BCAP 60th Anniversary

NewsClips

May 8, 2017

Chicago Tribune
Illinois Senate approves Right to Know online privacy bill

Washington Post
Trump's FCC chairman has wasted no time enacting a conservative agenda in his first 100 days

Associated Press
Americans hang up on landlines as cellphone homes dominate

Reuters
Comcast launches new WiFi service as connected devices grow

Recode
It looks like Amazon's Video app is finally coming to Apple TV this summer

Politico
Do Democrats Need to Tweet More Like Trump?

pennlive.com
Pa.'s budget woes will deepen with aging population

Comcast Corp. and Charter Communications Inc. are striking a wireless partnership, people familiar with the matter said, as the cable giants look to get a piece of the cutthroat business. As part of the deal, Comcast and Charter have agreed not to make a material merger or acquisition in wireless without the other's consent for one year, one of the people said.

That agreement could stoke Wall Street speculation among investors and analysts that the two largest U.S. cable companies together could decide to make a play for a carrier like T-Mobile US Inc. or Sprint Corp. Neither company as a single entity could buy another wireless carrier for that time period as a result of that agreement without the other's blessing or involvement, the person said.

Wireless carriers are fighting it out in a fierce price war, while cable companies like Comcast and Charter are dealing with a saturated pay-TV business under assault from threats like cord-cutting and cheaper online video services.

The cable companies view wireless phone service as an opportunity to create a new product to make their bundles more appealing and better retain existing customers. They hope that by offering a "quad play" of cable TV, home internet, landline phone and wireless service, customers will be less likely to drop their service and jump to a rival.

Comcast recently released plans to offer a wireless service to its customers and purchased airwaves that could be used to help offer it in a government spectrum auction. Charter has said it would offer wireless service as soon as next year. Both plan to rely on a five-year-old agreement with Verizon Communications Inc. that allows them to resell Verizon's airwaves to offer cellphone service to their cable customers. Comcast plans to start offering its mobile service to customers as soon as later this month.

The new operational partnership will allow Charter and Comcast to share technology and work together to use their combined scale in vendor negotiations with the likes of Samsung for handsets, for instance, one of the people said. However, the two companies will keep their customer-facing wireless storefronts and mobile plans separate.

The idea is that the partnership will allow the companies to share what they learn about what works and what doesn't in service plans and back-office billing operations, as well as achieve potential cost efficiencies. It could also help the two advance development on how to take advantage of their network of millions of Wi-Fi hotspots to bolster their wireless service. Today, handing off a voice call between a W-Fi hotspot and cellular remains clunky.

Philadelphia Daily News
Another old Pennsylvania law enters the state's fiscal follies

pennlive.com
Any prosecution of Sen. Scott Wagner would go to AG's office: report

The companies also agreed that they would only work together with respect to other commercial arrangements with the national wireless carriers, such as in wireless airwave reseller deals like the one they already have with Verizon.

The cable companies will also likely explore working closer together to gain scale in wireless and digital advertising as a result of the partnership, another person familiar with the matter said. Rivals AT&T and Verizon have openly discussed their interest in making a bigger play there, as juggernauts Google Inc. and Facebook Inc. are sucking up the majority of digital ad dollars. Comcast and Charter already collaborate in local cable ad sales. Comcast and Charter will each still only offer wireless service to customers within their respective cable footprints—not nationwide, the person said. However, their mobile plans' coverage will be nationwide.

The deal is likely to be announced on Monday, people familiar with the matter said. – ***Wall Street Journal***

Walt Disney Co. investors will be paying more attention than ever to the media giant's huge but challenged television business as the company reports fiscal second-quarter financial results Tuesday. The future of Disney's TV division, particularly ESPN, has long been the **focus of anxious** Wall Street analysts since its growth started slowing two years ago amid subscription declines for pay-cable packages. Wariness is even higher now, though, after a top executive at Time Warner Inc. last week warned about an advertising slowdown and after the biggest-ever first-quarter decline in pay TV subscriptions.

Investors will want to know whether the many deals Disney has signed with low-price "slim" internet TV bundles like YouTube TV are ameliorating subscriber declines. They also will be looking for an update on the "over-the-top" digital ESPN product Disney has said it would launch by the end of the year.

The company's theme-parks unit is also likely to get attention at the one-year anniversary of Shanghai Disney Resort **approaches in June**. Investors will want an update on the park's performance—particularly whether it is on track to meet its goals of 10 million visitors and break-even financial results. Wall Street may also want to set expectations for the new **"Avatar"-themed** land opening at the Animal Kingdom park at Walt Disney World in Orlando this month and whether it could help maintain growth in the domestic parks business, which has been on a tear recently.

After a monster fiscal 2016, Wall Street has been expecting a comparatively slow 2017 from Disney's film business. It is releasing only eight films, compared with 13 the prior year—two of which were on behalf of partner DreamWorks, under a deal that has expired—and 11 in the next. But with March's "Beauty and the Beast" grossing $1.1 billion-plus and "Guardians of the Galaxy Vol. 2" on its way to a total nearly that big, following the hits "Rogue One," "Moana" and "Doctor Strange," declines at the studio could be quite minor after all. Investors will want to know what impact "Beauty" is having on the movie studio and consumer products this year before contemplating what looks like a few blockbuster years to come, with an accelerating pace of Marvel and "Star Wars" films as well as a "Frozen" sequel.

Tuesday will be the first earnings call since Chief Executive Robert Iger in March **extended his contract** for another year, to July 2019. Though Mr. Iger has previously been tight-lipped on earnings calls about the search for a successor, analysts may nonetheless ask about progress in figuring out who will be running the world's biggest media conglomerate in two years.

Disney is expected to report net income of $1.41 a share for the quarter, according to the consensus of analysts surveyed by Thomson Reuters, compared with $1.30 a share a year earlier. Revenue is expected to be $13.45 billion, up from $12.97 billion a year ago. Disney doesn't provide earnings guidance. – ***Wall Street Journal***

In our current political climate, advocacy too often passes for information. As a professional economist with 30 years of experience, I'm troubled by Eli Moore's op-ed, **"Lack of broadband access threatens tech leadership"** (Viewpoints, April 30).

The study claims insights on the state of the residential broadband market in California, including that "millions of middle-class and low-income Californians" don't have adequate access to broadband. However, the study's conclusions are specious. The communications market in California is dynamic, innovative and responsive to consumers' demands.

Moore and his co-authors have obtained their results by conducting an extraordinarily biased survey of the market. The authors have looked only at AT&T's fiber broadband offerings, ignoring all other wireline and wireless providers. In fact, 96.3 percent of California consumers have access to fixed broadband and 99.4 percent have access to mobile broadband at speeds of 6 mbps or more.

No economist would ever draw conclusions about the state of competition in a market with numerous service providers by looking at only one competitor. A properly designed study would consider the full array of providers and technologies available to consumers, who have experienced the benefits of a rapidly growing wireless market, increasing levels of coverage and speed, and declining prices. This study is an ad hominem attack on AT&T, not the basis for sound policy.

The study, which claims to be about redlining, presents no evidence of redlining. The reality is that broadband access has grown rapidly and steadily in California because consumers are picking the broadband of their choice: mobile broadband and wired broadband of all kinds, including fiber-to-the-home. Every technology available – including 5G, internet over power lines, wireless fiber – is being pressed into service to close the digital divide, which has been steadily closing.

California has had a steady hand on the rudder when it comes to broadband policy. California's leadership – over the last two administrations – has steered a policy course that avoids the kind of regulation that has mired Europe's internet growth and embraced the kind of innovation that has allowed California to remain a technology leader. – **op-ed in *Sacramento Bee***

The SEC Network is worth four times that of any other conference television network according to a report by the AL.com Saturday.

The television network, which is entering just its third season in existence, **is valued at $4.692 billion** according research provided by SNL Kagan to the website. That's down less than 2 percent from the original valuation of the network in 2015, which was $4.77 billion. The remaining conference networks were valued as followed by SNL Kagan: Big Ten Network at $1.142 billion and Pac-12 Networks lags behind at $305 million. The slight drop can be attributed, in part, to an increase of cord-cutting as subscriptions have decreased in recent years as people continue to look elsewhere for their viewership needs.

According to research provided to AL.com, the SEC Network has lost more than eight million subscribers over the past two years. By industry estimates, the network still has more than 70 million subscribers. Those numbers are a mere drop in the bucket when you compare it the SEC Network's parent company, ESPN, which has reportedly lost more than 10 million subscribers since 2013. The ACC is set to **launch its own conference television network** in 2019, after striking a deal with ESPN back in July 2016. The Big 12 currently doesn't have a national channel of its own. – ***Orlando Sentinel***

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.®