

# Cablefax Daily™

Thursday — December 11, 2014

What the Industry Reads First

Volume 24 / No. 239

## Net Neutrality: Cogent Blames ISPs, Techies Unite Against Title II

The audience at **UBS'** media conference Wed got an earful on net neutrality from **Cogent** CEO *Dave Schaeffer*. Caught in the middle of **Netflix's** fight with major ISPs, the 3rd-party transit provider has been a vocal supporter of strict Open Internet rules. With the issue absent from the **FCC's** Thurs Open Meeting (last meeting of the year) agenda, a decision isn't expected until 2015. Open Internet advocacy groups including **Free Press** said they would hold a rally outside the Commission's headquarters today (Thurs) to urge the agency to pass strong net neutrality rules under Title II. Meanwhile, 60 tech companies joined the fight, sending a letter to the FCC and members of Congress Wed opposing reclassifying broadband under Title II. The companies include **Intel, IBM** and **Qualcomm**. Schaeffer, who took the chance at UBS to blast several major ISPs for "manipulating" interconnection ports, said FCC chmn *Tom Wheeler* noted during their most recent meeting that he fought for the bill-and-keep regime when he was head of **NCTA** and **CTIA**. Also known as net payment zero, the model is an interconnection pricing arrangement between providers under which each network agrees to terminate traffic from the other network at no charge. "He [Wheeler] is an adamant believer in bill-and-keep," the cornerstone in any net neutrality solution, Schaeffer said. Despite *President Obama's* call for "the strongest possible rules" for net neutrality, Wheeler is reportedly looking at a hybrid proposal that would re-establish the Commission's authority over Internet while applying utility-like regulation only to the wholesale (versus retail) portion of the transaction. "We could support the hybrid model, which includes some form of Title II regulation on the back end of the Internet and covers interconnection... It resolves our immediate problem," Schaeffer said. The company supports Title II regulation because it allows the FCC to insert jurisdiction over the Internet, he said. "We are a strong believer of Open Internet where all bits flow equally and aren't prioritized." Cogent has long voiced its displeasure with **Comcast**, which it claims demands payment in exchange for routing Internet traffic from edge providers like Netflix. Schaeffer argued Comcast, while not operating a global network, has used its market power to extract interconnection revenue. The cable ISP didn't carry its fair load yet wanted free connectivity, he said, adding a bigger Comcast would be able to demand even greater payments. "It's hurting us," he said. If the FCC approves a **Comcast-Time Warner Cable** merger, Cogent wants conditions. One of its proposed conditions: If any interconnection point between the combined company and another network with which it interconnects

## Cablefax Webinar

Dec. 16 • 1:30 – 3pm ET.

### The OTT Tipping Point: Are We There Yet... And How Can You Benefit?

Join us for a year-end discussion about OTT and how traditional players could actually benefit from this shifting OTT landscape in 2015. You'll learn how to supercharge your own OTT strategy, figure out the industry pain points and determine how recent OTT deals could affect your bottom line.

Register your team at [www.cablefax.com/webinars](http://www.cablefax.com/webinars)

Register Today

# Cablefax's TRAILER AWARDS

TV PROMOS + REELS THAT SIZZLE

**Call for Entries!**

Final Deadline:  
**December 17**

Enter at [www.cablefaxtrailerawards.com](http://www.cablefaxtrailerawards.com)

Cablefax's Trailer Awards recognize the most effective and buzz-worthy trailers promoting shows and series running around the world on cable, broadcast, mobile, the web and beyond.

This is your chance to gain recognition for promos and sizzle reels that entice viewers to watch and engage with their favorite shows (or soon-to-be-favorites). This program is open to all cable networks and MSOs. Additionally, PR, marketing and publicity firms and other show partners are eligible to compete on behalf of a cable client.

## Winners and honorable mentions will be awarded in the following categories:

- Top Trailer
- Top Network Sizzle Reel
- Best Editing
- Best Directing
- Best Sound/Music Mixing
- Best Graphics
- Most Intriguing/Mysterious
- Most Creative/Surprising
- Most Viral/Shareable Online

## Outstanding Trailer Promoting a:

- New Show/Series
- Returning Show/Series
- Movie/Mini-Series
- Documentary
- Integrated/Cross-Platform
- Comedy
- Drama
- Suspense
- Reality/Docu-Series
- Sports
- News/Public Affairs

Submit by  
Dec. 17

**Questions:** Contact Mary-Lou French at [mfrench@accessintel.com](mailto:mfrench@accessintel.com) or 301-354-1851.  
For more information, visit [www.cablefaxtrailerawards.com](http://www.cablefaxtrailerawards.com).

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Associate Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Sr Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Jr. Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir. of Market Dev.: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,599/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

reaches 70% capacity, then Comcast/TWC must promptly upgrade the ports and cross-connects (on terms and conditions equivalent to then-existing agreements with such networks) to augment capacity and thereby avoid the congestion and resulting packet loss that will occur if the interconnection capacity extends much beyond that point. Comcast argued in an FCC filing last week that an ISP's quality and not its actual size largely explains interconnection price differences. It claimed the value of interconnection services is tied to the number of interconnection points. And the combined company, which will account for less than 40% of the fixed ISP market, won't come close to enabling it to adversely affect competition in the interconnection market, company execs have said in merger hearings.

**New CEO for Atlantic Broadband:** Ed Holleran is stepping down as **Atlantic Broadband's** pres/CEO but agreed to stay as the vp, industry relations on a part-time basis. *Rich Shea*, currently COO, was appointed pres/CEO, and *Dave Isenberg* was named pres/Chief Revenue Officer, effective Jan 1. Shea and Isenberg have both been with the MSO since it was founded in 2003 by Holleran and *Dave Keefe* (who currently serves as svp and FL gm). Two years ago, **Cogeco Cable** acquired Atlantic, which serves more than 230K residential and business customers in Western PA, Miami Beach, MD/DE and Aiken, SC. Cogeco pres/CEO *Louis Audet* said the new structure recognizes the complementary roles Shea and Isenberg will have going forward. "I am also very pleased that Edward will continue to serve as part of the Atlantic Broadband management team. As co-founder of Atlantic Broadband, his experience and relationships in the cable industry will be of great value to us going forward," Audet said in a statement.

**Merger Review & Broadband Subs:** The **FCC** released some broadband numbers for public inspection in its review of the proposed **Comcast, Time Warner Cable** and **Charter** transactions. A lot of the stats are redacted, but here are some to ponder: Before the transaction, Comcast's footprint includes 35.8mln broadband subs receiving at least 200kbps (upstream or downstream). That number includes Comcast subs and the subs of all other providers in the footprint. Post transaction, that figure should grow to about 50mln. The total broadband sub number in Charter's footprint is expected to increase from 9.4mln to 10.2mln, while the number in GreatLand's should end up with about 4.2mln broadband subs (200kbps+).

**SAG 2014:** HBO's 14 **Screen Actors Guild Award** nominations Wed easily led all other networks. A 3-way tie surfaced for 2nd place with **ABC, Netflix** and **Showtime** all receiving 5 nominations. Other cable nets in the running: **FX** (3), **Lifetime** (2), **AMC** (1), **BBC America** (1), **History** (1) and **Sundance TV** (1). The 21st Annual SAG Awards will be simulcast live on **TNT** and **TBS** on Jan 25 at 8 pm.

**Liberty in Puerto Rico:** **Liberty Global**, together with investment funds affiliated with **Searchlight Capital**, has entered into a deal to acquire 100% of **Choice Cable**, the 2nd largest cable and broadband provider in Puerto Rico. Choice's operations will be combined with **Liberty Cablevision of Puerto Rico**, with the combined business to be 60%-owned by Liberty Global and 40% by Searchlight. As of the end of Aug, Choice passed approximately 345K homes and served 154K RGUs. Upon completion, Liberty said the network will reach 80%+ of Puerto Rican homes, serve more than 700K RGUs and generate more than \$380mln in annual revenue.

**Measurement with Moat:** Nielsen will integrate its Nielsen Online Campaign Ratings data into **Moat Attention Analytics**, marking the 1st time brand intelligence company Moat has integrated 3rd-party advertising audience reporting into its platform at scale. Nielsen Online Campaign Ratings measures the audience of a digital ad campaign by combining Nielsen panel data with aggregated, anonymous demographic data from digital data providers.

**Ratings:** HBO's Veteran's Day "Concert for Valor" reached more than 5mln people. It amassed a gross audience of 2.7mln viewers on HBO, with 200K watching via stream from the web. Almost 1mln tuned in via **iheartraadio.com** or on select **iHeartMedia** radio stations, and the crowd estimates for the concert on the National Mall topped 800K. Take that 4.7mln figure and add in non-HBO subs who were able to watch on the net's open signal that night, plus those tuning in via the **Armed Forces Network**, and the total easily surpassed 5mln.

**Programming:** **WE tv** debuts "Love Thy Sister," a new reality show from the producers of "Keeping Up with the Kardashians," on Jan 8 at 10pm. The series follows 3 affluent African-American sisters at the height of Southern society. -- **A&E** premieres series "Wild Transport," following a team at an animal rescue, removal and relocation company, Jan 6, 10pm. -- **OWN** plans a month-long celebration for Jan honoring civil rights leaders. The net will debut "*Oprah*

# BUSINESS & FINANCE

Winfrey Presents: Legends Who Paved the Way," honoring Ambassador Andrew Young, Diane Nash, Dick Gregory and others (Jan 18, 9pm). On Jan 4, a special "Oprah Prime" looks at the Selma marches nearly 50 years later.

**Betsy Magness Apps Due:** WICT has started accepting applications for classes 32 and 33 of the Betsy Magness Leadership Institute. The deadline is Mar 13. Apply online at wictbmli.org.

**People:** Starz exec Jodi Robinson has joined Charter as svp, user experience design and development. She oversees the user experience design and development for all of Charter's products, reporting to product and strategy svp Rich DiGeronimo. -- Nick upped Gerald Raines to svp, recreation business development. He will report to Jamie Drew, svp of strategy and business development, and Lisa Silverman Meyers, svp of operations and planning, consumer products, Viacom International Media Nets. -- WEtv expanded its original programming team, promoting Suzanne Gladstone Murch to vp, original programming, and hiring David Stefanou as vp, development. In addition, Angela Molloy joined the net's L.A. office as vp, development.

**Oops:** An item in Wed's issue on new TheBlaze CEO Betsy Morgan should have read that she was promoted to CEO from pres and chief strategy officer.

## CableFAX Daily Stockwatch

Company	12/10 Close	1-Day Ch	Company	12/10 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDs</b>					
DIRECTV:	83.38	(0.5)	CONVERGYS:	20.31	(0.29)
DISH:	70.56	(0.88)	CSG SYSTEMS:	24.94	(0.48)
ENTRAVISION:	7.08	UNCH	ECHOSTAR:	50.97	(1.12)
GRAY TELEVISION:	10.30	(0.1)	GOOGLE:	526.06	(7.31)
MEDIA GENERAL:	14.76	(0.67)	HARMONIC:	7.21	(0.14)
NEXSTAR:	51.76	(1.02)	INTEL:	36.42	(0.47)
SINCLAIR:	26.22	(1.08)	INTERACTIVE CORP:	62.84	(1.79)
<b>MSOS</b>					
CABLEVISION:	20.42	(0.34)	JDSU:	13.63	(0.28)
CHARTER:	164.30	(1.61)	LEVEL 3:	47.53	(0.43)
COMCAST:	55.57	(0.62)	MICROSOFT:	46.90	(0.69)
COMCAST SPCL:	55.30	(0.6)	NETFLIX:	334.32	(9.46)
GCI:	12.13	(0.18)	NIELSEN:	43.77	(1.4)
GRAHAM HOLDING:	938.31	(7.05)	RENTRAK:	73.08	(3.32)
LIBERTY BROADBAND:	54.06	(0.23)	SEACHANGE:	5.43	UNCH
LIBERTY GLOBAL:	48.68	(0.19)	SONY:	20.79	0.09
SHAW COMM:	26.15	(0.68)	SPRINT NEXTEL:	4.36	(0.21)
TIME WARNER CABLE:	145.20	(1.55)	TIVO:	11.95	(0.24)
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	36.99	(0.12)	UNIVERSAL ELEC:	61.67	(0.93)
AMC NETWORKS:	60.00	(0.93)	VONAGE:	3.28	UNCH
CBS:	51.59	(0.89)	YAHOO:	49.20	(1.3)
CROWN:	3.49	(0.13)	<b>TELCOS</b>		
DISCOVERY:	33.90	(0.74)	AT&T:	32.49	(0.4)
DISNEY:	91.63	(1.31)	CENTURYLINK:	38.40	(0.7)
GRUPO TELEVISIA:	33.95	(2.05)	TDS:	23.86	(0.94)
HSN:	72.62	(0.46)	VERIZON:	46.18	(0.74)
LIONSGATE:	32.94	(0.69)	<b>MARKET INDICES</b>		
MSG:	72.21	(0.78)	DOW:	17533.15	(268.05)
SCRIPPS INT:	77.61	(0.45)	NASDAQ:	4684.03	(82.44)
STARZ:	28.60	(0.37)	S&P 500:	2026.14	(33.68)
TIME WARNER:	83.21	(0.71)	<b>TECHNOLOGY</b>		
VIACOM:	73.26	(1.38)	ADVANTAGE:	2.52	(0.11)
WWE:	11.51	0.09	AMDOCS:	46.20	(1.19)
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.52	(0.11)	AMPHENOL:	53.82	(0.06)
AMDOCS:	46.20	(1.19)	AOL:	44.01	(1.28)
AMPHENOL:	53.82	(0.06)	APPLE:	111.95	(2.17)
AOL:	44.01	(1.28)	ARRIS GROUP:	28.01	(0.8)
APPLE:	111.95	(2.17)	AVID TECH:	14.25	(0.04)
ARRIS GROUP:	28.01	(0.8)	BLNDER TONGUE:	2.30	(0.14)
AVID TECH:	14.25	(0.04)	BROADCOM:	42.68	0.03
BLNDER TONGUE:	2.30	(0.14)	CISCO:	26.87	(0.55)
BROADCOM:	42.68	0.03	COMMSCOPE:	25.43	UNCH
CISCO:	26.87	(0.55)	CONCURRENT:	6.77	(0.02)
COMMSCOPE:	25.43	UNCH			
CONCURRENT:	6.77	(0.02)			

**T. HOWARD**  
FOUNDATION  
Diversity in Media

For further information, including tables prices, contact Maria Ducheine 212.997.0100, ext. 214, mducheine@projectsplusinc.com.

[www.t-howard.org](http://www.t-howard.org)

JOIN US ONCE AGAIN

at our

22ND ANNUAL DIVERSITY AWARDS DINNER

Wednesday, March 25, 2015

Cipriani Wall Street, New York City

Business Attire

# Outside The Box

Commentary by Steve Effros

It's hard to miss all the commentary these days about the messy situation Chairman Tom Wheeler finds himself in regarding net neutrality. Leave aside that no one can define that term as the "debate" has ranged, and raged far and wide. Leave aside that almost all major ISPs have already said they agree with the Chairman's "bright line" assessment that there can be no blocking, no throttling and no paid prioritization that adversely impacts other users. None of that seems to matter any more. The battle lines have formed around the question of whether broadband should be regulated under "Title II" or not.



The Chairman responded to an adverse court decision by suggesting that under the existing FCC rules that broadband is currently under, a careful writing of added rules could apply his three "no's" and that they could be sustained in court. Those who want far more latitude in regulating broadband at the Federal level were not satisfied with that and pounded the Chairman, saying that full Title II regulation was the only thing they would be satisfied with. Not, they said, that they wanted to actually use all that regulatory horsepower. Oh, no... they say it would be easy to just keep a light foot on the pedal and "forebear" from actually stepping on the gas. They just wanted it "in case." Sure.

I'm not going to get into the debate right now over whether the "forebearance" theories are accurate, or whether the Commission would find itself almost having to regulate and trigger taxes under those obsolete regulatory notions. The fact is, once the President came out for "Title II," it put the Chairman in a very difficult position. His original approach—a middle-of-the-road results oriented effort—was pushed aside in favor of "either/or" rhetoric, and that's what we've been hearing ever since.

But a good lawyer friend of mine who recently attended a "Cable Law" seminar contacted me and wondered why the only thing that cable lawyers and the FCC attendees were talking about was "either/or." There is a totally different approach that allows everyone to get out of the box they have found themselves in; antitrust law. It's established, it deals on a case-by-case basis with abuse as opposed to imposing regulations based on fear of some future event, and there's no question that it's sustainable in court. Aside from trying to preserve their own power and fees, why not?

For those of you on the wonkish side, there's an excellent letter that was just sent to the Federal Trade Commission (which, along with the Justice Department uses the antitrust approach) arguing that the FTC should file comments with the FCC saying that the current "either/or" and particularly "Title II" approach could be very damaging and is not needed. There's already a structure in place to deal with any serious breach of "net neutrality" or abuse of utility-like infrastructures. Google the International Center for Law and Economics, and you'll find their net neutrality FTC letter. It's heavy on the footnotes, but when you get more than 20 well credentialed economists and lawyers signing one analysis, it's worth taking a look.

When kids start screaming "yes I can" and "no you can't," any parent knows its time for a "time out." Time to look at other alternatives. That's the case here. It's time to start seriously looking at viable alternatives to the entire FCC morass considering how to regulate broadband. An alternative exists if someone is willing to think outside the box.

*Steve*

T:202-630-2099  
steve@effros.com

*(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)*

# Corporate Licenses

**Cablefax Daily**

WHAT THE INDUSTRY  
READS FIRST.

Get reduced subscription rates for multiple readers in your organization.

Find out more!  
Contact Laurie Hofmann at  
L.Hofmann@accessintel.com

www.cablefax.com

