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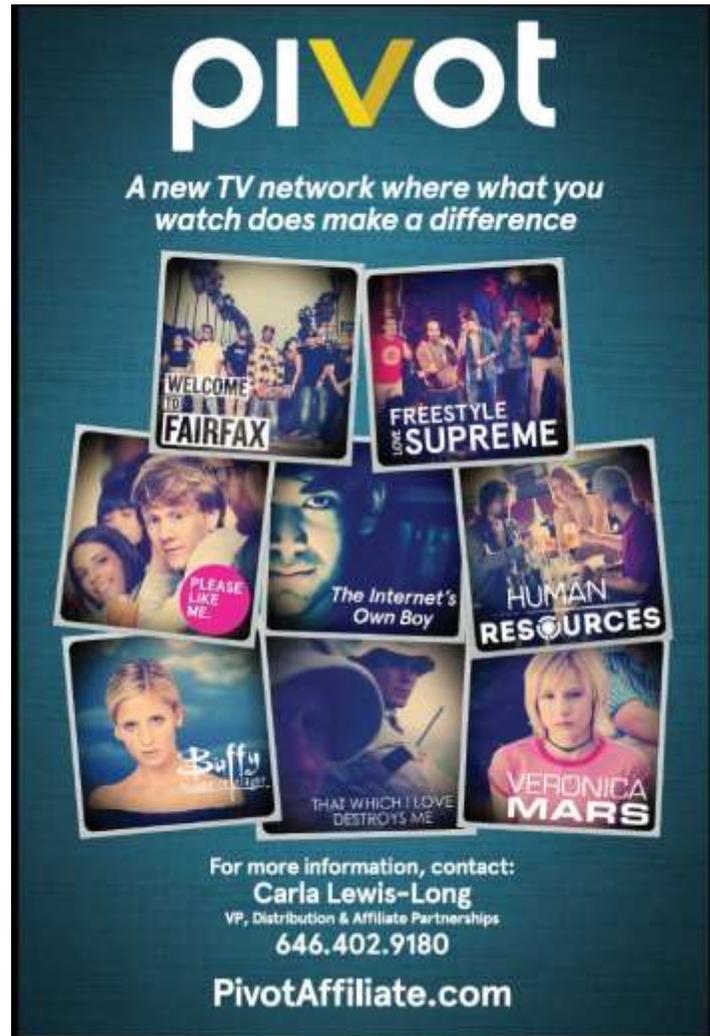
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The Federal Communications Commission has rolled out a new way for the American public to let the agency quickly and easily know about everything from unfair cable bills to telephone service outages to offenses taken to Tom Brady's silent use of the F-word through a new online complaint center.



The FCC has long had a phone line for capturing citizens' grievances — 1-888-CALL-FCC — and some rudimentary online filing capabilities. But the benefits of the new system include the ability for consumers with complaints to track the resolution of their issue the same way they might track a FedEx package. Under agreements with the federal government, telecom providers like Verizon, AT&T and Comcast have 30 days to respond to a customer problem. But the new system will start the clock earlier: Instead of new complaints being fed directly into those companies' resolution systems once a week, the new complaint center will kick them over within the day.

The complaints that come in through the new system will be aggregated for easier analysis by federal

regulators. "The hope," said an FCC official only authorized to speak on background, "is to have consumers inform us where we can best serve them and where the FCC should be focusing its attention." Giving the public more powerful ways to lodge complaints, says the official, was part of Chairman Tom Wheeler's mandate when he took office in 2013.

The FCC's digital infrastructure has sometimes struggled, most notably with its online mechanism for collecting public comments on pressing policy questions called the Electronic Comment Filing System, or ECFS. That framework was unable to keep up with the weight of the more than four million public comments on the issue of net neutrality that hit the agency this summer.

The new complaint system is part of a trend among federal agencies. The Consumer Financial Protection Bureau, for example, has made a point of making its complaint

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process transparent and public, partly in a bid to discourage financial companies from engaging in behavior that might rack up consumer objections. The FCC is also considering releasing back to the public more granular complaint data. Top-level data from the new system's test period shows that the majority of complaints had to do with telephone service, and the majority of those had to do with being bothered by telemarketers. – *Washington Post*

Time Warner Cable Inc. and other pay-TV providers are citing a culprit for the higher bills you're paying: Sports.

For the first time, Time Warner Cable is adding a \$2.75 monthly charge for sports programming. Cablevision Systems Corp.'s bills first carried a specific fee for sports and broadcast channels in 2013, and that charge is rising by \$1, to \$6 a month. Subscribers to satellite-TV and phone companies' TV services won't escape the hikes either.

Sports is the most expensive programming because it draws large audiences to live events. For example, Walt Disney Co.'s ESPN and ABC and Time Warner Inc.'s TNT are paying \$24 billion over nine years to carry National Basketball Association games. Those costs get passed along to distributors, such as cable companies, and then subscribers. Rising bills are already trying consumers' patience, and now there are more alternatives than ever for customers ready to ditch traditional TV. "At some point consumers will say 'Enough is enough,'" when it comes to rising TV bills, said Dan Rayburn, a media analyst at Frost & Sullivan.

While cable providers say they are offering more services and channels than ever before, many consumers don't want to pay for networks they don't want to watch. The latest rate increases could prompt some to cancel their subscriptions, Rayburn said. And if they do, there are more options than ever for Web-based viewing. Cheaper services like Netflix Inc. have millions of subscribers. Even ESPN's coveted sports content is going to be available live over the Internet, thanks to a new \$20-a-month package of 12 streaming channels from Dish Network Corp. That's far cheaper than the typical basic cable package. For consumers, rising cable bills have become the norm. The average cost of expanded basic cable service has increased an average of 6.1 percent annually since 1995, outpacing the rate of inflation, according to a May report by the U.S. Federal Communications Commission. Monthly bills are \$64 on average, the report showed.

DirecTV bills will increase on average 5.7 percent starting next month, or about \$6 on the average monthly bill of \$107. Dish customers will pay between \$2 to \$5 more per month beginning in February. For AT&T's U-verse TV service, there will be an increase of \$3 to \$5 per month, depending on one's package, to cover a higher fee for the TV receiver and a broadcast TV surcharge. A spokesman for Verizon said FiOS bills will rise in 2015, but declined to say when or by how much. Comcast Corp's more than 22 million customers aren't avoiding the higher prices either. The charge on monthly bills for broadcast networks are going up to \$3.25 from \$1.75 in most markets.

Cable, satellite and phone companies say they are raising rates because they are paying more to carry broadcast networks like CBS and Fox -- which carry must-watch live events, sports and hit shows -- and for sports programming like ESPN. Sports have been able to fetch higher and higher fees because they are ratings gold -- regularly drawing among the largest live TV audiences. The amount that Time Warner Cable pays local broadcast channels has risen 60 percent in the past two years, while its costs for carrying sports networks have risen 91 percent since 2008, according to Time Warner Cable spokesman Bobby Amirshahi. "The rising cost of sports programming isn't new, but it's escalating dramatically, and we think that it's important to show customers the impact of these rising costs through a specific item on their bills," Amirshahi said in an e-mail. Cablevision, in a statement, said that their rate increases are "only a fraction of the rising costs of sports and other programming."

The attempt to be more transparent by adding a sports programming fee may not console customers who are concerned that they are paying higher rates, said Amy Yong, a media analyst with Macquarie Group Ltd. “They’re trying to figure out a way for consumers to digest rising bills,” Yong said. “However you slice it, at the end of the day you’re just raising prices.” Perception about monthly bills matters even more right now as Comcast tries to win regulatory approval for its \$45.2 billion purchase of Time Warner Cable. The combination of the country’s two largest cable companies, as well as AT&T’s \$48.5 billion acquisition of DirecTV, have drawn heat from opponents who say the deals will lead to higher prices, fewer choices for consumers and worse customer service. “Anytime that you see prices continually going up, there’s something that’s wrong with the market,” said John Bergmayer, senior staff attorney at policy group Public Knowledge, which opposes the Comcast merger. “You’re only able to get away with this sort of nickel and diming in a market that is not as competitive as you would like.”

At the same time, cable and satellite subscriptions have peaked as consumers find more options for watching TV online. In 2013, the number of Americans who pay for traditional TV fell for the first time. Time Warner’s HBO plans to offer a standalone, Internet-based version of the premium channel this year, and CBS Corp.’s Showtime Networks is following suit. Sony Corp. plans to offer Internet-based TV service, PlayStation Vue, in the first quarter of this year, complete with channels such as USA, FX and MTV. With new options emerging, traditional pay-TV companies may be more at risk of losing customers over price, said Rayburn. “The biggest threat to the cable industry is not cord cutting or streaming, it’s themselves,” he said. “If they continue to raise rates like clockwork, they’re the biggest threat to their business.” – **Bloomberg**

Verizon Communications Inc. Chief Executive Lowell McAdam said the telecom giant isn’t in talks to buy AOL Inc., and that he is more likely to enter partnerships with media companies than try to acquire them as Verizon builds out its video business. Verizon is working on options for delivering live events and other content to its wireless subscribers, and has said previously that an advertising supported model makes sense. AOL has technology that can serve video advertisements across different devices.

Mr. McAdam said there are a number of companies Verizon could partner with, including AOL. But to say the carrier is in significant acquisition discussions isn’t accurate, he said. Separately, in a news release, Verizon said wireless customer additions remained strong throughout the fourth quarter, thanks to demand for smartphones and tablets. The company reported an increase in the number of lucrative long-term wireless contracts quarter-to-quarter and year-to-year, but it didn’t provide specific details.

Verizon reiterated that strong customer volume and promotions pressured its wireless margins in the quarter but also said Tuesday that it expects the margins to return to historical levels in the first quarter. During December, Verizon and AT&T Inc. both warned they have to work harder to keep their wireless subscriber count growing, amid a sector price war that has prompted more customers to leave. – **Wall Street Journal**



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