

# Cablefax Daily™

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What the Industry Reads First

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## FCC Repeal: House Joins Senate in Voting to Roll Back Privacy Regs

At our deadline, the House voted 231-189 for the Congressional Review Act resolution to revoke the **FCC's** broadband privacy regulations. The item passed the Senate last week. It was a party line vote, with Dems standing up one after another Tuesday to voice opposition, decrying that it would take away consumer privacy protections. Hoping to get ahead of such sentiment, proponents of the resolution held a conference call with reporters Tuesday to make their case for a consistent privacy framework. **NCTA** evp *James Assey*, one of the call's participants, stressed that cable operators have a long track record of safeguarding data. These principles "existed long before the FCC rules were adopted and will exist long after" they are withdrawn, he said. In January, associations representing virtually all of the leading US ISPs reiterated their commitment to protecting consumers privacy online and released a set of principles that closely adhere to the **FTC's** previous framework, including provisions on transparency, choice, security and notifications in case of a data breach. Participants also reminded reporters that consumers aren't losing any protection as the rules had yet to be applied, with the CRA keeping the status quo in place for the past 25 months. "I think there is a lot of misinformation out there that somehow ISPs use online information differently than other companies in Internet ecosystem, or that they even have the ability to see information that others do not," said *Howard Waltzman*, general counsel of the **21st Century Privacy Coalition**. Tuesday's vote drew a headline from **Public Knowledge** declaring, "House Abandons Consumers in Vote to Dismantle Americans' Online Privacy." FCC chair *Ajit Pai* said Congress acted appropriately to correct an FCC "overreach" by the previous regime. "Moving forward, I want the American people to know that the FCC will work with the FTC to ensure that consumers' online privacy is protected through a consistent and comprehensive framework. In my view, the best way to achieve that result would be to return jurisdiction over broadband providers' privacy practices to the FTC, with its decades of experience and expertise in this area. House Communications subcommittee chairman *Marsha Blackburn* (R-TN) praised the move, declaring that the FCC rules "are nothing more than a big government power grab that will hurt hardworking taxpayers, and I'm thankful the House took an important step today in protecting consumers and the future of internet innovations." Less happy was the group **Free Press**, which complained the resolution is based on "an arcane Newt Gingrich-era law" that required a simple House majority. "Ignoring calls from thousands of their constituents, House Republicans

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just joined their colleagues in the Senate in violating Internet users' privacy rights. Apparently they see no problem with cable and phone companies snooping on your private medical and financial information, your religious activities or your sex life," Free Press Action Fund pres/CEO *Craig Aaron* said in a statement.

**Virgin Correction:** **Liberty Global** revealed in an **SEC** filing Tuesday that subsidiary **Virgin Media** had published incorrect figures for the total number of Project Lightning homes built in the UK and Ireland by YE16. The correction lowers cumulative home builds by 151K to 567K. "While this news isn't a positive, we believe the company is addressing the reporting issue, and don't see it as meaningfully impacting the long-term prospects for the Project Lightning build-out," **Evercore ISI** analysts said in a note to clients. In a 4Q press release, Liberty Global stated Virgin had added 465K premises, including 142K where the company understood construction to be essentially complete. Those "inactive premises" were expected to become connected premises in 1Q17. In February, LG found that a substantial number of the inactive premises were still inactive and initiated a review. Most of the inactive premises did not meet the requirements for inclusion in the year-end numbers. An additional 9K premises were found to have been incorrectly stated as completed premises. "Our review found that the completion status of a number of inactive premises had been misrepresented. In connection with this review, four Virgin Media employees have been suspended and removed from their posts and employment investigations are ongoing. Pending the results of these investigations, disciplinary action may be taken against employees, including dismissal," the company said in its filing. The inactive premises are expected to all be connected by June 30. Going forward, the company will stop including inactive premises in such figures. It also announced the appointment of *Robert Evans* as managing director for Lightning, reporting to LG CTO *Balan Nair* and Virgin CEO *Tom Mockridge*. Virgin Media will put *Dana Strong* in the role of pres, COO. She has held a variety of previous senior management roles at Liberty Global and its subsidiaries including Chief Transformation Officer at Liberty Global and managing director, **UPC Ireland**.

**Discovery Upfront:** **Discovery Communications** held its upfront presentation in NYC Tuesday, announcing a lineup of 20 returning series and 18 new ones for the flagship **Discovery Channel**. New series include "Darkness," where strangers push themselves to limits in complete darkness, and gold mining unscripted fare "Devil's Canyon." On the scripted front, Discovery is gearing up for "Manhunt: Unabomber" which debuts in August. And don't forget Shark Week, which turns 30 next year. Other Discovery Comm upfront news includes a few new shows for Animal Planet, such as "Cat Meets Dog" and "My Fat Pet," and Science Channel's all new "Mythbusters."

**Xfinity Instant TV:** Nope, it's still not a nationwide streaming offering, but **Comcast** is gearing up to revamp its Stream offering. Dubbed Xfinity Instant TV, it would expand the Stream offering beyond parts of IL, IN, MA, MI and NH and retail for \$15-\$40/month by 3Q, *Reuters* reported. It would be available only to Comcast broadband customers, with the goal to convert them to the X1 video product.

**The Gracies:** Congrats to the **Alliance for Women in Media Foundation's** 2017 Gracie Awards honorees, including *Alia Shawkat* (TBS's "Search Party"), **BET's** "Black Girls Rock," **Fusion** reporter *Nelufar Hedayat*, **Discovery Channel** producer *Denise Contis* and many more. The winners will be recognized June 6 at the 42nd Annual Gracie Awards.

**SCTE Scholarship:** Talk about coincidences. **Cox** Phoenix operations manager *Kathryn Oakes* was selected as the recipient of the Catherine Oakes Memorial Leadership Scholarship for Women. She is not related to the award's namesake, **SCTE's** former operations svp who passed away suddenly three years ago. Kathryn Oakes will receive \$3500 from the **SCTE Foundation** for attendance at WICT's 2017 Rising Leaders program. Oakes' scholarship application was among numerous submissions that were reviewed by past recipients of the Women in Technology Award, which is presented annually by SCTE/ISBE, **WICT** and **Cablefax**.

**Obituary:** Our thoughts are with longtime industry friend *Lou Borrelli* on the passing of his wife *Kimberly*. In lieu of flowers, donations can be made in her honor at Schmahmann Laboratory for Neuroanatomy and Cerebellar Neurobiology, c/o MGH Development Office, 125 Nashua St., Suite 540, Boston, MA 02114 or Nantucket Island Safe Harbor for Animals, PO Box 2844, Nantucket, MA 02584.

**People:** **Incognito Software** named *David Sharpley* as its COO, with him to lead functional aspects of the corporation including sales, professional services, product development, marketing and customer support. He's spent the past 5 years at **Amdocs**, most recently as gm of its network products business unit.

## GUEST COLUMNIST

### D.C. Is Undergoing A Sea Change

By Matthew M. Polka



**Matt Polka**

*President and CEO,  
American Cable Association*

When months ago we chose the theme for ACA's 24th Annual Washington, D.C., Summit "Navigating a Sea of Change" we had no idea just how prophetic that would be!

ACA members are seeing tremendous change as they roll out high-speed broadband to residences and businesses, with many new

opportunities on the horizon.

Fortunately, we appear to be heading into somewhat calmer regulatory waters, providing greater certainty in charting our course.

With Chairmen John Thune and Greg Walden heading Congress' Commerce Committees and Chairman Ajit Pai at the Federal Communications Commission, we are finally going to see communications policy guided by pro-investment, market-based solutions that will encourage improvements to, and expansion of, broadband networks.

However, favorable policy outcomes require real effort. We take nothing for granted at ACA, other than our commitment to helping our members, their customers and communities, and making their voices heard.

To that end, ACA has a number of jobs for the coming year.

First, for broadband to expand—not contract—our members must get out from under the threat of Title II common carrier regulation.

The FCC's decision to reclassify broadband Internet access service as a Title II telecommunications service imposed immediate and unnecessary burdens, chilling innovation and network investment. Here, we are not playing for a tie or hoping things don't get worse. Rather, we will fight for big, positive change from Washington.

Further, we will continue to seek the total elimination of the burdensome privacy and data security regulations that flowed from that same reclassification decision. We have already seen progress on both issues



on Capitol Hill and at the FCC.

Second, we would like the Congress and the FCC to eliminate barriers to promoting investment and encouraging deployment of networks capable of delivering higher performance broadband. We applaud those policymakers who want to make it easier and less expensive to access rights of way and attach to poles.

ACA will be front and center in pressing for policies that achieve these aims.

Other policymakers want to use government funds to support broadband deployment in more rural areas.

That's fine, but I'd include three caveats: Use the funds in areas that are truly unserved; provide only enough support to meet the need; and, allocate funds in a competitively and technologically neutral manner.

ACA will also focus on "clearing the regulatory underbrush" that has grown significantly in recent years.

Congress and the FCC need to eliminate outdated laws and regulations that create unnecessary burdens, particularly for smaller entities.

I would be remiss if I concluded without noting ACA's continued involvement in the fight to reform a severely broken retransmission consent and programming marketplace. TV station-initiated blackouts are hitting new highs while retrans fees have soared from \$250 million in 2006 to \$7.7 billion in 2016.

Cord cutting continues to surge as consumers turn to OTT services with attractive linear and on-demand offerings. I think it's clear that consumers who are fed up with soaring retrans fees and obese programming bundles imposed by media conglomerates will continue to look for alternatives. The temptations keep coming: Witness the rollout of YouTube TV, which is to cost \$35 per month for six passwords and unlimited cloud DVR service for nine months.

At ACA, we know politics is a journey over choppy seas. But we also know where we are going because we steer by the stars, not by the lights of each passing ship.

# ANNOUNCING Cablefax Top Ops AWARDS

## Who are cable's best operators?

**Nomination Deadline March 31, 2017**  
— Free to Enter!

Help us compile this influential list of MSOs and Independent Operators by nominating the companies and executives you think should be included in our annual issue of leading cable operators. The categories recognize excellence in a variety of areas, including marketing, technology, finance, lifetime achievement, customer service and community involvement.

Our Top Ops list will be featured in Cablefax: The Magazine's May issue. Winners will be honored during Cablefax's TV Innovation Summit on Thursday, June 8, 2017 at the New York Athletic Club in NYC.

The Independent Operator of the Year Award (IOY) is presented in conjunction with ACA and NCTC—and the IOY Award is presented at the July Independent Show.

Nominations are open to all cable operators.



**Submit Today:** [www.cablefax.com/awards](http://www.cablefax.com/awards)

For questions, contact Cablefax's Alex Virden at [avirden@accessintel.com](mailto:avirden@accessintel.com), 301-354-1619

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