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Harrisburg's race to irrelevancy

Harrisburg Patriot-News
Op-ed from Rep. Madeleine dean (D-Montgomery): Here's a modest proposal to balance the #PaBudget

The state Senate will vote today on a **$2.2 billion revenue package** that includes a mixed bag of new taxes and tax rate increases needed to bring the $32 billion state budget into balance. It includes a new tax on natural gas consumption, a higher tax rate on electric and phone bills, **an extraction tax on natural gas drillers**, a fireworks tax, **more than $1.2 billion in borrowing against future tobacco settlement payments**, money from a yet-to-be-determined gambling expansion among other new revenue sources.

The plan is not an agreed-to package with the House of Representatives so its fate remains uncertain in that chamber but it has the general support of Gov. Tom Wolf. "Governor Wolf commends the Senate for taking a responsible step toward balancing the budget and for their willingness to include a tax on Marcellus Shale," Wolf spokesman J.J. Abbott said. "Governor Wolf believes all parties must quickly come together to bring this process to a close."

Senate Majority Leader Jake Corman, R-Centre County, made a final sales pitch for the bi-partisan-backed tax package that he described as "very modest" at a late night Wednesday meeting of the Senate Appropriations Committee that ended on a fiery note. The committee voted **19-5** to move the bill to the full Senate for a vote. "We have avoided this day for a long time," Corman said.

Bringing up the larger tax increases that followed recessions in recent decades, Corman told senators that after the Great Recession of 2008, state policymakers chose to cut spending and even lowered the state's now-extinct business-assets tax instead of burdening taxpayers with higher taxes. "Unfortunately, we are here today and we have run out of our ability to do that," he said. "If we are going to maintain our responsibility to educate our children, to provide for higher education, to provide for human services, to pay our corrections bill, to pay our debt service, we are in a position where we have to get more revenue to make that happen."

In the alternative, Corman said, "We could sit at home and ignore this and put it all on Governor Wolf and let him try to come up with $2.2 billion worth of cuts. But here in the Senate we believe we have a job to do. We have a responsibility to govern." Voting against the plan were four Republican senators - Sens. Dave Argall of Schuylkill County, Scott Martin of Lancaster County, Wayne Langerholc of Cambria County, and Scott Wagner of York County - and Democratic Sen. Art Haywood of Philadelphia.

philly.com
Op-ed from Rep. Kate Harper (R-Montgomery): Need revenue to pay bills

Philadelphia Inquirer
Editorial: Be for real, Pennsylvania; raise the state income tax to pay your bills

Of the plan's opponents, only Wagner, who is running for the GOP nomination for governor next year, took the opportunity to explain his negative vote. He did so by blaming Wolf and attacking his management of state government. "I see numerous agencies totally out of control, not being managed," Wagner said. "Unfortunately because we have a governor who is not doing his job, we are backed in a corner tonight."

Senate Democratic Leader Jay Costa of Allegheny County interrupted Wagner's verbal assault on Wolf by objecting to it and calling it inappropriate. Costa said he could offer a litany of measures the governor has instituted to save money and streamline government but Senate Appropriations Committee Chairman Pat Browne, R-Lehigh County, cut him off before he did that to allow Wagner to finish his comments. Given the floor again, Wagner then proceeded to rip longtime senators seated and standing around him. "It's a shame we're backed into this corner. Many people in this room have been here 10, 15, 20 years. You have been party [to] and you have allowed waste, fraud and abuse" he said as Browne, who has logged 12 years in the Senate and 10 years in the House, gaveled him down and ended the meeting. – ***Harrisburg Patriot-News*****;** **more from *Philadelphia Inquirer***

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Comcast Corp.'s entertainment unit surged in the second quarter, helped by the strong box-office performance of "The Fate of the Furious," lifting profit and revenue even as cable video subscriber losses ticked up. At the NBCUniversal media division, revenue rose 17% to $8.33 billion. Revenue in the filmed entertainment division jumped 60%, thanks to the latest installment of the "Fast and the Furious" franchise.

The cable networks and broadcast TV units grew revenue and earnings due to increases in subscription fees from pay TV providers, but both also saw a decline in ad sales because of ratings softness. Cable networks' ad revenues declined 0.9% to $906 million, while broadcast TV ad revenue declined 1.2% to $1.27 billion. In the cable business, the company lost 34,000 residential and business video customers, compared with a loss of 4,000 in the same quarter last year.

Comcast has generally managed to withstand the turmoil in cable TV from cord-cutting better than some peers in pay television. In a tough environment, with consumers gravitating to streaming services such as Netflix, Amazon, Hulu and Sling TV, the company has added net video subscribers in five of the past seven quarters. The cord-cutting has taken a toll on TV ratings, however, for NBCUniversal's channels just like those of many other media companies.

Comcast and industry analysts point to its investment in X1, a cloud-based, set-top box system, as a reason its video business has held up. The company said that 55% of its residential video customers now have X1, up from nearly 40% in the same quarter last year. Meanwhile, Comcast and other cable providers stand to benefit on the internet access side of their business as streaming TV subscriptions and usage increase. Comcast added 175,000 total internet customers in the second quarter, down from 220,000 in the year-earlier period. Total revenue per customer relationship, Comcast's unit revenue figure for its cable division, increased 2.2% to $151.19. Comcast lost 22,000 voice customers in the quarter, compared with an addition of 64,000 in the year-ago quarter. Overall revenue for Comcast's cable division, which makes up 61% of revenue, rose 5.5% to $13.12 billion.

Comcast **recently launched a new wireless service**, aimed at adding a fourth pillar to the typical television-phone-internet bundles. The mobile service is only for customers who subscribe to at least its internet service already. The cable operator is relying on a five-year-old network-resale agreement with Verizon Communications to offer its service. Comcast, along fellow cable provider Charter Communications Inc., **has explored a deal with Sprint Corp.** that could provide an alternative reseller arrangement, potentially with better terms, people familiar with the matter have said.

Comcast has signaled that it views the wireless service as an add-on for its customers, aimed at increasing profits and reducing the percentage of customers leaving its service. In all, net income rose to $2.51 billion, or 52 cents a share, up from about $2.03 billion, or 41 cents a share, a year ago. Revenue grew 9.8% to $21.17 billion. Revenue and profit exceeded estimates from analysts, who were projecting earnings of 48 cents a share on $20.86 billion in revenue, according to Thomson Reuters. – ***Wall Street Journal*****;** **more from *philly.com***

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Sports options are improving and movie bundles are shifting for cord cutters who subscribe to Sony's PlayStation Vue and Dish Network's Sling TV streaming TV services accessed on game consoles, smart TVs, and set-top boxes from Roku, Apple, and Amazon.

Previously boasting a couple ESPN and Fox Sports channels in the 50-channel starter $39.95 Access package with Comcast SportsNet Philadelphia in Core ($44.95) and better bundles, PlayStation Vue has now upped the channel options for sports fans with a $10 per-month add-on for Core and the pricier Elite and Ultra plans.

For Philly Vuers, this new Sports Pack opens the gates to the seasonally carried NFL RedZone, MLB Strike Zone, ESPN Bases Loaded, and ESPN Goal Line channels as well offering the year-round national-feed portion of several other CSN channels — Chicago, Mid-Atlantic, Northwest, Bay Area, and California (the latter two recently renamed as NBC rather than CSN channels). Philly locals won't have live access to those out-of-market games, they'll just be able to see highlight and commentary shows said a Vue spokesperson. The package also includes Outside TV, Longhorn Network, and the national feed of regional sports networks NESN National and NBCUniversal.

Over on Sling TV, new movie-loving subscribers will have to fork over a separate $5-a-month fee for the EPIX Premium channel lineup — EPIX, EPIX 2, and EPIX Hits — previously included in the Hollywood Extra $5-a-month bundle. Offsetting the shift some, the REELZ movie trailers/documentary channel has been added to the Hollywood Extra lineup. And EPIX Drive-in is cruising to the starter ($20-$25) Sling Orange and Blue packages. Current Sling Hollywood Extra subscribers are being grandfathered; they'll continue receiving all EPIX channels plus REELZ.

Sling will also add pay per view capabilities starting with UFC 214 on Saturday for $59.99. "Integrating UFC 214 directly into the Sling TV experience is the next step in Sling TV becoming a true cable replacement," said Roger Lynch, Sling TV's CEO. According to eMarketer, 168.1 million people in the U.S. will use an internet-connected device to stream content this year, up 10.1% from last year. – ***Philadelphia Inquirer***

Verizon Communications Inc. gained net wireless subscribers in the quarter, as the continued expansion of its unlimited wireless data plans helped the company recover from its first ever quarterly net subscriber loss last quarter. The company's revenue beat Wall Street expectations as profit met them. Verizon shares rose 1.4% in premarket trading. Earlier this year, the U.S.'s largest wireless carrier by subscribers unexpectedly brought back its unlimited wireless plans for the first time since 2011, letting customers pay a flat rate for nearly unlimited monthly internet usage on their smartphones.

Verizon reported a net increase of 614,000 retail postpaid connections during the three months, including 358,000 phone additions. The company had 114.5 million total wireless retail connections, up from 113.2 million the same quarter last year and 113.9 million in the first quarter. "Verizon reignited its growth engine in the quarter, both adding and retaining wireless customers while scaling our media business and continuing to invest in our superior networks," Chief Executive Lowell McAdam said in a statement. Revenue from the wireless business, Verizon's largest, fell 1.9% to $21.3 billion. Revenue at the wireline segment that includes its FiOS service grew 1.2% to $7.8 billion.

Verizon said its service-revenue trend has reduced its decline as more undiscounted customers offset losses from customers upgrading to unlimited plans and no longer paying overage charges. It expects the service revenue trend to improve in the second half of the year. In all, for the June quarter, Verizon reported net income of $4.36 billion, or $1.07 a share, compared with $702 million, or 17 cents a share, in the year-ago period. Excluding certain items, Verizon earned 96 cents a share. Meanwhile, revenue inched up 0.1% to $30.55 billion. Analysts polled by Thomson Reuters expected adjusted per-share profit of 96 cents on $29.91 billion in revenue.

During the quarter, Verizon's launched its newly formed digital-media division, called Oath, after closing its purchase of Yahoo assets. Verizon said Thursday that the unit, which includes brands like HuffPost, AOL and TechCrunch, has roughly $7 billion in annual revenue and that revenue in the quarter was "consistent" with results in the same quarter last year. The company said it wants to save $1 billion in cumulative operating expenses through 2020. – ***Wall Street Journal***

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Broadband Cable Association of Pennsylvania

127 State Street Harrisburg, PA 17101
717-214-2000 (f) 717-214-2020
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