BCAP 60th Anniversary
NewsClips
April 21, 2017

TVNewsCheck
Retrans Pushed 2016 Station Revenue to $28.4B

Fierce Cable
Hulu's live TV service arriving in mid-May, report says

Recode
Facebook is looking to hire a head of news products to combat fake news

Zap2It
Cable Top 25 for Week Ending April 16

Politico
How Trump Blew Up the Conservative Media

Philadelphia Inquirer
Pennsylvania is the largest of nine states to not comply with federal Real ID law for driver's licenses

Philadelphia Daily News
More bad marks for Pennsylvania finances

Philadelphia Inquirer
Records raise questions about Stack's Philly hotel stays

Federal regulators on Thursday reversed a 2016 change that has hindered big television-station owners from buying more stations, the latest in a series of moves to roll back Obama-era telecommunications rules.

In a separate action, the Federal Communications Commission also voted to deregulate significant portions of the market for business-data services such as credit-card readers and automated teller machines. Republican commissioners cited healthy competition and the need to further encourage broadband investment as their reason for the change.

Both changes are representative of the deregulatory direction of the FCC **under its new chairman**, Ajit Pai, who has moved steadily toward undoing or scaling back rules adopted by the agency in the past eight years.

Mr. Pai indicated he is only getting started. The commission also voted to begin a related proceeding that could lead to more sweeping changes to media-ownership rules, including elimination of a national audience limit on TV-station owners. Already this year, the Republican-run Congress has voted to **scrap an Obama-era customer-privacy restriction** on internet-service providers such as Verizon Communications Inc. and Comcast Corp. Telecom companies argued the restriction was unfair because big internet competitors in the online advertising market—such as Facebook Inc. and Alphabet Inc. unit Google—don't face the same restrictions.

The FCC also is considering **changes to Obama-era net neutrality rules** that require cable and wireless companies providing internet service to treat all traffic equally. Mr. Pai suggested at a news conference following Thursday's commission meeting that he is actively pursuing the goal of rolling back the most far-reaching aspects of the net neutrality regime, which subjected internet providers to common-carrier regulation.

That change "has had harmful effects on the marketplace," he said. "I think going forward, we want to make sure we have the light touch regulatory framework that incentivizes investment and competition." Mr. Pai recently traveled to Silicon Valley—which generally has supported net neutrality—to talk about potential room for agreement on a roll back that preserves basic principles of the policy. "I think they recognize, as I do, there is a lot of common ground here with respect to the need for a free and open internet," he said. He didn't discuss details of his plans, which some observers believe could be revealed as soon as this month.

Mr. Pai could face multiple challenges in gaining agreement on his plan, possibly including winning support from fellow Republican Michael O'Rielly, who seemed lukewarm on Thursday about some possible compromises. Thursday's changes in media rules and data pricing were hailed by industry groups that had complained the existing rules were too restrictive or out of step with market realities. Consumer advocates and some Democrats criticize the changes as too friendly to big telecommunications firms.

The immediate **effect of Thursday's TV ownership change** was to loosen a national cap on audience share for station owners that had been tightened under the Obama FCC. A longstanding ownership cap has limited TV groups to a 39% national audience share. But for years, the government said station owners didn't have to fully count UHF stations in calculating their share because UHF was typically a less powerful signal. The Obama-era FCC eliminated the so-called UHF discount last September, contending that the distinction between UHF stations and VHF stations had effectively disappeared, thanks to technological changes.

The Obama-era change brought several big TV station ownership groups up against the national cap. The FCC vote on Thursday reverts to the previous rule, giving them room to grow. One deal that analysts are expecting to follow on the FCC action is a possible transaction between Sinclair Broadcast Group Inc. and Tribune Media Co. Tribune said in a statement on Thursday that the FCC action was "a welcome step."

The commission's lone Democrat, Mignon Clyburn, dissented from the proposal, saying Mr. Pai was "reinstating a relic of a bygone era for the benefit of a few large media companies." But Mr. Pai said the 2016 change failed to consider whether the facts justified a more stringent cap, in a move that was "illogical and likely unlawful." "This represents a rational first step in media ownership reform policy allowing free and local broadcasters to remain competitive with multi-national pay TV giants and broadband providers," Gordon Smith, the president of the National Association of Broadcasters, said in a statement. – ***Wall Street Journal***

Verizon, the once-unstoppable cellphone leader in the U.S., lost key wireless customers for the first time, even as it brought back unlimited data plans to counter smaller rivals.

In the first three months of the year, Verizon lost 307,000 wireless subscribers who are billed each month, the more lucrative kind of wireless customer. MoffettNathanson Research says it's the first-ever lost in that category, which covers phones, tablets, smartwatches and other connections. For cellphones alone, Verizon lost 289,000 customers. Verizon said it would have lost even more customers if it hadn't launched the unlimited plan.

Total wireless revenue fell 5 percent to $20.9 billion, because of fewer customers and less money coming from the fees Verizon charges when customers go over their data limits. Unlimited plans don't have those fees.

Growth in the wireless subscribers has slowed down now that most Americans have a cellphone. Instead, companies have been poaching customers from each other with lower prices and offers to pay people to switch.

Last year, T-Mobile gained 3.3 million of the lucrative phone customers — "post-paid" in industry jargon — while Sprint gained 910,000, according to MoffettNathanson. Much of that came at the expense of AT&T, which lost 1.2 million last year. Verizon gained 209,000, but that was smaller than 1.1 million gained in 2015. Verizon has had quarterly losses in post-paid phone customers before, but not when other wireless connections are included.

Verizon has been able to retain customers thanks to its high-quality network. While Sprint and T-Mobile have gotten better, they don't have as extensive a reach into the most rural parts of the country. T-Mobile responded with other perks, such as free data when traveling abroad and when watching video from major streaming services in the U.S. T-Mobile ultimately turned to unlimited plans, as did Sprint, forcing Verizon to resurrect something it had ditched nearly six years ago.

Verizon's unlimited plans are more expensive than options from Sprint and T-Mobile, so the company will have to show it still has the ability to draw customers willing to pay more for a better network. AT&T's unlimited plan costs about the same as Verizon's; a cheaper unlimited option has fewer features.

The competitive wireless market has led to speculation that Verizon will try to buy another company to broaden its business. AT&T has purchased satellite TV company DirecTV and is trying to buy Time Warner, the entertainment conglomerate behind CNN, TBS and HBO. Verizon has purchased AOL and is wrapping up a deal for Yahoo in an attempt to build a digital ad and media business, efforts that so far have not brought much competition to Facebook and Google. Revenue from Verizon's AOL unit fell 4 percent in the first quarter.

For its Fios service, which delivers internet and TV to people's homes, Verizon added 35,000 internet subscribers, lost 13,000 cable subscribers and lost 8,000 voice subscribers. Verizon Communications Inc.'s profit fell 20 percent, to $3.45 billion, or 84 cents per share, in the first quarter. Analysts surveyed by Zacks Investment Research called for earnings of 98 cents per share.

Revenue fell 7 percent to $29.81 billion, missing analyst expectations of $30.5 billion, according to Zacks. Shares dropped 49 cents, or 1 percent, to $48.45 in afternoon trading Thursday. The stock has fallen 9.6 percent since the beginning of the year. – ***Associated Press***

Comcast says that thousands of its employees and their family members will paint and spruce up public schools and sweep the Jersey Shore for litter as part of its volunteer day on Saturday. About 7,000 volunteers are expected to participate throughout the Philadelphia area in what the company calls "Comcast Cares Day." The event will run between 8 a.m. and 1 p.m., rain or shine. More than 100,000 volunteers could show up to work on Comcast and NBCUniversal projects nationwide.

Among the Philadelphia-area spruce-up projects are those at Roxborough High School, Bartram's Gardens, and the Camden parks. The public can participate and register **here** for projects. – ***philly.com***

BCAP
Broadband Cable Association of Pennsylvania
127 State Street Harrisburg, PA 17101
717-214-2000 (f) 717-214-2020
bcapa.com
First in Broadband.
The Future of Broadband.®