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Producers from the hit Showtime drama series Homeland want to conserve their show's profits by limiting free streaming of past seasons on the online service Hulu, the Wall Street Journal reported Sunday. The creative minds behind the show noted if past seasons were available for free on Hulu, they would have a harder time selling them at a profit to other services, such as Netflix.

"This doesn't work for us; this show will never be profitable with this model," a person close to the two producers for Homeland told the Journal.

As millions of viewers in the United States -- and worldwide -- cut their cords and shift away from cable television to streaming services like Netflix or Hulu, cable providers aren't the only ones losing out. Television show producers and creators have said the transition also hurts their shows' attractiveness and profitability.

The number of households with cable has dropped by at least 10 percent in the past five years, according to Pacific Crest market research firm, as cited by Business Insider in August. Cable subscribers have been cutting their cords by the hundreds of thousands each quarter, as more and more people move toward streaming services. Subscriptions to services like Netflix or Hulu have doubled in the same time frame, with the number of households with Netflix jumping from 18 percent in 2011 to 35 percent in 2015.

The Homeland debate -- and others like it -- are centered on the licensing of past seasons. It's a question that many other successful shows have had to grapple with. Producers, actors and creators do not earn royalties off streaming of past seasons, so they need to sell the rights to those seasons at a high price initially to see a profit.

In a series of deals made in October, Netflix and Hulu separately acquired past season streaming rights to some of the most popular shows currently on television. Netflix bought rights to the CW's "Jane the Virgin" and ABC's "How to Get Away with Murder," while Hulu took Fox's "The Last Man on Earth" and ABC's "The Goldbergs."

One communications officer from Netflix noted the company was interested in nabbing exclusive streaming rights to popular shows early in their runs as the rights become more expensive and more difficult to acquire the longer a show has been on air. With more than 65 million subscribers in 50 countries, the streaming of those shows is a billion-dollar enterprise.

Cable channels like Fox, NBC and ABC have increasingly set up functions on their websites to allow users to catch up on past seasons or to watch current episodes of shows the day after they air. These streaming services are available regardless of whether a person is a cable subscriber, and they encourage people to keep up with current shows that are not available through services like Netflix. As the prevalence of Netflix and other streaming services expands, the creators and producers of these shows will not be able to avoid negotiations for past seasons. – ***International Business Times***



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