BCAP NewsClips **July 28, 2016**

Detroit Free Press
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Variety
NBC Turns to Digital Influencers to Draw TV-Averse Millennials to Olympics Coverage

Washington Post
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Home Media
Verizon Eyeing Sports on Go90, AOL, Yahoo

Washington Post
Internet providers won't rest until the government's net-neutrality rules are dead

Bloomberg
Verizon sets sights on more ad revenue

The TV side of Comcast's NBCUniversal enjoyed a robust second quarter (revenue up 17.3%), and, according to CEO Stephen Burke, it will be able to do even better as it brings its retransmission consent and advertising pricing in line with that of its Big Four peers.

Retrans revenue, which comes directly from the NBC O&Os and indirectly in the form reverse compensation from NBC affiliates, was up 63% year-over-year in the quarter, Burke told security analysts following release of **Comcast's second-quarter results**. "We've grown retrans very, very substantially over the past five years, but we still lag the other Big Three broadcasters, based on what we know."

"We still have some major contracts where retrans is going to take significant step-ups," he said. "And we're still hundreds of millions of dollars less than some of the other comparable peers and we think we deserve the same amount for retransmission consent." "We have the Olympics, we have the NFL, we're the No. 1 network in the demo, and so I think over time that will be a number that continues to grow nicely."

Burke noted that NBC makes "slightly more from our affiliates as a share of their retrans [reverse comp] than we make from our O&Os." Burke said NBCU has largely closed the gap when it comes to CPMs over the past five years. While work remains to be done, most of the difference, which once amounted to 20%, is gone. And Burke likes what he's seeing in the scatter market. It's "extremely strong — as strong as we can remember it being."

Burke said a consolidated approach to sales has helped make it an upfront leader. "We had previously sold cable separately from broadcast, and sports separately from primetime and news. We put everything together. So now if you want to buy from any part of the company we have a discussion about every part of the company." "Because we're the largest provider of television advertising in the country, people come to us first, so for the last couple of upfronts, we've really led the discussions and led the negotiations in price-setting of the entire market."

The strength of the scatter market has helped with sales in the upfronts, Burke said. "We sold about 10% more on the broadcast side, about 5% overall, and we turned away a lot of volume. "The percentage sold as a percent of the total is roughly comparable to previous years so we still have, depending on the network, 20%-25% of the volume available for a strong scatter market."

Burke said he has no fear of the move to OTT and other channel bundling platforms. "I think the key there is making sure that we're in every bundle, and I think we're going to be. We have more channels and eyeballs than anyone else, we're pretty much essential to those bundles." One effect of the move to skinnier bundles will be the demise of weaker channel offerings — NBCU has already jettisoned some, including *G4* and *Style*. Burke sees this trend continuing within its own portfolio and those of its competitors. "There's just too many channels."

Burke also said is bullish on the prospects for the Olympics. "For the first time since we've been here we've hit our advertising budget for the Olympics three weeks before the start of the Olympics. "Normally we would hit the budget right about the time the Olympics started or shortly thereafter. And our budget was about a 20% increase from London so we're very, very happy with how we're doing in terms of Olympic sales."

The company, he believes, is insulated in the event that significant make goods are required. He expects to easily exceed the $120 million in income generated during the London Olympics. Comcast CEO Brian Roberts noted that NBC's key programming strategies is to swing for the fences. "Our 'big night' strategy is compelling. If you aggregate big nights on TV in 2016, defined as a 10.0 household rating and a 5.0 in the 18 to 49 demo, we project that NBC will own 70% of those nights." – ***TVNewsCheck*****;** **also see *Philadelphia Inquirer***

A survey commissioned by the Tennessee Department of Economic and Community Development has found 13 percent of state residents and businesses do not have access to broadband internet. Gov. Bill Haslam has released a statement calling the report a "starting point to advance the conversation" about improving the availability of high-speed internet in Tennessee. That is certainly a discussion that local government and economic development officials in many rural communities, including some in our region, are eager to have.

The Associated Press reports the Tennessee Municipal Electric Power Association believes the survey demonstrates that city-owned utilities should be allowed to expand into areas outside their traditional service areas. Thousands of households and businesses in this state lack access to a reliable high-speed internet connection. This threatens to put areas of Tennessee at a distinct disadvantage.

Broadband connectivity is essential to lure both businesses and new residents to a community. Without it, many of the new tech generation will go elsewhere. And make no mistake about it — broadband connectivity is more than an amenity. It is an essential way our culture now works, socializes and plays.

Earlier this year, Press Assistant News Editor Nathan Baker reported on a position paper written by George S. Ford, chief economist for the conservative think tank Phoenix Center for Advanced Legal and Public Policy Studies, which says municipal broadband systems hurt investment and competition from private companies and should be pursued as a "last-ditch effort" to provide those services.

	While we appreciate Ford's concerns regarding competition, there are simply times when the open market does not meet the needs of the people. That is particularly true for rural areas here in Northeast Tennessee where private companies don't believe extending those services is worth the cost. – ***Johnson City (TN) Press editorial***

BCAP
Broadband Cable Association of Pennsylvania

127 State Street, Harrisburg, PA 17101
717.214.2000 • bcapa.com

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