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What the Industry Reads First

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Broadband Privacy: Hill Dems Ready to Fight Pause

Sen Ed Markey (D-MA) and other Democrats on the Hill are determined to retain the broadband privacy rules passed under previous FCC chair Tom Wheeler, Markey said during a press call Monday. The call also featured reps from public interest groups like **Free Press**, **Public Knowledge** and the **ACLU**. Under the data privacy rules, which take effect Thursday, ISPs are required to take “reasonable” steps to protect sensitive data such as social security numbers, financial and health information. Other parts of the rules, such as the opt-in requirement, are scheduled to take effect on December 4, unless the FCC and Congressional Republicans block them before then. New agency head *Ajit Pai* wants to stay the data privacy rules before Thursday. And if a full commission vote doesn’t come before then, Pai is prepared to have the Wireline Bureau to stay the rules, which were passed after Wheeler’s FCC declared authority over privacy under the enhanced net neutrality rules. Markey, during the press call, said Congressional GOPers are working to overturn the rules via the Congressional Review Act (CRA). The rules give consumers control of how data about them can be used and shared by the ISPs, Markey said. He warned that if a measure is passed under the CRA, it would not only kill the new FCC rule, but also eliminate the possibility of enacting any new FCC rules covering ISP privacy protections. Elimination of the rules would “open up an unregulated Wild West where consumers would have no defense against abusive invasions of their privacy by their Internet service provider. No new FCC privacy rule covering ISPs could be enacted,” he said, saying he is committed to reserving the rules. GOP FCC commish *Michael O’Rielly*, who voted against the rules, voiced his support for a stay order Monday. “I support the Chairman’s proposal to allow the Commission and Congress time to take another look at these ill-considered rules before they have a chance to throw broadband providers’ data security practices into unsettled territory... I certainly will commit to record my vote on this item by March 2 in exchange for the new opportunity to make my voice heard at the Commission level, and hope that this opportunity will be made available to Commissioners as a matter of course going forward,” he said in a statement. While Pai’s proposal to stay the rules have two votes in a 3-member Commission, it can’t be adopted if the agency’s lone Democrat commish *Mignon Clyburn* doesn’t vote on it. If that’s the case, the item will be voted on in the next FCC meeting, scheduled for late March. Cable opposed the privacy framework, complaining it was a senseless departure from the FTC’s long-standing model. Meanwhile, the net neutrality rules turned



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2 on Sunday. In a tweet Monday, Rep *Frank Pallone* (D-NJ) vowed to protect “the fair and open Internet” and uphold net neutrality. The lawmaker is asking the GAO to study the harms of eliminating the privacy rules. In a letter to the office Monday, the lawmaker said “with the near universal use of the internet, and the rapid expansion of connected devices, corporations now have more information about American consumers than ever before.” Clyburn said during a Monday briefing hosted by **The Voices for Internet Freedom Coalition**, which includes numerous public interest and consumer groups, that passing the net neutrality rules wasn’t easy—and protecting them won’t be either. “The D.C. Circuit did their part by affirming the FCC’s rules. Now it is time for us to once again roll up our sleeves and fight for the protections embodied in the Open Internet Order...” she said. And the privacy rules “must be protected, and orders to stay or turn back the gains we have made must always be challenged,” said Clyburn. Overturning net neutrality is expected to be a top priority under a GOP-majority FCC, and Pai didn’t waste any time to dismantle the rules. After closing all investigations related to zero-rating practices, which Wheeler started, Pai finalized an order to exempt small ISPs from reporting requirements.

YouTube Lands on X1: Following its move to launch **Netflix** on its X1 platform, **Comcast** signed a deal with **Google** to launch the **YouTube** app on the video platform nationwide later this year. The deal will allow access to YouTube’s entire catalog of videos, alongside live and on demand cable programming on X1. The MSO will integrate voice control into the YouTube app, which will enable users to launch the app by saying “YouTube” into the X1 voice remote. Voice control also covers features like searching for movie trailers, TV show clips, games, music and other user-generated content. The X1 platform is in around 50% of Comcast video customer homes.

All about Oscars: Many viewers came rushing back for the confusing announcement of Best Picture during Sunday night’s 89th annual Academy Awards that aired on **ABC**, according to **TiVo’s** post-show report. That resulted in “unprecedented engagement” at the end of the broadcast. Presenter *Warren Beatty* was given the wrong card offstage, and “La La Land” was mistakenly announced as Best Picture before organizers interrupted to confirm that “Moonlight” was indeed the winner. The top moment of the awards show, according to TiVo, came at 12:08am EST, when Beatty handed the envelope to *Faye Dunaway* who announced La La Land as Best Picture. The 2nd most engaged moment came at 9:26pm, when Red Vines and Junior Mints rained down on the audience in mini parachutes, followed by host *Jimmy Kimmel’s* introduction of *Vince Vaughn*, one of the stars of film “Hacksaw Ridge.” TiVo’s analysis was based on aggregated, anonymous, live + same-day second-by-second audience measurement data. The telecast averaged 32.9mln viewers with a 9.1 rating in the 18-49 demo, according to **Nielsen** Fast Nationals.

Rural Funds Sought: A bipartisan group of senators asked **FCC** chmn *Ajit Pai* to roll over unused funds in the agency’s Rural Health Care Program (RHC). The program aims to facilitate healthcare delivery in rural and remote areas in the country and operates with an annual cap of \$400mln for eligible healthcare providers. The lawmakers include *Angus King* (I-ME), *Susan Collins* (R-ME), *Jeanne Shaheen* (D-NH), *Margaret Hassan* (D-NH), *Tom Udall* (D-NM), and *Martin Heinrich* (D-NM). “Re-allocating unused RHC funds from prior years could address the short-term funding shortfall without increasing the fees paid by consumers to support the Universal Service Fund,” they said.

Arris’ 3.1 Modem: **Arris** said its DOCSIS 3.1 SURFboard SB8200 cable modem is available at retail, starting with **Amazon**. The modem features 2 Gigabit Ethernet ports and offers wired-in connectivity for dedicated devices as well as extensibility for WiFi routing. Using DOCSIS 3.1 standard, the modem is expected to have twice the throughput of DOCSIS 3.0 modems.

NAB HOF: Award-winning journalist and co-anchor of “Noticiero Univision” *María Elena Salinas* will be inducted into **NAB’s** Broadcasting Hall of Fame at the 2017 NAB Show on April 24 in Las Vegas. Salinas began her journalism career in 1981 as a reporter, anchor and public affairs host at **Univision’s KMEX-34** in LA.

Ratings: The fifth season of **USA’s** unscripted series “Chrisley Knows Best” returned on Feb 21 with its highest premiere ever among P2+ with 2.9mln viewers (L3). The series premiere also saw growth year over year across all key demos: 1.46mln in P18-49 (+17% vs. season 4 premiere; 1.53mln in P25-54 (+21% vs. season 4 premiere); 664K in P18-34 (+17% vs. season 4 premiere), and 2.93mln in P2+ (+30% vs. season 4 premiere)

Programming: **Showtime** booked a new season of the political documentary series “The Circus: Inside the Greatest Political Show on Earth.” Returning March 19, the show, hosted by *New York Times* bestselling co-authors *Mark Halperin*

BUSINESS & FINANCE

and John Heilemann, will examine events unfolding inside and outside the Beltway in President Trump's first 100 days in office.

People: Fox News said its evp of ad sales *Paul Rittenberg* is stepping down from his position effective April 28. The exec has led ad sales for **Fox News Channel** and **Fox Business Network** since their inception. He was one of Fox News' first employees when he joined the network in 1996 as vp of ad sales. Prior to FNC, Rittenberg served as ad sales vp at **CNBC**. A replacement will be named in the next few months, a spokesperson said.

Give Those Kids an Oscar: Kudos to *Byron Allen's Entertainment Studios*, which Sunday night raised more than \$1 million for the Children's Hospital Los Angeles. The first annual gala and Oscar's viewing party featured special live musical performances by Grammy-winning artists *Toni Braxton* and *Babyface*, who rocked the house. But even more impressive was Allen's relentless moxy as he conducted a live auction from the stage (kicking it all off with his own \$250K donation) and managed to push through his \$1 million goal by the end of the evening. Allen hopes to raise at least \$50 million for the hospital over the next decade. Considering the success of this inaugural event, we're guessing he just may get there. And probably sooner than anyone imagined...

Cablefax Daily Stockwatch

| Company | 02/27 Close | 1-Day Ch | Company | 02/27 Close | 1-Day Ch |
|------------------------------|----------------|-------------|-----------------------|----------------|-------------|
| BROADCASTERS/DBS/MMDS | | | | | |
| DISH: | 62.53 | (0.01) | MICROSOFT: | 64.23 | (0.39) |
| ENTRAVISION: | 5.45 | (0.2) | NETFLIX: | 143.41 | 0.16 |
| GRAY TELEVISION: | 13.90 | 0.55 | NIELSEN: | 44.72 | (0.44) |
| NEXSTAR: | 70.20 | 0.45 | SEACHANGE: | 2.53 | UNCH |
| SINCLAIR: | 39.95 | (0.35) | SONY: | 30.77 | (0.16) |
| TEGNA: | 25.66 | 0.86 | SPRINT NEXTEL: | 8.91 | (0.03) |
| | | | SYNACOR: | 3.10 | UNCH |
| MSOS | | | | | |
| CABLE ONE: | 645.05 | 7.68 | UNIVERSAL ELEC: | 70.25 | (0.1) |
| CHARTER: | 326.73 | (0.02) | VONAGE: | 6.24 | 0.15 |
| COMCAST: | 37.53 | (0.36) | YAHOO: | 45.71 | 0.16 |
| GCI: | 21.66 | 0.70 | | | |
| LIBERTY BROADBAND: | 85.03 | 0.16 | TELCOS | | |
| LIBERTY GLOBAL: | 37.30 | 0.31 | AT&T: | 41.82 | (0.54) |
| SHAW COMM: | 21.17 | (0.05) | CENTURYLINK: | 24.61 | 0.03 |
| SHENTEL: | 29.05 | (0.05) | FRONTIER: | 3.29 | (0.08) |
| | | | TDS: | 28.47 | (1.39) |
| PROGRAMMING | | | | | |
| 21ST CENTURY FOX: | 30.43 | (0.18) | VERIZON: | 49.93 | (0.67) |
| AMC NETWORKS: | 60.72 | (0.23) | | | |
| CBS: | 66.23 | (0.74) | MARKET INDICES | | |
| DISCOVERY: | 29.05 | (0.22) | DOW: | 20837.44 | 15.68 |
| DISNEY: | 110.24 | (0.08) | NASDAQ: | 5861.90 | 16.59 |
| GRUPO TELEVISA: | 26.79 | 0.35 | S&P 500: | 2369.73 | 2.39 |
| HSN: | 40.50 | 0.60 | | | |
| MSG NETWORKS: | 22.40 | 0.10 | | | |
| SCRIPPS INT: | 80.71 | (0.05) | | | |
| TIME WARNER: | 98.21 | 0.93 | | | |
| VIACOM: | 46.05 | (0.6) | | | |
| WWE: | 21.46 | 0.01 | | | |
| | | | | | |
| TECHNOLOGY | | | | | |
| ADDVANTAGE: | 1.81 | 0.03 | | | |
| AMDOCS: | 60.80 | 0.04 | | | |
| AMPHENOL: | 69.47 | (0.71) | | | |
| APPLE: | 136.93 | 0.27 | | | |
| ARRIS GROUP: | 26.06 | 0.31 | | | |
| AVID TECH: | 5.83 | (0.02) | | | |
| BLNDER TONGUE: | 0.74 | 0.01 | | | |
| CISCO: | 34.26 | (0.06) | | | |
| COMMSCOPE: | 37.97 | 0.65 | | | |
| CONCURRENT: | 4.95 | (0.02) | | | |
| CONVERGYS: | 22.70 | (0.04) | | | |
| CSG SYSTEMS: | 39.97 | (0.06) | | | |
| ECHOSTAR: | 55.29 | (0.96) | | | |
| GOOGLE: | 829.28 | 0.64 | | | |
| HARMONIC: | 5.50 | 0.05 | | | |
| INTEL: | 36.51 | (0.02) | | | |
| INTERACTIVE CORP: | 74.43 | UNCH | | | |
| LEVEL 3: | 57.63 | 0.02 | | | |



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CFX TECH by Joyce Wang

Small Ops Go Gigabit Speeds

Packerland Broadband, a local service provider in Iron Mountain, MI, recently teamed with system integrator **CCI Systems** to launch gigabit Internet in the Upper Peninsula of MI. Packerland serves about 50 communities throughout WI and Upper Peninsula and has a total of 4100 Internet subs. The gigabit service, which has already been rolled out, is the ISP's first gigabit offering. "We have always wanted to launch gigabit services... We took advantage of necessary upgrades to network architecture, spent a little extra to future proof the investment," Packerland vp *Cory Heigl* told us. With Packerland's relatively small customer base, will the launch result in a positive ROI? "As a short term investment, not really. As a longer term investment, absolutely. We will force our competitors to think twice in very rural communities to invest in FTTH architecture to deliver similar services," said Heigl. The ISP's rivals are mainly Tier 1 telcos. "We feel that to be relevant we must continue to push innovation in the access network," said Heigl. He noted the investment was mainly for network upgrades and the only additional costs (roughly \$20K) were related to DOCSIS 3.1 gears. The provider's gigabit rollout targets both residential and business customers. For small ISPs, commercial and transport data customers might be more important revenue streams, said CCI CEO *John Jamar*. "Relationship building with neighboring service providers and the operation and configuration of a secure, reliable network can enable a smaller operator to address these markets to add the business activity that will deliver an acceptable ROI beyond residential activities alone," he said. Packerland Broadband is among the many small/local ISPs offering gigabit services. Last year, **Lumos Networks**, a fiber-based service provider in the Mid-Atlantic region, launched Gigabit Fast service across its entire RLEC (rural local exchange carrier) fiber-to-the-premise footprint in VA.

Lumos initially rolled out gigabit internet to customers in the Alleghany Highlands region in 2015, followed by customers in Botetourt County in January, 2016. Another small op, **VTX1**, which serves homes and business in South Texas, was named last year a Certified Gig-Capable Provider by **NTCA**, the rural broadband association. To achieve certification, companies must show that gigabit technology is currently commercially available within 95% of one or more exchanges within its service territory and that such service can be provided without new trenching or aerial facilities. The program has certified small/rural providers offering gigabit speeds in 28 states. NTCA also launched a national campaign to build awareness and recognition of community-based service providers with networks capable of delivering gigabit speeds.

AT&T's Cybersecurity Report: There was a 400% increase in the first half of last year in attacks targeting IoT ports and protocols across the **AT&T** network, according to AT&T's Cybersecurity Insights report, released at the Mobile World Congress Monday. To make IoT devices even more vulnerable, 50% of organizations haven't updated their security strategy in 3+ years, the report found. Data protection strategies once focused primarily on verifying the identities of people seeking access. With growing numbers of smart devices, security systems must confirm their identities and also determine which assets they can access, the report said. "Hackers and vandals are now so sophisticated it's nearly impossible for individuals to spot and stop threats. The network itself must become a security tool," said *John Donovan*, chief strategy officer and group president for Technology and Operations at AT&T in a statement.

Got tech news? Reach out to Cablefax Tech editor Joyce Wang at jwang@accessintel.com

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