BCAP NewsClips January 20, 2016

telecompaper.com
Atlantic Broadband offers TiVo in Eastern Connecticut

Pittsburgh Post-Gazette
Providers fine-tune their business models as a la cart streaming services proliferate

Wall Street Journal
The Fast Future of Wall-to-Wall Wi-Fi

New York Times
Nielsen to Use Facebook and Twitter in New Ratings System

Associated Press
MLB Settles Suit Over Lack of TV Package Choice, Will Expand Menu

Reuters
Groups want U.S. to adopt strong broadband privacy rules

pennlive.com
Gov. Wolf at one year: Political gridlock erases memories of a fast start

Pittsburgh Post-Gazette
Budget battle dominated Tom Wolf's first year in office

Telethons held across four decades link legacies that Irene Gans left to Hazleton: cable television, a cancer society chapter and training for children with special needs.

Gans, who died Sunday, and her husband, Joseph, who brought cable television to the region and died in 2012, owned TV franchises in several states and WYLN-TV in Hazleton. The couple used television to start a Hazleton chapter of the American Cancer Society with Henry and Leona Kreisl of Hazle Park Meats.

Clementine Yamona, a cancer society volunteer since high school, pitched the idea of a telethon to them in 1979 and said the Ganses never blanched. "They were always that way," said Yamona, who called the couple community icons. She said they were equally generous when asked for help by churches and other organizations like the Helping Hands Society, for whom the Ganses also staged telethons. "Automatically it was 'Yes' — both him and her," Yamona said.

The Cancer Society, which had a Luzerne County chapter, told the Hazleton volunteers that they could form their own chapter if they raised $25,000. With world record-holder Don Kellner parachuting onto the parking lot of Genetti's motel to deliver the first $1,000 and polka bands that the Kreisls booked drawing callers, the first telethon secured pledges of $29,000.

Over the years the telethon added local performers, school groups, and cancer survivors. It moved to the Laurel Mall and, this year on Feb. 27 is scheduled to air for the first time from the Hazleton Health and Wellness Center. "There were times we would be broadcasting," Yamona said, "and I would ask, 'Where's Irene?' She would be at the station … working the controls."

"She understood this business as well as anyone," Barry Jais, the general manager of WYLN, said. Gans added momentum to a telethon as soon as she arrived. "You knew Irene was in the room before you even saw her," he said. "You could almost sense that."

Children also noticed something about her, Mary Beth Koch, the executive director of Helping Hands, said. Helping Hands provides early-intervention classes for children, in whose companionship Gans delighted. "And they gravitated toward her," Koch said. "No one knows more than a child when someone's a good person." – *Hazleton Standard Speaker*

The funeral for Irene Gans will be held Thursday at 10 a.m. at St. John Bosco Church, Conyngham. Friends and relatives may call Wednesday from 5 to 8 p.m. at Frank J. Bonin Funeral Home Inc., Hazleton. Interment will take place in Calvary Cemetery, Drums. Donations in memory of Irene made to the Helping Hands Society, the American Cancer Society or a charity of one's choice will be appreciated by the family. Please see obituary in Tuesday's *NewsClips*.

As president of sports TV giant ESPN, John Skipper runs a corner of the Walt Disney Co. empire that has long been a star performer, and rarely a source of anxiety for Wall Street.

The mood among investors changed last August when Disney disclosed that ESPN had lost pay TV subscribers and dialed back profit projections for its media networks. That showed that even with its unrivaled sports rights and powerful position in the TV world, ESPN was vulnerable to the forces sweeping through media, as consumers cut the cable cord. The disclosure triggered a $22 billion selloff in Disney stock in two days and contributed to a wider media market meltdown. All told, ESPN has lost 7 million subscribers in two years, Nielsen data shows.

Mr. Skipper is an 18-year company veteran who assumed the top post in 2012. The 60-year-old North Carolina native may run a network for jocks, but items on his reading list have included Pablo Neruda poetry and “City on Fire,” a sprawling novel set in 1970s New York. His sports fandom ranges from the New York Jets to Tottenham Hotspur of the English Premier League. He believes soccer is on the rise in the U.S.

In an interview, Mr. Skipper dismissed the narrative that something fundamental is amiss at ESPN. Disney’s media networks had their best year ever in terms of revenue and operating income, he said. He talked about the company’s plans to distribute more content online, or “over the top,” to reach cord-cutters, addressed the criticism that ESPN isn’t tough enough on the NFL, and explained the decision to lay off roughly 300 of the company’s 8,000 workers.

Edited excerpts:
WSJ: ESPN was the apparent culprit in the market meltdown last August. What was that like for you and what was your message internally?
Mr. Skipper: We stayed pretty calm. [The loss of subscribers] didn’t come as a bolt out of the blue to us. We had been thinking about this. We had a big town hall meeting in December. We had a priorities meeting earlier where we gathered everybody together to try to ground ourselves in our business.
People want pragmatic, optimistic leadership. They want to hear you have a plan. They want to hear that particularly in light of layoffs. A little sturm und drang in the environment doesn’t matter relative to our performance—it matters to our investor relations guys. It doesn’t have to matter to me.

WSJ: What has been the biggest reason for ESPN’s subscriber declines?
Mr. Skipper: People trading down to lighter cable packages. That impact hasn't leaked into ad revenue, nor has it leaked into ratings. The people who’ve traded

down have tended to not be sports fans, and have tended to be older and less affluent. We still see people coming into pay TV. It remains the widest spread household service in the country after heat and electricity.

WSJ: Would it be feasible to offer the entire ESPN network online to cord-cutters? Some analysts estimate you'd need to charge $30 a month.
Mr. Skipper: We are still engaged in the most successful business model in the history of media, and see no reason to abandon it. We're going to be delivering our content through the traditional cable bundle, through a lighter bundle, through Dish's Sling TV, through new over-the-top distributors, and through some content that is direct-to-consumer.

WSJ: What kinds of direct-to-consumer offerings?
Mr. Skipper: Last year, we tested this model when we sold the Cricket World Cup direct-to-consumer. We sold 100,000 subscriptions for a hundred dollars apiece. It worked beautifully. We are interested in "multisport"—aggregating a bunch of content and delivering it over the top and charging a subscription fee, or an individual price for an individual game or season.

WSJ: Was the cricket offering profitable?
Mr. Skipper: Yes.

WSJ: How did you explain the layoffs to the company?
Mr. Skipper: You have to kind of look every so often at how you're organized and do you need Job Y that you have had for 22 years. At a certain point you need people who do new things, so you've got to be straight with people. There is no question that it creates issues of morale. Those issues tend to be pretty transient because we continue to grow and continue to be in a good position.

WSJ: Besides layoffs, how else can you reduce costs to cope with the changes in the industry?
Mr. Skipper: You can do games with fixed cameras and robotic cameras. You send fewer people to do production of a game now, because you can do a lot more back here [in Bristol]. When you go to Wimbledon you still have a person behind those cameras, but if you're doing a week-to-week tennis match, you can save money.

WSJ: In October 2014, you renewed your deal with the NBA and agreed to triple your average annual rights fees. Would you do that deal again?
Mr. Skipper: I have no regrets about that deal.

WSJ: What's the value of niche sites like The Undefeated and FiveThirtyEight?
Mr. Skipper: At the Undefeated, the play is about content. If you do a time-lapse of the last two or three years in sports, you'd see more stories pop to the top about race and sports than anything. It is an important area to explore. There is a business reason: among our most important consumers are African-Americans. There is not right now a go-to site for black fans, other than just ESPN sites. [The Undefeated] will be a black-run and black-staffed site. At 538, it is about showing leadership in data and analytics. It actually has helped us recruit.

WSJ: Is there anything you learned from Grantland before shutting it down that is helpful for these other ventures?
Mr. Skipper: No. Grantland had great brand halo and we did a lot of content to be proud of. I'm not sure if I've learned anything beyond that.

WSJ: How do you respond to critics who charge that ESPN has been conflicted in its coverage of NFL controversies—whether it be concussions or domestic violence—because of its relationship with the league?
Mr. Skipper: Nobody does more difficult stories than we do. Nobody can point to an instance when the programming department asked the news department not to do a story. The two sides come together only in this office. I get the great benefit of the

leagues letting me know [when] they feel that we have been too aggressive, while I get to read about six knuckleheads who think that we aren't doing enterprise coverage.

WSJ: ESPN signed a big ad deal with DraftKings before the daily fantasy sector came under intense legal scrutiny? Has that exposed you to any risks?
Mr. Skipper: We did satisfy ourselves that everything we did was appropriate and ethical and didn't violate anything. We didn't run ads in states where it is clear that it does run afoul of regulatory issues. We aren't equity holders so we don't have any real risk here. We enjoyed the benefit of the advertising—it was part of the reason we had a good year last year.

WSJ**:** At a time when people are getting sports highlights on their phones, how do you keep SportsCenter relevant?
Mr. Skipper: We have almost 100 million unique visitors a month on our digital platforms. We're approaching $500 million in digital revenue. What we've had to do is make sure [SportsCenter] lives on digital platforms. That is why we're trying to do a late-night SportsCenter show [that will be] like a late-night show. Just giving the scores and highlights, that is going to happen online. We are, in the advertising market right now, selling like ad prices—meaning that if you're getting your video on SportsCenter or off your mobile phone, the ad costs the same. – ***Wall Street Journal***

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Netflix Inc. on Tuesday reported a surge in streaming subscribers in the December quarter, boosted by its international expansion, even as the company missed its target for customer additions in the U.S. Overall, the company added 5.59 million streaming subscribers in the fourth quarter, topping its projection of 5.15 million, and bringing its total world-wide customer base to nearly 75 million. For the current quarter, Netflix expects to add 6.1 million streaming subscribers.

Netflix shares, whose value has more than doubled in the past 12 months, were up 7% in after-hours trading. Despite the increase in subscribers, Netflix's profit fell sharply, hurt by higher costs for content and overseas expansion. Netflix projected additional international losses this year. In the fourth quarter, Netflix fell short of its estimate for U.S. subscriber additions, reporting 1.56 million more customers compared with its target of 1.65 million additions. That marked a slowdown from same period a year ago, when Netflix added 1.90 million U.S. subscribers. By contrast, the company beat its estimate of 3.50 million new overseas users, adding 4.04 million international subscribers in the fourth quarter. Los Gatos, Calif.-based Netflix this month said it was turning on service in 130 additional markets, bringing its total reach to more than 190 countries. China is the last big market the company has yet to penetrate.

In a letter to shareholders, Netflix said that in China, it has "work and uncertainty ahead." The company said it may be able to offer service there this year, or "it may take longer." On a video chat for investors, Netflix Chief Executive Reed Hastings cautioned that it may take time to gain traction in new markets. "Being light in the beginning doesn't worry us a bit," Mr. Hastings said.

Netflix has placed a high priority on investing in original programming that it can stream globally. Last quarter, it premiered Marvel's "Jessica Jones" as well as "Beasts of No Nation," its first feature film. The company said it plans to launch more than 600 hours of original programming this year, up from 450 hours in 2015. On the video chat, Netflix Chief Content Officer Ted Sarandos said the company isn't stepping up its spending on originals out of concern that Hollywood studios are becoming more reluctant to license their content. "There's a lot of rhetoric going around about how quickly and aggressively people will license," he said. "It's still a very competitive business. People sell their programming to the highest bidder—if we're that bidder, we'll get the programming."

To help offset rising costs, Netflix has raised prices, and that may be affecting the pace of domestic customer growth. Netflix said that adding U.S. customers is “harder than in the past” due to its higher penetration in the marketplace. Some Wall Street analysts had already expected Netflix wouldn’t meet its U.S. target due partly to the $1 price increase it had rolled out in October for new customers to its most popular streaming plan.

Netflix said involuntary service cancellations tied to the company’s inability to process payments from subscribers whose credit and debit cards were changed to chip-based technology “continues to be a background issue.” The company also cited that problem last quarter.

Overall for the December quarter, Netflix reported a profit of $43.18 million, or 10 cents a share, compared with $83.4 million, or 19 cents a share, a year earlier. Excluding the release of tax reserves, the company reported per-share earnings of 7 cents, down from 10 cents a year ago. Revenue rose to $1.82 billion from $1.48 billion. – ***Wall Street Journal***

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