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Dear

Thank you for your letter to Home Box Office as well as to Time Warner. Since your comments pertain to HBO programming, it was thought appropriate we be the replying party.

We can understand your frustration over some of our programming decisions, in particular those deciding the fate of *Deadwood* and *John from Cincinnati*. We understand it so well because, believe it or not, we share it. It is obviously not our intention to brainstorm strategies guaranteed to alienate dedicated viewers or to sabotage programs produced and promoted at great expense and with great effort, particularly when they are turned out by a talent of David Milch's caliber.

First, be reassured that HBO does not micromanage any of the talent appearing in or creating programming for our service. Once HBO commits to a program, the creative team is given their head. What else would explain the convention-defying climax of *The Sopranos?* And however disappointing their cancellation might be, it's obvious no commercial network would ever have put *Deadwood* or *John* on the air, let alone programs like *Tell Me That You Love Me, The Wire, Curb Your Enthusiasm,* documentaries like *Alive Day: Memories from Iraq,* and our many other acclaimed offerings. It should be equally obvious that these are efforts fulfilling the unique creative visions of their respective creators, and not programs produced to satisfy a hodge-podge of network programming mandates. That said, the depth and insight you put forth in your letter deserves an explanation.

The situations with *Deadwood* and *John* were substantially different. *Deadwood*, unfortunately, fell victim to a series of circumstances. Mr. Milch's original plan for the show was that the series would only run four years, roughly paralleling the four years of the real frontier Deadwood. While the show was enthusiastically supported by reviewers, and did develop a solid following, it was never the popular success we had hoped it would be.

True, HBO is not in the ratings business, and it has never been our aim – nor is it today – to try to attract the largest possible audience. At the same time, each show on the service has to justify its existence since money spent on one show means money unavailable for something else. HBO can bend, circumvent, and even cheat the "laws' of television, but we are not completely immune from them. *Deadwood* was an immensely expensive show, and our initial commitment to the series was based on our hope that it would perform at levels higher than it did. We continued on with the show in the hopes that, at some point, the continued acclaim and word-of-mouth from fans would widen the popularity of the series. This, unfortunately, did not happen. At the same time, for business reasons not to be disclosed here, the costs for the show were to escalate for a fourth season. Since, going into the third season, we were still hoping for the show's performance to improve, no decision had been made at that time about whether or not to go forward with a fourth season. When that decision had been made, the third season was already "in the can" making it to late to structure the third season as a concluding chapter a la *The Sopranos*.

As for *John*, the situation was less confused but a sadder case. Although not as expensive to produce as a period piece like *Deadwood*, *John* was one of our more upscale series in terms of cost. We launched the series with the highest of hopes, rolled it out on a large-scale promotional campaign, and scheduled it during our prime viewing slot on Sunday nights. Still, for whatever reason, from the start *John* did not click with either the audience or reviewers, and continued to lose traction throughout its season.

It is true that some series need to be nursed, and the history of television is filled with acclaimed series which began weakly only to eventually become successes. Regrettably, as viewing patterns have changed, and with so many other entertainment options available, this is a phenomenon which has not occurred in many years. Our own experiences have been that shows which don't click or experience audience fade in their first season are not going to improve on a return. We saw no reason to invest the time, effort, and expense of continuing a series which – as much as we had hoped otherwise – showed no indications of turning its situation around.

Undoubtedly, Mr. Milch was as disappointed with the cancellation as we were, but it should stand as some kind of testament about his faith in our standards and the way we operate that he chooses to continue to develop programming with us. We hope you will stay with us for those new projects.

Thank you, again, for your interest in HBO.

Sincerely,

Bill Mesce Manager