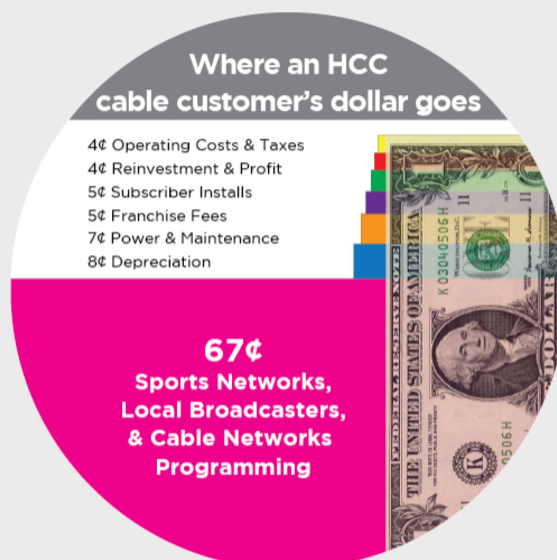


HCC Bits & Bytes



Did Cable TV Eat My Lunch?

You've definitely noticed that the price of cable TV goes up significantly each year! And you may have wondered why. You might have asked yourself why a small cable provider like HCC would keep raising prices at rates so much higher than inflation and with so many options in the market place. From millennials to baby boomers more consumers are cutting the cord or at least looking for ways to save money. So, is HCC out of touch and wanting to lose cable subscribers?

The short answer is no! On the contrary, HCC continuously looks for ways to provide our customers with the quality services they want at an affordable price. The problem with cable TV pricing comes down to content. Unfortunately, cable Networks and local broadcasters (content providers) have taken the tact of demanding massive rate increases, coupled with carriage requirements, for their content with each contract negotiation. These increases continue to pile up even with the assistance from expert negotiators, like those at the cable operator owned co-op that HCC belongs to.

At the same time that they are demanding higher rates from independent cable operators, many of those same networks and broadcasters are part of a media conglomerate (Comcast, Time Warner, AT&T etc). So, while they are getting hit with increases from some content providers they are demanding their own increases from others. So big money is demanding even more from other big money- a vicious cycle. And the loser is the consumer and small cable operators.

Not all of the contracts expire in the same year. But enough do, to necessitate a rate increase every year. At the end of 2017 all of our local broadcaster (think Seattle stations) contracts had to be renewed. The negotiations were brutal with prices more than doubling in some cases. Just a few years ago these local channels were provided to cable companies at no charge- now they alone make up 24% of the programming costs. Even if though these stations would be free to pick up with an antenna- HCC has to pay to provide them over our cable system.

Another trend is for content providers and media conglomerates to offer direct to consumer streaming platforms. While this solution has many benefits the monthly price of these services quickly adds up to get all the programming you receive with traditional cable TV. And streaming isn't insulated from content rate increases. As cable TV subscriptions decrease the content providers will continue to raise rates for streaming services in order to replace the lost revenue.

What does this mean all for our cable TV customers? Unfortunately, a rate increase will happen at the beginning of April 2018. The final details are still being calculated and negotiated. But rest assured that HCC doesn't take rate increases lightly. Our company is comprised of locals- your friends and neighbors. It is our policy to only raise cable rates enough to cover the increased costs of programming.

We invite customers to explore HCC IPTV as an affordable streaming option to cable TV. It includes 23 local Seattle stations along with 50 music channels for under \$25 per month. If you have questions don't hesitate to give us a call at 360.898.2481 or email us at info@hcc.net.

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