

# Cablefax Daily™

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What the Industry Reads First

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## Rosenworcel Renom: Handicapping What's Next at the FCC

She's back... Well, not yet. But probably soon. *Jessica Rosenworcel's* renomination to the **FCC** languished with inaction last year, forcing her to leave the agency at year-end. She has a new shot now, with President *Trump* announcing his intention to renominate her. "Hallelujah, better late than never," Sen *Bill Nelson* (D-FL) said in a statement reacting to the news. "The Senate should now move quickly to confirm her and fulfill the promise that was made two years ago." Nelson, ranking member of **Senate Commerce**, began almost every hearing late last year with the reminder that Dems had voted to approve Republican commissioner *Mike O'Reilly* in December 2013, without the customary Dem nominee paired with him, in exchange for Rosenworcel's renomination going to a vote early in the 114th Congress. That didn't happen. Now, some are wondering if Rosenworcel will be put up for a vote by the Senate without a Republican nominee. Trump has not announced who he intends to nominate for the GOP seat, though it's widely believed to be FCC gen counsel *Brendan Carr*, who before taking the post in January spent three years as FCC chmn *Ajit Pai's* wireless, public safety and international legal adviser. He's also worked as an attorney in **Wiley Rein's** appellate, litigation and telecom practices. There's also the matter of the FCC's current lone Dem commissioner, *Mignon Clyburn*, who has brushed aside questions about her tenure, saying her job is to serve. But there have been increased rumblings in DC circles that she's looking to leave at the end of June. Her term expires June 30, but she could continue to serve until the congressional session ends. She has the longest tenure of the current commissioners, having joined in August 2009. Ironically, while Dems were pushing hard last year to get Rosenworcel confirmed by the Senate, they may not be in as much of a rush this time around. Stalling could actually help delay the dismantling of the 2015 Open Internet order. Rosenworcel voted for those rules and will likely continue the fight against changes to them that Clyburn has been waging. One area where Rosenworcel and Pai are likely to find consensus is the digital divide. Eliminating the so-called "homework gap" was a hallmark of her time at the agency. News of her renomination was met with the customary congrats. **NCTA** pres/CEO *Michael Powell* called her "an outstanding public servant who championed policies that enable American consumers to benefit from the tremendous changes taking place in the communications and technology marketplace." **ACA** chief *Matt Polka* encouraged the Senate to confirm her quickly upon her official nomination. **Com-**

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**cast sr evp David Cohen** piled on: “She has been a leader on promoting a balanced spectrum policy for licensed and unlicensed uses, and so many other important issues that will benefit from her extensive public service experience.”

**Altice’s NY State of Mind: Altice USA** notified employees Wednesday that it is consolidating several underutilized Long Island offices near Bethpage into its Stewart Ave building, which will serve as the company’s core operations center. All are in about a 10-mile radius of the Bethpage center, which has been operating below capacity for the past three years. Altice USA believes having core operations under one roof will make it nimbler and expedite innovation. At the same time, Altice USA plans to put its corporate HQ in Long Island City (Queens) in 4Q, with the building to house corporate and other business functions, including ad sales. The consolidation around the Bethpage center is expected to begin in 2018 and will include enhancements such as more modern and collaborative spaces, as well as a new studio for **News 12**. “We remain committed to our presence on Long Island, and to creating a collaborative work environment for our employees to help expedite innovation and technology advancements for our customers,” a spokesperson said. “At the same time, we are excited to join the Long Island City community and to establish Long Island City as the company’s corporate headquarters. Long Island City is a vibrant and growing business location, and we look forward to creating a great place to work for employees.”

**Time Warner Cable No More: Charter** completed the last of its rebrands of **Time Warner Cable** markets to the Spectrum name this week. The last market was Hawaii, with Oceanic Time Warner Cable formally launching the new name on Tuesday. CEO **Tom Rutledge** said during a recent earnings call that the Spectrum name had been launched in every other former TWC market by the end of 1Q. **Bright House** markets were completed in November. Last month marked the one-year anniversary of Charter’s purchase of TWC and Bright House.

**Mediacom Expands Connect2Compete: Mediacom** expanded its low-cost broadband program for low-income households across its footprint. Previously, its Connect2Compete program was only available in a limited number of markets at speeds of 1.5 Mbps down by 512 kbps up. The new and improved C2C offering will be available across Mediacom’s entire broadband footprint and feature speeds of 10 Mbps/1 Mbps. C2C continues to retail for \$9.95/month and includes a WiFi-enabled modem at no extra charge. As with similar cable broadband adoption programs, Mediacom’s is available to families that qualify for the National School Lunch Program. The company is working with national nonprofit **EveryoneOn** for the project.

**Coast to Coast: Cox** completed its national rollout of Panoramic WiFi by launching the service in Las Vegas, Phoenix and Tucson on Tuesday. The company’s most comprehensive high-speed Internet service is now available to all Cox customers in the US.

**Alexandria Shooting:** At press time, House Majority Whip and **Energy & Commerce** member **Steve Scalise** (R-LA) was reported to be in critical condition following a shooting at a GOP baseball practice. Four others, including a lobbyist and two Capitol Police officers, were also shot in what E&C chair **Greg Walden** (R-OR) called an “evil, cowardly attack.” The shootings prompted **Layer3 TV** to reschedule a planned demo of its services and reception that had been on tap for Thursday evening. The operator said it would make a contribution to **The Boys And Girls Club of Greater Washington** in honor of the victims. The event was to showcase its 4K UHD content and Day 1 of the US Open.

**VidAngel Tries Again:** **VidAngel’s** Tuesday announcement has the filtering service bleeping out objectionable content again, but this time it’s a filtering service would ride as a tagalong to OTT services that customers are already paying for. It remains to be seen if this will satisfy legal challenges. The court ruled against VidAngel providing a similar service for DVDs.

**Ratings: Discovery-owned Eurosport** averaged more than 1mln viewers during the French Open, which took place from May 28-June 11, and saw an 18% YOY audience increase for the tournament. Spain provided a major boost, as viewership there increased 60% YOY thanks to Spaniard **Rafael Nadal’s** championship run. Nadal’s men’s singles final victory over **Stan Wawrinka** averaged 407K viewers in Spain, making it the net’s second most-watched event in the country. -- **Outdoor Channel** says it saw viewership among A18-34 increase by 103% YOY during 1Q17, though total viewership increased only 1% YOY. The most-viewed airing of its top program, Major League Fishing, averaged 200K P2+.

## Think about that for a minute...

### Oh, The Webs We Weave!

Commentary by Steve Effros

There's a new proposed bill on privacy and the Internet floating around Capitol Hill and it's creating havoc in the lobbying community.



The bill is being proposed by Representative Marsha Blackburn (R-TN), the Chair of the House Communications and Technology Subcommittee. It's called The BROWSER Act...yes, all capital letters. It stands for "Balancing the Rights of Web Surfers Equally and Responsibly," and it's giving a bunch of lobbying groups fits. Why? Because they thought they had taken care of this whole "privacy" thing when they got the FCC to impose pretty harsh "opt-in" rules on the ISPs, but left the "edge providers" in an "opt-out" world at the FTC. That was perfect for Google, Facebook and the rest because according to their own lobbyists (now) they are well aware that the disparity between those who let the companies use their data in an "opt-out" ad world is worth about 65% more than in an "opt-in" world.

So they're perfectly happy if the "other guys"...the ISPs, the ones who might compete with them to provide things like targeted advertising based on a consumer's broadband history, are put in a regulatory mold that is clearly less favorable than the one they are in! This doesn't take rocket science to figure out. Well, Congress knocked down the FCC "ISP only" rule saying that while privacy is important, it's also important that all the competitors be required to play by the same rules. That's what the BROWSER Act is all about. There was never an intent to simply eliminate privacy rules, it's an effort to get all the same rules, at the FTC, to apply to all the competitors equally.

That has sure made things tough for the edge providers and their "public interest" supporters, who proclaimed

loudly that they were simply trying to protect the public's options on privacy when pushing hard on the FCC to adopt "opt-in" rules for the ISPs, but now that the proposal for "opt-in" would apply, with regard to sensitive data, on them too, they are changing their minds. The arguments are essentially very simple. You see the edge providers depend on ad revenue. They make that revenue by selling your personal data to advertisers who can then "target" ads. If the government applies the same "opt-in" rule to them that they insisted should be applied to the ISPs for the sake of consumer privacy, they fear they could lose 65% of their revenue from those ads. They calculate that at around, wait for it, \$340 billion over the next five years! Posing as protectors of consumer privacy is one thing, but \$340 billion is quite another!

So now "public" lobbying groups long associated with edge providers like Google are in a real bind. Some of them have simply come out and said the bill is bad because it would result in the Internet either costing more or folks having to put up with more paywalls and pop-ups to try to recoup that advertising loss. They didn't seem to mind, so much so long as it was "the other guy" who lost out in the competition, with consumers footing a higher broadband bill. Other groups say they are still "studying" the issue, particularly on how it might hurt "small" companies. Please.

Reality check here; Google (est. \$72B for 2017 in ad revenue) and Facebook (est. \$34B) combined reportedly represent about 90 percent of the increase in ad revenue on the Internet. Oh, the webs we weave!

*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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