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How is cable's 10G initiative going down with smaller operators? "I think it was smart of the industry to coin the 10G term," Armstrong pres Jeff Ross said Wednesday at **Broadband Cable Assn of Pennsylvania's annual Cable Academy**. "It's kind of the way our industry has always worked. We've always been out ahead of other technologies. I think when you look at 5G... that technology is trying to catch up to what we're delivering today."

Armstrong is using GPON to get to the 10G finish line, offering 2.5 Gigabits today through the tech. "We're deploying 10 Gig GPON today for commercial services," Ross said. "Once you do that fiber

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infrastructure work for PON, it's just a matter of different lasers to get to 100G and beyond."

Service Electric is strongly looking at EPON and RFI, according to svp Mark Walter. "We know we need to be looking at it because bandwidth is going up 30-40% a year," he said. "If we want to be the fastest, best provider, we're going to have one of these technologies in play."

Shentel just completed its DOCSIS 3.1 upgrade and is using PON to offer multi-gig in some instances, according to fiber operations svp Tom Whitaker.

But he added that often a customer doesn't have a single piece of equipment that can handle gigabit speeds. "I'm sure there is a multi-gig path that makes sense for us, but for right now, it's not something we're focused on," Whitaker said. Armstrong's Ross advised the Pennsylvania operator crowd to think about speeds not in terms of how fast they can load something on the web, but in terms of how many devices they can support. You can't talk about 10G without wireless' 5G coming up in conversation.

Shentel's Whitaker is doubtful that 5G will have much of a hold in rural markets. "As a wireless provider, you're not going to build a tower in the middle of nowhere where the cost to cover POP is through the roof," he said. Mmwave isn't going to work in any town Shentel supports, he said, instead expressing interest in CBRS for point-to-point fixed wireless and 5G-like services to edge out. In Houston, he said the cost per covered POP is around \$15 for Verizon.

"If you take that same architecture and apply it to small town America, where you're essentially going to have to deploy the same number of small cell sites... and the cost to cover POP goes to \$75 or \$80," Whitaker said. "In the past couple weeks, you've started to see more articles about 5G maybe never coming to rural America. It's nice to see operators finally admit that you're unlikely to see 5G in tier 3, tier 4 towns because of the economics." — *Cablefax Daily*

Midsize and small operators gathered at the **BCAP's annual Cable Academy** agreed Wednesday that video is a rough market, but they aren't de-emphasizing it. "There's power in the bundle," Bruce Leichtman of Leichtman Research told attendees. In urging them not to walk away from video, he emphasized that 2/3 of cable customers are in a bundle today.

"Video is increasingly a challenge for us. We're losing about 6% of our subs per year... Churn is relatively flat, maybe growing a little bit," Shentel fiber operations svp Tom Whitaker said. Even so, video is still essential. "Cash flow for video is still important even though our video base is starting to decline," Whitaker said. One option may be getting out of the QAM-based world that keeps customers tied to expensive set-tops.

With that in mind, Shentel has signed an operating agreement with MobiTV. "If the set-top box in a streaming video home performs more like my data products and less like my video products and my truck rolls are cut in half, and my service metrics are reduced by 50%, then I can reduce my operating costs on video and it becomes a little bit more appealing," Whitaker said. The video margin is shrinking, but it's still there, said Service Electric's svp Mark Walter. "We need to hang in

there and see how things go here before we give up on it," he said. "Once we can get everything into IP, it's going to be a totally different world for video for us in terms of delivery, customer options, flexibility. If we do get to the point where we are able to sell a la carte, if we get to an IP world, that will allow us to more easily do that."

Service Electric will be launching TiVo's IP VOD solution, which can serve as a foundation for IP linear (and free up more spectrum for internet). The worst thing operators can do is act as if video isn't changing, said Armstrong pres Jeff Ross. "I wouldn't say we're de-emphasizing video. You have to understand where your costs are and do the right thing." – *Cablefax Daily*

Verizon Communications Inc. is seeking a buyer for blogging website Tumblr, according to people familiar with the matter, as it tries to steady a media business that has struggled to meet revenue targets. The sale process, which is ongoing and may not result in any transaction, comes as the wireless carrier tries to improve the fortunes of Verizon Media Group. The business, which was previously known as Oath, is home to websites and online services acquired when Verizon bought Yahoo in 2017 and AOL in 2015. It is unclear how much Verizon might get for Tumblr, a free service with more than 400 million blogs.

Yahoo paid about \$1.1 billion for the New York-based site in 2013, when it was among a number of fast-growing startups such as online scrapbook Pinterest and news aggregation and commenting site Reddit. But Tumblr struggled to generate meaningful revenue for Yahoo and was eclipsed by other social media, such as Medium, Facebook and Instagram, which Facebook bought in 2012. Yahoo wrote down Tumblr's value by \$230 million in 2016. A Verizon spokesman declined to comment.

Verizon's media business is home to a host of websites including MapQuest, HuffPost, TechCrunch, Yahoo news services and celebrity-interview site Build. The wireless carrier last year booked a \$4.5 billion accounting charge related to the digital media business and earlier this year laid off 7% of its staff. Verizon this week touted the sports, entertainment, email and film-making brands within the media business at a presentation to advertisement buyers in New York. "I hope there is no doubt about our commitment to Verizon Media Group and how it fits into our whole strategy," Hans Vestberg, Verizon's chief executive, said on Tuesday.

Verizon executives at the event highlighted the reach of the unit's services as well as the amount of time users spend on them and moving between them. They sought to distinguish users of the sites and apps as consumers coming with intention and planning to spend time there, rather than passive, brief visitors. K. Guru Gowrappan, chief executive of Verizon Media Group, who joined the company last year, previously stopped efforts to sell brands within the business. He saw the process of off-loading the photo-sharing service Flickr last year, for example, as too pricey and time-consuming, the Journal has reported. – *Wall Street Journal*

Sinclair Broadcast Group Inc. agreed to buy the Fox regional sports networks from Walt Disney Co., turning the local-TV company into a cable-sports powerhouse, the Wall Street Journal reported. The deal is valued at more than \$10 billion, the Journal said, citing unidentified

people familiar with the matter. An agreement could be announced as early as Friday, the newspaper said.

Disney and Sinclair didn't immediately respond to requests for comment. The Fox Business Network reported last week that Disney had a "handshake" deal to sell the networks to Sinclair. For Disney, the transaction would fulfill a key condition for its already-completed acquisition of 21st Century Fox Inc.'s entertainment assets. Bidders for the sports networks included John Malone's Liberty Media Corp., which teamed up with Major League Baseball, and Ice Cube's Big3 U.S. basketball league. The entertainer lined up Will Smith, Serena Williams and Snoop Dogg as content partners for his unsuccessful bid.

Disney agreed to sell the properties to get clearance for its \$71 billion Fox takeover, a transaction that closed earlier this year. Regulators were concerned that the company would have too much control over sports television if it owned both ESPN and the regional broadcasters. Disney had to sell the networks within 90 days of the Fox deal's completion in mid-March.

The New York Yankees decided to buy back their network from the group, removing a crown jewel that's valued at about \$4 billion. And several deep-pocketed potential suitors, including Comcast Corp., Discovery Inc. and the new Fox Corp. itself, bowed out of contention for the remaining networks. That hurt Disney's ability to command top dollar. Analysts originally estimated that the collection could fetch \$20 billion to \$22 billion, but bids for the 21 properties -- not counting the Yankees' channel -- were considerably lower.

Disney's bankers suggested spinning off the networks to shareholders, rather than selling them. But the company remained committed to the auction. Sinclair has been one of the broadcast industry's most acquisitive companies for years, but this would mark a new direction. It previously focused more on collecting local-TV stations, becoming the dominant company in that area.

More recently, its rivals have grown more formidable. Nexstar Media Group Inc. agreed to buy Tribune Media Co. for about \$4.1 billion in December, vaulting it past Sinclair as the largest owner of TV stations in the U.S. The Fox sports networks would give Sinclair a major foothold in cable TV, and the kind of live programming that appeals to advertisers. The channels serve cities such as Los Angeles, Atlanta and Detroit, with games from major pro leagues. Sinclair already owns some sports assets, including the Tennis Channel and the Ring of Honor wrestling circuit. – **Bloomberg**

