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What the Industry Reads First

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Near Future: NCTA's Gearing Up for April Event in DC

NCTA may have killed its annual trade show that was slated to take place in April in DC, but **Cablefax** has learned the group isn't completely walking away from an event in the nation's capital next month. Enter "The Near Future," an invitation-only, half-day gathering set to take place in the city on April 27, the day after **The Cable Center** holds its Hall of Fame dinner at the Grand Hyatt in DC. Much smaller in scale and more targeted in scope than **INTX**, NCTA has been working on the particulars for months. The crux of The Near Future (and hook for its name) is a look at next-generation technology—how close it is along with how it will impact the way we live, work, learn and play. It's being produced in partnership with **CableLabs** and will feature demos, top influencers, networking and interviews. NCTA is promising it's not like anything else out there, and has set up a campaign that will tease out details over the next seven weeks (check out www.thenearfuture.events). Even the venue for the event sets it apart as something different—and completely unrecognizable from an industry trade show. The Near Future will be held at Dock 5 at Union Market, a unique, warehouse venue directly above Union Market, which houses more than 30 of the top food producers in the region. About 300 people are expected to participate, with invitations focused on analysts, media, policy makers, technology influencers, and so on. In other words, it's not a bunch of cable execs talking to other cable execs. Given that it's NCTA and the gathering is in DC, it's important to stress this isn't a policy event. It's not going to feature panels discussing net neutrality or spectrum repackaging. Instead, any policy talk would be thinking about the policy implications the future might bring. Given that we might finally see a Communications Act rewrite, it's a good idea to spark those conversations and questions rather than try and fit virtual reality, driverless cars and other tech into a legislation penned decades earlier. Details are sparse at this point, but keep an eye on NCTA's Twitter feed and the Near Future's website for what's to come.

Pai Portrait: While Wednesday's **Senate Commerce** meeting was dubbed an **FCC** Oversight hearing, make no mistake: it was really all about new chairman **Ajit Pai**. Democrats used the opportunity to publicly press him on everything from **AT&T-Time Warner** to net neutrality. Senators **Tom Udall** (D-NM) and **Catherine Cortez Masto** (D-NV) honed in on President **Trump's** comment that the media is the enemy of the American people. They were unable to get the Republican chair to give a yes or no answer as to whether he agreed with the remark, with the chmn saying there was a larger political debate there that he didn't want to wade into. Instead Pai reaffirmed his past quotes on a free press and said he believes every American has a "full and fair opportunity to exercise and enjoy the rights protected by the First Amendment." He declined to reveal what he and Trump spoke about Monday, but stated the FCC will operate independently from the White House. The minority may have made a little headway on AT&T-TWX. While Pai reiterated his stance that the FCC has no legal authority to review the merger with no licenses being transferred, he did agree to talk to general counsel about potentially preparing an analysis on the public interest standard of the deal to submit to Congress. At first, he expressed reservations about such an action, noting there'd be no facts before the FCC. But he agreed to talk to the gen counsel after Sen **Richard Blumen-**



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thal (D-CT) asked if he'd prepare such an analysis if the parties were willing to submit facts to the agency. Sen Commerce chmn *John Thune* (R-SD) praised some of Pai's early actions, including greater transparency and staying the broadband privacy part of the Open Internet order. Ranking member *Bill Nelson* (D-FL) lamented that former commish *Jessica Rosenworcel* was not there today, calling it a "black mark" on the Senate that she was not confirmed last Congress. He is also unhappy with Trump's decision to pull her nomination last week and hopes the administration reconsiders.

Indie Programming NPRM: At least one senator isn't letting the independent programming NPRM drop under the new FCC chair's watch. Sen *Amy Klobuchar* (D-MN) asked about the status of the notice, which looks at prohibiting unconditional MFNs and "unreasonable" alternative distribution method provisions in deals between MVPDs and indie programmers. FCC chmn *Ajit Pai*, who dissented to the NPRM last year, said his staff is looking at the comments. "I'm hoping at some point to sit down with them and figure out the appropriate way forward along with my colleagues," he said. Democratic commish *Mignon Clyburn* who had pushed for the NPRM said she's hopeful that the chmn will move forward with the item, saying she's heard from dozens of independent programmers who deem the MFNs unfair.

Need for Speed: The **Akamai** Intelligent Platform report released Wednesday shows that the global average Internet connection speed has increased 12% to 7.0 Mbps in the fourth quarter, a 26 percent increase year over year. The report—which provides insight into key global statistics such as connection speeds, broadband adoption metrics, notable Internet disruptions, IPv4 exhaustion and IPv6 implementation—also finds that DC led the US in average connection speed at 26.7 Mbps, with Idaho marking the low end of the scale, connecting to Akamai at an average of 11.9 Mbps.

Altice 4Q: Expect more details on **Altice's** 4Q when it holds its investor conference call today. **Altice USA** saw revenue growth of 5.1% in 4Q vs 1.2% in Q415 before Altice took control of **Suddenlink** and **Cablevision**. Optimum revenue growth accelerated to +4.4% YOY, while Suddenlink posted rev growth of +6.7% YOY. Altice reported Optimum is seeing increased sales of higher speed broadband tiers. The proportion of new residential customers taking high speed broadband packages (>100Mbps) increased to 62% in Q4 from 1% in Q415 with the proportion of the customer base enjoying >100Mbps increasing from 5% to 13% since Altice took over. At Suddenlink, the proportion increased to 59% from 34% a year ago, with the proportion of the customer base enjoying >100Mbps more than doubling from 16% to 37% since Altice.

Fuse Upfront: **Fuse Media** added nine new original programs to its slate for the 2017-2018 season. Among those premiering later this year: "The Hollywood Puppet Sh!t Show" (working title), from executive producer *Wilmer Valderrama* and **Entertainment One** (eOne), with true stories told by celebrities using puppets; "Picked Up" on finding love during ride shares; and "They Have a Dream" (working title), a doc series about cultural heritage and overcoming prejudice.

Programming: **WE tv** is making the most of their two biggest franchise hits, "Marriage Boot Camp" and "Growing Up Hip Hop," with spinoffs -- "Marriage Boot Camp: Reality Stars" (premiering April 28) and "Growing Up Hip Hop Atlanta" (to come later this year). -- **TLC** has renewed paranormal series "Kindred Spirits" for a second season. -- **Showtime** picked up a third season of the drama series "Billions," which has delivered the network's biggest sophomore debut since "Homeland." -- The *Tom Hardy* drama "Taboo" will be returning for Season 2 at **FX** and **BBC One**.

WICT SoCal Kudos: Congrats to **WICT SoCal**, whose packed membership mixer Tuesday night at the speakeasy-esque Culver Hotel in L.A. involved booze, risotto balls and, of course, cool raffle items: All the essentials of life.



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Think about that for a minute...

Your TV Is Watching!

Commentary by Steve Effros

It was 1972. I was an attorney-advisor at the FCC. The Commission had just issued the first set of comprehensive federal regulations on cable television. I was responsible for the part dealing with franchising, and explaining the intent of the rules to city and state officials. I also got all the mail from folks concerned about the granting of those franchises.



One of the most common fears I read about (some written on postcards with lipstick... no kidding!) was that with CATV or "cable television" installed in homes, especially since "the Feds" had required that all new construction at least include the capability for "two-way" transmission, was that the television sets would turn into monitoring devices and would "...know what you were doing in your bedroom!"

I distinctly remember going to Boulder, Colorado during that period because the "television is going to spy on us" notion was being popularized by flyers being placed on car windows throughout the community. I had to explain that no, "two way" did not mean the television would be watching you, televisions at the time did not have cameras, or microphones. It meant that this new technology, which eventually morphed into the broadband systems we know today, could develop all sorts of new capabilities, responding to questions, providing interactive guides, and the like.

So now Wikileaks has made me a liar. Well, that's not entirely true; it's the CIA/NSA and all those other acronyms from both our country and others that have found ways to exploit the new trend toward voice and visual response being built into all our toys. But this shouldn't come as any surprise to anyone. After all, when I say "Alexa" to my Amazon Echo device and it responds,

how could it do so without having listened to what I was saying in the first place? And if anyone bothers to read the instructions on the Samsung "Smart TV" it tells you right away that when it's on, it's listening. Of course it appears that the CIA has figured out a way to keep it on when you think it's off, but once you put microphones and cameras in your home and the devices you carry around, the logical conclusion is they will be prime targets for use. This whole hoo-hah confirming that the CIA has indeed figured out how to do what we all assumed they could do is, at least to me, not earth shattering news.

As many of you know (full disclosure...), I have an interest in a company, BBT, that has patented a security design that could address some of the issues now being raised. There are others out there as well. The difference between what we have been promoting and what is happening now is that the security is designed directly into hardware in the devices. Hardware security is inherently stronger, and yes, more costly and more complicated to roll out in the marketplace, than software security. But it works. What we're now seeing repeatedly is that software security is inevitably being hacked.

The cable industry figured out hardware security a long time ago. Our set top boxes are not being hacked successfully. If we could get others to start looking at our technology rather than constantly trying to put Band-Aids on software "fixes," we could then move on to the more important discussion of what folks who have legitimate access to our personal data should be allowed to do with it. That's an issue for another column.

Steve

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(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.)



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