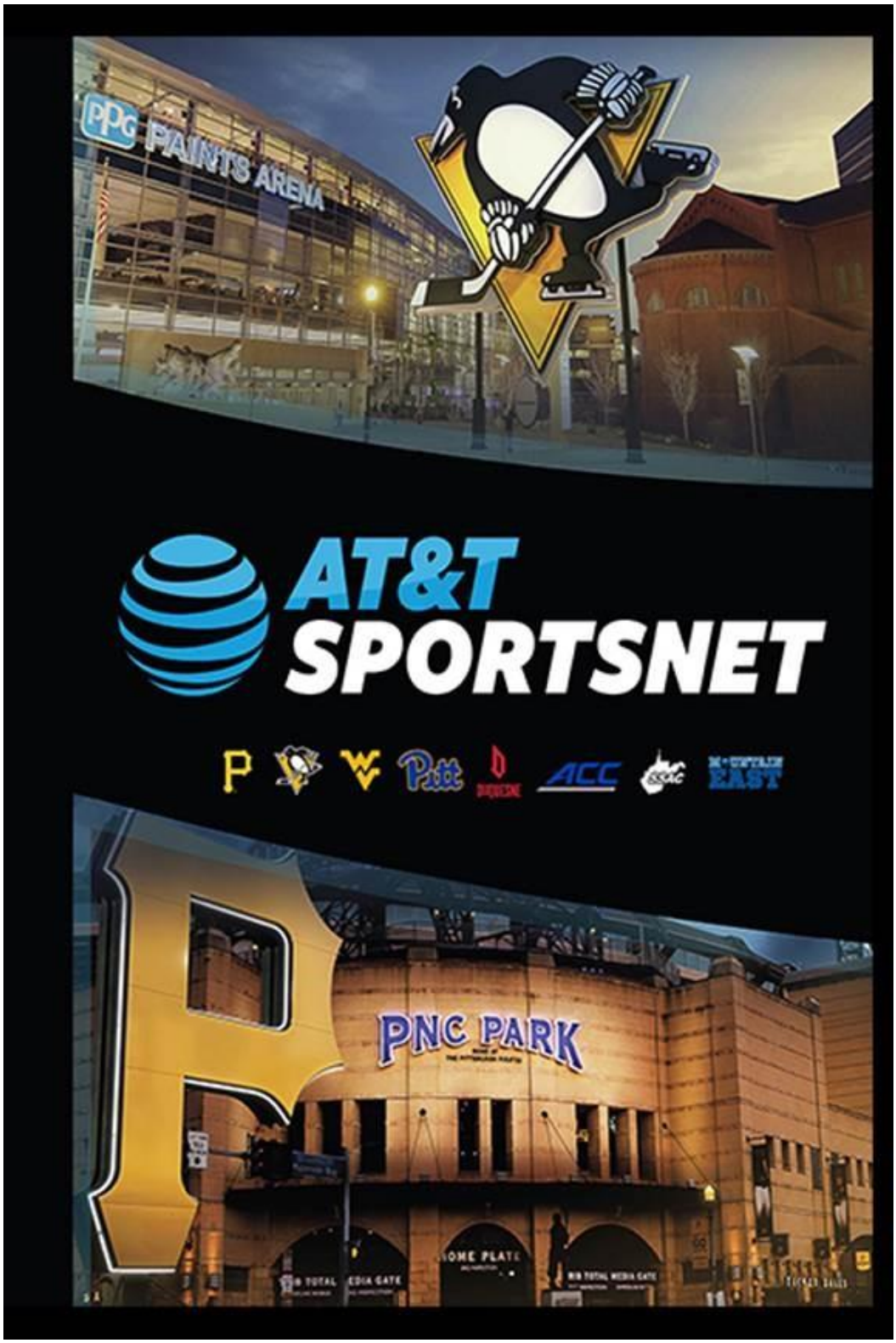

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October 30, 2019

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With Disney, Apple about to enter, the streaming wars are just beginning

New York Times
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Washington Post
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Bloomberg
Facebook to Pay Symbolic Fine in Cambridge Analytica Settlement

Politico
Banks are using their Washington clout to stomp on the tech industry

Recode
Silicon Valley should take Josh Hawley's big war on big tech seriously

Fierce Video
T-Mobile CEO bashes Verizon's Disney+ offer

The Hill
Warner calls on Facebook to reconsider political ad policy

Elections officials in multiple Pennsylvania counties are warning that an impending change to voter registration deadlines — a measure meant to increase political participation — would add significantly to their pre-election workloads, potentially causing confusion for voters at the polls and unintentionally disenfranchising people in 2020.

The change is part of **a wide-ranging elections bill negotiated behind closed doors** by Gov. Tom Wolf, a Democrat, and Republican leaders who control the state legislature. The bill represents the most significant changes to Pennsylvania's electoral system in decades, including allowing all voters to cast absentee ballots by mail and extending deadlines to return them.

The legislature gave final approval Tuesday to the bill, which Wolf said he would sign. "This bipartisan bill creates the most significant improvements to our elections in more than 80 years. Pennsylvania has gone from collectively being the state least friendly to voters to a national leader in voting and election security reforms," he said in a statement.

But the proposed change to the voter-registration deadline surprised and alarmed the county officials who run elections. Closing the registration window 15 days before an election, instead of the current 30 days, would require more staff to process registrations and increase the number of voters who are not in poll books. That, officials warn, could unintentionally disenfranchise voters by increasing their chances of running into problems at the polls, including waiting in long lines or needing provisional ballots.

In the worst-case scenario, some registrations might not get processed in time. "It could really risk having a detrimental effect on the election," said Lisa Deeley, chair of the Philadelphia Board of City Commissioners. She estimates the change could cost Philadelphia about $2 million. "We could inadvertently be causing more grief for voters than this is helping in the end," said Jeff Greenburg, Mercer County elections director. "It's creating an unnecessary situation where we really don't need one," said Gerald Feaser, head of elections in Dauphin County.

A spokesperson for the governor said the administration will work with counties to ensure having the resources necessary to enact the changes and noted that extending the voter-registration deadline "has been long sought by election advocates." (Pennsylvania's current 30-day deadline is one of the earliest in the country, and many states have already moved to same-day registration, allowing people to register on Election Day and cast a ballot.)

County officials said their concern is administrative, not ideological, and in many cases said they support the change, just not its implementation. The concerns come from both Republican and Democratic counties. There's an election next week. It will take time to certify those results, and then the presidential primary is in April, five months later. That's not enough time, Deeley said, to make such a big change to how her office does its work. "I am for all these changes," said Deeley, an elected Democrat. "I think they're a long time coming. But even the best ideas, if implemented poorly, turn into bad ideas. And five months really is not a responsible amount of time for us to be able to cut a process in half."

Currently, voters can submit applications — whether for new registrations or to update them with changed addresses or party affiliations — up until 30 days before an election. Applications are generally processed in the order they arrive, and that can take days, especially for new registrations, which require officials to check previous addresses. And a lot of applications come in at the deadline: About one in five paper applications submitted in Philadelphia for the 2016 general election arrived on the last day.

Those continued to be processed for days after the deadline. “You shut off the tap, but now you have to process everything that’s in the sink,” said Randall O. Wenger, the chief elections clerk in Lancaster County. That’s in part because elections workers also have to prepare the poll books that voters sign. In Philadelphia, those are sent out for printing 18 days before an election. Already, a number of registrations aren’t processed in time and end up on supplemental lists that can be confusing for poll workers and voters.

In some cases, applications can’t be processed in time or are misplaced, and voters are forced to use provisional ballots, which can make them question whether their votes are counted. “If there’s confusion in the books, it’s going to affect voters. It’s going to affect lines,” said Greenburg. “Even if it’s resolved after the fact, just the fact that a voter walks in believing they’re legally registered and that’s questioned by a poll worker, even if it’s an innocent or honest mistake, that’s not a good thing, ever.”

County officials were clear: To process the flood of last-minute voter registrations, they will need money for more workers, more computers, and extra office space. Deeley estimated that Philadelphia would need about $2 million to double staff working on those applications — an increase of 20% to the commissioners’ $10 million budget.

Other counties’ elections administrators agreed they would need more people or to extend their working hours. “We’ll have to hire more people to be able to make sure that we keep juggling all the balls that are in the air as you close in on Election Day,” said Feaser, of Dauphin County. “You keep throwing balls at jugglers, sooner or later one of them’s going to drop.”

While county elections officials said they support most of the rest of the proposal, there was clear frustration about the voter registration deadline and lack of communication from Harrisburg. “You can’t ignore the jurisdictions that have to do all that work and throw it at them and say, ‘Get it done,’” said Greenburg. **Most provisions have been discussed for years**, said Forest Lehman, Lycoming County’s elections director, but “this 15-day thing really came out of nowhere with this bill and took us by surprise.”

Douglas Hill, head of the County Commissioners Association of Pennsylvania, emphasized that the overall bill is supported by his members — “for us the story is the entirety of the package” — but acknowledged that CCAP had not been privy to negotiations. Lawmakers in the House on Monday considered a number of amendments to the bill, including voting down attempts by Rep. Malcolm Kenyatta (D., Phila.) to delay implementation of the voter-registration deadline change.

Philadelphia Democrats opposed the bill because of its removal of the option to vote straight-party with one selection. The deadline change gave them further cause for concern, they said. Kenyatta, who like other Philadelphia Democrats voted against the bill, said he supports most of its provisions but fears the changes will be rushed and ultimately affect voters. “This is like asking a Model T to be a Ferrari, to go as fast, and it is impossible,” he said. “Let’s do this right. We all want to do this, let’s just do it right.” – ***Philadelphia Inquirer;*** **more from** ***Associated Press*** **and** ***Pennlive***

AT&T Inc. played it safe with its new streaming service HBO Max by selling it for $14.99 a month, the same price it currently offers for HBO, and making it free for current HBO customers. The online service, which will launch next May, is essentially a supersize version of HBO. Besides HBO programs, it will have hit shows and movies from the Warner Bros. library as well as new content including shows from prolific TV producer Greg Berlanti and actress-producer Mindy Kaling. It will enter an increasingly crowded marketplace where a basic Netflix Inc. subscription costs $12.99 a month and where Apple Inc. and Walt Disney Co. are launching video services that will carry much lower monthly fees.

AT&T was initially considering charging more than $15 a month as it looked to capitalize on the media properties it bought with Time Warner, people familiar with the matter said several months ago. **In a recent interview**, AT&T Chief Operating Officer John Stankey said, “Higher quality should warrant a slightly higher price.”

However, Disney’s decision to offer its streaming service at a $6.99 monthly price and the $4.99 monthly fee for Apple’s TV+ platform may have made it challenging for HBO Max to charge a fee significantly higher than HBO. Besides being free for existing HBO subscribers, it will also be offered for free to premium AT&T wireless and broadband customers. If WarnerMedia had charged a lower price for HBO Max, it would have had to lower the price of HBO to its cable TV distributors. Executives said they expect most customers of HBO’s current streaming service, HBO Now, to take a free upgrade as well. “We’ll convert as many as we can as quickly as we can,” AT&T finance chief John Stephens said, and with all the new content being added, “why wouldn’t they?”

The HBO Max original programming will include a new comedy series about college roommates from Ms. Kaling, a sci-fi series “Raised by Wolves” directed by Ridley Scott and a “Green Lantern”-inspired series from Mr. Berlanti, known for hits like Netflix’s “You” and CW’s “Riverdale.” Actresses Anna Kendrick and Kaley Cuoco also have new shows for HBO Max.

The new programs will add to an already crowded marketplace of more than 500 original shows a year on various broadcast, cable and streaming platforms. HBO Max will stick to HBO’s usual script by presenting shows episodically rather than dropping entire series at once like Netflix and Amazon Prime. “We like creating cultural impact,” WarnerMedia executive Kevin Reilly said, adding that creators like letting shows breathe through weekly episodes that build up buzz. AT&T executives project the new service will reach 50 million

U.S. subscribers and 75 million to 90 million around the world within five years of its launch.

It will have to overcome several hurdles from the start. Netflix is already in 60 million homes in the U.S. and an additional 97.7 million abroad. Also, Apple Inc. and Walt Disney Co. will both launch their video services in November, giving them a head start over AT&T. Apple is making its service free for a year to buyers of its latest iPhones, while Disney will give its service free for a year to some Verizon wireless customers. “You have to get the price point right so you have a lot of momentum and you have to get it profitable,” said Cathy Yao, an analyst at Diamond Hill Capital Management Inc. “That’s a hard problem to solve.”

An ad-supported version of HBO Max is also in the works for 2021 but the company didn’t disclose what the subscriber price would be for that version. The company for now will keep running HBO Now, which won’t include all the new programming, for the same $14.99 monthly price. HBO has about 35 million U.S. subscribers, while HBO Now has about 8 million, according to a person familiar with the matter.

There is little room for error for AT&T. The company is already the country’s biggest pay-TV company with more than 21 million DirecTV and fiber-optic subscribers watching its channel bundles. But cord-cutting has ravaged that industry as viewers seek cheaper and more user-friendly entertainment. AT&T has taken the brunt of the damage, with nearly three million customers lost so far this year. HBO Max is an expensive rescue effort. The company expects to spend $2 billion next year to launch the service and stock it with new entertainment. It will spend $1 billion for each of the following two years until costs begin to subside. That comes on top of more than $1 billion already **spent on reruns** like “Friends” and “The Big Bang Theory.”

On Tuesday, executives said HBO Max had secured exclusive streaming rights for “South Park,” an animated hit from Viacom Inc.’s Comedy Central. The five-year deal for “South Park” streaming rights, which were sought by incumbent rights holder Hulu and Comcast Corp. ’s Peacock, was around $600 million, a person familiar with the matter said.

HBO Max’s debut was delayed by an antitrust fight over AT&T’s takeover of Time Warner. The $80 billion-plus acquisition was AT&T’s biggest-ever deal, making the Dallas company the world’s second-biggest media company practically overnight. But it had to fight a federal lawsuit launched in 2017, delaying its plans by more than a year.

Apple and Disney took advantage of the ferment in the entertainment sector early by spending billions of dollars on software and networks designed to replace traditional TV. The iPhone maker started **laying groundwork** for a high-traffic content-delivery system more than five years ago, long before it started courting Hollywood producers. Disney gained tech expertise largely through acquisitions, including a $1 billion bet on **BAMTech, the video-streaming company** launched by Major League Baseball.

AT&T didn’t have full access to Time Warner until February, when it beat the government’s appeal of the antitrust verdict. The company

spent the months since then building a new video application using many of the same engineers who designed HBO Now, which has more than eight million subscribers. HBO Max won't replace HBO Now, which will remain a stand-alone service for the foreseeable future. The company isn't able to do away with traditional HBO packaged with cable subscriptions, either. Adding to the confusion are AT&T TV, AT&T TV Now and AT&T Watch TV, three brands the telephone company uses to market its live channel packages.

The phone company's managers have highlighted the panoply of brands as an area for improvement. AT&T's Mr. Stephens said streamlining the company's list of video services will also help save money. "Our future video product set will focus on two platforms: HBO Max, our subscription video on-demand service…and AT&T TV, our live-TV offering," Mr. Stephens said Monday. He didn't mention DirecTV, the name most AT&T customers still use today.

AT&T said it is in "active discussions" with other pay-TV distributors that bundle HBO with cable packages about marketing the new brand. Existing HBO subscribers will be able to upgrade to the new, content-heavy brand free. – ***Wall Street Journal***