A growing group of small cable-TV providers are realizing that both they and their customers can live without expensive TV channels.

Of the 100 million homes in the U.S. that subscribe to pay TV, about 14% are served by smaller companies that have a million or fewer customers. In some cases, they serve fewer than 100. Faced with rising programming costs, some of those companies—such as Ringgold Telephone Co. in Georgia and BTC Broadband in Bixby, Okla.—have pulled the plug on TV service altogether, preferring to simply focus on Internet and phone service.

Others, meanwhile, are dropping major groups of channels to manage their costs. The latest is Suddenlink Communications, an operator that serves about one million customers, which says it plans to drop Viacom Inc. 's TV channels, including Nickelodeon and MTV, at midnight Tuesday. Suddenlink says it has already signed long-term contracts with other channels to fill the Viacom channels' slots. The shift poses a potential threat to big media companies. These cable providers are tiny compared with industry titans like Comcast Corp. , but the fees they pay media companies for rights to carry programming add up. Cable channel owners—which include major media companies such as Walt Disney Co. and Time Warner Inc. —this year will collect a total of $35 billion in license fees, according to SNL Kagan. But that figure could erode if more small players give up on offering customers the big TV bundle.

After seven years of selling customers cable-TV services, BTC Broadband got out of that business late last year and now provides just broadband and phone services. The Oklahoma company, which had been serving about 420 TV subscribers, decided it simply couldn't afford to keep paying rising fees to carry a basic lineup of channels including ESPN, TNT and MTV. BTC President Scott Floyd estimated that if the company continued to pass on rising programming costs to consumers and maintained its thin profit margins, by 2016 cable-TV bills would rise to $130 from about $60. "I think the TV model is broken," said Mr. Floyd.

Corbett & Wolf vs. the Legislature

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In five years, operators representing about 5 million pay-TV subscribers—5% of current pay TV households—will "no longer be doing business the way they do today with video," estimates Rich Fickle, chief executive of the National Cable Television Cooperative, a consortium that negotiates programming deals on behalf of about 915 small cable-TV providers. A loss of 5% of households in a few years could shave off about $2.4 billion in revenue for basic cable networks alone, which by 2018 would be raking in about $47 billion in carriage fees, according to SNL Kagan estimates. "The change in the market is going to come from the bottom," said NCTC's Mr. Fickle. Bigger pay-TV companies like Comcast and DirecTV aren't likely to make similar moves away from pay-TV service, he said, because they enjoy better profit margins and are busy pursuing big mergers.

Some operators say they are gradually being pushed out of the TV business as subscribers drop their expensive TV subscriptions and watch shows on cheaper Internet video services. Those who have exited completely say that while many customers switched to satellite service, a growing number simply migrate to online video. Missouri-based Boycom Cablevision Inc. has sold cable-TV service since the early 1990s, but now counts only 1,000 TV customers out of its total 5,000 subscribers. "We have truly morphed into a broadband-only provider in a lot of our markets," says Patty Boyers, co-founder of Boycom.

Tom Might, chief executive of Graham Holdings Co. 's CableOne, which serves nearly 700,000 subscribers in 19 states, says reducing emphasis on video service in favor of broadband has led to higher profits, even though some customers were lost in the process. The "trends are kind of hard to fight," he said. "Better to join them and make your profit where the business is growing." Since 2008, small telecom companies representing about 53,000 customers have shut off cable-TV services or gone out of business, according to the NCTC. Over the last three years, the number of customers affected by such decisions has accelerated.

At least one midsize operator, Cablevision Systems Corp. , which serves nearly 3 million TV customers in the New York metropolitan area, has said it can imagine a day when it no longer sells television and makes broadband its primary offering. Some media executives shrug off the threat, saying that cable-TV providers have been complaining for a decade about programming costs. They say their businesses don't face any real risk from the small companies that have been disconnecting service thus far.

Media companies could get ahead of any broader decline, cable-TV executives say, by changing their model of selling full bundles of channels to operators, and instead selling just their popular channels in smaller bundles or on an a la carte basis—something they have so far resisted doing. Many small operators are cutting back on expensive TV channels they don't view as vital to include in their packages, as Suddenlink says it is planning to do. Earlier this year, providers representing some 900,000 households opted out of an NCTC-brokered carriage deal with Viacom, choosing instead to drop its channels. Those operators had braced to lose as much as 10% of their customers, but overall they have lost less than 2% of their base, according to the NCTC.

Mr. Fickle says other members are emboldened by the Viacom episode and may take a similar approach in deals with big programmers that are coming up for renewal with the NCTC, if the terms don't make sense for them. Operators' shift away from TV could accelerate if more customers fed up with rising bills "cut the cord" themselves. Last year, the pay TV industry contracted for the first time, losing 167,000 customers as people disconnected service, according to MoffettNathanson research.

Several small operators believe the pay-TV model will splinter and reset itself online, with TV channels and big distributors such as Comcast or Dish Network Corp. selling programming directly to consumers through apps, much like Netflix does today. Such a reality has long been considered a threat, but executives like Steve Weed, CEO of WaveDivision Holdings LLC, a West Coast cable company, envision a new business

opportunity for small cable operators to supply customers with Web TV boxes and manage a storefront of streaming-video apps. Dealing with customer complaints about TV service—which account for most service calls—would be a thing of the past. "We'll go from being the bad guy to the good guy," Mr. Weed said. – ***Wall Street Journal***

The extended manhunt for suspected cop killer Eric Matthew Frein is putting a spotlight on efforts to fix funding problems for Pennsylvania's 911 emergency system and equip it to handle new and evolving communications technology. The county-run 911 systems are described as the backbone of the statewide emergency response network. Efforts to provide them with more stable funding date back a half-dozen years and have received new impetus following a legislative report in 2012.

The manhunt by the state police for Frein in the Poconos has led to residents being told to stay in their homes at various times and roadblocks preventing access to neighborhoods. Frein, of Barrett Township, is accused of shooting and killing Cpl. Bryon Dickson II, 38, of Dunmore, and wounding Trooper Alex T. Douglass, 31, of Olyphant, during a Sept. 12 ambush at the Blooming Grove barracks in Pike County. Having an upgraded 911 network would allow for more widespread use of new technology in situations like the manhunt, said Sen. Lisa Baker, R-20, Lehman Township She is on a task force considering recommendations to modernize the system.

Policymakers are focused on incorporating video, text messages, iPad and OnStar into the system. "The challenge is to accommodate these rapid changes in technological advancement through a law that was adopted in 1990 and amended in piece-meal fashion to accommodate intermediate technologies," according to the County Commissioners Association of Pennsylvania. In addition, some counties have contracted to provide Reverse 911 services. This enables emergency officials to send notifications about potentially life-threatening emergencies to residents through calls to both landline telephones and cell phones.

Lehigh County's Reverse 911 system provides residents and visitors with alerts about emergencies affecting public safety. These notifications aren't intended to replace time-sensitive alerts broadcast on TV and radio stations, according to the Lehigh County Emergency Management Agency. In Lehigh County, individuals with traditional "wireline" phone services such as Verizon are already in the system, but those using cellphones or telephone service provided by VOIP services, such as Vonage, need to register to receive alerts. One problem is that 911 systems rely partly on revenue from surcharges on telephone users whose numbers are declining, Baker said. Calls to 911 from wireless devices overtook calls from telephones more than a decade ago.

Pennsylvania has a combination of state and local surcharges on wireline, wireless and VOIP devices sufficient to cover about 70 percent of county 911 spending, according to the 2012 report by the Pennsylvania Budget and Finance Committee. Counties increasingly tap county property tax revenue to support 911. "Without a major sea change in how 911 operations are funded and operated, in the coming years public safety across the commonwealth is likely to be compromised," said Glenn Cannon, director of the Pennsylvania Emergency Management Agency, in 2012 testimony.

Lawmakers passed a law last June that keeps existing 911 surcharges in place for one year while an effort is made to pass a comprehensive rewrite of the 911 law. Legislative hearings will be held so bills can be prepared for introduction by March, said Sen. Robert Mensch, R-24, Lansdale, chairman of the Senate Veterans and Emergency Preparedness Committee. – ***Hazleton Standard-Speaker***

Suddenlink Communications, a cable provider with about 1.4 million residential customers, plans to drop Viacom Inc. channels including Nickelodeon and MTV in a dispute over fees. Suddenlink said in a statement today that New York-based Viacom is

demanding an almost 50 percent increase in payments for its programming even as the audience for its main channels has declined in the last several years. Disputes between cable operators and the networks they carry flare up when contracts to distribute popular networks like Viacom's BET and Comedy Central come up for renewal. Pay-TV operators such as Suddenlink are trying to keep a lid on costs, while programmers like Viacom seek top dollar for their shows and movies. "The Viacom channels go off tonight and new channels go on tomorrow," Gene Regan, a spokesman for St. Louis-based Suddenlink, said in a phone interview.

Viacom in a statement accused Suddenlink of rejecting its own proposal and said its networks attract the greatest share of viewing of any cable programmer. Viacom said it would accept for one year an offer Suddenlink made last week. "After five months of negotiations, Suddenlink abruptly stopped negotiating with Viacom one week ago," the company said in its statement. "We will inform Suddenlink's customers about alternate distributors to view our programming." The new channels on Suddenlink will include Glenn Beck's TheBlaze and FXX from 21st Century Fox Inc., according to the company's website. They go on the air when the Viacom channels are removed tonight. Suddenlink is the seventh largest U.S. cable operator, serving customers in more than a dozen states. Viacom, controlled by billionaire Sumner Redstone, rose 0.2 percent to $76.94 at the close in New York. The shares have declined 12 percent this year. – ***Bloomberg***

Sparks flew between Republican Gov. Tom Corbett and his Democratic challenger Tom Wolf during a debate this morning at a Philadelphia TV and radio station. Mr. Corbett and Mr. Wolf argued over taxes and school funding during the one-hour "Breakfast with the Candidates" event today at KYW-TV and KYW-AM. Mr. Wolf sought to put Mr. Corbett on the defensive on those subjects amid questions from station reporters over what the candidates would say to parents who are upset about the quality of their public schools. Mr. Wolf pledged that parents would see smaller class sizes if he is elected, while Mr. Corbett cautioned that he understands that people want more money for schools, but that the state budget is tight right now. At times the pair talked over each other, or directly challenged each other's statements. The election is Nov. 4. – ***Associated Press*** **(PCN will air this morning's debate Monday, October 6 at 6:00 p.m.)**