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The nation's biggest online video distributors would rather the Federal Communications Commission not do them any favors by regulating over the top services like cable.

Representatives from Microsoft, Amazon, and Apple, companies that haven't been regulated by the FCC, have been increasing their face time at the FCC to keep the agency from advancing a proceeding that would regulate some OTT services like facilities-based multi-channel video distributors. FCC chairman Tom Wheeler has promised to move on at the order this fall in what is likely to be another **divisive** proceeding at the agency.

While Wheeler sees the order as a way to bring some competition to cable and satellite services that may begin to migrate their linear line-ups to the Internet. Over-the-top services, even those that don't now currently provide linear streaming programming, see the order as "premature," shoe horned an old business model onto an emerging OVD business that is still experimenting with bundles, streaming and on-demand offerings. In a recent **filing** with the FCC, representatives from the Digital Media Association, Amazon, Apple and Microsoft said there's no case for regulating a growing, innovative industry.

"Subjecting newly covered OVDs to regulations adopted for facilities-based MVPDs could adversely affect the continued growth of the marketplace for online video content," the Gregory Barnes, general counsel for the Digital Media Association wrote in the ex parte. "Right now, millions of hours of video are being made available for consumers to enjoy online, and most of that content is of exceptional quality. The FCC's rush to regulate in this area could stymie such progress – to the detriment of consumers," Barnes added in a statement. – *katyonthehill.com*

Cable companies Comcast Corp. and Discovery Communications Inc. said Monday that they have agreed to renew a distribution agreement, replacing an earlier deal that expired in June. The new long-term carriage agreement will deliver Discovery's 12 U.S. networks to Comcast's U.S. Xfinity TV customers, the companies said, and it includes TV Everywhere rights. Discovery operates networks such as the Discovery Channel, Animal Planet and TLC. The terms of the agreement weren't disclosed. Representatives for the companies didn't immediately respond to requests for details.

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In a statement Monday, Discovery Chief Executive David Zaslav called Comcast a “great partner of Discovery’s for over two decades.” Comcast CEO Neil Smit said the renewal will enable its Xfinity TV customers to “experience Discovery’s content in more ways and on more platforms” than before.

The companies’ relationship has at some points been contentious, with Discovery being particularly vocal in its opposition to a proposed tie-up between Comcast and Time Warner Inc. that eventually failed, saying it would be bad for content companies. In response to Discovery’s opposition, Comcast had said Discovery had demanded “unwarranted business concessions,” including increased penetration of channels and higher carriage fees, as a condition not to oppose the merger. – *Wall Street Journal*

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New versions of Windows have usually sparked sales of personal computers, but it isn’t clear whether Microsoft Corp. ’s release of Windows 10 on Wednesday can reverse a four-year slide in PC sales.

Market researchers and industry players disagree about whether—and when—Windows 10 can give the industry a boost. Gartner Inc. expects PC sales to return to “slow and steady growth” next year. IDC predicts sales will decline slightly in 2016 followed by “limited growth” in coming years. “There is no clean analysis,” said Mike Nash, a vice president of Hewlett-Packard Co.’s printer-and-PC division. “I’m neither smart enough nor dumb enough to forecast the future.” There are concerns about economic turbulence and a glut of gadgets vying for technology budgets. But the biggest wild card: Microsoft’s decision—for the first time in its history—to give away free Windows upgrades to tens of millions of computer owners.

In the past, Microsoft charged a fee to update older computers to the latest Windows version. Few consumers opted to pay roughly \$100 or more to do so. Many decided to buy a new PC instead. The industry could use a spark. Sales of personal computers have fallen each year since 2012, and they have dipped more than expected this year, according to IDC. The research firm estimated shipments of about 289 million personal computers in 2015, about 21% fewer than shipped during the industry’s peak year of 2011.

Microsoft’s decision to give away Windows 10 shifts the traditional alignment of financial interest between Microsoft and its allies. PC makers and Intel Corp. generate revenue on each new PC sold. The software giant is moving from making money just once—when it sells a fresh version of Windows as an upgrade or included with a new PC—to generating long-term revenue by selling apps, videogames, Web-search ads and other add-ons. Microsoft aims to make money whether or not users buy a new computer. Intel Senior Vice President Kirk Skaugen said his company’s interest remains aligned with Microsoft. Officials from PC makers said their collaboration with Microsoft on Windows 10 has been stronger than ever. A spokeswoman for Microsoft declined to comment.

Dell Inc. said roughly 60 million of its computers in use were eligible for a free Windows 10 upgrade. If the owners of half of those devices opted to upgrade rather than buy replacements, they could dent the PC market by roughly 10%. Executives from other PC makers said they believed Windows 10 would help the PC market.

Microsoft hasn’t said how many computer owners it expects to take advantage of the free update. The company traditionally makes roughly two-thirds of its Windows revenue from sales to companies, and there, too, a free upgrade may also hold back new PC sales. Free operating system upgrades haven’t necessarily hurt sales of other computing devices. Sales of new smartphones continue to rise, even though Apple Inc. and Google Inc. release annual updates of operating software for iPhones and Android smartphones. Apple lets people upgrade older Mac computers to the latest Mac OS version free, and Mac sales have climbed.

PC-industry executives and analysts said new computer designs and features would lead people to buy new computers despite free Windows 10 upgrades. Mr. Skaugen, who leads Intel's chip business for PCs and mobile devices, said sales of new PCs would be propelled by a new Intel chip coming soon and by elements in Windows 10 that work best on new machines. These include Cortana, a Siri-like voice assistant for Windows computers, and the ability to log into computers with an image of a user's face instead of typing a password. "To really take advantage of Windows 10, they need new hardware," said Mr. Skaugen.

That new hardware, however, is reaching the market at a pace that resembles a marathon more than a sprint. Three years ago, when Microsoft launched the current version of Windows, the company counted more than 1,000 new computers and tablets that had been certified for the new version. Last week, Microsoft Chief Executive Satya Nadella said PC makers had "hundreds of new hardware designs" in the works for Windows 10, and the "first of these exciting new devices will start to be available on Windows 10 launch date."

PC makers and Microsoft don't fully agree on the relative paucity of new Windows models, and they say they expect full complement of Windows 10 devices for the holiday shopping season. Dell, for example, plans to release 13 computer or tablets models with Windows 10 starting this week. The company said it offered only eight new models tailored to Windows when the current version launched in 2012. – **Wall Street Journal**



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