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If you talk to pay-TV insiders and analysts, the buzz these days is about so-called skinny bundles. Fewer channels. Lower monthly costs. Almost every pay-TV provider is cooking up a skinny bundle as a way to remain in the bundled-programming business.

But the times they are a-changing, and probably a whole lot faster than the pay-TV industry would like. Soon, even the thinnest bundles may be a thing of the past. "Skinny bundles are simply a placeholder for a la carte," said Greg Ireland, an analyst at market researcher IDC. "Consumers really want a la carte, so it's hard to imagine we won't get there."

Some of the biggest names in broadcasting already are experimenting with a la carte services abroad, where they're less beholden to the whims of cable and satellite companies. Viacom and Disney are among those giving overseas viewers a taste of the future with online streaming services. In this country, the pay-TV industry has been insisting for years that a la carte is a non-starter. It would cause the price of individual channels to skyrocket, industry execs have said, wiping out less-popular channels with relatively small audiences.

Those are possibilities, although I suspect a new breed of programming entrepreneurs would emerge and find ways to thrive in this more competitive environment. What a la carte really would do is put consumers in control of the pay-TV market, ending an oligopoly that for too long has resulted in people being forced to purchase products they don't want.

Imagine if you wanted to subscribe to Sports Illustrated but Time Inc. also made you take People and Essence. Or if you wanted to read David Baldacci's latest thriller, "The Last Mile," but the publishing house Hachette Book Group made you also buy "The Marvelous Pigness of Pigs," a faith-based guide to healthy eating.

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What a la carte would do is make pay-TV channels work a whole lot harder to attract and hang on to viewers. And from where I sit, that's not the worst thing that could happen. Seems like a surefire way to get better programming. It also would reclaim the business

The achievements of an organization are the results of the combined effort of each individual. ~ Vince Lombardi

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of people like Diamond Bar resident Thomas Boyd. He used to pay through the nose for a fat cable package, comprising mostly dozens of channels he never watched. Then he cut the cable cord and signed up for the online streaming service Sling TV, which gives him 20 channels for just \$20 monthly. Some of the channels he loves -- ESPN and AMC, for instance. Others still go unwatched. "The Freeform channel, I don't even know what that is," Boyd, 63, told me. "Lifetime -- what's that?"

What if his bundle was even skinnier? What if he could pay only for the handful of channels he really wanted? "Then we'd be living in a perfect world," Boyd replied. "You'd be seeing

me smile from ear to ear." Nearly half of U.S. pay-TV subscribers would prefer a la carte channels, according to a recent survey by the accounting firm PwC. Pay-TV subscribers are getting so fed up, about 20% say they'll cut the cable cord this year.

At the moment, IDC's Ireland said, the pay-TV business is all about a rapid shift to streaming services such as Netflix -- what the industry calls over-the-top, or OTT, services. To access these services, you need a high-speed Internet connection rather than a traditional cable or satellite subscription, plus a device to get them into your TV, such as Roku, Apple TV or a game console. A Wi-Fi-enabled smart TV will work too.

IDC found in a recent survey that 86% of cord cutters subscribe to Netflix, compared to 39% who pick Amazon Prime and 30% who join Hulu Plus. Each service, for roughly \$10 a month, offers a variety of viewing options, including movies, TV shows and original content.

The heavyweight among over-the-top services is HBO Now, which costs \$15 a month and provides full access to the cable channel's content. Other premium channels, including Showtime and Starz, are available for closer to \$9 monthly. Coming later this year will be a streaming service called FilmStruck, which will feature "classic art house, indie, foreign and cult films" from TCM, the Criterion Collection and a variety of independent studios. A spokeswoman, Kendel White, told me FilmStruck "will be competitively priced similar to other movie streaming services currently in the marketplace."

I take that to mean "ballpark to \$10," which seems to be the level at which the industry values a robust streaming service that isn't HBO. But here's where things get interesting. Cord cutters might pay \$10 for the likes of FilmStruck, but would they pay a similar price for AMC, home of "The Walking Dead"? What about the likes of FX, TNT or TBS? And then there's the question of how a sports fan survives in a world of pricey streaming services. How do you get all the games?

In Canada, they've just gotten started with a government-mandated system called "pick and pay." Canadian pay-TV providers now must offer a base package of local and educational channels for \$25 a month (about \$20 in U.S. currency). Beyond that, they have to offer individual channels on an a la carte basis or skinny bundles of up to 10 channels.

By year's end, every provider will have to offer skinny bundles *and* a la carte channels. Current pricing suggests many channels will run about \$3 each, and many bundles cost between \$10 and \$20. Ireland has his doubts that a government-mandated a la carte system would fly here. "Programmers would kick and scream," he told me. But he thinks U.S. pay-TV companies eventually will find their way to a similar place, with skinny bundles co-existing alongside popular a la carte channels.

Thus, sports fans will be able to buy a sports bundle, or entertainment-focused viewers will be able to purchase a bundle containing TNT and TBS. Meanwhile, people with more limited viewing needs could get by with, say, HBO and Amazon Prime, plus an indoor antenna for picking up local channels. That's how I do it. The exciting thing is that, after declaring over and over that there was no way we'd ever see an end to expensive bundles of hundreds of channels, the pay-TV industry is moving toward a new business model based on giving people what they want. That sound you hear is Boyd over in Diamond Bar going, "Woo-hoo!"

The only question is how much things should cost. "At this point, everything is relative to HBO," Ireland said. OK, fine. The really good stuff costs \$15 a month. Everything else falls into place somewhere below that level. That's a start. – *Los Angeles Times*

Maybe I'm sometimes a glass half-empty kind of guy, but a piece I read on Adobe's CMO.com and it reminded me that the TV Everywhere revolution has been just a slow--very slow--grind. CMO.com now says TVE adoption is "certainly on the rise." But taking a look at some of the stats it presents, the upside sometimes seems to be hard to see.

That's startling, because "adapting" to TV Everywhere really doesn't entail consumer expense, and just the most elementary technological ability, really nothing to it. It also seems to be the right viewing adaptation for where the consumers are headed.

At the recent INTX industry convention in Boston, executives argued, pretty persuasively, that TV Everywhere is rounding the corner. "We need a lot more love for this experience," said Anne Cowan, SVP of communications and marketing for the industry organization CTAM. One of TVE's biggest problems is getting people to know it exists. That should embarrass the biz, which otherwise touts TV's ability to build product awareness. And yet, a CTAM-sponsored study by Hub Research revealed that 53% of consumers still don't realize TV Everywhere exists, 54% don't understand it and 51% think it will cost them.

So while it may be true, as the CMO Website states, that TV Everywhere reached 40% of pay TV subscribers by the end of 2015, that seems somehow paltry as mobile devices--a prime TVE carrier--have proliferated. A huge portion of the US viewing universe is walking around with a TV screen in their back pockets; that's going to waste.

According to a study by GfK quoted on Homemagazine.com, at the end of 2015, "monthly use of specific TVE platforms among users ages 13 to 64 remains small. Just 16% of subscribers use TV networks' smart TV app and Website; mobile app (14%)

or mobile site (12%). Usage isn't any better for TV service providers' smart TV apps (15%), Website (13%), mobile app (12%) and mobile site (11%)."

That article took a fairly dim view of TVE progress, and while it's certainly possible to come to a more positive assessment, it still seems a plodding function and one that disappoints people. CMO.com quotes a Viacom report that says, "While 19% of users say they have no problems with their TVE experiences, the **top issues tend to be tech-related**, including loading/buffering (24%) and crashing/freezing (23%). Content-related issues are far less common."

That report was from 2014, a real eternity ago. Clearly, things are changing, and it's about time. CTAM's Cowan touted a double-digit growth in TV Everywhere viewing in Q1, and noted TVE adoption grew by 36% among pay subscribers. What's more, 84% of frequent TV Everywhere viewers now say it's why they're sticking with they pay TV subscription in the first place. Since finding reasons to stick with cable seems to be getting harder to do for many users, that last data point may be most significant to operator and networks. – **MediaPost**



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