

www.CableAdvisoryCouncil.com

For Charter Communications NW CT Area 19

PO BOX 87, Newtown CT 06470

Email Chairman@CableAdvisoryCouncil.com

CABLE ADVISORY COUNCIL CHAIRMAN REPORT

Gregory G. Davis

12 January 2015 01-15Jan-CableNews assembled by GGDavis from the curated newsfeed:
newsletters@newbay-media.com/publications/mediadailynews/

Broadband-Only Homes Accelerate - Cable TV Declines

by [Wayne Friedman](#), January 8, 2015, 10:49 AM Published in Media Daily News

Recent sharp declines in cable network ratings — and overall lower TV usage — can be partly attributed to the steadily growing inclusion of broadband-only homes in the Nielsen TV sample.

.....

Wheeler Proposes Raising the Bar for Broadband

9 Jan 2015 FCC Chairman Tom Wheeler is proposing to raise the current definition of broadband from 4 Mbps downstream and 1 Mbps upstream to 25 Mbps downstream and 3 Mbps upstream.

Why This Matters: *This proposal emerged in a draft of the Annual Broadband Progress report that the FCC prepares for Congress every year. This is the first time the FCC has proposed to raise the definition of broadband since 2010. At that time, the FCC raised the definition of broadband from 200 Kbps to 4/1 Mbps.*

5 Takes: [MCN](#) | [Ars Technica](#) | [Fierce Telecom](#) | [Light Reading](#) | [Seeking Alpha](#)

CEA/NATPE Study Shows Streaming Overtaking Live TV

9 Jan 2015 According to preliminary results of a joint research study from NATPE and the Consumer Electronics Association, only 55% of Millennials aged 13-34 consider TV as their primary viewing platform.

Why This Matters: *The study indicates that streaming devices are taking over the traditional role of television. It also showed a decline in the amount of time spent watching live TV programs during their scheduled air time, especially among millennials. Still, streaming viewers say they are watching more programming overall.*

5 Takes: [THR](#) | [TBI Vision](#) | [Home Media](#) | [Video Ink](#) | [Rapid TV News](#)

Blog post of the Day: [The Cord-Cutter's Guide To 2015](#) By Steven Perlberg, WSJ

7 Jan 2015: While the cord-cutting phenomenon has yet to lead the pay-TV industry asunder, 2015 will be a streamer's delight. Thanks to new standalone streaming entrants like HBO, CBS, Sony and Dish Network's Sling TV, it will become easier than ever for consumers to assemble a suite of online video services that provide many of the benefits of TV – without the high-priced cable subscription. [More»](#)

Why Your Cable Bill Is Going Up Again in 2015 -- Sports

By Gerry Smith Jan 7, 2015 12:34 PM ET

[Cablevision Systems Corp. \(CVC\)](#)'s bills first carried a specific fee for sports and broadcast channels in 2013, and that charge is rising by \$1, to \$6 a month. Subscribers to satellite-TV and phone companies' TV services won't escape the hikes either.

Sports is the most expensive programming because it draws large audiences to live events. For example, Walt Disney Co.'s ESPN and ABC and Time Warner Inc.'s TNT are paying \$24 billion over nine years to carry National Basketball Association games. Those costs get passed along to distributors, such as cable companies, and then subscribers. Rising bills are already trying consumers' patience, and now there are more alternatives than ever for customers ready to ditch traditional TV.

"At some point consumers will say 'Enough is enough,'" when it comes to rising TV bills, said Dan Rayburn, a media analyst at Frost & Sullivan.

While cable providers say they are offering more services and channels than ever before, many consumers don't want to pay for networks they don't want to watch. The latest rate increases could prompt some to cancel their subscriptions, Rayburn said.

For the first time, Time Warner Cable is adding a \$2.75 monthly charge for sports programming.

.....

Pay-TV providers last year paid ESPN about \$6 each month per subscriber, up from \$4.77 in 2011, according to the media research firm SNL Kagan. By 2018, that cost is projected to rise to more than \$8 per subscriber.

.....

Rising Costs Fewer Choices

With new options emerging, traditional pay-TV companies may be more at risk of losing customers over price, said Rayburn.

"The biggest threat to the cable industry is not cord cutting or streaming, it's themselves," he said. "If they continue to raise rates like clockwork, they're the biggest threat to their business."

To contact the reporter on this story: Gerry Smith in [New York](#) at gsmith233@bloomberg.net

To contact the editors responsible: Sarah Rabil at srabil@bloomberg.net James Callan

Verizon Plans to Launch OTT Service in the Second Half of 2015

7 Jan 2015 Verizon Communications chairman and CEO Lowell McAdam said the telecom giant's planned OTT video offering will likely debut in the second half of the year, and would probably be a 20-30 channel package.

Why This Matters: *The CEO didn't disclose much in terms of price or what types of video the service might offer, but said it will be a "mobile-first" approach.*

4 Takes: [MCN](#) | [Re/code](#) | [Variety](#) | [Video Ink](#)

FCC to Vote on Net Neutrality in February

5 Jan 2015 The FCC plans to take up a controversial proposal for "Net Neutrality" rules in February. FCC chairman Tom Wheeler is expected to unveil his latest net neutrality proposal to other FCC commissioners early next month with the goal of having a vote at the agency's Feb.

26 meeting.

Why This Matters: *It is expected that Wheeler will propose rules based on Title II, after President Obama came out in favor of such regulation, however, the FCC may still try to incorporate a hybrid approach.*

4 Takes: [MCN](#) | [Re/code](#) | [Washington Post](#) | [CNet](#)

Quote of the Day 24 Dec 2014

"Letting one company control so much of America's telecommunications infrastructure puts the future of online innovation at risk. The merged entity [Comcast/TWC] would have the unilateral power to dictate what the Internet is today, and how that platform would be allowed to evolve. This is an unacceptable prospect for Internet users, the economy and the future of communications in America."

– [Free Press policy director Matt Wood](#)

As more viewers cut cable, what will happen to sports?

by [Jon Wertheim](#) published by Sports Illustrated: Posted: **Wed Dec. 17, 2014**

....

For years sports have been an essential ingredient in the cable-driven model, providing “appointment television,” the rare fare that is all-but-DVR-proof. “The power of sports is the leading reason the bundle exists today and [why] the bundle is as big as it is,” says Rich Greenfield, media and tech analyst at BTIG in New York City. “Sports support the whole business.” At the same time bundling has been a boon to sports, increasing exposure on new tiers of channels and, more important, creating wealthy cable networks that have used those riches to pay record rights fees.

How will the new, unbundled model affect this synergy? Here's what the sports viewing landscape could look like in the future:

What happens to ESPN?

Today, cable viewers pay about four times as much for ESPN as for any other non-premium channel, roughly \$6 per month, thanks to the network's near monopoly position. With a few minor exceptions—the NHL, the Olympics, English Premier League—ESPN has a deal with every major sports league. Sports fans want this programming.

Just under 100 million cable homes get ESPN in their cable package; before selling a single commercial unit, the network earns around \$7 billion annually in subscriber fees. Still, how many consumers would voluntarily pay for ESPN? In conjunction with a 2004 renegotiation, one cable carrier surveyed its consumers and found that one-third of them would drop their current carrier if it didn't offer ESPN. For sake of argument, let's assume that if subscribers could order channels piecemeal, two-thirds would choose *not* to pay for ESPN.

.....

It's Official: FCC Proposes OTT Reclassification

Democrats Vote Yes, Republicans Concur 12/18/2014 1:45 PM Eastern

By: [John Eggerton](#)

It is now official, except for the commissioner's statements. The FCC has voted unanimously--three Democratic "yes" votes, two Republican "concurrences"--to propose reclassifying linear

over-the-top (online) video providers as MVPDs, at least for the purposes of access to vertically integrated programming. That is according to a source who has seen the vote tally.

.....

- See more at: <http://www.multichannel.com/news/content/its-official-fcc-proposes-ott-reclassification/386411#sthash.AJhiE7C.dpuf>

Quote of the Day 17 Dec 2014

“If Netflix ever really does replace cable, subscribers won't be paying \$9 a month. It will cost more like \$40 to \$80 a month as studios and networks shift licensing fees to SVOD services. Plus your broadband bill will probably be a lot higher to compensate for lost video revenue. You still need the service provider to access OTT content. At the end of the day, both content owners and service providers will still get paid.”

– [Michael Goodman, Strategy Analytics director of digital media strategies](#)

Cable Rates Rise 3.1 Percent in 2013

Average price per channel up 0.9 percent

Deborah D. McAdams / 12.16.2014 04:47 PM / TV Technology - Broadcast Engineering

WASHINGTON—The cost of an expanded basic cable TV package rose 3.1 percent to \$66.61 on average across the United States last year, according to the latest price report from the Federal Communications Commission. The report said that 88 percent of cable TV subscribers have expanded basic packages, at least.

The percentage increase is just shy of twice that of the 1.6 percent rise in the Consumer Price Index for the same period. The compound annual growth rate since 1995 for expanded basic has been 5.9 percent compared to 2.4 percent for the CPI.

The cost-per-channel rose 0.9 percent for 2013 to 50 cents—unchanged since 1995 on an average annual compound basis.

.....

- See more at: <http://www.tvtechnology.com/article/cable-rates-rise--percent-in-/273769#sthash.P57VOdsX.dpuf>

TV Everywhere Video Consumption Doubles

Jumps 108% in Q3 of 2014 from 2013 and 38% from the previous Q2 data, according to new Adobe report 12/16/2014 03:10:00 PM Eastern

<http://www.broadcastingcable.com/users/winslowg>

By: [George Winslow](#)

Usage of TV everywhere (TVE) content continues to grow, with TVE video stats doubling from a year earlier and the number of unique viewers expanding by 34% in the third quarter of 2014 compared to a similar period in 2013, according to new data from Adobe in its “Q3 2014 U.S. Digital Video Benchmark Report.”

Quote of the Day

10 Dec 2014 “I think for any entrenched video provider to begin breaking up their carriage in a big bundle and going over-the-top puts them at great risk of being a much smaller business. The model today if you’re carried by cable and satellite is you get 100 million homes of distribution and you get to sell advertising against that entire universe. It’s hard to imagine selling that to niche markets or in an a-la-carte market where you would end up with similar penetration.”

– [Charter Communications CEO Tom Rutledge](#)

Quote of the Day:

9 Dec 2014 "By imposing billions of dollars of new taxes on broadband service, Title II will be a massive tax increase on millions of American consumers. We think it’s important that consumers and policymakers understand that imposing this unprecedented and unnecessary regulation on the Internet comes with a significant price tag for most Americans."

– [NCTA spokesman Brian Dietz](#)

Sarandos: Netflix Will Become World's Largest Buyer of Original Content

9 Dec 2014 Speaking at the UBS Global Media and Communications Conference in New York on Monday, Netflix chief content officer Ted Sarandos said that Netflix will eventually be the largest producer of original content in the world, and that within five years, Netflix will premiere a new series every two-and-a-half weeks.

Why This Matters: *Sarandos explained that the reason for the company’s increased spending on original programming is controlling distribution. He criticized the TV ecosystem, predicated on the weekly episode, and the movie business, beholden to the box office window.*

5 Takes: [Variety](#) | [Video Ink](#) | [Ad Age](#) | [Home Media](#) | [TBI Vision](#)

Five Stumbling Blocks to Mass Adoption of Internet TV

December 8, 2014, 12:45 PM PST published by ReCode

By Daniel Leff, Founder and Managing Partner, Luminari Capital

With all the [recent hype](#) about networks such as HBO and CBS starting to offer their shows on the Internet, the fact remains that more than [100 million U.S. households](#) still prefer to get their TV service delivered by hard-wired cables or satellite dishes.

But it’s no secret that [millions of other consumers are cutting the cord](#) and switching their TV viewing habits to Internet TV shows — whether that’s free content on YouTube or paid subscriptions such as Netflix. Furthermore, it’s only a matter of time before all TV content is distributed over the Internet.

.....

- 1. If most pay TV content is going to stream from separate websites or services, does that spell the death of bundled TV subscriptions?**
- 2. Can sports fans feed their appetite for live sports on the Internet alone?**
- 3. In an OTT world, how will viewers get local news, and more broadly, what happens to the network affiliates model?**

4. Why aren't Google and YouTube already dominating this market?

5. And finally: Do emerging OTT powers and video incumbents actually know what consumers want?

The future of OTT is upon us, but the forecast is still uncertain until these and other pressing questions are addressed. One thing is certain, though: There's a lot of money to be made migrating the old cable and satellite model to the Internet.

Daniel Leff is the founder and managing partner of [Luminari Capital](#), a digital media fund with a targeted focus on the innovation and disruption happening broadly throughout the \$500 billion global video ecosystem. Reach him [@Dr_Daniel_Leff](#).

Pay-TV Providers Lose 150,000 Subs in Q3

Leichtman Research Group released a new report saying that the 13 largest pay-TV operators in the U.S., representing about 95% of the market, shed about 150,000 net video subscribers in the third quarter, making it the worst third quarter on record.

Why This Matters: *Cable losses decelerated in Q3, with the top nine MSOs losing 440,000 video subs compared to 600,000 in the prior year quarter. However, satellite operators lost 40,000 subs after gaining 174,000 in Q3 2013, and telco companies added only 330,000 vs. 400,000 in the year-ago period.*

5 Takes: [MCN](#) | [Rapid TV News](#) | [Fierce Cable](#) | [Broadband TV News](#) | [TBI Vision](#)

NYC Mayor Slams Proposed Comcast/TWC Merger

Warns FCC About Potential Impact On Net Neutrality, Service 11/03/2014 9:45 AM Eastern
<http://www.multichannel.com/users/jeggerton>

By: John Eggerton - See more at: <http://www.multichannel.com/news/fcc/nyc-mayor-slams-proposed-comcasttwc-merger/385255#sthash.XN46vXOW.dpuf> ...

Among his concerns are 1) quality and affordability of business service and the possibility of a merged company would be less responsive to customer concerns; 2) the potential threat to network neutrality and innovation given what they estimate will be the 40% of broadband subs the combined company would control; and 3) Comcast/TWC's potential increased influence over the cable advertising market via national cable ad buyer National Cable Communications. "This extreme degree of consolidation threatens to make it more difficult and expensive for area businesses to secure local advertising opportunities that are essential to their success," he said.

Behind Closed Doors, Ford, UPS, and Visa Push for Net Neutrality

By [Joshua Brustein](https://twitter.com/intent/user?screen_name=joshuabrustein) https://twitter.com/intent/user?screen_name=joshuabrustein November 14, 2014 Published by Bloomberg-BusinessWeek

Ad Hoc Telecom knows it's a little strange for offline giants to take an interest in Internet rules. Here's how the group explained that dynamic in a filing with the FCC back in July: "Every retailer with an online catalogue, every manufacturer with online product specifications, every insurance company with online claims processing, every bank offering online account management, every company with a website—every business in America interacting with its customers online is dependent upon an open Internet."