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NEWS AEREO

New Company Aereo to Provide Online Streaming of Broadcast TV

Service available to New York residents; backed by Barry Diller/IAC By <u>Sam Thiel-</u> man, <u>Katy Bachman</u>

First-run broadcast content has long been the Holy Grail in the streaming wars; now, it's coming to New York residents via a new company called Aereo. The Web-based service will be available on platforms like Roku and Apple TV and has among its backers FirstMark Capital, High Line Venture Partners and, most notably, Barry Diller's IAC. Diller himself has joined the company's board of directors.

The venture doesn't just pave the way for New Yorkers to cancel their cable subscriptions (Time Warner Cable's cheapest package runs consumers \$42 a month, or about twice what a subscription to Netflix streaming and Aereo would cost), but it also sets the stage for an even fiercer war over retransmission fees, especially if Aereo is successful. fiercer war over retransmission fees, especially if Aereo is successful.

The New York Times' Brian Stelter <u>explains how it works</u>: The Company doesn't pay license fees to anybody; instead, it sets up thousands of antennas somewhere in New York (it doesn't say where), pulling down digital signals and sending them to its subscribers. As long as it keeps the customer-to-antenna ratio at 1:1 (and the antennas are apparently "roughly the size of a thumb"), the company can argue that it is simply an antenna rental service in the same way that <u>Cablevision's boxless DVR is legally a DVI rental service</u> (hat tip to Stelter, again). It's an ingenious argument, and one that has clearly gotten a lot of vetting as the company trains for the inevitable legal scrap over whether renting antennas is different from pirating a signal.

"Aereo is the first potentially transformative technology that has the chance to give people access to broadcast television delivered over the Internet to any device, large or small, they desire," said Diller in a statement issued Tuesday morning. "No wires, no new boxes or remotes, portable everywhere there's an Internet connection in the world."

The service will go live on March 14. It costs \$12 a month after a 30-day trial and provides access to ABC, NBC, CBS, FOX, The CW and PBS. It's the first time consumers have been asked outright to pay for broadcast TV since the changeover to a digital signal rendered antennas mostly useless in New York. Even digital receivers can't pick up a signal in apartments that once received local broadcasts loud and clear; since that time, cable operators have been at war with broadcast networks looking to shore up their

MARCH 2012

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bottom lines by increasing fees to retransmit signals that used to be available for free. The fees used to be nominal; they're getting less so with every new carriage deal.

With the new deal, Aereo gives its subscribers access to something they've never had online before: regular local sports. If you wanted to watch any Giants game except the Super Bowl, you had to watch it on TV (and if you lived in an apartment building, you probably had to watch it retransmitted on cable).

Broadcasters, who would not get a dime from Aereo under its current business model, haven't yet mounted a legal challenge. But that doesn't mean one isn't coming.

"While it sounds like it has some capital behind it, they will need a lot more to fend off litigation if they can't work out separate deals with the networks," said Scott Flick, a broadcast attorney with Pillsbury Winthrop Shaw Pittman in D.C. "It will also be very important as to exactly how they 'process' the broadcast programming on its way to the consumer. After all, anyone with a DVR and a set of rabbit ears could collect their own broadcast programming for free. That being the case, the monthly charge makes it look less like an equipment rental service, and more like a retransmission service, particularly given the stated intent to relay the content to phones and other screen devices that are not designed for reception of broadcast signals."

If Aereo succeeds, it will change the business profoundly, and it won't be good for cable operators. First, it will provide compelling evidence that the major broadcasters are worth at least \$2.40 a subscription, and it will attack cable companies' subscription bases.

SBE CHAPTER 38 OFFICERS

<u>CHAIRMAN</u> Antonio Castro SBE member # 11456. KFOX/COX retired Chief Eng. 800 Arredondo dr. El Paso. TX 79912 915-584-1220 home 915-525-8507 cell farahjac@sbcglobal.net

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<u>Treasurer</u> Walter Hanthorn SBE member # 18307 KSCE TV 4461 Gen. Maloney El Paso, TX. 79924 915-269-7583 home 915-532-8588 office <u>Certification Committee</u>: David Halperin.

<u>Membership Committee</u>: TBD TBD

<u>Frequency Coord. Committee</u>: Warren Reeves Owen Smith

<u>Scholarship Committee</u>: Rick Vilardell

Web Site Committee: Norbert Miles

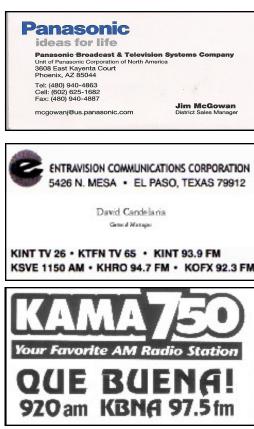
Sustaining Membership: TBD

Program Chairman: Enrique Lopez

Newsletter: Antonio Castro

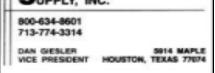
EAS Chairman: David Halpering

Executive Committee: Antonio Castro Carlos Sosa Walter Hanthorn













EL PASO,TX CHAPTER 38 MEETING MINUTE DATE 2/14/2012 LOCATION: KSCE TV 38

MEETING CALLED TO ORDER: 12:32 PM, BY ANTONIO CASTRO, THERE WERE 15 MEMBERS..

REPORT OF THE SECRETARY: MINUTES ACCEPTED BY WAREN REEVES, 2nd BY GLENN LEFFLER **REPORT OF THE TREASURER**: CURRENT BALANCE OF \$ 5,884.05, AF-TER PAID RENEWAL OF PO BOX, DONATION TO THE ONLINEENGI-NEER AND REFOUND OF RE-CERTIFICATION FEE FOR OMAR PINEDA ACCEPTED BY NORBERT MILES, 2nd BY MARIO JIMENEZ

REPORT OF THE CERTIFICATION COMMITTEE: NO AVTIVITY

REPORT OF THE MEMBERSHIP COMMITTEE: NO REPORT

REPORT OF THE FREQUENCY COORDINATOR COMMITTEE: WARREN SUGGESTED THE COORDINATION WITH THE STATIONS ACROSS THE BORDER. WILL CONTEMPLATE DEEPLY

REPORT OF THE SCHOLARSHIP COMMITTEE: NO REPORT

REPORT OF THE WEB SITE COMMITTEE 940 HITS. RECOMMENDED TO USE THE BLOG IN THE SITE

REPORT OF THE EAS CHAIRMAN : DAVID HALPERING TO TAKE OVER AS A EAS CHAIRMAN

REPORT OF THE PROGRAM COMMITTEE: CHAIRMAN MENTIONED A PRESENTATION WITH HARRIS FOR MARCH

UNFINISHED BUSINESS: INVOICES WERE HANDLED FOR 2012 MEM-BERSHIP RENEWAL, ONLY 4 WERE PAID RIGHT THERE.

NEW BUSINESS OR ANY ITEMS FOR THE CHAPTER INTERES: ELECTED NEW OFFICIALS

NEXT MEETING DATE AND LOCATION: MARCH 13, 2012 AT GRAND CHINA BUFFET, WEST SIDE AT 12:00 PM, LUNCH TIME. PRESENTER: BURT YOUNG FROM HARRIS CORPORATION

MEETING ADJOURNED: AT 13:10 PM

NOTES FROM THE EDITOR: The treasurer recommends to bring your chapter membership dues, you can write a check or bring twelve hundred pennies or twelve dollars, you pick ,...



Well, the invitation for this month is for Burt Young, Regional Manager for Harris Corporation, broadcast division. He will bring a presenter.

When: our next regular chapter meeting, Tuesday March the 13th.

Where: at our known Grand China Buffet, West side, 655A Sunland Park Dr., El Paso, TX. 79912 Tel 585-3688

Time: 12:00 PM, lunch time.

Please plan to be there and bring your appetite.....food and knowledge await

