New income source for Atlantic City

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will serve as a place for fans to watch games as well as bet on them.

"Coming from Nevada, it's hard to even imagine a casino without a sports book," said Seth Schorr, an adviser to Bruce Deifik, the casino's chairman. In Nevada, the only place in the country where betting on sports was legal until recently, about $4.8 billion was wagered on sports last year and casinos kept about $250 million, according to the UNLV Center for Gaming Research.

"You have to have an exciting environment to watch the game. Our goal is to create experiences," Mr. Schorr said.

One lawmaker who pushed for New Jersey to legalize sports betting, the now-former state senator Raymond Lesniak, a Democrat, pointed out that the big weekends in sports betting occur during months when the casinos are much quieter.

"Atlantic City does fine during the summer, but off-season, it's starving," said Mr. Lesniak. "During the N.C.A.A. tournament, Super Bowl week, any big event, you can't get a room in Las Vegas and Atlantic City is a ghost town. That changes with sports betting."

Indeed, the prospect of filling what were once slow weekends is the real hope among Atlantic City casino operators, rather than the potential tax revenue sports wagering would yield for the state or the city. Moody's estimated that New Jersey's casinos could take in about $125 million annually on sports bets, less than 5 percent of what the seven remaining casinos saw last year. They also earn revenue as the exclusive purveyors of online gambling in the state.

As soon as the Borgata started taking bets on sports, it had a billboard announcing the new gambling outside the Lincoln Tunnel in New Jersey. "We feel like the vibrancy this type of offering will create will extend beyond just the race and sports book and spill out onto the rest of the property," said Marcus Glover, the president and chief operating officer of the Borgata.

Mr. Deifik, the owner of Ocean Resort, predicted that sports betting would keep more gamblers in the region. "Instead of getting on a plane and going five hours to Las Vegas from the East Coast and New Jersey, people will stay here," he said.

The bigger uncertainty about Atlantic City is what the reopening of two big casinos will mean for the market. Will they attract a significant number of new customers to the city or simply cannibalize the weaker competitors?

Resorts made a profit of less than $3 million last year, compared with more than $80 million for the Borgata, according to the state Division of Gaming Enforcement. Bally's, one of the three owned by Caesars, had a profit of about $8 million in 2017.

JOHN TAGGART FOR THE NEW YORK TIMES

The beach in Atlantic City. The casinos are hoping that wagering on sporting events could help draw customers during the dreary winter months.

Despite the city's tattered history, Joseph Jingoli is brimming with optimism. A politically connected builder, Mr. Jingoli's company rehabilitated the old Taj and is constructing a complex in Atlantic City that will be home to a campus of Stockton University and the relocated offices of South Jersey Gas, a utility.

"We've been watching this market," he said, referring to himself and his partner, Jack Morris, a developer. "We think now's the time."

As evidence of Atlantic City's resilience, Mr. Jingoli mentioned some entrepreneurs who are making investments of their own. Deborah and Mark Pellegrino quit their jobs in the hospitality industry and sank about $200,000 into Made, a chocolate-making business with a small bar attached half a block from the boardwalk.

Flanked by sacks of cocoa beans from Madagascar and other faraway places, Ms. Pellegrino said some casinos have shifted what had been their longstanding attitude — they have stopped discouraging customers from venturing outside their walls and exploring the city.

"I think there's a new audience and they want a new experience," she said.

With a full schedule of concerts booked — ranging from Frankie Valli to Pitbull — the Hard Rock is banking on entertainers to attract a wave of younger, more curious visitors, Mr. Jingoli said. "We're here to grow the market."

Some longtime casino customers are less ebullient. Sitting on a bench between Ocean Resort and the beach, Marjorie Parker, who lives in Brooklyn, the New York City borough, sounded skeptical.

"They've got a lot of work to do," Ms. Parker, a retired Citibank employee, said. Wearing a lanyard that held membership cards to several casinos, Ms. Parker recalled visiting the Borgata the day it opened 15 years ago. She said she had returned only two or three times.

She said she preferred less ornate places like Bally's, where she said she could stay two nights for as little as $50 after riding a bus from the Port Authority in Manhattan. Asked what the new casinos could do to attract low-rollers like herself, Ms. Parker advised them to be more generous.

"People want to win," she said. "They don't want to lose all their money."

But in a city where so many have struggled for so long, the new casinos are already improving lives. In preparation for its debut, the Hard Rock hired more than 3,000 people, at least 800 of whom had worked at the Taj. Dora Brooks, 58, and Mary Martinez, 62, were there when the biggest union, Local 54 of Unite Here, went on strike in 2016 and hastened the Taj's demise.

"It was very depressing," Ms. Brooks said. "My heart was just broken in two."

An Atlantic City native, she said she had been personally offended by all the talk of her hometown's tailspin. "When people talk about Atlantic City, I feel like they're talking about me," Ms. Brooks said.

Ms. Martinez, who has lived in Atlantic City for 15 years, said she had not expected to land another full-time job in a casino, but she never lost hope.

"I never saw it as a downward spiral," she said. "I always thought of Atlantic City as a little, bright shining star."

Nick Corasaniti and Rick Rojas contributed reporting.

New HBO owner wants more, faster

BY EDMUND LEE
AND JOHN KOBLIN

Change is coming to HBO, now that it is part of the AT&T corporate family. That much was clear to the 150 employees who attended a recent town hall meeting at the network's headquarters in Midtown Manhattan.

The main speaker was John Stankey, a longtime AT&T executive who now oversees HBO in his new role as chief executive of Warner Media. During a straight-shooting, hourlong talk, a recording of which was obtained by The New York Times, he laid out his rough vision for the network and warned his audience that the months ahead would not be easy.

"It's going to be a tough year," Mr. Stankey said. "It's going to be a lot of work to alter and change direction a little bit."

AT&T executives said all the right things during the long prelude to the company's $85.4 billion acquisition of Time Warner, which was completed last month. They acknowledged that the corporate culture of a Dallas-based telecommunications giant was different from that of the more freewheeling media and entertainment concerns in New York and California. They pledged to take a hands-off approach to the company's crown jewel, HBO, which has won endless Emmys while generating billions in profits.

But the town hall meeting suggested that AT&T would not be a passive corporate parent.

Richard Plepler, HBO's gregarious and urbane chief executive, hosted the talk at the cozy HBO Theater on the building's 15th floor. Mr. Stankey's appearance came as part of a tour that included stops at Warner Bros. and Turner, the media properties that were once part of Time Warner and now belong to AT&T's Warner Media division.

Mr. Plepler, 58, and Mr. Stankey, 55, sat angled slightly toward each other on the modest stage. During the conversation, which began at noon on June 19, Mr. Stankey never uttered the word "Netflix," but he did suggest that HBO would have to become more like a streaming giant to thrive in the new media landscape.

Mr. Stankey described a future in which HBO would substantially increase its subscriber base and the number of hours that viewers spend watching its shows. To pull it off, the network will have to come up with more content, transforming itself from a boutique operation, with a focus on its signature Sunday night lineup, into something bigger and broader.

"We need hours a day," Mr. Stankey said, referring to the time viewers spend watching HBO programs. "It's not hours a week, and it's not hours a month. We need hours a day. You are competing with devices that sit in people's hands that capture their attention every 15 minutes."

Continuing the theme, he added: "I want more hours of engagement. Why are more hours of engagement important? Because you get more data and information about a customer that then allows you to do things like monetize through alternate models of advertising as well as subscriptions, which I think is very important to play in tomorrow's world."

Known for "The Sopranos," "Game of Thrones" and "Westworld," HBO has long favored quality over quantity. Its high-gloss productions often take years to develop and can cost millions per episode. That approach has won the network more Primetime Emmy Awards than any of its competitors over the last 16 years, with Mr. Plepler the master curator.

In recent years, Mr. Plepler has emphasized HBO's "bespoke culture" and its enduring appeal to A-list producers and stars at a time when Netflix, Amazon and Apple have bottomless budgets. On his watch, "Big Little Lies" has brought the Oscar winners Reese Witherspoon, Nicole Kidman and Meryl Streep to the network, and shows like "Barry" and "Insecure" have charmed critics.

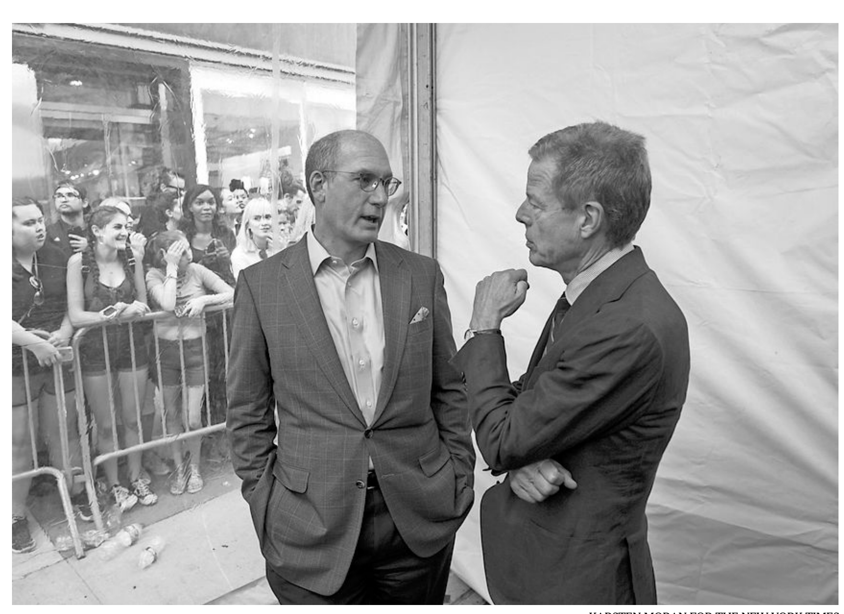
But during the town hall meeting, Mr. Stankey said HBO should consider trying something new.

"As I step back and think about what's unique about the brand and where it needs to go, there's got to be a little more depth to it, there's got to be more frequent engagement," Mr. Stankey said. Bringing the point home, he added that HBO must "build that brand so that it's broad enough to make that happen."

Mr. Plepler tried to pin down Mr. Stankey on the question of how much AT&T planned to invest. Without specifying any certain amount, Mr. Stankey said, "I do believe there needs to be stepped-up investment."

Mr. Plepler interjected: "Let's give him a hand for that simple sentence! That simple sentence deserves a hand!"

"Also," Mr. Stankey said, "we've got to make money at the end of the day, right?"



KARSTEN MORAN FOR THE NEW YORK TIMES

John Stankey, left, a longtime AT&T executive who now oversees HBO in his new role as chief executive of Warner Media, and Jeff Bewkes, his predecessor in the role.

"We do that," Mr. Plepler responded, to scattered applause.

"Yes, you do," Mr. Stankey said. "Just not enough."

"Oh, now, now, be careful," Mr. Plepler said.

HBO has, in fact, been a consistent moneymaker. Over the last three years, while allocating more than $2 billion a year to its programming, the network has made nearly $6 billion in profit. But if it is to compete with upstart rivals like Netflix, which plans to lay out some $8 billion this year, its level of spending must increase considerably.

"There's got to be a little more depth to it."

"We well understand that we played the best hand we could with the hand we had," Mr. Plepler said. "And we well understand that that is not going to be sustainable going forward."

Mr. Stankey also said that the network's number of subscribers — 40 million in the United States, out of 142 million worldwide — was not going to cut it. HBO will have to find a way "to move beyond 35 to 40 percent penetration to have this become a much more common product," he said, referring to its current market size. At the same time, he acknowledged that HBO has commanded deep loyalty: "You've earned the dynamic amongst your customer base that when you put a new piece of content out there, people will try it, just because they trust you're going to be putting something in front of them that they might like. We now need to figure out how to expand the aperture of it without losing the quality."

Representatives for the network and Warner Media declined to comment for this article.

To make a bigger, broader HBO, while also guarding its distinctive identity, the two executives will have to find a way to work together despite their differences.

Mr. Plepler, who joined HBO in 1992, is a showman, garrulous and inquisitive. He and his wife, Lisa, have entertained heads of state, authors and movie stars at their Upper East Side townhouse. Born and raised in Connecticut, and very much at ease among the power players of New York, Washington and Hollywood, Mr. Plepler has deep ties to the Democratic Party.

The California-born Mr. Stankey, who lives in Texas and has donated to a number of Republican campaigns, cuts a lower profile. He started his telecommunications career at Pacific Bell in 1985 and has served in various roles at AT&T, including chief technology officer and head of the company's DirecTV unit. On the stage of the HBO Theater, he described himself as a "Bell-head," a term that was probably lost on the people in the seats.

During the talk, Mr. Plepler seemed willing to make changes. "I've said, 'More is not better, only better is better,' because that was the hand we had," he said, as Mr. Stankey looked on. "I've switched that, now that you're here, to: 'More isn't better, only better is better — but we need a lot more to be even better.'"

Mr. Stankey's experience at AT&T — which offers two streaming services, DirecTV Now and WatchTV — has given him a deep familiarity with the recent shift in how media is distributed. He warned that there would be only so many streaming companies in the future. If HBO would like to end up as a heavyweight in the industry, he said, it would be wise to add "other types of content" to what is available on its standalone streaming service, HBO Now.

He also made the case that HBO's employees should consider themselves fortunate to have AT&T as their new corporate parent, rather than a company in the same business.

"The good news for many of you in this organization is that it's not Fox or Disney sitting up on this stage now," Mr. Stankey said. "There's virtually no duplication with AT&T in what we do."

In other words, your jobs are safe.

But he cautioned that HBO's employees would notice a change in tempo and metabolism in the days ahead. "I suspect if we're in a situation where we're going to be investing heavier, that means that there's going to be more work for all of you to do — and you're going to be working a little bit harder," Mr. Stankey said.

After comparing the next 12 months to a "dog year," he invoked another metaphor. "You will work very hard, and this next year will — my wife hates it when I say this — feel like childbirth," he said. "You'll look back on it and be very fond of it, but it's not going to feel great while you're in the middle of it. She says, 'What do you know about this?' I just observe, 'Honey. We love our kids.'"

Mr. Stankey also said he was starting to get used to the media glare that has gone along with his new, high-profile job. When he mentioned that the newspapers have lately shown an interest in his personal life, Mr. Plepler cut him off.

"You're now in the entertainment business, John," he said. "There are no secrets."

Last straw for plastic in drinks at Starbucks

Company sets deadline of 2020 to stop its use in most cold beverages

BY CHRISTINA CARON

Starbucks will stop using disposable plastic straws by 2020, eliminating more than one billion straws a year, the retailer has announced.

Instead, Starbucks, which has more than 28,000 stores worldwide, will use recyclable, strawless lids on most of its iced drinks. The Frappuccino is the exception: It will have a straw made from either paper or compostable plastic.

The plastic straw, a once ubiquitous accessory for frosty summer drinks and sugary sodas, has been falling out of favor in recent years, faced with a growing backlash over its effect on the environment.

In the United States alone, it is estimated that more than 500 million disposable plastic straws are used every day, according to Eco-Cycle, a nonprofit recycling organization. Although plastic straws are made from polypropylene, a recyclable plastic, most recyclers won't accept them.

"Plastic straws are pretty small and lightweight, so when they're going through the mechanical sorter, they're often lost or diverted," said Sam Athey, a plastics pollution researcher and member of the Plastic Ocean Project, a nonprofit organization based in Wilmington, N.C., that aims to reduce plastic use.

That means plastic straws get tossed in the garbage, ending up in landfills and polluting the ocean.

It takes "about 200 years for polypropylene plastic straws to break down under normal environmental conditions," Ms. Athey said.

During that time, the plastic becomes brittle and breaks into smaller and smaller pieces, called microplastics, which can be eaten by organisms, she added.

STARBUCKS

Starbucks said switching to cold-cup lids would eliminate a billion straws a year.

Further complicating matters, when the plastics break down, their surface area to volume ratio increases, Ms. Athey said, "so they have the ability to attract and absorb more pollutants like" bisphenol A, an industrial chemical that is a known endocrine disrupter.

It is difficult to know how many straws or straw particles end up in the world's waterways and oceans, but plastic straws are one of the most common items found on beaches, according to the Ocean Conservancy, whose volunteers have picked up more than nine million straws and stirrers from beaches and waterways.

The movement to ban single-use straws has gained traction via the work of nonprofits, lawmakers and online campaigns like Stop Sucking and the Last Plastic Straw, not to mention a graphic 2015 video, viewed on YouTube more than 30 million times, that showed marine biologists pulling a straw out of a sea turtle's nose.

And it shows no sign of slowing down.

In Los Angeles, a Kickstarter campaign to develop "the world's first collapsible, reusable straw" has already drawn $1.9 million in contributions, and a documentary called "Straws," now screening across the United States, examines the problems caused by plastic pollution. The theme of this year's Earth Day was ending plastic pollution; one of the goals is to eliminate single-use plastics.

This month, Seattle, the headquarters of Starbucks, became one of the first major cities in the United States to ban single-use plastic straws. Several cities in Florida and California have banned or partially banned the straws, and state officials in California are considering a measure that would prevent restaurants from handing out plastic straws unless requested by a customer.

In areas where plastic straws are not already banned or limited, businesses like SeaWorld, McDonald's and Alaska Airlines are taking some measures to reduce their use.

Starbucks earned $22.4 billion in annual revenue last year, making it one of the largest businesses to announce it would eliminate plastic straws.

"By nature, the straw isn't recyclable and the lid is, so we feel this decision is more sustainable and more socially responsible," Chris Milne, director of packaging sourcing for Starbucks, said in a statement on Monday.

So far, the new cold-cup lids have debuted in more than 8,000 stores in the United States and Canada and will be in stores worldwide by 2020.