

Cablefax Daily™

Wednesday — November 29, 2017

What the Industry Reads First

Volume 28 / No. 227

Pai's Turn: FCC Chairman Fights Back Against Critics of Net Neutrality Plan

After enduring scathing tweets, critical headlines and protests outside his home, FCC chmn *Ajit Pai* came out swinging Tuesday in defense of his proposal to roll back the 2015 Open Internet order. Speaking at a right-leaning think tank event, Pai went after **Twitter**, which has expressed strong opposition to the plan, saying that “when it comes to an open Internet, Twitter is part of the problem.” He said Twitter blocked Rep *Marsha Blackburn’s* (R-TN) Senate campaign launch ad because it had a pro-life message and said the social media platform warned that a statement by one company on the topic of internet regulation may be unsafe (a reference to this [AT&T incident](#)). Pai also took on celebrities who had used social media to urge followers to speak out ahead of next month’s vote, including actress *Alyssa Milano’s* tweet declaring Pai’s “dismantling of #NetNeutrality” one of the biggest threats to democracy in the last year. “Really? I’d like to see the evidence that America’s democratic institutions were threatened by a Title I framework, as opposed to a Title II framework, during the *Clinton Administration*, the *Bush Administration*, and the first six years of the *Obama Administration*. Don’t hold your breath—there is none,” Pai said. The chairman said actor *Mark Ruffalo’s* Twitter assertion that “Taking away #Net-Neutrality is the Authoritarian dream” is absurd given that getting rid of government authority over the Internet is the exact opposite of authoritarianism. Not surprisingly, his strong remarks started another round of tweets. **NCTA**, a supporter of Pai’s draft proposal, live tweeted his remarks, highlighting his assertions that Title II has hurt investment and that the internet will remain open. While critics like **Media Alliance** argued that people shouldn’t “have to ‘pay’ for transparency with paid prioritization and slow lanes on the Internet”—a response to Pai declaring that consumers will get more info from their ISPs because his proposal’s transparency rule is stronger than it was in 2014—none of the celebs called out by Pai, which also included *Cher*, *George Takei* and *Kumail Nanjani*, had responded on Twitter by our deadline. But just give it time. Each round of this fight grows noisier. Plus, Pai’s speaking again on Wednesday, this time at the **Media Institute’s** luncheon. Pai was joined at Tuesday’s event by acting **FTC** chair *Maureen Ohlhausen* and FCC Republican colleagues *Mike O’Rielly* and *Brendan Carr*. Ohlhausen reiterated her stance that the FCC’s proposed order would return the FTC to consumer protector in broadband matters. “In the last week, I’ve read a lot of anxious theorizing over the future of the Internet. But the Internet was a success long before the 2015 regulations. And the FCC’s repeal of those regulations doesn’t

CSG RECOGNIZED AS A LEADER IN A 2017 GARTNER MAGIC QUADRANT

[LEARN MORE](#)

 **CSG**
INTERNATIONAL

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Associate Editor: Sara Winegardner, 301.354.1701, swinegardner@accessintel.com ● Community Editor: Alex Silverman, 212.621.4951, asilverman@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Marketing Manager: Charlotte Clay, 301.354.1710, cclay@accessintel.com ● Production Manager: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs or Subscription Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

mean that neutral practices will disappear,” she said. “Indeed, where consumers desire neutrality, they’ll get it through market competition, facilitated by the FCC’s transparency rules and by antitrust and consumer protection law enforced by the FTC, DOJ, state attorney generals, and private plaintiffs.”

AT&T-TWX Return Serve: AT&T and Time Warner filed their response to the Department of Justice’s antitrust complaint against their proposed merger, calling the transaction a “procompetitive, pro-consumer response to an intensely competitive and rapidly changing video marketplace.” The companies claim the government cannot meet the burden of proof required to show that the vertical merger would cause a “lessening of competition” as outlined in Section 7 of the Clayton Act. “This is not a vertical combination of two firms with an imposing market share or anything near it,” the filing reads. The filing cites a number of examples of Time Warner’s lack of power and influence relative to the video content market as a whole. The companies also point to the 2011 Comcast-NBCU merger as precedent for the acceptance of vertical mergers through settlement, as opposed to litigation. In addition, the companies note that based on the conditions of the Comcast-NBCU deal, Turner has “formally and irrevocably offered its distributors licensing terms,” for seven years after the merger, that both entitle the distributor to invoke arbitration if it is unable to reach a deal for Turner Networks and prevent the programmer from going dark during that process. AT&T and Time Warner have extended the termination date of their merger agreement in light of the DOJ suit. The proposed merger is now slated to be nixed if it’s not completed by April 22, though they could seek to amend that date again. The initial termination date was October 22, one year after the deal was initially agreed upon. AT&T and Time Warner, however, agreed last month to extend the date “for a short period of time” in order to receive regulatory approval. The DOJ’s lawsuit altered that timetable.

Epic Win: Epix can finally check Comcast off as one of its affiliates, with the two reaching a deal that will take effect next year. The MSO had declined to carry the premium net since its October 2009 launch. Xfinity TV customers who subscribe to Epix will have both live and VOD access to content. With the new deal, Epix is now available in 70mln US homes via both traditional pay-TV and digital platforms. MGM, which became the sole owner of Epix earlier this year, will likely focus on securing distribution with other big holdout DirectTV.

Weekly Cable Ratings: ESPN was the most-viewed cable network in prime last week, averaging 2.68mln P2+ viewers in L+SD Nielsen data. Fox News just squeaked past Hallmark Channel for second place with 2.27mln total viewers. Hallmark notched 2.23mln. Rounding out the top five were MSNBC (1.69mln), USA (1.37mln) and TBS (1.29mln). **Worth a Brag:** BET’s “Soul Train Awards 2017” hit a high note on the ratings charts Sunday, reaching 1.1mln viewers in the P18-49 demo and 2.4mln P2+ during its simulcast premiere on BET, BET Her, VH1 & MTV2.

Cablefax VIDEO SERIES

SPONSORED BY:

CSG
INTERNATIONAL

Watch this week’s featured interview with
**Jonathan Bullock, VP Corporate Development
& Gov’t at Hotwire Communications**

www.cablefax.com/csginternationalvideoseries



That's up 3% among 18-49s. On BET alone, 1.84mln total viewers watched the show, also a 3% gain.

October Ad Spending: The national TV ad market was up 1% in October, compared to October 2016, with cable seeing a 3% increase, according to the latest from the **Standard Media Index**. It's not as rosy for broadcast, which posted a decline of 2%. SMI attributes broadcast's dip to a decrease in sports and news spending, partly due to the fact there were five Saturdays for college football last October compared to four this year. The news decline is hardly surprising given last year being a presidential election year. Cable, on the other hand, saw a 6% spike in spending across news and a 5% jump for sports. SMI also found the national TV market was down 3% year-to-date (Jan-Oct) from the same period in 2016, with cable down 2.5% and broadcast down 5%. Looking at specific cable nets, SMI reported that **ESPN** was flat in ad revenue for October compared to a year ago, with **TBS** down 2%, **HGTV** up 6% (thanks to increases around "Fixer Upper," "House Hunters" and "Love it or Leave It") and **USA** was up 4% due in part to "**WWE Smackdown**." And while ratings are down for **AMC's** "The Walking Dead," the net posted a 20% YOY revenue increase, helped by TWD specials it ran ahead of the October premiere.

Put Retrans on the ATSC Table: Citing evidence that broadcasters are already seeking ATSC 3.0 carriage, **ACA** isn't giving up hope that the **FCC** will address retrans issues related to the voluntary next generation broadcast standard. When the FCC voted earlier this month to greenlight the standard, it declined to address retrans concerns, calling them premature. With the majority of ACA's members negotiating new retrans agreements between now and the end of the year, the association promised to provide the agency with any concrete examples that may occur. The group also hinted that it might ask the FCC to revisit the order. "If we learn of such examples, we will not hesitate to present these facts to the Commission in a Petition for Reconsideration of the Order filed under section 1.429 of the Commission's rules. Such an option remains available to ACA for 30 days after Federal Register publication of the Order," the group for independent cable operators wrote in an FCC filing Tuesday. "We hope, however, that broadcasters will show some measure of restraint, at least while the period for reconsideration remains pending." Last month, reps from **DISH** and **Cable One** told the FCC that "nearly all broadcaster contract offers received in recent months have sought ATSC 3.0 carriage."

Around the World: *Jeff Wachtel* was named president, **NBCU International Studios**, effective in January. He'll move from LA to London in the summer, with the gig having him focus on international and global productions—managing television development, production, formats and strategic content partnerships for the studio. He's replacing outgoing International head *Michael Edelstein*. Wachtel has served as chief content officer, **NBCU Cable Entertainment**, since 2013, placing him at the head of development and production of content for the company's cable portfolio. He currently serves as president of both **Universal Cable Productions** and **Wilshire Studios**.

The Single Life: TV Everywhere platforms are seeing increased usage thanks in part to the proliferation of single-sign on (SSO) functionality, according to **Adobe**. The company, which includes SSO functionality in its Primetime video solution, found that authenticated video starts in September were up 46% from the same month in 2016. Authenticated TVE viewers increased 25% in the same period, and up to 45% of authentications are happening via SSO. Traditionally, users had to enter usernames and passwords on each individual app or platform on each device. Adobe said that under the old method, the chances of a successful log-in were only 56% as users were either "unwilling to search for their pay-TV credentials, or unaware they existed." With SSO, users only have to sign in once per device for all-encompassing authentication. Adobe cited **DirectTV** and **DISH** as distributors employing SSO on a range of devices. It is in the second phase of its SSO rollout, which will allow viewers to only sign on one time, on any device, to access TVE apps on all their devices.

People: **Fox News** elevated a number of ad sales execs, boosting *Dominick Rossi* to svp of eastern sales. *Frank Sorace* will act as svp of sales planning and operations and *Sam Moser* becomes svp of national sales.



Congratulations to
Peter Intermaggio
SVP Brand Marketing & Communications, Comcast

Recipient of the 2017
Grand TAM Award
CTAM's highest honor

