

Orange County (CA) Register
[Keeping the cord might be right choice](#)

CNN, Cartoon Network and several other Turner cable channels were removed from satellite TV giant Dish Network's systems late Monday after the two companies could not agree on a new distribution contract. Dish said the action was taken because it no longer had permission to broadcast several Turner Broadcasting channels to its customers.

Washington Post
[Venture capitalist wants the AT&T-DirecTV deal to go through](#)

The channels include CNN, Cartoon Network, Boomerang, CNN en Español, HLN, truTV and Turner Classic Movies. The channels were in a widely distributed programming package received by the bulk of Dish's 14 million customers. The Dish-Turner Broadcasting contract dispute is the latest in a series of escalating conflicts

New York Times
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during the last two years that have left millions of TV viewers without access to their favorite channels. Pay TV-companies, including Dish, are trying to hold the line on programming costs because customers have complained that their bills already are too high.

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Another large cable operator, Suddenlink, recently balked at Viacom Inc.'s demands for a fee increase, and yanked Viacom's channels, including Comedy Central and Nickelodeon, from its lineup. Dish, in a statement, said the two sides failed to reach an agreement on a new contract or an extension, which would have kept the Turner channels on the air while negotiations continued. "Dish has had a productive relationship with Turner Networks for many years," said Warren Schlichting, Dish's senior vice president of programming. "We regret the service disruption to our customers, and remain committed to reaching an agreement that promptly returns this content to Dish's programming lineup."

Associated Press
[Pennsylvania senator ordered to decide on trial](#)

Two of Turner's largest channels, TBS and TNT, were not part of the blackout. Those channels are covered by a

Philadelphia Daily News
[Porn and consequences: McCaffery is suspended from Pa. high court](#)

separate contract. "Turner has worked diligently for months to come to a fair agreement including multiple extensions and compromises," Turner, which is owned by media company Time Warner, said in a separate statement. "It's unfortunate that Dish is once again operating in a disruptive manner that takes away networks and programming from their customers," Turner said. "We are hopeful our counterparts will return to the negotiating table, and [that] we'll get a deal completed." – **Los Angeles Times**

Philadelphia Inquirer
[Editorial: Rough justice](#)

Cord cutters rejoiced last week after HBO and CBS announced plans to sell stand-alone streaming services, a move that cable and satellite television providers have resisted for years. Customers tired of paying big fees for hundreds of channels they never watch just to have access to a few favorite shows might be expected to start cancelling cable

**Pittsburgh
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**Editorial: Early
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healthy**

service in droves. Get Netflix, throw in HBO, add a network here and there — why would anyone sign up now for cable?

Well, don't sound the death knell for cable companies yet.

Some would-be customers may balk when they see just how much paying a la carte actually costs. Stations that offer services a la carte will have to pay for marketing that the cable and satellite companies usually cover. Fewer eyeballs on live TV could mean less advertising revenue, since online ads are generally cheaper, and that will boost the network's cost of running the channel. And smooth streaming costs money: to avoid so-called "throttling" during peak evening viewing times, Netflix buckled to broadband distributors like Comcast and Verizon and paid up so that its streaming service would run at a higher bandwidth and work more smoothly. Those added costs might be passed on to customers.

And for all those cable haters out there, sorry: Cutting the cord won't mean cutting out your cable provider. They often own some of your favorite channels (Comcast owns NBC Universal, parent of Bravo and USA) and in most areas they are the gatekeepers to the Internet. Offering popular channels like HBO over streaming could actually help cable companies sell more expensive broadband services to customers. "The cable business is evolving from mainly selling you a pay TV package to mainly selling you a broadband Internet service," says FBR Research analyst Barton Crockett. "Content companies and cable companies are evolving from being very worried about making their content available through Internet services to very excited about that. It's a way to sell their Internet and get people to pay for faster speeds."

The cable and satellite television industry is going through major consolidation, to mitigate the higher cost each year of carriage fees that the networks charge for their channels and boost pricing power. Comcast Corp. is in the process of buying Time Warner Cable Inc. for \$45 billion, which would make it by far the largest TV and broadband provider. AT&T Inc. is planning to buy satellite service DirecTV for \$48.5 billion. Both are under regulatory review; customers complain such deals would create monopolies that would hijack choice. Meanwhile, pay-TV subscriptions have flatlined at about 101 million, according to data from research firm SNL Kagan. The number of high-speed Internet subscribers rose about 1 percent during the same period to 90.1 million. By comparison, pay-TV nemesis Netflix Inc. has about 37.2 million U.S. subscribers and expects to add 1.85 million during the final months of this year.

The growth in streaming services will appeal "to a segment of consumers that the traditional pay-TV providers have a harder and harder time communicating with: the millennials and so called 'cord-nevers'" who haven't viewed Pay TV as a compelling option until now," says MoffettNathanson partner Craig Moffett. In fact, HBO said its stand-alone HBO Go service is largely aimed at the 10 million U.S. households that have broadband Internet service but do not pay for TV. So as more channels start to offer a la carte services, cable providers will shift to focus on their broadband services, Moffett thinks.

"Cable companies will become increasingly reliant on broadband, and gradually evolve their business models to be less and less video-centric and more broadband-centric over time," he said. That leaves satellite pay-TV companies like DirecTV and Dish Network Inc., which have no broadband capability, as the "odd man out," he said.

Cable companies say they want to offer customers more choice, and if customers want to go online, they plan to be a part of that transaction. "The overwhelming majority of our customers prefer to access video content via digital cable bundles for convenience, service quality and value of the total package, but cable broadband provides the fastest and most reliable connection to online content for those who choose to access it," says Todd Smith, spokesman for Cox Communications, which offers cable and broadband to 6 million customers. Other cable and satellite services did not respond to a request for

comment or declined to comment. – **Associated Press**

Verizon Communications Inc. said it added 1.52 million of its most lucrative long-term wireless contracts in the third quarter, again driven by a surge in tablet connections. Verizon has relied heavily on signing up tablets as a way of keeping its subscriber numbers positive and has even given away tablets free when customers add them to their data plan. In the latest period, postpaid tablet additions of 1.1 million more than doubled postpaid phone additions of 457,000.

Chairman and Chief Executive Lowell McAdam said the company is seeing continued and healthy demand for wireless and broadband services. Shares of Verizon, down 1.3% this year through Monday, slid 28 cents to \$48.20 in premarket trading. The company in late February completed its deal to gain full ownership of Verizon Wireless, buying Vodafone Group PLC's 45% stake in the wireless carrier for \$130 billion. The acquisition is expected to sharply increase Verizon's profits this year and will give the company more flexibility in driving Verizon Wireless's future. Verizon has said it is looking to focus on smartphone penetration and connected devices, such as cars and tablets, to boost sales at Verizon Wireless.

Wireless providers are expecting to spend billions of dollars in upcoming years in government-run wireless spectrum auctions, as they seek to beef up their networks. Verizon and AT&T Inc., the two largest U.S. wireless providers, may face limits to how much spectrum they are allowed to purchase, though, as government regulators try to keep smaller providers T-Mobile US Inc. and Sprint Corp. competitive against their larger rivals. Overall, Verizon posted a quarterly profit of \$3.7 billion, or 89 cents a share, compared with \$2.23 billion, or 78 cents a share, a year earlier. Excluding items in the year-ago period, the company had per-share earnings of 77 cents in the 2013 quarter. Revenue rose 4.3% to \$31.59 billion.

Wall Street analysts on average expected a profit of 90 cents a share and revenue of \$31.58 billion, according to Thomson Reuters. At the end of the quarter, the company had 106.2 million retail wireless customers, up 4.9% from a year ago. Verizon's wireless revenue increased 7% to \$21.8 billion. Total postpaid churn, or customers who cancel services, was 1%, compared with 0.97% a year earlier and 0.94% in the second quarter. Overall, its retail postpaid connections grew 5.2% from a year earlier to 100.1 million. Average revenue per retail postpaid account rose 3.5% to \$161.24 per month during the quarter. Smartphones, meanwhile, continue to drive its phone business, as they accounted for 77% of the company's most lucrative phone contracts, up from 75% at the end of the second quarter.

In Verizon's FiOS business, which provides Internet and video services for residential and business customers, the company added 162,000 Internet and 114,000 video subscribers during the quarter. Overall, FiOS Internet connections rose 8.8% to 6.5 million from a year earlier, and FiOS video connections increased 7% to 5.5 million at the end of the quarter. Total FiOS revenue grew 13% to \$3.2 billion. The company also backed its outlook for full-year revenue growth. – **Wall Street Journal**



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