

Cablefax Daily™

Thursday — May 12, 2016

What the Industry Reads First

Volume 27 / No. 091

Privacy Patrol: Judiciary Members Get Download on Broadband Privacy NPRM

FCC chmn *Tom Wheeler* at Wed's **Sen Judiciary** subcmte seemed incredulous at pushback on the agency's broadband privacy rulemaking. "Just because the consumer hires the network to deliver them to a service does not mean that the network can unilaterally take ownership of that information that the consumer provides," he said during testimony. Decades ago, he said regulations were put in place to prevent a phone company from selling information based on a consumer's calls. He gave the example of selling to French tour companies the intel that a consumer had called **Air France**. While the opt-in vs opt-out approach of the FCC plan has been raging, Republican committee members and commish *Ajit Pai* focused more on the agency treating ISPs different than edge providers. "Selectively burdening ISPs scores a windfall to those who are already winning big in online advertising," Pai said. He complained that the FCC tore apart the **FTC's** unified framework for privacy regulation when it reclassified broadband as a public utility under Title II. While Wheeler has said the FCC will not try to regulate edge providers—declaring that it would make sense for the FCC to take the network side and FTC to handle edge providers—Pai told members that the regulation seems expansive enough that the Commission could attempt it. It's like eating half a meal, and at some point "the FCC will want to return to the table," he said. **FTC** chairwoman *Edith Ramirez* said her agency is carefully considering information the FCC is gathering in its NPRM and intends to file comments, but she didn't get into details. Subcmte chairman *Jeff Flake* (R-AZ) asked if his info was regulated differently if he turned the cellular off on his smart phone and connected via WiFi or vice versa. Pai's take: "You might have the same device, but you're using multiple different ISPs across multiple different platforms. The one entity that would have consistent access to all your information would be your edge provider." Wheeler's answer: "When you turn your phone on to be a phone, it is under the telephone aspects of Sect 222, and you have privacy rights and expectations," he said. But when you go to the Internet, that information doesn't belong to you anymore, "it belongs to the network," he said. "It's the same device. One function you have privacy protection. One you don't. All we're saying is that there needs to be equivalency between those two." Sen *Al Franken* (D-MN) asked many of the questions at the hearing, using it to laud the FCC's open Internet order and calling it one of the highlights of his career in the Senate. One of the hearing's

STAND OUT AT INTX with Cablefax

Gain momentum heading into INTX and during the show. Opportunities include a comprehensive Cablefax Daily pre-show guide, Cablefax Daily show issues each morning, the anticipated Cablefax 100 Magazine and our annual Party buzz.

Bonus Distribution Includes

INTX Attendee Bags
WICT Signature Luncheon
Cable Center Hall of Fame

27796

Creative Packages Available: www.cablefax.com/advertise/INTX2016

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● 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: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

more uncomfortable moments came when Franken went after Pai over a “literal” interpretation of his question about whether ISPs threatened paid prioritization. Sen *Mike Lee* (R-UT) noted that **Google** has submitted comments in the FCC’s set-top box proceeding saying that the FTC privacy regulations are adequate to police the collection of personal info in boxes. He wanted to know if Wheeler agreed. “These are 2 separate proceedings, but what we want to make sure happens is that the requirements in Sect 631 and 338, which are applied to cable and satellite providers to protect privacy, also apply to anyone who is providing a competitive set-top box,” he said. “And we would work with our colleagues at the FTC for an enforcement mechanism for that. To the extent that Google believes they should be exempt from that, at least 1 commissioner disagrees with that.”

Charter Consent Decree: On the same day the **FCC** released its order approving **Charter-Time Warner Cable**, the agency’s Media Bureau entered into a consent decree to resolve its investigation into whether Charter prevented the connection of customer-owned cable modems to its network without determining whether they posed a harm. Charter will adopt a 3-year compliance plan with reporting requirements and will make a settlement payment of \$640K. The Bureau began the investigation in July after **Zoom Telephonics** alleged that Charter had infringed subs’ rights to attach non-harmful cable modems. It found that for about 2 years, beginning in 2012, Charter informed subs they would no longer be permitted to attach their own modems. Charter later provided a list of authorized customer-owned modems, but new modems were only added to the list after passing a number of tests, many of which did not relate to harm to the network or theft of service, the Bureau said. “We are pleased to be able to continue to give our customers the choice to use a modem provide by Charter for no additional fee or to purchase an approved third party modem,” Charter said in a statement.

GCI/Hulu: **GCI** is the latest MSO to integrate **Hulu** on set-top boxes. GCI’s video subs with **TiVo** can now access the SVOD service. However, like **Cablevision** and **Suddenlink’s** Hulu integration, due to content streaming rights restrictions, **CW** and **Univision** content isn’t available through Hulu on GCI set-tops. “You may still be able to watch this content through other Hulu-supported devices,” according to a disclaimer on Hulu’s site.

Charter Buildout: As folks digest the **FCC’s** order granting **Charter’s** acquisitions of **Time Warner Cable** and **Bright House**, some concerns are popping up. For **ACA**, it’s an overbuild condition that requires Charter to build out to an additional 2mln homes, with a least 1mln of those in areas served by at least one other broadband provider offering 25Mbps downstream. “ACA is troubled that the FCC imposed an overbuild condition on new Charter, especially because it is not tailored to areas where additional entry is most needed—namely, where prices exceed those offered in urban areas and network performance failed to meet the FCC’s benchmarks,” pres/CEO *Matt Polka* said. “The requirement on Charter to overbuild competitors will harm consumers in two ways. First, it will harm Charter’s customers by preventing Charter from investing its resources most efficiently, such as by upgrading its networks to higher speeds. Second, it will harm customers of local, small providers when these customers are satisfied with their existing service.”

Verizon FiOS Mobile: **Verizon** has brought voice control to FiOS TV thanks to upgrades to the FiOS Mobile app available Tues. As part of the upgrade, subs can find content through voice search. The “More Like This” feature provides content recommendations based on viewing behavior.

ID Goes VR: **ID** will launch VR experience Jailbreak in advance of the Season 8 premiere of crime series “I (Almost) Got Away with It” on Fri at 10pm. The 5-min VR experience is a collaboration with **Indigo Productions**, **Digital Cave Media**, **FogoMotion**, and is supported by **Discovery VR**. Jailbreak will be available across platforms including Discovery VR iOS and Android apps and Oculus devices. In addition, a 360-degree video of the experience will be available at ID.com, **YouTube**, **Facebook**, and DiscoveryVR.com.

4K Update: To support its recently announced plan to offer 4K TV and co-location solutions, Canada-based telecom provider **Videotron** is deploying **Ciena’s** converged packet optical service to upgrade its regional and backbone network. The deployment is expected to allow Videotron to accommodate several terabits of traffic and enable low latency connectivity. Videotron was the 1st Canadian telecom provider to offer UltraHD set-top boxes in 2015 and it started carrying live sports programs in 4K in Feb.

BUSINESS & FINANCE

Programming: TV One will show the entire 2nd season of "Empire" Sat, giving viewers a chance to catch up before Wed's season finale on Fox. The marathon begins at 9am ET, with 17 eps airing back-to-back. -- We're not really sure what this says about how some folks celebrated Mother's Day. **IFC's** "Mommie Dearest" 24-hour programming stunt Sun (7 repeat airings of the classic film about *Joan Crawford*) saw peak tune-in during the early afternoon, hitting more than 200K viewers during the noon to 3pm installment.

People: *Doug Bognar*, previously of **Delivery Agent**, has joined automated TV buying platform **AdMore** and its sister short-form direct response TV provider **REVShare** as exec dir of media sales. He's responsible for ad agreements across the nation's top cable, satellite and IPTV providers with a specific focus on forging collaborations with local cable systems to increase the revenue potential for underutilized or undervalued inventory.

FourthWall Patent: Set-top data provider and cable tech firm **FourthWall Media** said it was granted a patent for its System and Methods for User Event Data Reduction. The technology seeks to allow for the efficient transmission of large volumes of user event data, such as TV viewing and DVR activity. The company noted it has an additional 5 patents pending.

Cablefax Daily Stockwatch

Company	05/11 Close	1-Day Ch	Company	05/11 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DISH:	47.46	(0.08)	GOOGLE:	715.29	(7.89)			
ENTRAVISION:	7.38	(0.33)	HARMONIC:	3.11	(0.22)			
GRAY TELEVISION:	12.13	(0.12)	INTEL:	30.06	(0.08)			
MEDIA GENERAL:	17.55	(0.13)	INTERACTIVE CORP:	55.04	(0.48)			
NEXSTAR:	52.80	(0.8)	LEVEL 3:	52.73	(0.17)			
SINCLAIR:	32.70	0.03	MICROSOFT:	51.05	0.03			
TEGNA:	23.10	0.09	NETFLIX:	90.02	(2.87)			
MSOS								
CABLE ONE:	487.97	(7.78)	NIELSEN:	52.04	(0.35)			
CABLEVISION:	34.61	(0.03)	SEACHANGE:	3.44	(0.04)			
CHARTER:	217.22	0.73	SONY:	24.56	(0.21)			
COMCAST:	62.07	(0.57)	SPRINT NEXTEL:	3.49	(0.01)			
GCI:	17.32	(0.18)	SYNACOR:	3.43	0.21			
LIBERTY BROADBAND:	59.77	0.09	TIVO:	9.82	(0.01)			
LIBERTY GLOBAL:	37.19	(0.33)	UNIVERSAL ELEC:	62.87	(1.44)			
SHAW COMM:	18.72	0.32	VONAGE:	3.94	(0.08)			
SHENTEL:	30.27	(0.34)	YAHOO:	37.37	(0.07)			
TIME WARNER CABLE:	216.59	0.47	TELCOS					
PROGRAMMING								
21ST CENTURY FOX:	29.41	(0.35)	AT&T:	39.18	(0.13)			
AMC NETWORKS:	68.94	(0.61)	CENTURYLINK:	28.31	(0.42)			
CBS:	55.80	(1.16)	FRONTIER:	5.40	(0.03)			
DISCOVERY:	28.97	(0.34)	TDS:	27.85	(0.19)			
DISNEY:	102.29	(4.31)	VERIZON:	51.15	(0.39)			
GRUPO TELEVISA:	26.86	(0.12)	MARKET INDICES					
HSN:	48.67	(2.07)	DOW:	17711.12	UNCH			
LIONSGATE:	20.81	(0.52)	NASDAQ:	4760.69	(49.19)			
MSG NETWORKS:	16.85	(0.25)	S&P 500:	2064.46	(19.93)			
SCRIPPS INT:	66.25	(0.2)	TECHNOLOGY					
STARZ:	27.48	(0.16)	ADVANTAGE:	1.75	UNCH			
TIME WARNER:	74.14	(0.66)	AMDOCS:	57.29	(1.06)			
VIACOM:	43.76	(0.36)	AMPHENOL:	56.17	(0.3)			
WWE:	18.08	0.65	APPLE:	92.51	(0.91)			
TECHNOLOGY								
ARRIS GROUP:	23.27	(0.15)	ARRIS GROUP:	23.27	(0.15)			
AVID TECH:	5.72	0.34	AVID TECH:	5.72	0.34			
BLNDER TONGUE:	0.41	(0.01)	BLNDER TONGUE:	0.41	(0.01)			
CISCO:	26.70	(0.33)	CISCO:	26.70	(0.33)			
COMMSCOPE:	29.86	0.06	COMMSCOPE:	29.86	0.06			
CONCURRENT:	6.26	0.05	CONCURRENT:	6.26	0.05			
CONVERGYS:	27.81	(0.02)	CONVERGYS:	27.81	(0.02)			
CSG SYSTEMS:	42.11	(0.61)	CSG SYSTEMS:	42.11	(0.61)			
ECHOSTAR:	41.75	0.66	ECHOSTAR:	41.75	0.66			

C
T
H
R
A



WHO IS YOUR COMPANY'S SUPER HERO?

Nominate a deserving HR team or individual by June 1!

www.cthra.com/awards

Special thanks to our media partner **Cablefax**

Cable and Telecommunications Human Resources Association

Think about that for a minute...

Historical Perspective

Commentary by Steve Effros

Sometimes it's worthwhile to look back at where we've been to get a better understanding of how we got to where we are now, and as important, where we say we want to go. This little history lesson is intended to track what the government has done regarding broadcast television and where it now appears to be going.

It all started with the premise that this new thing called "television" was going to be a major communications advance. A vehicle for the entire country to be linked together with information and entertainment. Common experiences, much wider dissemination of news and information, and of course the vital inclusion of local news and information as well. From the late 1940s up through the 1960s that actually happened, sort of. Network news started to be highly influential around the country. Walter Cronkite, for instance, and his famous chalkboard explanation of the "Tet Offensive" in the Vietnam war was widely credited with moving the country's perception of that war. Ed Sullivan was a mainstay, and yes, even local news became a "must see." Local/Network broadcasting was all we had, and the broadcasters were doing very well. The government (FCC) saw its job as maintaining that national asset.

But a new dynamic was developing. Technology was starting to allow folks to see more information from more sources. Community antennas were "importing" information from other broadcast stations, and those stations started competing for the eyeballs of local viewers. After all, the entire structure was based on selling eyeballs to advertisers. "Local origination" was beginning, and the ability to move video (at first via tape) into communities started to appear like a real threat to the local broadcaster. The solution: government edicts that required cable systems to carry local broadcast stations... the "must carry" rules. And restrictions on how much programming could be "imported." At first there were



even bans on the type and age of movies that companies like HBO could show. Those got thrown out by the courts. Again, the objective was to "save" local broadcasting.

The "third leg" of the regulatory stool was the programming community. The MPAA, Hollywood, the programmers. They, along with the broadcasters and the cable folks, were the primary pillars upon which the regulatory marketplace was designed. Thus, copyright payments were required, program access became an issue, and finally "must carry" was no longer sufficient, since the competition was getting better, and "retransmission consent" was introduced to prop up the broadcast business model.

All of this worked relatively well until now. Diversity blossomed, the broadcasters were compensated, and the programmers were allowed to maximize their leverage. But broadband has changed all that... both wired and wireless. The most significant change is that there is, in essence, a "fourth leg" to the stool, and that is major dissemination and use of personally created data, whether that is YouTube videos or Facebook posts, blogs, or the "big data" information that Google collects and then sells. The game has changed.

So now the government is talking about getting rid of the "must carry" rules, eliminating the copyright compulsory licenses, selling the broadcast spectrum, boosting broadband in any way it can, and "wired" and "wireless" technology is starting to merge into a single multi-faceted system.

Where should we go with all this change? What policies make sense? What are our objectives? None of that is clear. The most obvious part of this new paradigm that first needs an upgrade, however, is the governmental structure overseeing it.

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. His views do not necessarily reflect the views of Cablefax.)

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

