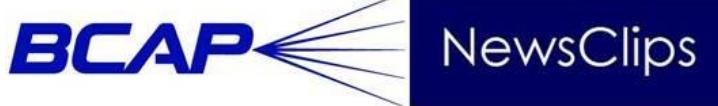


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June 5, 2019

Politico
Google has spent millions wooing friends in D.C. — but will they save them in an antitrust fight?

New York Times
Antitrust Troubles Snowball for Tech Giants as Lawmakers Join In

Mediaite
CNN Cut Ties With Conservative Contributor Over Lobbying, But Doesn't Seem to Have Clear Lobbying Policy

When Joshua May learned recently that his TV bill would increase by about \$40 a month, he called Charter Communications Inc., expecting his cable company to negotiate a better price.

His previous provider, Time Warner Cable, had extended a cheap promotional rate several times so May wouldn't cancel. But that was before Charter took over the company. When he called this time, the rep wouldn't budge on the 29% jump for his bundled TV, internet and phone service. So May cut the cord. "I expected they'd at least offer free HBO or Showtime," said May, 34, who lives in Springfield, Ohio, and processes loans for a financial institution. "They did nothing."

May's experience reflects a growing trend, as pay-TV companies pull back discounts they've used for years to retain video subscribers. With internet service growing faster and more profitable, subscribers like May are becoming expendable. "I'm sort of indifferent," Charter Chief Executive Officer Tom Rutledge said at an investor conference last month. Two years ago, he said the second-largest U.S. cable company planned to add video customers. Now, they're not even "a material driver" of Charter's business, he said.

Over the past few years, pay-TV stocks have suffered wicked swings as investors reacted to growing subscriber losses. But they've recovered as the companies shift their focus to lucrative broadband services. Comcast Corp., the largest U.S. cable provider, is up 22% this year and Charter is up 36% to a 21-month high, outpacing the 12% gain for the S&P 500. That's despite

USA Today
[Firefox browser blocks sites and advertisers from tracking you online by default](#)

Forbes
[Op-ed: A Stellar Choice – Why Congress Should Push For Sweeping Video Reform](#)

Pennlive
[Lawmaker calls for censure of Philadelphia Democrat for bring 'shame' to Pa. House](#)

Pennlive
[Pa. lawmakers look to change laws to spur voter participation; 'It is time for voting reform'](#)

Reuters
[Democrat O'Rourke unveils voting rights plan to get 35 million more to the polls](#)

accelerating pay-TV subscriber losses at **both companies** last quarter. "It used to be when customers would call and said, 'I'm thinking of cutting the cord,' they'd throw all sort of promotions to keep them from leaving," said Craig Moffett, an industry analyst at MoffettNathanson LLC. "Now they're saying, 'Goodbye, it's been fun, enjoy the broadband subscription.'"

Cable One Inc., a smaller cable company with about 305,000 residential video customers, even helps cord cutters choose between online alternatives like YouTube TV or Hulu's live TV service, according to Moffett. Executives at big cable companies say they have no plans to stop selling TV altogether, because offering more services along with internet access gives customers more reasons to stay. At the conference, Rutledge said Charter wants to create "relationships" with customers and "to the extent that video helps drive that or helps us market that, it's a valuable asset."

But cable executives are now focused on what they call "profitable" or "high-quality" video subscribers and less interested in cutting deals. At another investor conference in May, Comcast Chief Financial Officer Mike Cavanagh said he wants a subscriber who "really values video and our bundle despite the increases in prices," and has "the wallet for a fuller video experience." At the same conference, AT&T Inc. CEO Randall Stephenson said his company, which owns the satellite provider DirecTV, is "cleaning up the customer base" by letting go of subscribers who insist on keeping promotional prices when their contracts expire.

Pay-TV providers are making up for the lost revenue by charging everyone more. When subscribers cancel cable TV, they no longer get a discount for bundling TV with internet. When Optimum customers around the New York area cancel TV service, they also typically upgrade to faster -- more expensive -- internet, Altice USA CEO Dexter Goei said last month. As customers drop pay TV, cable companies will actually see their profit margins widen, Moffett said. That's because much of their pay-TV revenue goes right to channel owners, like Walt Disney Co. and its ESPN network, in the form of subscriber fees.

Fueled by expensive sports rights, those fees are even rising faster than cable TV bills, hurting profits for companies like DirecTV and Comcast. Selling high-speed internet is far more profitable. Last quarter, Charter lost 26% more residential TV subscribers than a year ago. But it also added 19% more internet subscribers, fueling a 4.2% gain in adjusted earnings.

Charter appears to be courting internet-only subscribers through recent price changes, according to BTIG LLC analyst Rich Greenfield. Last year, the company raised the price of broadband bundled with other services by \$5 a month, he said, while increasing internet-only service by \$1. Internet without TV still costs a few dollars more, but Charter is closing the gap, he said. "It appears as if you are purposefully pushing subscribers toward abandoning your video service," Greenfield said in a note last fall addressing Charter executives.

Since taking over Time Warner Cable in 2016, Rutledge has tried to end its promotional culture. He described Time Warner Cable as a "Turkish bazaar," where customers called in and bargained with customer service reps. At one point, the company offered 90,000 different prices designed to keep cable-TV subscribers from cutting the cord. When May called about his bill, Charter did offer him one alternative: a \$15-a-month online-TV service called Spectrum TV Essentials. The new streaming service, which

debuted in February, has more than 60 channels from programmers like Viacom Inc., Discovery Inc. and AMC Networks Inc.

May canceled after a few months because he missed the sports channels. Now, his Spectrum internet service costs \$70 a month, and he gets Sling TV from Dish Network Corp. for another \$40. Since Charter acquired Time Warner Cable, efforts by customers to negotiate lower rates have gotten "much tougher," according to Phillip Dampier, founder of the blog "Stop The Cap." "Do not be surprised if they shrug their shoulders and agree to your request to cancel your account on the spot," Dampier said on his blog last month. "Spectrum, like many cable companies, has gotten pickier about who they offer promotions to, and are willing to say goodbye to barely profitable customers, especially those only subscribed to cable TV." --

Bloomberg

Apple Inc. sought to tout itself as a digital-privacy crusader with an anonymous login system and tools that prevent apps from tracking a user's location, a push that is designed to further differentiate it from Google and Facebook Inc., which have built their fortunes on tracking user activity and behavior.

At a gathering Monday of about 6,000 software developers here, the iPhone maker said its mobile operating system coming this fall, iOS 13, will include an Apple sign-in capability that allows people to log into apps without revealing any personal information. It said users would be able to generate automated and random email addresses provided by Apple rather than provide their own. "It's a fast, easy way to sign in without all the tracking," said Apple software chief Craig Federighi onstage at the company's annual Worldwide Developers Conference. He showed the "Sign in with Apple" feature alongside similar offerings from Facebook and Google, which he said could share user information in a way that compromised privacy.

Apple has weaponized privacy over the past year, marketing it to combat threats posed by rivals increasingly elbowing into its core iPhone business. Last month, Google released a \$400 smartphone that it says offers capabilities similar to those of an iPhone at a fraction of the price, and Facebook is working to develop private messaging, payments and e-commerce that could diminish the value of Apple's iOS.

Apple is also seeking to further separate itself from its peers as the U.S. government ramps up its scrutiny of tech giants' power. The Wall Street Journal reported Monday that the government's antitrust enforcers, the Justice Department and Federal Trade Commission, are splitting up oversight of tech companies including Google and Facebook over competition concerns. Facebook already faces an FTC investigation over privacy issues.

Amid the skirmishes over privacy, Apple is transitioning from an iPhone-driven company into one powered by a suite of services, such as streaming-music subscriptions, app-store sales and mobile payments. At its developers conference, Apple turned the spotlight back to its other devices beyond the iPhone, introducing new software and services to deepen the appeal of its iPad, smartwatch and Mac businesses. It also bolstered many of its apps, including improvements to Messages that put it in more direct competition with Facebook's apps.

Apple Chief Executive Tim Cook has stressed privacy by criticizing Google, Facebook and other companies as cavalier in collecting user information. He has cast Apple as pro-privacy, saying it is in the business of selling devices while its peers are in the business of monetizing their customers by gathering data and selling ads. The company has amplified that message by spending more than \$54 million on a TV ad campaign that promotes the privacy offered by iPhones, using the tagline: "If privacy matters in your life, it should matter to the phone your life is on." The campaign is about half of Apple's TV ad spending so far this year, according to the ad-tracking company iSpot.tv.

Facebook and Google have pushed back with privacy promises of their own. Facebook this year said it is going to provide encrypted messaging and encourage **small-group chats**. Google Chief Executive Sundar Pichai sniped at Apple in a New York Times editorial that "privacy cannot be a luxury good" available to people who buy expensive devices. Apple said its newest mobile-operating system will give users more options for how they share location data with apps, including an option to only share location information once.

It also said it is teaming up with security-camera companies to provide more private video tools for people who use cameras to monitor home security. Though the focus of this event is usually dominated by Apple's newest iPhone software, the company emphasized improvements to its other gadgets. The iPad is getting its own operating system, iPadOS, with new capabilities that make the tablet more capable of performing like a computer. It will have simple copy-and-paste functions, a desktop mode for its Safari web browser and the ability to plug in a thumb drive.

The Mac is retiring the iTunes app, which made its debut 18 years ago, and splitting its functionality across Apple's Music, TV and Podcast. The iTunes brand will continue to exist on the iPhone, and users will still be able to download songs through an iTunes Store tab, the company said. The Apple Watch is getting its own app store, liberating it further from the iPhone where app downloads were previously managed. It also is adding new health capabilities, including the ability to alert users if the environmental noise around them poses a potential problem for their hearing health.

Apple introduced new programming tools for developers that are designed to simplify the process of developing apps for the Mac, watch and iPad. The 2.2 million iPhone apps available in the App Store dwarf the 20,000 Watch apps currently offered. Analysts say that discrepancy limits the utility of the Apple Watch and is part of the reason smartwatch sales have lagged behind the iPhone and iPad.

The company also sought to promote its growing services business, showing the first trailer from one of the company's new TV shows, "For All Mankind," a show from Ronald D. Moore about the space race. The show will be available when Apple launches its streaming-video subscription service this fall. (Dow Jones & Co., publisher of The Wall Street Journal, has a commercial agreement to supply news through Apple services.)

Apple needs strong sales of those devices and its services to help counter the downturn in its iPhone business. The company in April posted its first back-to-back drop in quarterly sales and profit as sales of the iPhone, which accounts for about two-thirds of total revenue, fell 16% to \$83 billion for the first half of the company's fiscal year. Although the focus of the conference was on software, Apple introduced a new Mac Pro, its most powerful

computer designed for complicated and intense tasks. The computer, which will start at about \$6,000, includes a new Intel Xeon processor and system memory of up to 1.5 terabytes. A 32-inch LCD screen with a 6K retina display will cost another \$5,000. — ***Wall Street Journal***



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