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Lancaster resident David Hess says he's a huge supporter of LanCity Connect, the public-private partnership that's bringing fiber-optic broadband Internet to city residents. But as the months go by, he's become increasingly concerned, Hess, an IT systems architect, told City Council last week.

Communication is lacking, he said. People awaiting service are going months without hearing anything. And he's skeptical of some of the technological choices being made. LanCity Connect must become more "transparent and open" he said: "Focus has to be put on the customer side of this." City resident Christopher Blank, an IT systems and database administrator, told LNP he's become worried about whether MAW Communications, the private company partnering with the city on LanCity Connect, has sufficient technical and management capacity.

Pat Brogan, the city chief of staff, acknowledged there have been problems. "Without question, there's a need for more consistent, more complete and more ongoing communication," she said. The city had pushed MAW to offer a rapid rollout, she said; in hindsight, it was overly optimistic. "We fell short of meeting the expectations that we created," Brogan said. But installations are being made, Brogan said. MAW is adjusting. The city, she said, remains fully confident that Lan-City Connect is becoming, as intended, a high-quality, reliable community broadband network that benefits the local economy.

More than two years ago, MAW began building the city's fiber-optic network's "backbone." In May, [residential connections commenced](#) in Lancaster's Northwest and Southeast — phase 1 of a deployment schedule that extends into 2019. A month later, however, MAW called a temporary halt to new customer registrations. MAW President Frank Wiczkowski [said the company had to rethink its deployment plan](#). Demand was higher than expected, and the installation subcontractors MAW had hired weren't doing satisfactory work.

LanCity Connect shifted to doing all installations with in-house staff, said Brian Kelly, director of operations. "Our team, which is lean, got leaner," and that slowed things down, he said. It could have fixed that by hiring regionally or nationally. But the city wants LanCity Connect to hire and train local people, to maximize long-term local economic impact.

So that's what MAW is doing, Kelly said. So far, it has brought on half a dozen city residents. Meanwhile, there was another issue: Phase 1 covers a large area, and signups were widely scattered. To keep costs manageable, MAW must minimize the times it visits a block and maximize what each visit accomplishes. It can't afford to connect one person here, two people there, and so on. An average of six to seven customers per block or better is the goal, Kelly said.

So it's breaking down phase 1 into smaller pieces and proceeding methodically, announcing which blocks are coming next and doing "targeted outreach" to increase signups in sections where they are sparse. Unfortunately, some people who signed up in May are in low-signup areas, Kelly said. LanCity Connect will reach them, but because it's adjusting its installation schedule dynamically based on how its outreach efforts go, it often can't tell them when. Customers don't like to hear "we'll let you know," but it's the most honest answer, Kelly said. "I understand the frustration," he said.

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Brogan noted that the fiber-optic network has two purposes. Half the bandwidth is reserved for city services, such as traffic-light control and water-meter reading. That's smart and cost-effective, Brogan said, but it means "a lot more moving parts" for MAW to deal with. LanCity Connect will step up its customer outreach and communication, Brogan said. Kelly said the organization always returns calls, provided it can reach the caller. To ensure a response, he said, don't just hang up, but leave a message that includes a contact number.



Hess and Blank said they're bothered by MAW's decision to put the LanCity Connect network behind a single public IP address — that's the unique number that identifies a host device on the internet. Within LanCity Connect, MAW is giving customers static addresses, rather than assigning them dynamically. With so many static addresses, there's potential for user error and address conflicts, Hess said. If one user causes a website to block or throttle the public IP address, everyone on LanCity Connect will be affected. The arrangement makes remote access to your home computer impossible. "This is not a sign of being a technologically advanced internet service provider," he said.

Kelly said the functionality Hess wants is available for business accounts. It may eventually be provided for residential accounts, but it's not something the majority needs, so it hasn't been a priority, he said. Christopher Mitchell, director of Community Broadband Networks at the nonprofit Institute for Local Self-Reliance, said he suspects MAW may change its mind on that point. The residential market is different from the institutional clients that MAW has served up to now, he said: "It's not the industry norm to put everyone behind a single IP."

As for the snags in phase 1, Mitchell repeated what he's said previously to LNP: Such things aren't uncommon in community broadband. "These are the kinds of reasons that this is a hard business," he said. Community broadband isn't corporate broadband, Brogan said. It's a challenge, she said, but a "worthy" one. Hess said he knows LanCity Connect is a new venture. Hopefully, more feedback from customers will spur changes for the better, he said. — *Lancaster Intelligencer*

Decades after earning the nickname the "Cable Cowboy" for building an American cable-TV empire, John Malone is at it again. This time, he has set his sights on internet delivery overseas.

Mr. Malone's investments have been making plenty of headlines in the U.S. recently. He owns a nearly one-third voting stake in Discovery Communications Inc., the television-programming company [that agreed on July 31](#) to buy rival Scripps Networks Interactive Inc. for \$11.9 billion. Another big Malone investment, Charter Communications Inc., [last month rejected](#) a one-on-one tie-up with Sprint Corp.

But he and his lieutenants have also been building, more quietly, a cable colossus far from American shores that has the potential to be the backbone for 5G, [the next generation of wireless communications](#) that promises to turbocharge mobile download and upload speeds. Liberty Global, which is incorporated in London but run out of Mr. Malone's hometown of Denver, is currently the world's biggest international cable company. Currently, it has 25 million subscribers across 30 countries in Europe and

Latin America. The company said Monday it planned to spin off the Latin American business later this year.

The company's ambition when it started in 2005 was to be a cable-TV and broadband-internet provider, but its focus has shifted to include wireless networks, too. Liberty Global and its investors believe it has positioned its networks to take advantage of 5G technology if and when it gains traction. The strategy echoes Mr. Malone's moves in the U.S. in the 1990s, when he transformed cable into high-speed pipes for the internet.

Currently, Liberty Global's focus is selling customers its "[quad play](#)," a bundle of cable, internet, fixed-line telephone and mobile services, all for one price. Liberty mostly rents the use of cellular towers and other wireless infrastructure from carriers for its mobile offerings. But for the other three products, it owns the infrastructure—miles of coaxial copper and fiber-optic cables. It is those cables where more value potentially can be unlocked.

The telecom industry's vision of 5G, which is expected to go live in 2019 or 2020, is to connect the cables to small cellular antennas to transmit the gobs of data required for top-quality videos, [self-driving cars](#), [virtual reality](#) and other technologies of the near future. Those antennas would be close to the ground, or atop buildings and streetlights, in contrast to the tall ones now that sit along highways. These smaller antennas would send that data on its final journey—to customers in a radius as short as 300 feet. The process is similar to how a Wi-Fi router transmits data from a landline connection.

"There are two things that are going great for us," said Balan Nair, Liberty Global's chief technology and innovation officer. "We have fiber to many neighborhoods" and power, he said. The company has utility cabinets in neighborhoods already connected to power, which would allow the company—or a mobile-carrier partner—to quickly set up a 5G cellular site there.

Liberty Global's fiber-optic landlines could make the company an acquisition target for a mobile carrier that wants to buy 5G infrastructure, said Citi analyst Simon Weeden. "There's obviously going to be demand for this stuff," he said. But one potential downside: Many wireless carriers are already building out their own fiber-optic networks for their own 5G services. If that happens, customers might just use their existing wireless carrier's 5G and skip Liberty Global's offerings altogether. "5G may not be good news" for Liberty Global, Mr. Weeden said.

Mr. Nair said it would be difficult for mobile carriers to invest in laying the landlines for their own 5G network. "The economics of building that infrastructure are high," he said, referring to costs. He said Liberty Global would decide whether to partner with a mobile carrier for 5G or whether to become a 5G carrier on its own on a case-by-case basis in each market.

Liberty Global Chief Executive Mike Fries struck a note of caution at a conference in February, saying that 5G wouldn't become a reality soon, at least in Europe. European mobile carriers don't have enough money to invest in 5G upgrades, and many are still in the process of adopting 4G, the current generation of wireless technology, Mr. Fries said.

The challenges extend to building out the infrastructure. Liberty Global's effort to install fiber-optic lines in the U.K., called "Project Lightning," has been delayed. Mr. Fries in May said the company had discovered irregularities in reporting the completion status of some fiber-optic plans by a small group of local managers. This week, he said management changes were helping to remedy the problem.

Mr. Malone, 76 years old, is Liberty Global's chairman, but he delegates responsibilities to the 54-year-old Mr. Fries, who is also based in Denver and occasionally fronts a rock 'n' roll cover band called "The Moderators." Liberty Global declined to make Mr. Malone available for an interview. Liberty Global's fast growth has been somewhat overshadowed, especially lately, by Mr. Malone's other interests in the U.S.

In 1999, [Mr. Malone sold](#) cable-powerhouse Tele-Communications Inc. to what was then known as AT&T Corp. for \$46 billion. In 2005, he merged two of his overseas interests, cable-operator UnitedGlobalCom and the international arm of media-investment company Liberty Media Corp., to create Liberty Global. Mr. Malone remains Liberty Media's chairman.

Mr. Malone is also chairman of Liberty Broadband Corp., the largest investor in Charter. Mr. Malone had been trying for a year to get Charter and rival Comcast Corp. to jointly invest in or partner with a mobile carrier, [The Wall Street Journal reported in June](#). Charter on last month, however, rejected an informal offer for a merger with Sprint.

Liberty Global now operates eight brands, the most notable being Virgin Media in the U.K. and Ireland. Since 2005, it has snapped up more than 250 companies, spending \$93 billion, and sold about 30, for \$11 billion. [It bought Virgin Media](#) in 2013 for \$24 billion. Mr. Fries has kept the company's various

businesses for the most part independent, counting on local brand recognition and manager expertise. But the parent company saves on research and development costs by rolling out the same set-top box across all of its markets. Liberty Global also has a stable of cable-industry veterans it can dispatch to its companies to help with technological and regulatory issues. "We are delivering people, we are delivering expertise," Mr. Fries said in a recent interview. — *Wall Street Journal*

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TV giants like Turner and Viacom have been experimenting with cutting down the number of commercials they air in shows. They theorize that viewers will be happier, and they could even charge more for fewer ads, increasing revenue in the long run. But so far, there is no clear evidence of a financial payoff. Viacom attributed a 2% slide in domestic ad sales in the June quarter to a decision to reduce ad loads on networks such as MTV and BET. The company also warned that domestic ad sales will continue to decline in the September quarter.

Viacom's hope is that over time its reduced clutter will win over viewers who otherwise skip through ads or change the channel or gravitate to ad-free platforms like Netflix. Time Warner's Turner cable unit said in late 2015 that it would reduce the number of commercials on its TruTV network the following year. The company, which was initially asking for a 20% to 30% premium for some of the scarcer inventory, said early last year that it planned to cut ads on TNT by 50% in three dramas.

Donna Speciale, president of Turner Ad Sales, declined to comment on the revenue impact of the overall ad load reduction efforts. But she acknowledged that for some shows the company isn't charging a premium that is enough to offset the loss of ad slots. "We had to eat some of this," she said. "We were going to have to take a little bit of a hit." Cutting ad load has become a popular move in the TV world for networks coping with sweeping changes in consumer habits and ratings pressure. Some are experimenting with new ad formats, including episode sponsorships and brand integrations with fewer standard ads.

Comcast Corp.'s NBCUniversal last April said it would reduce ads on "Saturday Night Live" by 30%. The network declined to comment on the pricing of limited ads, or the impact on ad revenue. Fox, which planned to reduce commercial minutes by 20% during the Teen Choice Awards that aired on Sunday, said that as of Friday it booked 30% more revenue than last year's haul from the event through the implementation of new ad products, including six-second spots that sold for a premium. The company declined to comment on the financial impact of ad cuts on other programs. (Fox parent 21st Century Fox and Wall Street Journal parent News Corp share common ownership.)

At MTV, viewership has eroded significantly over the past several years. But Viacom Chief Executive Bob Bakish said during the earnings call that the network has recently regained some ground, "marking the first June year-over-year ratings increase since 2011." "Our ad loads, in my opinion, were unhealthily high and therefore we have taken this opportunity to use this rating growth to partially fund a reduction in ad load," Mr. Bakish said.

It isn't clear whether Viacom has been asking for premiums on its more limited ad inventory. Bernstein analyst Todd Juenger cautioned Viacom investors that the headwinds from reducing ad load aren't over, urging them "to resist believing that after another quarter or two this will be 'fixed and finished.'" At the same time, he praised the efforts to avoid ad clutter.

Some advertisers are hesitant to pay a premium for commercial spots that are longer or more exclusive because of reduced ad load. Their main interest is in a show's ratings. "The reality is the reduced commercialization has not translated to incremental rating points," said Gibbs Haljun, a managing director of media investment at WPP ad-buying network GroupM. MTV reduced its monthly commercial time from 1,436 minutes in February 2016 to 1,284 minutes in February 2017, according to Nielsen data provided by an ad-buying agency.

Despite the reduced commercial load, MTV's average audience among adults 18 to 49 fell 18.5% during the period. The figures include live viewing plus three days of recorded viewing. Turner's TruTV reduced its commercial time from 1,150 minutes in February 2016 to 1,044 in February 2017. Ratings were flat at the network. There are many factors that can affect ratings on various shows, and there is no explicit correlation between ratings and ad load. Ms. Speciale said there were plenty of advertisers willing to pay up for the inventory and she is hopeful that new ad formats will help the network's case.

Advertisers on TruTV at TNT enjoyed lifts in brand awareness of 30% and 39% at the respective networks following cuts in commercial time that allowed them to stand out more, according to the company's research, which is largely based on data from Tapestry Research. "The goal for me is to cumulate the results as much as possible so everyone realizes this is real, that the ad effectiveness is true value," Ms. Speciale said.

A couple of ad buyers called reduced ad-load results inconclusive and said marketers could be persuaded over time to pay a premium. "Many clients are happy to pay for twice the impact in a linear fashion if you can prove that it has twice the impact," said Craig Atkinson, chief investment officer at Omnicom media agency PHD. "The problem is proving it. In the absence of proof, it's difficult to have that conversation." — *Wall Street Journal*



**Broadband  
Cable Association  
of Pennsylvania**

127 State Street Harrisburg, PA 17101  
717-214-2000 (f) 717-214-2020  
[bcapa.com](http://bcapa.com)

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