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What the Industry Reads First

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FCC Hearing: Policymakers Talk Terrorist Threats, Prevention

Aside from the usual suspects such as net neutrality and FCC process reform, last week's attacks on Paris prompted several lawmaker questions about what the agency can do to assist the combat of terrorist attacks during **House Communications** subcommittee's FCC oversight hearing Tues, which saw all 5 commissioners testifying. "We just had this terrible attack... We need to do something about it," said *Joe Barton* (R-TX). In light of ISIS' use of the Internet and technology to its advantage, "isn't there something we can do under existing law to shut those Internet sites down?" Barton asked. "And I know they pop up like weeds, but once they do pop up, shut them down and turn the Internet addresses over to the appropriate law enforcement agencies to try and track them down." Terrorists were using the Internet in an "offensive, inappropriate"—*Anna Eshoo* (D-CA) interjected and added "effective" — way and regulators should at least make it more difficult, Barton said. *Bobby Rush* (D-IL) asked a similar question but in the context of urban gangs' use of social media to advocate for their agendas. While chairman *Tom Wheeler* is committed to working with the committee on measures to fight terrorists or urban violence, "I am not sure our authority extends to shut down the websites," he said. That said, "I do think there are specific things we can do." That includes engaging social media and tech companies on the issue. "I will call [Facebook CEO] *Mark Zuckerberg* this afternoon to raise the issue you've raised and the issue Mr. Barton raised. And I'm sure he is concerned as well, and he'll have some thoughts," Wheeler said. He also highlighted the importance of protecting critical infrastructure. The current network outage data collection/sharing system, dubbed the Network Outage Reporting System, relies on outdated technology, making it difficult to analyze outage trends, he said. "This experience has called out the importance of network security... If we can't connect the dots—you know after 9/11 we kept hearing about 'we couldn't connect the dots, we couldn't connect the dots'—we have the ability inside our system to use big data to connect the dots, but we don't have the capacity." Wheeler got some serious Hill time earlier this year, having survived a marathon 5 hearings in 8 days in March. Eight months later, the chairman took a few punches from Republican lawmakers again. Among them is the inclusion of an AllVid-like proposal (in addition to an app-based solution) in the agency's **Downloadable Security Technology Advisory Committee** (DSTAC) report on set-top security. *Marsha Blackburn* (R-TN) said the content community in her state worried the AllVid-like proposal's

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And what they want is

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This past quarter, 86%
of our viewers did not watch
a single Major League Baseball
game. So, if you want to score
with over 24 million sports
fans, play ball with us.



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Source: Nielsen, NPM, 6/29/15-9/27/15, NPower R&F duplication rpt w/ 6 min qualifier, all sports programming on UCI (UNI/UMA/GALA/JDN) vs. MLB live games (FOX/ESPN/ESPN2/TBS/MLBN), P2+

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potential negative impact. "One of the proposals would allow MPVD service to be disassembled into individual parts that any retail device manufacturer could selectively reassemble into a new configuration and a new service, similar to the AllVid concept of 2010," Blackburn said. As for DSTAC, Wheeler said "I can assure you it is no one's goal to thwart the security that protects the sanctity of copyrights" and that the FCC would review the record, the chmn said.

So Long, Tom: After nearly 11 years as CEO of TiVo, Tom Rogers will relinquish the post Jan 31. He will continue as non-executive chmn. A search committee has formed to find a replacement, while board member Dan Moloney of Motorola Mobility was named lead independent director. "With the recent successful launch of one of the best reviewed retail television products ever, the new TiVo Bolt, and notable progress in our other core businesses, the Board and I agreed that this was an opportune time to seamlessly transition to a new leadership team," Rogers said in a statement. TiVo reports 3Q results on Tues, with the company noting that Rogers' departure is not related to financial results or guidance.

Change of Heart: Herring Networks has been pretty supportive of Charter's proposed acquisition of Time Warner Cable and Bright House, but a new ex parte filing at the FCC shows that the AWE and One America News Network owner now has serious concerns. "What is clear following recent discussions with Charter, is a fundamental lack of respect for independent programmers, even with proven performance value in the marketplace, such as One America News and AWE. If this is suggestive of how Charter treats an independent network pre-merger, we are highly concerned about the treatment in store for independent networks post-merger," the filing said. It described a meeting with FCC chmn's counselor Gigi Sohn and other FCC staffers, in which pres Charles Herring said the company's affiliation agreement with Charter for AWE has prevented Herring from exhibiting its linear feed OTT. "Mr Herring stated that this anti-competitive provision has caused the network to slow its deployment to OTT devices and avoid excessive advertisement of its services on OTT platforms," the filing stated, adding that attempts to negotiate this provision out of the deal failed. AWE's deal with Charter expires early next year, and Herring is trying to get carriage for OANN, but the MSO doesn't sound very interested, per the ex parte.

Liberty Global Grows: And the Good Doctor is at it again. Liberty Global, controlled by John Malone, will acquire London-based Cable & Wireless for stock and a special dividend worth \$5.3bln. CWC will be part of Liberty Global's LiLAC operations, which Liberty Global expects to deliver low double-digit rebased OCF growth over the medium term with CWC. The acquisition will "add significant scale and management depth to our fast-growing operations in Latin America and the Caribbean, while creating a new regional consumer and B2B powerhouse. Upon completion, the combined business will serve 10 million video, data, voice and mobile subscribers, with leading positions across multiple markets," Liberty Global CEO Mike Fries said.

Enforcement Questions: At Tues' Communications subcmte hearing, Republican members voiced concern over whether the FCC is making good use of its Enforcement Bureau. "Do you have access to Enforcement Bureau's work?" Subcmte vice chair Bob Latta (R-OH) asked. Democratic commish Mignon Clyburn said she meets with Bureau staff every couple of weeks and goes through "hot items." In Oct, House Commerce leaders demanded a follow-up to a 2008 GAO study that asked the FCC to develop a broader strategy to ensure its Enforcement Bureau's actions are deterring bad behavior. The Commission's Republican pair complained about the lack of information sharing at the Bureau. There's a list of open investigations the Enforcement Bureau is doing "without our knowledge," Ajit Pai said. "Quite often we hear about these investigations when they reach the press," he said, citing the Bureau's recent fine against Hilton over WiFi blocking. Several GOPers fired shots at Wheeler's effort to explore privacy rules for broadband, following its net neutrality order, which subjected ISPs to some of the same privacy requirements as telcos. Wheeler said he hopes to circulate a proposal early next year on the issue. Pai and fellow Republican commish Michael O'Rielly strongly opposed the move. "I find the FCC's understanding of the issue lacking and expertise low... We will have quite a bit of damage" if Wheeler decides to move forward with it, O'Rielly said. Unlike the FTC, which has authority on consumer privacy issues, "our authority [on Internet privacy] given by Congress is very limited," Pai said. Clyburn defended Wheeler's move. "We have complementary jurisdiction with the FTC... We work collaboratively... We meet on a monthly basis to make sure consumers are protected. Our combined role is to ensure there are no holes when it comes to protecting consumers," she said. The hearing came a day after House's passage of the FCC Process Reform Act, which requires the Commission to create performance measures for evaluating its rules within a year, and asks the FCC to set minimum comment periods and create procedures to put proposed rules in the NPRM. The Communications Subcmte OKed the legislation in June, and it's pending in the Senate.

BUSINESS & FINANCE

TBS, TNT Pivots: TNT and TBS announced they will shift marketing efforts to a new content model consisting of a constant flow across all platforms. The “always-on, content-centric” model will be led by *Jeff Gregor*, who is being elevated to chief catalyst officer. He will report to TBS and TNT pres/**Turner Ent** chief content officer *Kevin Reilly*. *Michael Engleman*, evp, marketing, digital and global brand strategy for **Syfy** and **Chiller**, will join the company early next year as evp, entertainment marketing and brand innovation. “We are reinventing two market-leading brands, TBS and TNT, which calls for a forward-reaching, re-imagining of our marketing organization,” Reilly said in a statement.

More Standalone OTT: **Smithsonian Channel** on Tues launched standalone streaming service “Smithsonian Earth” on **Roku** and **Apple TV**. It features original nature/wildlife content in 4K resolution for \$3.99/month. New customers can opt for a 7-day free trial.

People: **Univision Comm** named *Isaac Lee* to the new post of chief news and digital officer, with additional responsibilities over multicultural and music while maintaining oversight of the news and digital divisions. He will continue to report to pres/CEO *Randy Falco* and remain as CEO of **Fusion**. -- *Kate Mitchell* was promoted to svp, ad sales for **OWN**. -- *Jodi Markley* was upped to evp, content operations and creative services for **ESPN**, effective Jan 1.

Cablefax Daily Stockwatch

Company	11/17 Close	1-Day Ch	Company	11/17 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	62.17	(0.28)	CONVERGYS:	24.49	(0.2)
ENTRAVISION:	8.37	(0.08)	CSG SYSTEMS:	35.62	UNCH
GRAY TELEVISION:	16.44	(0.24)	ECHOSTAR:	39.85	(0.68)
MEDIA GENERAL:	15.23	(0.15)	GOOGLE:	725.30	(3.66)
NEXSTAR:	58.76	0.13	HARMONIC:	5.23	0.04
SINCLAIR:	34.10	(0.09)	INTEL:	32.64	0.54
TEGNA:	26.77	0.19	INTERACTIVE CORP:	62.51	(2.23)
MSOS					
CABLE ONE:	469.83	(1.63)	LEVEL 3:	50.76	(0.17)
CABLEVISION:	31.17	(0.14)	MICROSOFT:	52.97	(0.79)
CHARTER:	184.64	(1.05)	NETFLIX:	117.10	5.75
COMCAST:	61.13	(0.22)	NIELSEN:	46.64	(0.19)
COMCAST SPCL:	61.22	(0.19)	RENTRAK:	49.94	(1.12)
GCI:	20.55	(0.13)	SEACHANGE:	6.23	UNCH
LIBERTY BROADBAND:	53.25	0.22	SONY:	26.87	(0.57)
LIBERTY GLOBAL:	43.15	(0.95)	SPRINT NEXTEL:	4.40	0.19
SHAW COMM:	20.45	0.25	TIVO:	8.70	(0.08)
SHENTEL:	47.27	(0.87)	UNIVERSAL ELEC:	47.94	0.12
TIME WARNER CABLE:	184.00	(1.84)	VONAGE:	6.69	0.07
PROGRAMMING					
21ST CENTURY FOX:	30.18	(0.12)	YAHOO:	32.86	(0.08)
AMC NETWORKS:	79.02	2.35	TELCOS		
CBS:	50.78	(0.16)	AT&T:	33.26	0.22
CROWN:	5.91	0.10	CENTURYLINK:	28.13	(0.35)
DISCOVERY:	30.10	(0.49)	FRONTIER:	4.78	0.02
DISNEY:	116.13	0.21	TDS:	28.04	0.16
GRUPO TELEVISIA:	28.28	(0.07)	VERIZON:	45.08	0.04
HSN:	49.91	(1.36)	MARKET INDICES		
LIONSGATE:	37.80	0.27	DOW:	17489.50	6.49
MSG NETWORKS:	20.80	0.44	NASDAQ:	4986.02	1.40
SCRIPPS INT:	55.74	(0.98)	S&P 500:	2050.44	(2.75)
STARZ:	34.48	0.44	TECHNOLOGY		
TIME WARNER:	70.46	(0.64)	ADDVANTAGE:	2.28	(0.03)
VIACOM:	52.81	(0.94)	AMDOCS:	55.32	0.85
WWE:	16.70	(0.04)	AMPHENOL:	53.87	(0.66)
MARKET INDICES					
DOW: 17489.50 (6.49)					
NASDAQ: 4986.02 (1.40)					
S&P 500: 2050.44 (2.75)					

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8:30 - 11:00 am ■ The Edison Ballroom, NYC

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November 20, 2015

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