

**Fierce Cable
Netflix may
soon hit U.S.
subscriber
ceiling... and
that could
limit profits**

**CNET
Amazon,
Facebook
creep up
video ranks,
but miles
behind
Netflix**

**Reuters
Yahoo is
attempting to
tackle
Google for
search
supremacy**

**Associated
Press
Pa. checks
potential
duplicate
voter
registrations**

**pennlive.com
No child
pornography
in emails
circulated
among state
employees:
Attorney
General's
office**

**pennlive.com
Opinion: With
Tom
Corbett's
defeat - is the
eight-year
cycle done?**

The U.S. House on Wednesday approved a five-year extension of a satellite TV law that would continue to allow more than 1.5 million people to receive broadcast channels through their satellite providers. A reauthorization of the Satellite Television Extension and Localism Act (STELA), which expires at the end of the year, was approved by voice vote with a few changes. House Energy and Commerce Committee Chairman Fred Upton (R-Mich.) introduced the bill Tuesday, along with ranking member Henry Waxman (D-Calif.) and Rep. Anna Eshoo (D-Calif.), ranking member of the committee's subpanel on communications. The House passed a similar bill in July. But the legislation approved Wednesday was part of a bipartisan agreement with leaders on the Senate Commerce Committee. The extension must be approved by the Senate and signed by President Obama before Dec. 31, before provisions of the law end.

Among other things, the legislation allows satellite companies to continue to provide broadcast channels to individuals living in areas with weak local broadcast signals, totaling more than 1.5 million customers. The legislation would also end security standards in cable boxes. Companies like TiVo have strongly opposed the provision, which they say would allow cable companies to lock out competition by offering better access to television through their own cable boxes. The so-called "set-top box integration ban" would end after a year, according to the legislation, and a working group would be created to find new options. "This well intentioned rule has not resulted in the kind of competition Congress envisioned," Rep. Gene Green (D-Texas) said, who had sponsored specific legislation on the issue.

A pair of Democrats in the Senate — Sens. Ed Markey (Mass.) and Richard Blumenthal (Conn.) — had strongly opposed the change and put a hold on similar legislation that contained the provision. A Senate Commerce Committee aide said Chairman Jay Rockefeller (D-W.Va.) and ranking member John Thune (R-S.D.) negotiated in good faith on the measure. "They hope that their colleagues ultimately can support this consensus measure," the aide said. Markey on Wednesday said he still remains "deeply concerned" about the provision but would not block the Senate from passing it. Other than the cable box provision, he supports it. "Because the future of innovation and competition in the video set top box marketplace is at stake, I will be asking the FCC to use its authority to ensure that consumers have more choices in set top boxes than merely leasing their boxes from their cable company," he said in a statement after the House vote.

The update Wednesday would ban broadcasters from teaming up during negotiations to get better deals. Satellite and cable companies must currently obtain consent from broadcasters when carrying their stations. The bill also requires the Federal Communications Commission to define what "good faith" negotiations are and would allow broadcasters time to comply with recent FCC media ownership rule changes. — *The Hill*

The White House is exasperated with the major broadcast networks — ABC, CBS and NBC -- for skipping out on President Barack Obama's Thursday primetime address on his executive actions on immigration. "In 2006, Bush gave a 17 minute speech that was televised by all three networks that was about deploying 6000 national guard troops to the border. Obama is making a 10 minute speech that will have a vastly greater impact on the issue. And none of the networks are doing it. We can't believe they were aggrieved that we announced this on Facebook," a senior administration official told POLITICO.

When the president wants to make a primetime address, White House officials will reach out to the big networks like ABC, NBC, and CBS, to gauge whether they would consider running the speech live before putting in a formal request for airtime. But on Wednesday morning, with plans underway for a Thursday night address on Obama's plans to issue executive actions on some of the most sweeping immigration reform in decades, those feelers came back with a negative report. None of the major networks wanted to take time away from their primetime programming for Obama's 8p.m. speech. So the administration did not send out a formal request to the networks and took to Facebook to publicize the speech with a special video message from Obama along with a link to the livestream.

To be sure, the media landscape is a much different place now than it was in 2006. Smartphones and tablets that could play a livestream were nearly nonexistent. Facebook was barely a few years old. Nevertheless, the White House resents the networks' new calculus. There is a bright spot for the administration though. Their target audience, Hispanics, will likely be tuning in. The two Hispanic-focused networks, Univision and Telemundo, will broadcast the speech live. Univision is even delaying the Latin

Grammys broadcast for the speech. CNN, MSNBC and Fox News will also air the speech live. We've reached out to the networks for a response and will update here accordingly. – **Politico**

Knowledge is power. But for TV networks, there is such a thing as too much information. Starting next month, Nielsen will start measuring viewership of Netflix and Amazon.com's Prime Instant Video on televisions. This doesn't require the two companies' consent. In doing so, the measurement firm will begin to shed light on what has previously been something of a black box for media companies: whether they are charging the right amount to license their content to online video streaming sites and whether those deals have had unintended consequences. If the ratings information becomes public, it could also elucidate the economics of investing in content at Netflix and Amazon and show whether that is paying off.

Licensing content to the likes of Netflix and Amazon has become a major source of revenue growth at big media companies. And because of that business's juicy margins, it has become an even bigger source of profit growth. But recent ratings declines suggest networks may have been undermining their existing businesses as they chased these short-term licensing gains. Aggregate TV audience deliveries—the absolute number of people watching—took an “abrupt, unprecedented drop” in the third quarter, falling about 10% year over year, according to Sanford C. Bernstein. Among prime-time viewers aged 18-to-49, the most valuable demographic and time period, the drop was 9%.

While there are other forms of unmeasured viewing, Bernstein concludes that online streaming is the primary cause of this decline. Nielsen data show viewing via DVRs and video on demand rose 15% during the first half of 2014. But most of that should be captured in ratings which include viewing on the original air date plus three days after. Indeed, Nielsen itself found streaming video subscribers aged 18-to-34 watch 20% less TV than they used to before signing up for a service and those in the 25-to-54 bracket watch 19% less, The Wall Street Journal reported Wednesday. In other words, viewing over platforms like Netflix appears to be replacing ad-supported viewership, endangering billions of dollars of TV advertising revenue and potentially billions more of affiliate fee revenue. And the trend may only be getting worse, considering Netflix's current growth rate: Its U.S. subscriber base increased by nearly 20%, year over year, in the third quarter.

If the new ratings confirm eyeballs have shifted online, it might seem media companies would be best served by pulling their content from streaming sites entirely. But that cat may already be too far out of the bag. It would be exceedingly difficult for big content owners to walk away from licensing revenue at this point, especially if peers opt not to. Networks may also try to use the data to try to wring more money from Netflix and Amazon, although it is unclear how much. Netflix says it would walk away if it determines a deal is uneconomical. Indeed, media companies look increasingly stuck in a bind and may be forced to license more content—not less—to online platforms to offset any future decline in ad sales. For them, any light shed by Nielsen's new ratings could quickly become an unwelcome glare. – **Wall Street Journal**



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