

# Cablefax Daily™

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What the Industry Reads First

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## Tom Wheeler: Open Internet Rules Should Stay

In his farewell speech at the **Aspen Institute** Friday, departing **FCC** chairman *Tom Wheeler* warned that efforts to repeal the enhanced net neutrality rules passed in 2015 would have enormous negative impact on consumers, innovation and investment. The rules are considered one of the first things the next FCC chair, a Republican, will re-examine. After Wheeler steps down on Jan 20, he will join the Aspen Institute as a senior fellow. Wheeler will be the 6th consecutive FCC head to join the institute following his chairmanship, marking a tradition spanning 20 years. *Mignon Clyburn* will be the only Democrat commissioner after his departure. The *Trump* Administration hasn't announced Wheeler's successor, but GOP commish and Title II opponent *Ajit Pai* is expected by many to be the next chairman. "We must not forget that the proposals being floated to change what has been done would take away benefits Americans now enjoy. It is time to keep moving forward. This is not the time to retreat and take things away. Vigilance to protect that which Americans now enjoy must be our watchword," Wheeler said during his speech, which was livestreamed on **YouTube**. Wheeler cited **AT&T** as proof that the Open Internet rule is working. "When AT&T—in its role as an edge video provider—is assured access to the broadband networks of **Comcast** and **Charter** for its competitive cable-like **DirectTV Now** service, it is proof that the Open Internet rule is working," he said. As everything goes into the cloud, taking the protections that the rules offer away at the request of "a handful of ISPs" means ISPs get to choose which applications and clouds work better than others in terms of access speed and latency, according to Wheeler. "Then they (ISPs) will control the future." Whether it's **Amazon** Web Services, or **Microsoft's** Azure, or **Salesforce.com's** integrated cloud-based activities, ISPs free from open access obligations and behavioral oversight can "choke growth and innovation, or, at the least, demand tribute for passing over their network," he said. The growth of IoT is another area depending on the rules. "If ISPs can decide arbitrarily which IoT devices can be connected, or favor their IoT activity over that of competitors, the bright future dims," Wheeler said. Broadband privacy rules, which were passed in Oct, are also considered to be on the list of things the Republicans look to appeal, Wheeler noted. But the absence of FCC regulation does not necessarily mean there is no regulation, he said. "Rather, it simply creates a vacuum that will be filled by other rule makers in other countries. In the absence of FCC privacy rules—and with the recent court case raising serious questions about the **FTC's** authority to impose privacy require-

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ments on the non-common carrier businesses of common carriers—US carriers could find themselves unable to qualify for the **Commerce Department's** Privacy Shield Framework for their ISP businesses. The result would be the regulation of American businesses under the privacy rules of the European Union," he said. Meanwhile, contrary to claims from opponents of Title II Open Internet rules that the regs stifle investment, overall investment in broadband networks has actually increased since the rules were passed, Wheeler said, citing AT&T CEO *Randall Stephenson's* recent meeting with *President-elect Trump*. Stephenson reportedly told Trump that his company had been the country's leading investor of capital for each of the last 5 years, which includes the 2 years since the adoption of the Title II rules.

**More Retrans Fight:** Optimum customers in Connecticut lost **Meredith CBS** station **WFSB** on Fri. The silver lining is that most subs in the area still have access to CBS programming via **WCBS**. Optimum owner **Altice USA** said the blackout came even after it offered to pay a "significant increase" for the channel. -- Less than a week after settling a retrans spat with **Hearst**, 18 News-Press & Gazette stations went dark in 10 cities on the DBS provider's lineup Thurs night. Several of the stations have NFL playoff games this weekend. Meanwhile, **KXPI** and **KIDK** in Idaho Fall, ID, and **KCOY** in Santa Barbara-San Luis Obispo, which are owned by **VistaWest** but apparently managed by **NPG**, could go dark Fri evening. As usual, the dispute is over the increase the broadcaster wants. In a twist, NPG's "Save My Local Station" website gives viewers local stations' contact info, including emails and phone numbers for gms, instead of pointing them at DirecTV call centers. "News-Press & Gazette has suspended its stations briefly from our customers and also threatened others before, so we appreciate these DIRECTV customers' patience as we work to resolve this matter quickly and reasonably," DirecTV said. Many are hoping that happens before kickoff Saturday. DirecTV owner **AT&T** did resolve a spat with **KTBS** in Shreveport, with the ABC and CW stations returning to the DBS lineup Thurs night. -- **Cable One** and Hearst reached a deal for the continued carriage. But **Northwest Broadcasting** stations, which have been dark since Jan 1, remain off Cable One.

**FTC Update:** **FTC** chairwoman *Edith Ramirez* announced her resignation, effective Feb 10. She became chairwoman on March 4, 2013 and has served as a commissioner since 2010. She sat down with *Gary Shapiro*, pres/CEO of **Consumer Technology Association**, at CES 2017 to discuss consumer privacy, IoT, among other things. In a statement, Shapiro praised her "extraordinary competence, strong leadership and bipartisanship resulting in a strong and effective FTC."

**Spectrum Auction:** "If there is a God, Stage 4 closes," said *Preston Padden*, TV consultant/former exec director of the now disbanded **Expanding Opportunities for Broadcasters Coalition**. He's not the only one hoping we're nearing the end... Stage 4 of the FCC's reverse auction closed Fri, with a new clearing target set at \$10.054bln. "Wow. While we were expecting the reverse auction to fall from the \$40.3B in Stage 3, we did not expect a \$30B drop," said **Wells Fargo Securities** analysts. We're a long way from the \$86bln broadcasters were originally hoping to clear from spectrum. As that clearing price fell, so has the amount of spectrum available. The FCC's forward auction failed to hit the necessary \$56.5bln in Stage 2, and bidders offered up only \$19.7bln for 108Mhz in Stage 3—far short of the \$40.3bln clearing target set in the reverse auction. When Stage 4's forward auction begins on Wednesday, bidders will need to clear that \$10.054bln figure for 84 MHz of spectrum. Wells Fargo's team thinks Stage 4 will mark the end of the auction, estimating it will generate a minimum of \$17bln. And that's good news. "The auction is going to end a lot sooner than we thought, which would allow for the broadcast and wireless companies (namely **DISH** in our coverage) to pursue M&A. HAPPY FRIDAY," concluded a research note.

**El Rey 2.0:** The shift of indie net **El Rey** to expand its audience continues, with new president & GM *Daniel Tibbets* telling critics at **TCA** press tour Friday that "it was clear even before this election that television had stopped celebrating the working class." Now targeting working class men and planning a 50% increase in original programming, El Rey announced two new unscripted series: "Man at Arms" exploring the creation and history of weaponry, and "Rite of Passage," in which host *Tim Noonan* puts himself through various tests of manhood (No premiere dates yet). El Rey has taken to calling its target "strivers," who Tibbets described as "people that share common values and live by a code... Ultimately, these are people who just want to make an honest living and provide for their families."

**Programming:** **History** teamed with *Kevin Hart* to produce 2-hour event special "Kevin Hart Presents: The Black Man's Guide to History," which will star Hart and focus on lesser-known, black history stories. -- Season 2 of **Smithsonian Channel's** original series "The Weapon Hunter" premieres Feb 12 with 6 eps.

**Editor's Note:** Your next issue of **Cablefax Daily** will arrive Tuesday due to the MLK holiday.

## Cablefax Week in Review

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
DISH:	DISH	62.26	1.47%	8.88%
ENTRAVISION:	EVC	6.43	(1.91%)	(16.67%)
GRAY TELEVISION:	GTN	10.53	(4.75%)	(35.43%)
MEDIA GENERAL:	MEG	18.88	1.72%	16.90%
NEXSTAR:	NXST	63.35	3.85%	7.92%
SINCLAIR:	SBGI	32.35	(2.85%)	(0.58%)
TEGNA:	TGNA	21.66	0.74%	(15.13%)

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLE ONE:	CABO	577.00	1.23%	33.05%
CHARTER:	CHTR	298.82	0.22%	63.29%
COMCAST:	CMCSA	72.87	3.70%	29.13%
GCI:	GNCMA	20.21	(0.88%)	24.06%
LIBERTY BROADBAND:	LBRDA	74.91	0.97%	45.03%
LIBERTY GLOBAL:	LBTYA	35.04	5.08%	(17.29%)
SHAW COMM:	SJR	21.25	3.11%	23.62%
SHENTEL:	SHEN	27.18	(6.78%)	(36.88%)

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
21ST CENTURY FOX:	FOXA	30.06	1.83%	10.68%
AMC NETWORKS:	AMCX	56.60	2.41%	(24.21%)
CBS:	CBS	62.33	(3.06%)	32.24%
DISCOVERY:	DISCA	27.45	(0.13%)	2.87%
DISNEY:	DIS	108.19	(0.72%)	2.96%
GRUPO TELEVISIA:	TV	19.96	(5.58%)	(26.64%)
HSN:	HSNI	33.85	1.20%	(33.2%)
MSG NETWORKS:	MSGN	22.20	(3.27%)	6.73%
SCRIPPS INT:	SNI	75.36	1.32%	36.50%
TIME WARNER:	TWX	94.32	(0.45%)	45.85%
VIACOM:	VIA	42.80	3.76%	(2.71%)
WWE:	WWE	19.49	5.58%	9.25%

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
ADVANTAGE:	AEY	1.82	4.60%	0.55%
AMDOCS:	DOX	59.50	0.92%	9.03%
AMPHENOL:	APH	68.17	0.13%	30.52%
APPLE:	AAPL	118.88	0.82%	12.93%
ARRIS GROUP:	ARRS	29.66	(3.29%)	(2.98%)
AVID TECH:	AVID	5.11	12.31%	(29.91%)
BLNDER TONGUE:	BDR	0.64	16.58%	60.30%
CISCO:	CSCO	30.07	(0.55%)	10.70%
COMMSCOPE:	COMM	36.99	0.03%	42.87%
CONCURRENT:	CCUR	5.33	(3.79%)	7.68%
CONVERGYS:	CVG	25.69	(0.08%)	3.21%
CSG SYSTEMS:	CSGS	50.67	1.26%	40.83%
EHOSTAR:	SATS	52.92	3.93%	35.31%
GOOGLE:	GOOG	807.65	0.19%	6.43%
HARMONIC:	HLIT	5.25	6.06%	28.99%
INTEL:	INTC	36.77	0.79%	6.73%
INTERACTIVE CORP:	IAC	71.24	2.28%	18.63%
LEVEL 3:	LVT	58.45	(0.43%)	7.52%
MICROSOFT:	MSFT	62.62	(0.36%)	12.86%
NETFLIX:	NFLX	133.64	1.96%	16.84%
NIELSEN:	NLSN	42.34	(0.4%)	(9.14%)
SEACHANGE:	SEAC	2.70	9.31%	(59.94%)
SONY:	SNE	31.03	7.15%	26.09%
SPRINT NEXTEL:	S	8.60	(1.09%)	137.43%

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
SYNACOR:	SYNC	3.25	3.17%	85.71%
UNIVERSAL ELEC:	UEIC	66.95	0.53%	30.38%
VONAGE:	VG	7.87	6.93%	37.11%
YAHOO:	YHOO	42.27	2.51%	27.07%

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	40.94	(0.93%)	18.96%
CENTURYLINK:	CTL	25.30	(0.33%)	0.54%
FRONTIER:	FTR	3.55	(5.33%)	(23.98%)
TDS:	TDS	29.79	(3.18%)	15.06%
VERIZON:	VZ	52.60	(1.23%)	13.81%

Company	Ticker	1/13 Close	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>				
DOW:	DJI	19885.73	(0.39%)	14.12%
NASDAQ:	IXIC	5574.12	0.96%	11.32%
S&P 500:	GSPC	2274.63	(0.1%)	11.29%

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	0.64	16.58%
2. AVID TECH:	5.11	12.31%
3. SEACHANGE:	2.70	9.31%
4. SONY:	31.03	7.15%
5. VONAGE:	7.87	6.93%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SHENTEL:	27.18	(6.78%)
2. GRUPO TELEVISIA:	19.96	(5.58%)
3. FRONTIER:	3.55	(5.33%)
4. GRAY TELEVISION:	10.53	(4.75%)
5. CONCURRENT:	5.33	(3.79%)



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