

# UNCAPPED POTENTIAL CABLE ACADEMY 2017

April 19 & 20  
Kalahari Resort in the Poconos

BCAP's 29<sup>th</sup> annual Cable Academy heads to the Poconos to highlight the direction our industry must embrace to prosper during the most competitive environment in its history. Cable Academy 2017 will showcase the "Uncapped Potential" that exists today, and how it can further expand in the near future.

- *Speed Networking for Programmers*
- *BCAP President's Award presentation*
- *100,000 square foot indoor waterpark*

CONFIRM YOUR SPONSORSHIP, REGISTRATION AND EXHIBIT TODAY!

RESERVE YOUR ROOM AT KALAHARI RESORTS HERE...USE GROUP BOOKING ID# 1597

CUTOFF DATE FOR GROUP RATE IS MARCH 18

**BCAP**  
60<sup>th</sup> Anniversary

NewsClips

February 9,  
2017

**recode.net**

Will the  
Telecommunications  
Act get a much-  
needed update as it  
turns 21?

**Politico**

Trump gives Intel  
CEO a free  
commercial from the  
Oval Office

**USA Today**

How Netflix finds  
your happy binging  
place

**Bloomberg**

Facebook Is  
Developing TV  
Shows for Social  
Media

**Zap2It**

CenturyLink Inc.'s chief executive said he would consider offering a streaming-video service such as AT&T Inc.'s DirecTV Now in addition to the company's in-house TV service, the latest sign of a changing media landscape.

On a call with analysts, CEO Glen Post detailed the rural telecommunications provider's progress on its own TV offering, which would make channels more widely available to subscribers who live in areas with copper phone lines that are ill-equipped to handle traditional TV. An outside service like DirecTV Now, however, could help it keep a lid on the cost of carrying popular channels.

"Content costs have really gone out of sight in recent years," he said. "We are looking at every option. If we can get a better deal where we can get some of our content costs down with a DirecTV, we will certainly take a look at that. We're talking to all the service providers."

Expenses were only part of CenturyLink's woes as the company on Wednesday posted an 88% fourth-quarter profit drop, hurt by acquisition costs and falling revenue. The company said it expected both declining revenue and higher operating expenses in the months ahead. Shares fell 1.8% to \$24 after hours.

CenturyLink has grown from a small Louisiana phone provider into a corporate-focused internet carrier with about three-quarters of its revenue coming from business customers. It reached a cash-and-stock deal late last year to buy rival Level 3 Communications Inc. for roughly \$25 billion.

The focus on business accounts rather than home TV and internet subscribers has set CenturyLink apart from counterparts like AT&T and Verizon Communications Inc., which have invested heavily in media and advertising assets to stave off sales declines in their broadband

**Cable Top 25 for Week Ending February 5**

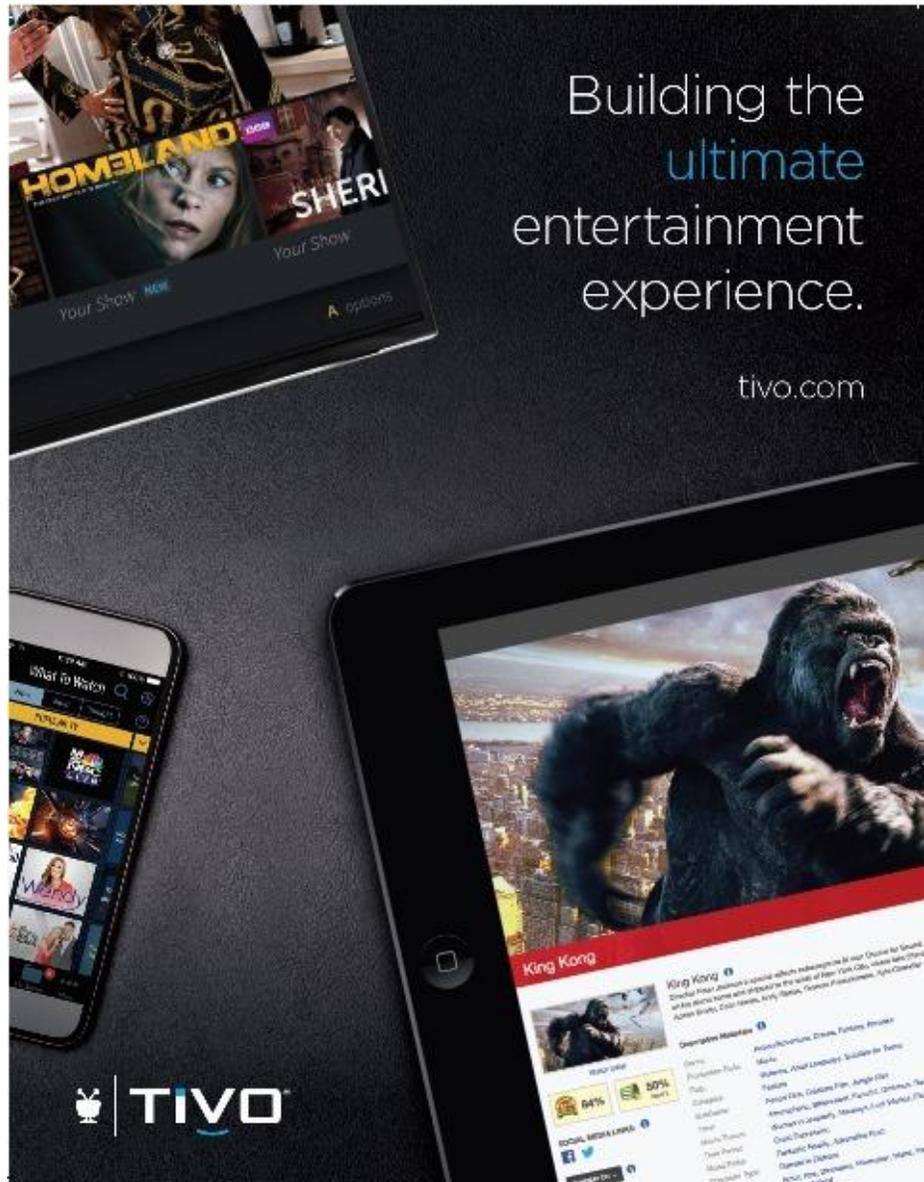
**pennlive.com**  
**Senate passes bill ending automatic payroll deductions of union dues for political activity**

**Pittsburgh Tribune-Review**  
**Editorial: The Wolf budget, Round III – Painfully predictable**

**York Dispatch**  
**Editorial: Budget clock starts now**

**Pittsburgh Post-Gazette**  
**Bob Casey, a low-key senator, gets feisty — including emojis and pointed Tweets**

segments. Sony Corp. and Dish Network Corp. have also launched over-the-top TV services in the U.S. that are available to practically any broadband user.



CenturyLink ended the year with nearly 6 million broadband subscribers and 325,000 TV subscribers, making it a bit player in the U.S. media ecosystem. But the company said it expects sales declines to ease during the second half of the year, assuming its residential customers spend more money. For the quarter ended Dec. 31, the company collected net profit of \$42 million, down from \$338 million a year earlier. Operating revenue fell 4.2% to \$4.29 billion, while operating expenses rose 4.6% to \$3.9 billion. – **Wall**

**Street Journal**

Viacom Inc. said it would narrow its strategic focus to six key channel brands out of about two dozen, and the company reported a decline in profit for its latest quarter. The move confirms a Wall Street Journal report from Wednesday.

The company also said Thursday that its Spike channel would be rebranded as the Paramount Network in early 2018 to serve as the company's general entertainment brand. The list of chosen brands -- Nickelodeon, Nick Jr., MTV, Comedy Central, BET and the rebranded Spike -- is part of new Chief Executive Bob Bakish's turnaround plan for the struggling media giant.

Viacom also said it would establish a dedicated short-form content unit that will both build on existing programming and make original content. In addition, the company is planning to add live experiences and consumer products as additional revenue streams. The turnaround plan represents the biggest strategic move that the company has made since the Redstone family in December called off an effort to explore a merger of Viacom and CBS Corp. The Redstones' holding company, National Amusements Inc., controls both media companies with nearly 80% voting stakes.

Shari Redstone, the daughter of ailing mogul Sumner Redstone, ascended to prominence in the family's media empire after a power struggle last summer that led to the ouster of former CEO Philippe Dauman and an overhaul of the board.

The company also reported earnings for its first quarter. In all, Viacom posted a profit of \$396 million, or \$1 a share, compared with \$449 million, or \$1.13 a share, in the prior year quarter. Excluding items, Viacom earned \$1.04 a share. Revenue grew 5.4% to \$3.32 billion. Analysts polled by Thomson Reuters had expected 84 cents in per-share earnings and revenue of \$3.18 billion.

Viacom's media networks revenue increased about 1% to \$2.59 billion. Revenue in the filmed entertainment division grew 24% to \$758 million, as revenue grew across its theatrical, home entertainment, licensing and ancillary units. Profit in the quarter was hurt by higher operating costs and \$42 million in restructuring expenses.

In January, Viacom reached a \$1 billion financing deal with two Chinese firms to give its Paramount Pictures unit some much-needed funds and a foothold in the world's second-largest box-office market. Shares were inactive premarket. — *Wall Street Journal*

---

The Telecommunications Act of 1996 turns 21 today (Wednesday). If it were a person, it would now be an adult. It could even buy a beer. So today is a good day to toast the Act and look back at how much it has accomplished—and one area in which it has led to some unintended consequences.

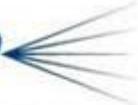
The American Television Alliance, includes cable operators, satellite carriers and telephone companies among its members. It couldn't have existed in 1995. Back then, it was *illegal* for phone companies to offer television service. The Telecom Act of 1996 changed that. Nearly every American today can choose between multiple providers—all of whom now compete for your business.

While the '96 Telecom Act created competition among pay-TV providers, it left intact outdated, legacy regulation in the *broadcast* space. Most importantly, Congress left in place retransmission consent rules that allow broadcasters to charge pay-TV providers to deliver signals to viewers—even if those same signals are free over-the-air. And it left in place other legacy regulation preventing pay-TV providers from obtaining network programming from anybody other than the affiliate assigned to a viewer's "local market"—even if an out-of-market station is willing to sell that same programming at a lower price. This regulation gives broadcasters a virtual monopoly over "must-have" news, sports and entertainment.

What happens when you combine outdated regulation on the broadcast side with competition on the pay-TV side? Negotiations that bear little resemblance to a "marketplace." Pay-TV providers need individual broadcasters if they want to provide their viewers with network content. Yet broadcasters don't need any individual pay-TV provider. If a pay-TV provider loses broadcast programming, its customers will simply switch to another pay-TV providers.

The result is a disaster for the American viewer. Retransmission consent fees go up as much as forty percent every single year. Analysts expect them to reach \$11.6 *billion* by 2022, with no end in sight. This money comes straight out of Americans' pockets. Worse yet, blackouts have become common. Since New Year's day, for example, broadcasters have blacked out their signals to more than 15 million Americans.

Given the speed and transformative nature of today's technology, many in Congress are thinking about ways to improve the 1996 Telecom Act. Some even want to rewrite it for the digital age. Retransmission consent—and other legacy regulations tilting the playing field in favor of broadcasters—must be part of those discussions. — *The Hill*

**BCAP** 

**Broadband  
Cable Association  
of Pennsylvania**

127 State Street, Harrisburg, PA 17101  
717.214.2000 • [bcaps.com](http://bcaps.com)

**First in Broadband.  
The Future of Broadband.®**