4 Pages Today

# Cablefax Daily Friday - April 1, 2016 What the Industry Reads First Volume 27 / No. 062

#### **Broadband Privacy:** Divided FCC Approves NRPM

It's the 2nd blow to cable in a month, with the FCC voting Thurs during to approve an NPRM to create privacy guidelines for all ISPs. Originally scheduled to start at 10:30am, the Commission's open meeting was delayed a few times and eventually started at 2pm Thurs. An agency spokesman declined to comment on the delay, but GOP commish Ajit Pai claimed chmn Tom Wheeler pressured Democrat commish Mignon Clyburn to back out of an earlier budget agreement on the Lifeline Order with the agency's GOP members. Both Clyburn and Wheeler dismissed the accusation. Also spotted at the meeting: former GOP FCC chmn Kevin Martin, offering pizza to reporters waiting for the meeting to start (funny given the delays during his tenure). The broadband privacy move follows the agency's proposal last month to open up the set-top market to 3rd party vendors, which cable is strongly against. Wheeler has been looking into potential broadband privacy rules under the agency's Title II authority, which was granted in the Open Internet Order. That order is being challenged at DC Circuit, and a decision is expected soon. Wheeler emphasized that the scope of the NPRM is limited to ISPs and doesn't apply to edge providers that fall under FTC authority. "It is narrowly focused on the personal information collected by broadband providers as a function of providing you with broadband connectivity, not the privacy practices of the websites and other online services that you choose to visit," he said. And the proposal does not prohibit ISPs from using and sharing customer data—it simply proposes that the ISP first obtain customers' express permission before doing so, he said. **Comcast** doesn't buy it. The proposed rules won't provide "meaningful consumer Internet privacy protections, and will block ISPs from bringing new competition to the online advertising market that could benefit consumers," sevp and chief diversity officer David Cohen wrote in a blog post that went out quickly after the meeting. NCTA, in a statement, noted the broadband industry recently put together a tech-neutral privacy plan featuring transparency, security and consumer choice guidelines. "In contrast, today's FCC proposal will only lead to greater consumer confusion about how their online data is protected, rather than furthering an approach grounded in greater consistency and fairness among all Internet participants," the trade group said. The FCC's GOP pair didn't hold back with their criticism on the NRPM. "Slanted regulation is bad enough. Illogically slanted regulation is worse. Here's the reality: There is no good reason to single out ISPs—new entrants in the online advertising space—for disparate treatment... Online consumers should and do have a



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## Cablefax Daily

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uniform expectation of privacy... That's the model we had during a decade of FTC regulatory oversight," Pai said. *Michael O'Rielly* said reclassification gave "certain stakeholders another bite at the apple to achieve everything on their privacy wish lists." The Commission decided to go to the extreme in yet another proceeding, possibly jeopardizing the entire privacy protection effort, he said. Under the proposal, which is backed by public interest groups including **Free Press**, customer data necessary to provide broadband services and for marketing the type of service purchased by a customer would require no additional consent beyond the creation of the customer-ISP relationship. Unless the customer affirmatively opts out, ISPs would be allowed to use customer data of the purposes of marketing other communications-related services and to share customer data with their affiliates. All other uses and sharing of consumer data would require express, affirmative "opt-in" consent from customers. While most of the questions during the press Q&A session centered on lifeline, Wheeler addressed a few questions regarding **Netflix's** practice of downgrading video quality on certain wireless networks. The agency has been looking at zero-rating, data caps and other network practices, Wheeler said. However, Netflix is outside of the FCC's jurisdiction, he said. "We don't regulate edge providers," Wheeler said.

**Broadband Privacy Details:** The NPRM proposed transparency framework requires ISPs to provide customers with clear, conspicuous and persistent notice about what info they collect, use and share with third parties, and how customers can change their privacy preferences. It also contains flexible data security requirements for ISPs, including requirements to adopt risk management practices; institute personnel training practices; implement strong customer authentication requirements; identify a senior manager responsible for data security; and take responsibility for use and protection of customer information when shared with third parties. It also proposes breach notification requirements to urge ISPs to protect the confidentiality of customer data, and to give consumers and law enforcement notice of failures to protect such info.

Lifeline & Video Descriptions: The Lifeline Order, which the FCC approved on a 3-2 vote, sets a budget of \$2.25bln. GOP commish Ajit Pai said a compromise was reached at one point to cap the program at \$2bln, but Democrat commish Mignon Clyburn later backed out of the deal. Clyburn said she negotiated in good faith to have a budget in place. "Upon further deliberation, I concluded that such a mechanism could not fully achieve my vision of a 21st Century Lifeline program, but I applaud the deliberative process and want to thank Commissioners Pai and O'Rielly and their staff for engaging well into the night and morning," she said. **NCTA** commended the FCC's actions to modernize the program, saying the industry has long been in a leader in providing affordable broadband to low-income Americans. -- The FCC also adopted a plan to increase access to video description for TV viewers with visual impairments, its latest effort to implement the 21st Century Communications and Video Accessibility Act (CVAA). The NPRM proposes to: increase the required amount of video-described programming MVPDs and broadcasters from 50 hours per calendar guarter to 87.5 hours; and increase the number of networks subject to the video description rules from 4 broadcast and 5 non-broadcast nets to 5 broadcast and 10 non-broadcast nets. It also proposed adopting a rule that would ensure the nets remain subject to the requirements even if they fall out of the top 5 or top 10 ranking. The NPRM would remove the threshold requirement that non-broadcast nets must reach 50% of pay-TV HHs in order to be subject to the FCC's video description rules and require that covered distributors provide dedicated customer service contacts who can answer questions about video description. The NPRM also asked for comment on timelines for implementation, as well as on any other changes to the video description rules that would help ensure blind and visually impaired consumers have access to TV programming.

**Discovery Upfront:** Discovery Comm has a new digital network in Seeker, announced first in early March, for curious millennial minds. It will live on digital platforms and the new site Seeker.com, and will include more than 250 videos premiering every month. Programming categories include "sabbatical," where popular web personalities take journeys to connect with the world; short form virtual reality documentaries; docs on the people and big issues of today; and dozens of live-streamed events from thought leaders. Discovery Channel announced 22 returning series and 20 new series, including "Cooper's Treasure" about an astronaut's secret treasure map he made in space. It's also launching "Discovery Impact," an anthology series focusing on humanity's impact on the environment, and the scripted project "Manifesto," which tracks how the FBI brought down "Unabomber" *Ted Kaczynski*. Over at **TLC**, the net is getting a brand makeover with the "I AM" marketing campaign, celebrating the differences that make us unique, and a scripted project from *Tyler Perry*. The 8-ep drama "Too Close to Home" (wt) airs in the 2nd half of the year and tells the story of a working class woman who finds success in the D.C. political circuit—and also finds herself in the middle of a scandal. Investigation Discovery announced

# **BUSINESS & FINANCE**

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Company

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13 new and 16 returning series. Highlights from the new crop include "Hard Evidence: OJ Is Innocent," a mini-series premiering early '17 from exec prod *Martin Sheen* that questions what's known about the infamous trial. Check out cablefax.com for more from the upfront presentation, including new shows for **Animal Planet** and **American Heroes Channel**.

<u>Sports Emmys</u>: With 40 nominations, ESPN leads the National Academy of TV Arts and Sciences' Sports Emmy noms. FS1 is in 2nd place with 27 nods, followed by CBS (21). ABC/ESPN's "E:60" had

the most noms of any program (8). FS1/**FoxSports.com's** "Fox Sports Live" and CBS/**CBSSports.com's** Super Bowl 50 coverage each received 7 nominations.

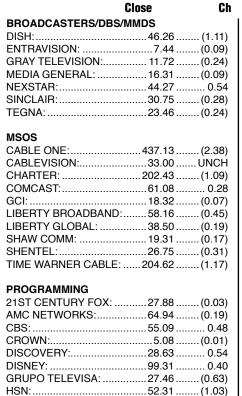
<u>Carriage</u>: Service Electric Broadband launched Anthem's Fantasy Sports Net and Fight Net to its NJ subs. The nets are included in its HD tier. -- Sportsman Channel and World Fishing Net will be available to all DISH subs as a free preview through May 11 (WFN is available now; Sportsman's preview launches Thurs). WFN will offer a free preview to most major cable, satellite and telco systems next month.

**People:** Telemundo appointed Mara Arakelian to svp, talent mgmt. She will report to Telemundo pres Luis Silberwasser. She replaces Marco Ruiz, who was recently named svp, music and ent.

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ECHOSTAR:		(0.14)		
GOOGLE:	744.95	(5.58)		
HARMONIC:		(0.04)		
INTEL:		(0.36)		
INTERACTIVE CORP:		0.91		
LEVEL 3:				
MICROSOFT:		0.18		
NETFLIX:	102.23	0.04		
NIELSEN:		(0.14)		
SEACHANGE:	5.52	(0.01)		
SONY:		(0.07)		
SPRINT NEXTEL:				
SYNACOR:	1.40	(0.05)		
TIVO:	9.51	(0.04)		
UNIVERSAL ELEC:				
VONAGE:	4.57	0.02		
YAHOO:		0.25		

#### TELCOS

AT&T:	39.17	(0.2)
CENTURYLINK:	31.96	0.09
FRONTIER :	5.59	(0.04)
TDS:	30.09	0.15
VERIZON:	54.08	0.04

#### MARKET INDICES

DOW:	17685.09 (31.57)
NASDAQ:	
S&P 500:	

#### 

TECHNOLOGY

APPLE:	108.99	(0.57)
ARRIS GROUP:		(0.12)
AVID TECH:	6.76	0.26
BLNDER TONGUE:	0.38	0.03
CISCO:		0.01
COMMSCOPE:		0.60
CONCURRENT:	5.90	(0.07)
CONVERGYS:	27.77	0.27
CSG SYSTEMS:	45.16	0.19

MSG NETWORKS:...... 17.29 ...... 0.18

WWE: ...... 17.66 ...... (0.13)

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# **PROGRAMMER'S PAGE** A Neverending Story...

A few years ago, Morgan Freeman and longtime producing partner Lori McCreary found themselves in Turkey exploring the Hagia Sophia museum, a site that served as both a Christian church and a mosque during different historical periods. When they asked whether the images of Jesus on the walls had been covered during the mosque era, the guide shook his head, noting that Muslims recognize Jesus as one of the prophets. "Both Morgan and Lori were taken aback by this, and it gave them a little germ of an idea to explore the interconnectedness of the world's religions," says James Younger, executive producer from **Revelations Entertainment**, whose "The Story of God" premieres on Nat Geo on April 3. In this time of religious strife around the world, it would have been easy to focus on differences and tensions between global faiths. But this intriguing original series goes a different route, giving us a window into the strangely universal need among humans of all cultures to understand life, death, pain, joy—and how it all connects (or perhaps doesn't) to a higher power. And as Freeman travels the world talking to experts of all faiths, he's just as likely to explore heaven or reincarnation as he is to delve into brain science or the future of robotics. For viewers, this is a show that ponders great questions of existence, without telling them what to think or believe. "We hope it might also show them that it's the same basic mysteries that underpin faith and science: trying to understand why we are here, where we came from and where we are going," says Younger. In the end, Freeman and his producers weren't sure what they would find as they traversed 25 cities in 7 countries. But one thing surprised them all. "What we didn't expect was to find so many commonalities," says Younger. "We're really all a lot more alike than we realize, and we hope this series will illuminate that." - Michael Grebb

Reviews: "Random Acts," premiere, Mon, 8:30pm MT, BYU TV. You may shed a tear watching this uplifting series where the simple premise is as the title implies: What if there was a group dedicated to doing nice things just because? The hosts are pleasant 20- and 30-somethings who form a do-good team that perpetuates random kind acts, mostly in UT. The pace is rapid, which adds to the fun of watching several stories about good deeds unfold around a main act of kindness. -- "Hoff the Record," Thurs, 9pm ET, AXS TV. This 6-ep, U.K. vehicle for David Hasselhoff takes an interesting approach, mixing docu-series with scripted comedy. Hasselhoff is a terrific sport, going along with the series' jokes that mock him and what's portrayed to be his rapidly declining celebrity status and a penchant for placing foot squarely in mouth. Truth told, while the series revolves around the former '80s icon, a great deal of screen time goes to the supporting cast. Yet the clever premise goes only so far and much of this week's episode seems to fall flat. -- "The Americans," Wednesday, 10pm, FX. The stakes continue to rise in this excellent series of Cold War Soviet spies living as Yanks in suburban D.C. A surprise in next week's ep will shock and sadden. - Seth Arenstein

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Basic Cable Rankings					
(3/21/16-3/27/16)					
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1 2	TBSC FOXN	1.4 0.9	3479 2144		
	HGTV	0.9 0.7			
3			1726		
3 3 3	USA AMC	0.7 0.7	1663 1567		
6	DSNY	0.7	1439		
6	DSN	0.6	137		
8	HIST	0.0	1232		
8	FX	0.5	1202		
8	CNN	0.5	1107		
8	DISC	0.5	1089		
12	ADSM	0.4	1049		
12	FOOD	0.4	986		
12	MSNB	0.4	932		
12	ID	0.4	929		
12	FRFM	0.4	916		
12	TNT	0.4	875		
12	TLC	0.4	868		
19	NAN	0.3	823		
19	LIFE	0.3	784		
19	A&E	0.3	732		
19	BRAV	0.3	692		
19	HALL	0.3	680		
19		0.3	671		
19 19	ESPN SPK	0.3 0.3	657 629		
19	DSJR	0.3	583		
19	NKJR	0.3	521		
19	HMM	0.3	459		
19	BEIH	0.3	139		
31	SYFY	0.2	571		
31	VH1	0.2	552		
31	MTV	0.2	521		
31	TRAV	0.2	504		
31	CMDY	0.2	476		
31	APL	0.2	465		
31	TRU	0.2	459		
31	NGC	0.2	457		
31	WETV	0.2	453		
31	GSN	0.2	448		
31	INSP	0.2	436		
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*Nielsen data sunnlied by ABC/Disney is based					

Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks



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