

# Cablefax Daily™

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What the Industry Reads First

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## Draft Bill: Congress Ready to Tackle Net Neutrality

With Republicans controlling both the House and Senate, Congress finally heeded the call by **NCTA** and others to offer a legislative fix for net neutrality. *Fred Upton* (R-MI) and *John Thune* (R-SD) unveiled their draft legislation Fri, ahead of hearings in both committees on Wed (**NCTA's Michael Powell** and **Midcontinent's Tom Simmons** are among witnesses). Key for cable is that the bill would classify broadband Internet access as an information service, protecting it from Title II designation. It defines and prohibits paid prioritization, referring to it as the speeding up or slowing down of some Internet traffic in relation to other traffic based on compensation or lack thereof by the ISP. Blocking and throttling are also expressly prohibited, but it does allow for "reasonable" network management by ISPs. The rules, which are meant to be similar to the FCC's previous rules, would apply to both wireline and wireless. Don't look for this to go down well with Dems. Plus, there's the matter of President *Obama*, who has called for a Title II approach at the FCC. "Democrats and Republicans both agree on the need for net neutrality protections, but this Republican proposal should be called the Big Broadband Baron Act," Sen *Ed Markey* (D-MA) said Fri. "It is a legislative wolf in sheep's clothing, offering select few safeguards while undermining basic consumer, privacy and accessibility protections. It would harm low-income, disabled, senior and rural consumers, and undermine competition in the telecommunications marketplace." Critics are concerned the bill narrows the FCC's "no discrimination" principle by just prohibiting paid prioritization and throttling. For example, it wouldn't address discriminatory use of broadband data caps or **AT&T's** attempt to limit Facetime in 2012 to particular tiers of service, complained **Public Knowledge**. They also are upset the bill allows for specialized services, which they argue could let ISPs give themselves prioritized service. Wed's hearings come almost 1 year after a federal court struck down the FCC's 2010 net neutrality rules. Commission chmn *Tom Wheeler* has indicated the agency plans to vote on new rules in Feb. Meanwhile, **Sprint** garnered some headlines Fri for a letter to Wheeler in which it broke ranks from other ISPs and said it would be OK with Title II. "Sprint does not believe that a light touch application of Title II, including appropriate forbearance, would harm the continued investment in, and deployment of, mobile broadband services," read a letter from CTO *Stephen Bye*. "We urge the FCC and Congress not to be distracted by debates over Title II but to focus on competition by ensuring that any net neutrality regulations adopted recognize the unique network management challenges faced by mobile carriers and the need to

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### Questions:

Contact Diana Rojas at [drojas@accessintel.com](mailto:drojas@accessintel.com).

**To Advertise in the Cablefax 100 issue of Cablefax: The Magazine:**

Contact Rich Hauptner at [rhauptner@accessintel.com](mailto:rhauptner@accessintel.com).



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allow mobile carriers the flexibility to design products and services to differentiate ourselves in the market.”

**Pai vs Netflix:** FCC Republican commish *Ajit Pai* came out swinging at **Netflix** Fri over the issue of open caching. Last month, he asked Netflix to respond to claims that it changed streaming protocols where open caching is used, impeding open caching software from correctly identifying and caching Netflix traffic. Pai said Netflix responded in person and writing, telling him the changes were to protect customers' privacy, not to undermine open video standards. So, he asked the company to respond to allegations it rolled out the new protocols by targeting 1st ISPs that had installed open caching appliances. “The company assured me that this was not true and agreed to submit information after our meeting that would disprove this charge,” Pai said in a lengthy statement Fri. “One month later, that commitment remains unfulfilled. When my office reached out to Netflix for the information (in particular, which ISPs were targeted on which dates), the company refused to turn it over.” Netflix said it has responded to the commissioner's questions. “He appears to be targeting us because he disagrees with our Open Internet advocacy, not because of our efforts to protect member privacy,” Netflix said.

**AutoHop Litigation:** **Fox** and **DISH** filed a motion Thurs to stay litigation over the DBS provider's AutoHop ad skipping service, citing retrans negotiations with DISH's contract for Fox expiring Oct 29. The stay would be in effect until Oct 1, with a trial set for Feb 24 if the 2 don't reach a settlement. **ABC** and **CBS** have already settled their litigation, while **NBCU's** lawsuit is still pending. The Fox case is pending in US District Court for Central CA.

**Press Clippings:** **HBO** and **Showtime** are reportedly in talks to create a joint PPV telecast for a potential epic *Manny Pacquiao* and *Floyd Mayweather* fight on May 2 at the MGM Grand in Las Vegas. According to a report on ESPN.com, HBO chmn/CEO *Richard Plepler* and HBO Sports pres *Ken Hershman* met on Wed at a restaurant in NY to discuss the framework of a deal. Having said that, there could a long way to reach a potential deal due to possible issues including which network would get the delayed broadcast rights and which company would produce the show.

**Ad Research:** A Nielsen report has cited **P&G**, **General Motors**, **Toyota**, **AT&T** and **Ford** as among the top advertisers for millennials based on their ad investments last year. Fast food and quick-service restaurant (QSR) ads dominated among millennials in 2014, and the QSR category was the 2nd-highest ranking product category based on ad spend. Other categories that ranked high based on ad spend for the year: automotive, pharmaceutical and motion pictures. The top ad among African American millennials was the same as the top ad among the general millennial population: **Wendy's** Pretzel Bacon Cheeseburger. The top ad among both Hispanic Millennials and Asian Millennials was **Sonic's** Cheesy Bread Dogs. Food ads performed well among all Millennials and among different ethnic segments, representing 8 of the 10 top ads among African-Americans, 9 of 10 top ads among Hispanics, but only 3 of the 10 top ads among Asian-Americans. The top ads among Asian-Americans were balanced across food, tech/telecom, insurance and finance.

**NFL Field Pass on Fox:** As fans gear up for the NFC Championship Game, **Fox** is teaming with **NFL Media** to launch NFL Field Pass, a digital service offering live streaming video from the field for 1 hour prior to kickoff. Video will be presented with no host/analyst audio. Just the natural sounds along with the sights from the field. The service, available on Fox Sports Go and other Fox and NFL multiplatform apps, is free and doesn't require authentication.

**Showrunners at TCA:** Several showrunners in the **Universal Cable Productions** family on Thurs gave critics a peek into their often hectic lives. *Tim Kring*, exec producer of **USA's** “Dig,” joked that “most writers can barely manage themselves” and yet as showrunners must manage multi-million-dollar budgets and hundreds of people “without so much as a pamphlet on how to do the job.” They said cable continues to offer more creative freedom vs broadcast, though. **USA's** “Satisfaction” exec producer *Sean Jablonski* said “cable has always had the moniker as the place of the alternative” and “that attitude still exists today.” But Kring said bcst has started to catch up. “Having to compete with all of these cable opportunities out there,” he said, “there is an attempt to duplicate that kind of cable-like experience at the networks.” The bottom line, said **Bravo's** “Girlfriends' Guide to Divorce” exec producer *Marti Noxon*, is that you fast realize you can't please everyone. “That goes out the window to be a good showrunner,” she said. “I had to let go of being liked, and in the end I actually liked myself even more—so it kind of worked out.” Of course, sometimes the smallest things can create stress for a showrunner, said **Syfy's** “12 Monkeys” exec producer *Natalie Chaidez*. “I just become completely debilitated by the lunch menu,” she said.

**Business/Finance:** **Viacom** declared a quarterly cash dividend of 33 cents/share on both Class A and B common stock. It will be payable on Apr 1 to stockholders of record at COB Mar 13.

# Cablefax TECH

by Joyce Wang

## CES Recap

CES 2015 was the 15th consecutive year for cable/telecom's marketing association **CTAM's** annual CES tour. Designed as a curated walk through the relevant, the interesting and the weird, this year's tour had 2 specific areas of focus: sustainable trends, things that will stand the test of time and ultimately "get big," and the landscape of "adjacent possibilities," especially given the breadth and depth of the Internet of Things and sensors everywhere, vp, advanced products *Angie Britt*, who oversees the tour, told us. The CTAM tour featured stops at exhibits and demos across the Vegas Strip and included in-person presentations with **Cisco, Dolby, Rovi, Technicolor, Samsung** and **Cognitive**. Outside of video, execs found the Internet of Things (IoT) demonstration by **Intel, Qualcomm** and **Samsung** interesting. The group also met with *Dan Simpkins*, founder and CEO of **Hillcrest Labs**, which provides motion control applications. Companies like Samsung are betting their future on IoT: CEO *BK Yoon* predicted that 90% of the company's products will focus on IoT by 2017, and nearly all of its devices will cater to the trend 5 years from now. Among the big hits this year is 4K. According to **Hotwire Insights and Analytics**, the phrase 4K TV scored 15,912 tweets (I probably contributed a dozen or so) under the #CES2015 hashtag, almost 4 times the number of tweets for the next most popular topic, "wearables." The 3rd most tweeted topic at CES was IoT, which generated 3,816 tweets. Whether it's flat, curved, or bendable, major manufacturers including Samsung, **LG**, and **Sony** seemed to have it all. LG boasted its UltraHD sets featuring "quantum dot" technology, which is expected to offer a wider color palette and improved color saturation. The LG 4K TV booth featured 4K content from **Amazon Prime Video, Netflix** ("Marco Polo") and **DirectTV**. Sony launched 9 4K models with screens up to 85 inches, while Sharp's 4K lineup

features models from 43 to 80 inches. While the big, high resolution TVs are pretty, the usual question is where and when the content will be available, several attendees told us. Meanwhile, plenty of panelists/attendees offered their 2015 predictions at the event. Here's our summary: There will be continuous acceleration of things like **HBO Go** and more competitors to Netflix, though it will be a long while before any major changes occur on the traditional TV bundle side; There will be even more TVE apps running on various platforms; Brands will work closely with content providers to cultivate the brand into content, as viewers follow shows not networks; Mobile devices will become more relevant in online video consumption so developers need to be ready to offer options that cater to screens of all sizes.

**Microsoft's Bing Pulse to Tackle SOTU:** Microsoft's voting and audience engagement platform Bing Pulse is teaming with **CNN** and **MSNBC** to offer direct viewer sentiment during *President Obama's* State of the Union speech on Tues. While each net will use the platform in completely different ways, both are expected to provide real-time feedback about the speech. In addition, Bing Pulse's voting technology will be available for viewers to agree or disagree with what the president has to say, and the results of the sentiment will be shared instantly. Microsoft said the platform will be part of the nets' coverage of the 2016 presidential elections.

**Green Cable:** *Balan Nair*, evp/CTO of **Liberty Global**, was named co-chair of the "Energy 2020" initiative, **SCTE** said. He will work with **Comcast** chief network officer *John Schanz* to extend the industry's collaboration to meet energy use reduction and optimization targets. SCTE Energy 2020 resources will be available worldwide through SCTE's global brand, the **International Society of Broadband Experts**.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at [jwang@accessintel.com](mailto:jwang@accessintel.com)

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