

# Cablefax Daily™

Tuesday — March 29, 2016

What the Industry Reads First

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## Zero-rating Plans: Public Interest Groups Allege Net Neutrality Violation

A few months after the FCC started looking into zero-rating plans—aka, sponsored data plans—some 4 dozen public interest groups, including **Free Press**, **Media Alliance**, and the **Consumers Union** are characterizing the practice as a net neutrality violation. Zero-rating allows ISPs to exempt certain content from customers' data caps. In a letter to FCC chmn *Tom Wheeler*, the groups claimed that these plans enable ISPs to “pick winners and losers online or create new tolls for websites and applications.” As a result, they present “a serious threat to the Open Internet: they distort competition, thwart innovation, threaten free speech, and restrict consumer choice—all harms the rules were meant to prevent. These harms tend to fall disproportionately on low-income communities and communities of color, who tend to rely on mobile networks as their primary or exclusive means of access to the Internet,” the letter said. While some of the public interest groups previously expressed concerns about the practice, it's the 1st time they're describing it as a net neutrality breach and asking for FCC enforcement action. Wheeler said in Dec that he's gathering information from **Comcast** about Stream TV, which offers live TV streaming, **AT&T** about sponsored data plans and **T-Mobile** about Binge On, which allows streaming of unlimited video that won't count against subs' data cap. The effort is an informal review, not an investigation. The Enforcement Bureau isn't involved in the process. “Commission staff continues to learn about the new offerings, and meetings with stakeholders are ongoing,” a spokeswoman said Mon. In the letter, the public interest groups said Comcast's plan “directly favors its own content over competitors’ while plans from AT&T and **Verizon** charge application providers a fee in order to be zero-rated. And T-Mobile zero-rates “select video providers but only those that meet its substantial and sometimes burdensome technical requirements,” the letter said. In addition, such practice throttles all online video, a whole class of applications, while allowing other classes to reach the user without interference, it said. “All of these plans violate net neutrality in specific ways.” Stream TV isn't a zero-rated service as it never goes over the Internet, a Comcast spokeswoman said. It isn't the 1st time Stream TV has been under attack. Earlier this month, **Public Knowledge** filed a complaint with the Commission against Comcast over services like Stream TV. The complaint alleged that the MSO violated its **NBCU** merger commitments as well as open internet rules. In its response, Comcast explained that Stream TV is a Title VI cable service that, just like all of Comcast's other cable



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services, is delivered to customers' homes over the company's cable systems. Initially being offered in select markets including Boston and Chicago, Stream TV is delivered using IP technology (just like **AT&T U-verse**) and uses dedicated bandwidth on Comcast's cable systems that is separate from the bandwidth used to deliver the sub's broadband Internet traffic, Comcast said. "In this and other ways, Stream TV squarely meets the definition of a cable service." As the industry awaits **DC Circuit's** decision on the net neutrality case, other net neutrality related issues that came up recently include **Netflix** acknowledging that it's limiting video quality on AT&T and Verizon's mobile services. Wheeler recently said he expects the court to make a decision in a few weeks.

**Comcast/NBCU Merger Condition Petition:** In a move **Comcast** described as "completely without merit," *Byron Allen's Entertainment Studios* and **The National Association of African American-Owned Media** (NAAAOM) filed a petition with the **FCC** on Thurs asking for enforcement of Comcast's alleged failure to honor its commitment to add African American-owned cable nets. The pair claimed this commitment was outlined in a Memorandum of Understanding (MOU) derived from the Comcast/**NBCU** merger, which received regulatory approvals in Jan 2011. The petition demands the FCC to start an investigation into Comcast's claims of compliance and, depending on the findings, impose on Comcast penalties "commensurate with the seriousness of its misconduct." And the petition requested that Democrat FCC commish *Mignon Clyburn* lead the charge in this effort as she warned in her concurrence to grant the merger that she would be "watching closely with my large megaphone in my hand" to ensure Comcast's compliance. FCC should also require Comcast to take "immediate corrective measures, subject to rigorous, continuous, and ongoing FCC oversight to ensure future compliance with those conditions." Allen and NAAAOM filed a \$20bln lawsuit last year against Comcast, **Time Warner Cable** and *Al Sharpton's National Action Network* over alleged blocking of equal access for black-owned nets. The lawsuit was dismissed. Allen also filed a similar \$10bln lawsuit against **Charter**. "Since NAAAOM's frivolous lawsuit has gone nowhere, it is now trying the same string of inflammatory, inaccurate, and unsupported allegations before the FCC," said Comcast in a statement. "Just as a court has already once dismissed their case having found no plausible claim for relief, we believe this complaint is also completely without merit and will defend vigorously ourselves. Comcast is proud of our outstanding record supporting and fostering diverse programming, including programming from African American owned and controlled cable channels. We currently carry more than 100 networks geared toward diverse audiences, including multiple networks owned or controlled by minorities."

**Georgia Anti-gay Bill:** A few days after media companies strongly opposed Georgia legislation that would allow discrimination against the LGBT community, the state's Republican governor *Nathan Deal* said he will veto the bill. "As I've said before, I do not think we have to discriminate against anyone to protect the faith based community in Georgia of which my family and I are a part of for all of our lives. Our actions on HB 757 are not just about protecting the faith-based community or providing a business-friendly climate for job growth in Georgia," Deal said in a statement Mon. Media firms including **Disney** last week threatened to take their business elsewhere if the governor signed the bill into law.

**Oculus Rift Update:** **Facebook's** VR unit Oculus has started shipping its Oculus Rift in more than 20 countries. Kickstarter units will start arriving Mon, and the first pre-ordered Rifts will start shipping mid-week and arrive soon after. The devices are available on Oculus.com. Oculus Ready PC and Rift bundle are available on **Amazon**, **BestBuy** and **Microsoft** Store. The Oculus Store features more than 30 games. The basic Oculus Rift bundle costs \$599 and includes the headset, Oculus remote, an Xbox One Controller and 2 games.

**Vimeo on Roku:** **Vimeo** upgraded its **Roku** channel to allow users to purchase and rent content directly from the channel, senior product manager *Will True* wrote in a blog post Mon. With the upgrade, users can access more than 30K titles in the Vimeo On Demand catalog and stream them directly on Roku upon purchase.

**Ratings:** **HGTV's** "Flip or Flop" averaged a .91 live plus same day rating among P25-54 in its 4th season, the highest ratings ever for the series. Ratings among P25-54 grew 26% over the previous season, making the series the #1 rated cable program for the Thurs 9-9:30pm time period among viewers P25-54 and upscale W25-54. Season 4 drew a total of 16ml viewers.

**Programming:** Food blogger *Ali Khan* is set to discover some of the best deals on the best dishes in cities across the country on **Cooking Channel's** 6 half-hour long ep "Cheap Eats," premiering April 19. The rule? He only has 12 hours in

# BUSINESS & FINANCE

each location and only \$35 to spare. -- **Discovery Channel** announced 2 additional documentaries that will air as specials under the Discovery Impact banner, a slate of documentaries looking at humankind's impact on the environment and what can be done to solve problems facing the planet. Airing May 19, "Sonic Sea" highlights the continued emergence of noise pollution in the oceans, while "Toucan Nation," debuting July 30, follows a mutilated toucan in Costa Rica that led to a national movement to enact animal welfare laws. All films will air worldwide on Discovery Channel.

**People:** **Telemundo** named *Mario Ruiz* as svp of music and entertainment projects, effective immediately. Ruiz will continue to report to *Luis Silberwasser*, pres of the **Telemundo Network**. -- **MTV** named *Michael Klein* as evp of original content to oversee all original programming, development and creative across MTV and its related brands. He was most recently evp of programming and content strategy, digital channels. Klein will report to *Sean Atkins*, pres of MTV.

**Editor's Note:** Time is running out to receive well-deserved recognition for your PR and marketing efforts. Enter the prestigious **Faxies** awards program by the final deadline of midnight on Wed, and ensure your executives and campaigns have a chance to become an example of excellence for everyone in the industry. **More info at [www.cablefax.com](http://www.cablefax.com)**

## Cablefax Daily Stockwatch

Company	03/28 Close	1-Day Ch	Company	03/28 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	47.53	(0.38)	ECHOSTAR:	43.86	(0.08)
ENTRAVISION:	7.25	0.10	GOOGLE:	733.53	(1.77)
GRAY TELEVISION:	11.51	0.01	HARMONIC:	3.19	(0.04)
MEDIA GENERAL:	16.22	0.07	INTEL:	31.90	0.02
NEXSTAR:	43.67	1.11	INTERACTIVE CORP:	45.61	(0.1)
SINCLAIR:	30.60	0.25	LEVEL 3:	51.65	0.06
TEGNA:	23.50	0.13	MICROSOFT:	53.54	(0.67)
<b>MSOS</b>					
CABLE ONE:	435.18	(1.98)	NETFLIX:	101.21	2.85
CABLEVISION:	33.01	0.05	NIELSEN:	52.22	0.22
CHARTER:	198.12	(0.22)	SEACHANGE:	5.26	(0.07)
COMCAST:	60.09	0.08	SONY:	25.55	0.08
GCI:	17.80	(0.01)	SPRINT NEXTEL:	3.26	UNCH
LIBERTY BROADBAND:	57.19	0.30	SYNACOR:	1.40	(0.03)
LIBERTY GLOBAL:	36.87	0.05	TIVO:	9.51	0.06
SHAW COMM:	19.15	0.29	UNIVERSAL ELEC:	63.06	1.08
SHENTEL:	25.49	(0.12)	VONAGE:	4.40	(0.06)
TIME WARNER CABLE:	203.17	0.47	YAHOO:	35.23	0.37
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	27.89	0.14	<b>TELCOS</b>		
AMC NETWORKS:	64.40	0.51	AT&T:	39.07	0.19
CBS:	54.61	0.55	CENTURYLINK:	31.08	(0.08)
CROWN:	5.10	(0.02)	FRONTIER:	5.30	0.03
DISCOVERY:	28.23	0.24	TDS:	29.02	0.59
DISNEY:	98.09	0.87	VERIZON:	53.40	(0.16)
GRUPO TELEVISA:	27.58	(0.1)	<b>MARKET INDICES</b>		
HSN:	52.92	(0.02)	DOW:	17535.39	19.66
LIONSGATE:	21.65	0.34	NASDAQ:	4766.79	(6.72)
MSG NETWORKS:	16.78	0.04	S&P 500:	2037.05	1.11
SCRIPPS INT:	64.64	0.63			
STARZ:	26.31	(0.24)			
TIME WARNER:	72.54	2.53			
VIACOM:	44.77	0.72			
WWE:	17.89	0.77			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	1.87	(0.07)			
AMDOCS:	59.63	0.70			
AMPHENOL:	57.22	0.05			
APPLE:	105.19	(0.48)			
ARRIS GROUP:	22.98	0.08			
AVID TECH:	6.16	(0.28)			
BLNDER TONGUE:	0.36	(0.02)			
CISCO:	27.90	(0.06)			
COMMSCOPE:	26.43	(0.09)			
CONCURRENT:	6.08	0.04			
CONVERGYS:	26.98	0.36			
CSG SYSTEMS:	43.40	1.16			

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