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**Beaver County**

Netflix's New Year's resolution for 2016 was to become truly global, and it pretty much fulfilled the goal before the year was even a week old. As Reed Hastings, the company's chief executive, was giving his keynote address at CES, Netflix flipped the switch on 130 countries. Netflix is now worldwide, with China being the only notable exception.



It will also be universal. Instead of tailoring its service for each country, Netflix aspires to become a single Internet-based TV network that's identical for viewers in Ireland, Israel, Iran or Indonesia. It's a bold move based on two very optimistic assumptions: that Netflix can re-order the way media companies dole out rights to their television shows and movies, and that its algorithms are more powerful than the cultural differences between humans living in different countries.

First, the business side. Since the invention of video cameras, media rights holders have licensed content through a series of national deals. Until streaming came along, this made sense, because cable companies don't operate on a worldwide scale. In the age of the Internet though, it leads to odd situations. When Netflix launched in some European markets, for example, it did so without its own hit series *House of Cards* because it didn't own the show. Only Star

Wars fans lucky enough to live in Canada have been able to stream the *Force Awakens*.

Neil Hunt, Netflix's chief product officer, describes the current state of affairs as an unfortunate but temporary stage toward the erasure of international borders, at least when it comes to television programming. Netflix wants to strike deals to stream content anywhere on earth.

It'll be a hard road. For now, at least, many of Netflix's potential partners can't do these deals even if they want to. Others grumble about being asked to cede potentially valuable rights they've long sold separately. "It may take 20 years, or forever, to happen," Hunt said in an interview with reporters. "We'd love to get to that." In the meantime, the company's solution is to make its own shows and movies. Knowing it can do whatever it wants with video made in-house, Netflix plans to spend \$5 billion on programming this year, doubling its production of original series.

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Over the last year or so, Netflix has made a subtle but important shift. Initially, the company studied the tastes of local audiences to determine where to launch and how to tailor the lineup accordingly. No longer. "If you're going to launch everywhere," says Hunt, in a rare instance of a tech executive admitting number-crunching isn't the be-all, "there's not much data you need."

This runs counter to the approach of other media and tech companies. Executives at Spotify, also focused on international expansion, are still hammering out content deals one at a time - - an arduous process. A major barrier to moving into Korea, for instance, has been the difficulty of securing rights with all the labels that control access to the biggest K-pop hits.

When Mark Greenberg, the chief executive of EPIX, ran international operations for Showtime, he discovered that localizing the service for each market was basically the entire job. "It was tough," he says. "We had foreign partners on almost every joint venture we did, because we knew we didn't know the marketplace: local customs, local practice, how people think, what goes, the balance of American content to local content."

Netflix is betting it can make a handful of programs with universal appeal and license some local content, with an eye to building a single, global library rather than a bunch of regional ones. The strategy sounds downright utopian. After all, shows and movies aimed at the widest possible audience have long been derided as dumbed-down or unsophisticated. To some extent, Netflix will have to prioritize making original shows with the widest possible reach, which means it will end up pushing shows tailored to its biggest market on users in smaller ones.

Netflix executives insist that having a single, identical service for the entire world will actually increase the diversity of entertainment. Content acquisition chief Elizabeth Bradley argues the global library opens up huge new markets for filmmakers. For example, if Netflix finds out that Anime fans in Japan like certain kinds of Hollywood blockbusters, it can figure out which Anime films would do well with Americans watching the same blockbusters. "We can help distribute Anime content around the world," Bradley says. "We are really emphasizing that there are some great local storytellers that don't have a platform to tell their story."

Because Netflix is a library and not a linear television station, it can look very different to different users even if its collection is the equivalent of one-size-fits-all. Hunt sees the global service as a collection of small audiences rather than one big mainstream group. But instead of local editors and content strategies, the company has a single recommendation engine.

Netflix's algorithms, he says, can now begin to train themselves on the viewing habits of a the entire world. This will break down traditional geographic barriers and find surprisingly large audiences for, say, Polish-language noir shows even among people who never thought to look for such content themselves.

"Every country has a wide range of taste," he says. "No one else is going to be able to find a niche audience that's not in Poland and is interested in a Polish story." – **Bloomberg**

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NBC is ending its more than two-decade relationship with WHDH-TV Boston in favor of creating its own local platform in one of the nation's largest television markets.

The move comes after NBC, a unit of Comcast Corp., unsuccessfully tried to buy the spectrum assets of WHDH-TV from its parent company, closely held Sunbeam Television Corp., according to both NBC and Sunbeam. NBC's affiliate deal with WHDH-TV expires at the end of this year. Instead of using WHDH-TV to distribute its content, NBC is considering other options in the market that could include using its Telemundo station WNEU-TV in southern New Hampshire to air programming in the Boston market. Comcast also has a local cable news channel in the region that could provide local

content for its new broadcast platform.

NBC has long wanted to own a station in the Boston market, and executives there are not ruling out a potential purchase of another station should one become available. Networks prefer to own stations because it is more profitable than having a local affiliate. The relationship between networks and their local-TV station affiliates has always been rocky. For many decades, broadcast networks such as NBC paid their affiliates a fee in return for carrying their content and receiving a significant portion of advertising inventory.

Over the last 10 years, though, there has been a paradigm shift in the relationship. Now, local stations pay networks for an affiliation as well as give up advertising time. In addition, local stations share carriage fees they receive from pay-TV distributors with their respective networks. Sunbeam Chief Executive Ed Ansin is going to challenge NBC's move with the Federal Communications Commission, arguing it doesn't serve the public interest because the signal from WNEU-TV is too weak and doesn't reach as many people. "Their coverage is less than half of ours," Mr. Ansin said of WNEU-TV in an interview. "It's hard to believe that they think it is in the public interest to have a Boston station in New Hampshire that doesn't even serve Boston."

Mr. Ansin believes NBC will have to use Comcast and other pay-TV providers in the region to fully distribute WNEU-TV, which he says would mean that many residents without a pay-TV subscription wouldn't get the channel. That, he charged, is a violation of an agreement NBC made with their affiliates in return for their blessing on Comcast's acquisition of the broadcast giant in 2011. "They agreed not to have the network on cable," Mr. Ansin said. An NBC spokeswoman countered that there weren't any violations, saying "we are committed to covering the entire Boston market as the other local broadcast stations do and are looking at a variety of options for accomplishing that."

– *Wall Street Journal*

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Quote of the week: "A drug conviction should not banish one for life from fully participating in our democracy. But in this country, nonviolent offenders are denied opportunities for the rest of their lives - whether it's being shut out of jobs or deprived of their fundamental rights. We can't be surprised that so many end up back on drugs and back in prison." - John Fetterman, mayor of Braddock, Pa., and Democratic candidate for U.S. Senate. That Fetterman guy makes a lot of sense sometimes, doesn't he? Which makes us think he'll never get to Washington. Plus, Fetterman's wife, Gisele, tells us he [leaves the toilet seat up](#). That'll make a good attack ad. – *Philadelphia Daily News*;

[Yesterday's bcapsules updated](#) some House and Senate seats being vacated. The [Pittsburgh Tribune-Review posted last night](#) an announcement from a House member elected 33 years ago.



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