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Amazon.com Inc. is taking steps to look more like a virtual cable company.

The Seattle retailer said Tuesday that it is now offering on-demand programming from channels such as Showtime and Starz to Prime members for as much as \$8.99 each a month. With its new offering, Amazon has caught up to Hulu, which this summer **rolled out an add-on subscription to Showtime**—at the same price Amazon is now charging—its first such deal with a premium channel.

Amazon's new offering furthers its ambitions in streaming video and could lure new subscribers to its \$99-a-year Prime program, which offers unlimited two-day shipping, the streaming video offering and other goodies. Amazon covets Prime members because they spend more money on the shopping site than non-Prime customers.

Amazon has long sought such a deal to sweeten its Prime streaming-video offering. The add-on subscriptions are available through Amazon's apps on mobile devices, streaming boxes and connected television sets. Michael Paull, vice president of Amazon digital video, said the on-demand pay services would simplify customers' lives. "The current ecosystem is too complicated with too many apps to navigate," he said. Mr. Paull said Amazon planned to add new channels in the future, though he declined to say which ones. And Amazon

declined to discuss the financial arrangement with the content providers.

While Starz and Showtime, with its popular "Homeland" series, may be a draw, the list of available channels delves quickly into the obscure. For example, customers can subscribe to Shudder, Gaia or Urban Movie Channel for less than \$6. The offering from Showtime, a unit of CBS Corp., is about two dollars cheaper than it would cost to get the pay-TV channel without a Prime subscription. For Starz, the channel on Amazon is its first online offering in the U.S. covering its breadth of programming without requiring a pay-TV subscription.

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Amazon has struck varying deals to share revenue with the on-demand services it has signed up, people close to the deals say. In the case of Starz and Showtime, Amazon is paying the premium networks a wholesale rate, similar to those companies' arrangements with traditional pay-TV providers. Amazon sets the retail rates. Starz indicated it is charging Amazon a higher rate than it charges traditional operators. "A rule of thumb has always been that new distributors don't get the same rate that old distributors got," Starz Chief Executive Chris Albrecht said Tuesday at a UBS investor conference.

Media executives say Amazon has left the door open to bundling channels in the future, though for now the company seems focused on signing up providers to offer a la carte subscriptions. Amazon sells a streaming box and stick called Fire TV through which customers can access the Prime video service, as well as Netflix, Hulu and other apps. The on-demand versions of some channels, such as Showtime and Starz, are available to customers who already get access through their cable subscription.

Amazon's announcement Tuesday seemed aimed as much at persuading content providers to participate in the new program as it was selling the service to Prime customers. The company highlighted how it would assume customer acquisition, billing and customer-service costs for what it calls the "Streaming Partners Program." Amazon says it has "tens of millions" of Prime members, though the exact number is closely guarded.

Premium networks such as Showtime and Starz are already sold a la carte by traditional pay-TV operators such as Comcast Corp. But it would be a shift if Amazon were able to persuade traditional cable and broadcast networks to offer on-demand versions of their channels through Amazon either a la carte or in a bundle. That could give customers who cancel their traditional cable packages, or cut the cord, another option in the expanding streaming-TV world. Such products threaten to hasten the decline of traditional cable bundles, which net Time Warner Cable Inc., Comcast and others profits by offering, and charging for, more channels than most customers ever need. A spokeswoman for Amazon declined to discuss the financial arrangement between the company and providers of the new pay channels. – *Wall Street Journal*

Comcast Corp. may consider selling smartphones as part of a wireless service that would compete with major U.S. carriers, chief executive officer Brian Roberts said. "We've experimented with that before," Roberts said at the Business Insider Ignition conference Tuesday. "Hasn't been a huge success in the past." The nation's biggest cable company is evaluating whether to enter the maturing cellular business. Asked if Comcast could sell phones as part of a wireless offering, Roberts said, "We might."

The Philadelphia-based company activated a deal with Verizon Communications Inc. in October to sell wireless service on Verizon's network. Roberts said that Comcast is exploring a similar relationship with Sprint Corp. "and others." The cable giant, in deciding to invoke the agreement with Verizon, is seeking new sources of revenue as consumers ditch traditional TV packages, and competitors such as AT&T Inc. and Charter Communications Inc. get bigger through acquisitions.

Comcast would try to be the first successful cable mobile virtual network operator, or MVNO - a concept pioneered by Virgin Mobile UK in 1999 in which a company buys capacity on other carriers' networks and resells services under its own brand. Comcast would offer a hybrid cellular and WiFi service, using Verizon's network and the cable company's millions of WiFi hot spots.

The entry of Comcast in the market would come at a time when Verizon and AT&T, the top two U.S. carriers, are already under pressure from smaller rivals such as T-Mobile US Inc., which is winning customers by cutting prices and doubling data allotments. "We have been looking at our relationship with Verizon and Sprint and others, where we have the right to wholesale the network and marry it with our WiFi," Roberts said. "We're going

to experiment in that area.” – **Bloomberg**

Donald Trump has called for a shutdown of the Internet in certain areas to stop the spread of terror.

In a speech at the U.S.S. Yorktown in Mount Pleasant, South Carolina, on Monday, Trump referenced the use by ISIS of social media as a recruitment tool. He recommended a discussion with Bill Gates to shut off parts of the Internet. "We're losing a lot of people because of the Internet," Trump said. "We have to go see Bill Gates and a lot of different people that really understand what's happening. We have to talk to them about, maybe in certain areas, closing that Internet up in some way. Somebody will say, 'Oh freedom of speech, freedom of speech.' These are foolish people. We have a lot of foolish people."

The notion that the Internet could be shut off is not completely off base. North Korea does it. Some countries have been known to shut off Internet service to their citizens in times of crisis. Egypt restricted the Internet during the 2011 Arab Spring uprising. Other countries block certain Internet services and sites. China is the most famous example, forbidding most social networking sites as well as websites that deal with subjects the government doesn't want its citizens to know about.

Most Western countries, including the United States, regulate the Internet very loosely. There are few restrictions about what American citizens can do and say on the Internet. Child pornography is one example of forbidden Internet activity in the United States -- Google is barred from linking to it, and websites cannot display images of it. But a full-on "closing up" of the Internet "in certain areas" would be an impossible task. There are so many players with so much redundancy built into the system, that the Internet is not just something that can be turned off with a wave of a magic wand. Virtually every part in the United States has multiple Internet service provider options.

Comcast, Time Warner Cable and the other major broadband companies don't overlap much. But Verizon, AT&T, Sprint and T-Mobile all provide the same service to roughly the same areas. Satellite companies also provide Internet to most parts of the country. Removing Internet service in certain areas of the U.S. would require those companies to turn off their cell towers and fiber networks, and to restrict satellite access to people living in those regions.

Shutting down Internet service in foreign countries could be even more difficult. Despite a common belief to the contrary, the United States does not control the global Internet. Servers on foreign soil serve up the Web and other Internet services to people living abroad. So foreign Internet infrastructure would need to be disrupted or shut down to turn off service in certain areas -- already a tricky task made even harder if the countries and companies controlling those servers and cell towers abroad don't cooperate. Whatever, Donald Trump wouldn't want the Internet shut off anyway. Then he couldn't tweet. – **CNN; the New York Times calls Trump's suggestion "science fiction"**

Two television entrepreneurs in California think they have just what America needs: a 24-hour shopping channel for guns. Using the tag line "Live Shopping. Fully Loaded," **GunTV** aims to take the QVC approach of peppy hosts pitching blenders and face-firming lotions and adapt it to the sale of "a vast array of firearms," as well as related items like bullets, holsters and two-way radios.

The project is the brainchild of Valerie Castle and Doug Bornstein, two home shopping industry veterans based in Rancho Mirage, Calif., who saw what looked to them like an untapped market. GunTV said it expected to debut Jan. 20 via national satellite and cable television providers. It will begin by airing just six hours a day, then plans to ramp up to 24 hours a day by the beginning of 2017.

Americans' appetite for firearms has in recent years seemed insatiable. Sales have

been rising for years, with nearly 21 million background checks performed in 2014, and they appear on track to a new record this year. The boom has lately been helped by a drumbeat of mass shootings, whose attendant anxiety has only driven more people into the gun store. The promoters of GunTV, which will film at a studio in Palm Springs, Calif., roughly 50 miles from the site of the deadly rampage in San Bernardino last week, seem aware of potential uneasiness surrounding their project.

Ms. Castle and Mr. Bornstein named the channel's parent company the Social Responsibility Network, and a promotional video puts heavy emphasis on the gun safety mission. A proposed schedule of programming allots an eight-minute segment each hour to safety public service announcements in between proposed segments on topics like women's concealed weapon's apparel, big-game hunting and camping. The GunTV founders did not respond to requests for comment about the project.

Gun control advocates have reacted with frustration. In the climate of a deepening national divide over gun control, "this is something that's definitely going to enrage a lot of people," said Ladd Everitt, a spokesman for the Coalition to Stop Gun Violence. Citing the growing popularity of bulletproof backpacks for children, he said that the country had seen a troubling rise of entrepreneurs who are "trying to profit off of the out-of-control culture of gun violence."

Buying a Glock on GunTV won't be quite be like ordering a pizza. When a firearm is purchased, a distributor will send it to a retailer near the buyer, where it has to be picked up in person and a federal background check performed. It is uncertain whether the channel will add to the enormous cache of weapons held by American citizens given that it is already fairly easy to obtain a firearm the traditional way, whether by the book at a retailer or illegally in a back alley. Mr. Everitt said he took some relief in that. The gun market "is pretty much saturated," he said. – *New York Times*



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