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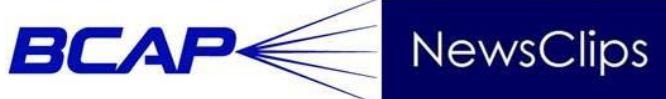


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May 14, 2021

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Service Electric Cable TV has been a leader in the communications industry for decades and is a broadband provider in New Jersey and Pennsylvania. We are proud to participant in the FCC's Emergency Broadband Benefit Program in the communities we serve.

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The Emergency Broadband Benefit Program is a \$3.2 billion broadband subsidy program that will connect eligible households with free or discounted broadband service during the COVID-19 emergency. This temporary federal program is designed to provide consumers with up to \$50 off the standard monthly rates of broadband Internet service. The FCC has started the enrollment process as of May 12, 2021. If you would like to learn more about how Service Electric Cable TV is continuing to help our communities during these difficult times go to our EBB webpage, <https://www.sectv.com/Web/aspEBB.aspx?strSystem=LV> – SECTV statement

As video subscriber losses continue to rise across the board in the pay TV segment, Comcast Cable CEO Dave Watson and Charter Communications chairman and CEO Tom Rutledge told a virtual industry audience Wednesday that a new double play that ties wireless and broadband is beginning to emerge. Comcast lost about 491,000 video subscribers in the [first quarter](#), up from the 409,000 it lost in the prior year and a trend that Watson said would likely continue.

While the cable operator will continue to focus on high-end video subscribers who want a full package of video, at Wednesday's MoffettNathanson Virtual Media & Communications Summit, Watson said the company is not ignoring the growth at its wireless unit. Comcast [launched Xfinity Mobile in 2017](#), part of its MVNO agreement with Verizon Communications, and has grown the business to about 3.1 million customers. The mobile unit had its best quarter ever in Q1, adding about 278,000 customers (its highest quarterly number) and becoming profitable for the first time.

Watson said the mobile product has "energized our sales channels," including digital, call center agents and retail. "I think there's definitely an opportunity to combine an elegant and seamless broadband- mobile offering. We've done it in a whole bunch of our go-to-market approaches and for the right segment, it's a great way to start the relationship," Watson said. He added that tacking on the Xfinity Flex product to that double play could make it even more attractive. "That is a really unique proposition that we have that no one else has," Watson continued. "Over time, look for us to do more of that."

Later on in the conference, Rutledge said that wireless is an integral part of the company's connectivity strategy, adding that that ultimate goal is to converge wireless and broadband. Charter, which also has an MVNO agreement with Verizon for its Spectrum Mobile service, [added about 300,000 wireless customers in Q1](#). It ended the quarter with 2.7 million wireless customers. "I look at our opportunity to create customers that buy mobile services, and create those customers along with the capabilities that we have added through our broadband network, which are vast, and to converge the product itself into a single product," Rutledge said. "If you look at the total prices that people pay for these products today, I think we could gain significant market share at much lower pieces than people are currently paying. I think mobile represents the opportunity for us to save people money and give them better products than they have today. The combination of the product is bigger than the component pieces."

Rutledge added that profitability for [Spectrum Mobile](#) isn't that far off. "They [Comcast] reached a point that we will reach," Rutledge said. "From a break even perspective, we said previously that about 2 million customers is all we needed to make the business profitable. That's true and that proved out to be true. The difference between us and Comcast at the moment, I believe, is where we are in the cycle and how much new growth we have versus how much base."

Rutledge added that he expects mobile to be a real contributor to profitability going forward. "To the extent you create a customer that raises your ARPU but saves the customer money on their household spend and creates additional

EBITDA per customer for you, that both allows your existing base to be more profitable and your incremental growth opportunities to be greater because you're more valuable, that's a really attractive model," Rutledge said. "I think that's what mobile does for us."

On the flip side, some have complained that the emergence of streaming apps and the trend toward content companies shifting content -- like sports -- to their direct-to-consumer products, adds more pressure to carriage negotiations. "Obviously it changes the dynamic," Rutledge said, adding that in the current climate, content distributors would be "much better off not blowing up the existing model just now," mainly because it generates much more revenue than its streaming counterpart.

The dilemma, he continued, for content companies is in deciding whether to keep raising linear prices while premium content is available on streaming apps and risk being dropped by traditional distributors, or maintaining or lowering rates to preserve that distribution relationship. Rutledge guessed that content companies would choose the second route, which would mean less money "but it's still better than the alternative."

And despite continued pay TV subscriber losses -- MoffettNathanson estimates that pay TV is losing about 7% of its video customer base per year -- Rutledge believes there is still some life left in the traditional linear video business. "It's hard for me to believe that there won't be linear TV at all in the near term," Rutledge said. "I think the model is under pressure, it's been under pressure for a long time. I don't think it's about to collapse, but I do think it's shrinking rapidly. I think the most likely scenario is that rate changes will moderate and you'll still have a pretty expensive linear model. I don't see it just collapsing. -- **Next TV**

Josh Shapiro and Bill McSwain both want to be governor of Pennsylvania. But they're not interested in answering some of the most pressing political questions swirling before they potentially meet in the 2022 election.

Start with Shapiro, Pennsylvania's attorney general, who is widely seen as the Democratic front-runner for governor. McSwain, a Republican and former U.S. attorney also maneuvering to run, has repeatedly fired at Shapiro on Twitter, asking why he hasn't endorsed in the heated Democratic primary for Philadelphia district attorney. That contest next week is seen as a referendum on the progressive policies of District Attorney Larry Krasner. "For those in law enforcement and those who care about public safety and those who care about the future of the city, it should be all hands on deck," McSwain told Clout, blaming Krasner for rising shootings and homicides.

McSwain said Democratic challenger Carlos Vega "would make Philadelphia safer," and has donated \$1,000 to his campaign. McSwain denied he had a political motive in raising this issue to which, well, *c'mon*. If Shapiro endorses Krasner, he'd associate himself with a polarizing prosecutor and his policies. If not, Shapiro risks angering progressives. Either way, it's a potential win for McSwain.

It seems fair to ask the state's top law enforcement official about this race in the state's biggest city, especially, as McSwain points out, when Shapiro is endorsing in contests like the one for mayor of Scranton. A Shapiro aide, though, said he never weighs in on DA races because he needs to maintain a working relationship with all of them. "Attorney General Shapiro works collaboratively with all 67 district attorneys in Pennsylvania from both parties and he has not endorsed in any district attorney's election since he became attorney general," said spokesperson Will Simons. McSwain called that "a cop-out." With big, divisive political issues on the table, though, Clout also asked McSwain about one roiling his party: former President Donald Trump's lies about the 2020 election. Does McSwain accept that Pennsylvania's 2020 results were valid?

In the end, he went back to Shapiro and the DA's race, saying it would be terrible if "people were too cowardly to raise their voices" on an important issue. He added, "This is part of leadership: is standing up and dealing with the tough issues even if it might not be politically expedient." Clout agrees. – **Chris Brennan's "Clout" column in *Philadelphia Daily News***



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