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What the Industry Reads First

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Silver Anniversary: 25-Year-Old ACA Heads to Washington for Summit

When **ACA** convened for the first time in 1993, it was about survival. The 1992 Cable Act had just been passed, with rate regulation and a lengthy list of other changes impacting cable operators—particularly the smaller, independent members who formed the association. But even after some of those fires were extinguished a few years later, it became clear that there was still work to be done. “We are fighting against so many more issues now, but in a sense, we have not really changed,” ACA pres/CEO **Matt Polka** told **Cablefax**. “Whatever the issues may be—and now they’re so broadband or technologically focused—almost invariably, these issues come down to the uniqueness of who our members are in the communities that they serve, the fewer numbers of customers that they generally have per mile compared to larger providers and how regulation or legislation affect them disproportionately.” ACA’s own evolution as an association has been just as interesting as that of its members, according to **MCTV** pres **Bob Gessner**. “With its original cable members, it’s evolved from representing us for television to representing us for broadband,” said Gessner, who chairs ACA’s board. “A funny thing happened along the way—the competition and innovation of cable modems spawned all sorts of new competitors—municipalities, rural telcos, rural electric co-ops. They also needed a voice. They were welcomed into ACA, which caused the membership to expand with new competitors.” Twenty five years after its founding, many of those varied ACA members convene in DC this week to tell their story to the Hill and to hear from an impressive lineup of speakers, including **FCC** commissioners, the **Secretary of Commerce** and the chairs of **House Commerce** committee and **House Communications** subcommittee. Also on the dais is **Comcast** sr evp/chief diversity officer **David Cohen**, a guest who might raise a few eyebrows given that ACA and Comcast don’t always see eye to eye. The association recently told the FCC Comcast uses its RSNs to limit consumer choice and it’s argued for stronger program access rules following the expiration of Comcast-**NBCU** conditions. Polka acknowledged the two are sometimes at odds on issues, “but that doesn’t mean we aren’t able talk to each other within the same industry.” He added that ACA respects all that Comcast does “as truly the leader of our industry and we watch what they do from a technological perspective and we see their path because more times than not, you see our members follow that path ultimately.” Does that mean Cohen’s there as somewhat of a pitchman for licensing Comcast’s X1 platform? “No, this really has nothing to do with their interest to promote



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any particular technology,” Polka said. “As an association, we really take seriously, despite the climate sometimes on the issues, that we have to talk with people and work with people. We don’t care who is in power, who is out of power. We don’t care even if we disagree with someone on issues. We can still talk to people and try to find solutions.” A big issue for the cable crowd this week will be infrastructure and encouraging broadband deployment. The FCC opened bidding for nearly \$2bn in CAF II funding this week, with the auction process amended in the hopes of gaining wider participation. Some ACA members seem to have interest, but also want to make sure that such support doesn’t lead to overbuilds of their systems as they’ve seen in the past.

Not beIN Anticompetitive: Comcast pushed back against a complaint **beIN Sports** filed at the FCC, saying that the sports programmer has opted to go that route rather than engage in “good-faith commercial negotiations” for a renewal of its current deal. “beIN has demanded substantial increases in fees and carriage that make no business sense for our company and our customers,” Comcast said, noting that it was one of the first distributors to launch the channel in 2012. The carriage pact between the two still has several months before expiration. In its complaint, beIN claims Comcast treats it differently than its affiliated networks, such as **Universo**, by placing it in less widely distributed packages. Other distributors offer beIN in upper-level packages. **DISH** carries it in its America’s 250 pack and a multi-sports tier. It’s also part of **Optimum’s** 25-channel sports & entertainment pack.

Northwest Issues Another Charter Missive: It has been a month and a half since **Northwest Broadcasting** stations went dark on **Charter** and there aren’t any signs of a deal on the horizon. On Tuesday, the broadcaster issued a new statement harkening back to Charter’s 2016 acquisition of **Time Warner Cable** and **Bright House** and the DOJ’s conditions on the \$78bn. “The Justice Department was rightfully concerned that because of its size, Charter would be able to impose itself on anyone with whom they did business,” writes CEO *Brian Brady*, declaring that Charter is 2000 times larger than Northwest. His statement goes on to relate stories of municipalities disputes with the MSO over fees and a broadcast surcharge fee raise despite the loss of programming, concluding with: “Does any of this sound like a company that is using their size and leverage responsibly? Maybe the Justice Department should take another look.” Charter has said Northwest is seeking a more than 75% increase in fees.

Media’s Transformation: NCTA pres/CEO *Michael Powell* came together with fellow former **FCC** chmn *Dick Wiley* for a fireside chat at a **Media Institute** luncheon in Washington, DC Tuesday, talking everything from retrans disputes to the future, or lack thereof, of the set-top box. “We’re approaching 500 television scripted series in a single year,” Powell said. “Consumers are drowning.” Some would say the solution is skinny bundles like **Philo**, although one of the most popular



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bundles in the world continues to grow in content. That bundle is **Netflix**, according to Powell. “The bundle is just a construct of how you provide an experience and how you provide an interface of access,” Powell noted. As for retrans consent, Powell noted that cable operators and broadcasters should in no way pretend that they’re working in a free market. “It’s a little bit of a distorted market because the government puts guardrails in the market,” Powell said. “The government doesn’t let a cable operator choose an alternative form of distribution if it doesn’t like a price drop.”

Next Gen Standard: **NAB** asked the **FCC** to be flexible when it comes to waivers for the simulcasting requirement for the Next Generation TV standard (aka ATSC 3.0). **The American TV Association** and **NCTA** have filed separate petitions for reconsideration of the FCC’s recent order permitting broadcasters to voluntarily transmit in the ATSC 3.0 format. Some of their concerns are around simulcasting of ATSC 1.0 and 3.0 signals. ATVA’s suggestions include limiting simulcasting waivers to only those situations where a TV station can’t find a potential partner in its market. In reply comments Tuesday, NAB said such an approach overlooks the possibility that a station may have a potential partner or two, but those stations lack interest in moving forward at this time with the new standard. “An inflexible standard runs the risk of limiting innovations for over-the-air viewers while pay-TV providers continue to charge consumers for the improved features they desperately want to prevent broadcasters from offering for free,” NAB said. The broadcaster group also swatted away concerns that a waiver of the local simulcasting requirement could lead to forced carriage of Next Gen signals that elect must-carry, saying the FCC already has said a broadcaster won’t be able to exercise mandatory carriage rights for the 3.0 signal instead of 1.0 (even if 3.0 is the only signal it offers).

On the Hill: Rep *Anna Eshoo* (D-CA) introduced legislation that would require cable, broadcast and satellite companies to publicly disclose the source of registered foreign state-based content, such as 24/7 English-language channel **RT** (formerly Russia Today), which is funded by the Russian government. It would also require announcements for the duration of the content when any of the broadcast is backed by a registered foreign entity.

Boosted Business: **Mediacom Business** is boosting its broadband speeds nationwide as part of a 3-year plan to upgrade its digital network. Come April 1, existing customers in the 10 Mbps, 20 Mbps and 50 Mbps tiers of service will be upgraded to 60 Mbps, 100Mbps and 300 Mbps. The upgrades will come at no charge to customers.

Programming: **Fox Sports** has teamed up with the **Professional Bowler’s Association** in a multi-year, multi-platform agreement, making Fox Sports the TV partner for the Go Bowling! PBA Tour in 2019. The deal will bring a number of primetime events and a bracket-style PBA Playoffs tournament. In 2019, four PBA Tour shows will air on **Fox** while 25 will come to **FS1**.

On the Circuit: “The Chew” co-host and former “Top Chef” contestant *Carla Hall* will emcee the **Cable Center’s** 21st annual Hall of Fame on April 4 in NYC.

Cablefax Top Lawyers: Congratulations to those honored at the **Cablefax** Top Lawyers event held at the National Press Club in Washington, DC, Monday night. The evening included a fireside chat between Cablefax publisher *Michael Grebb* and **C-SPAN** senior executive producer and political editor *Steve Scully*, who spoke on maintaining neutrality amidst an inflammatory political environment. The “Washington Journal” host said the network needs to be “the Switzerland of the media.” Check out full coverage at Cablefax.com.

People: **truTV** tapped *Joe Hadari* as its first svp of brand marketing & strategy. He’ll be responsible for developing and implementing marketing strategies while retaining and growing the network’s audience. He’ll report directly to *Puja Vohra*, evp of marketing and digital. -- **Freeform’s** *Jayne Bieber* was upped to svp, production management and operations. Prior to her time at Freeform, Bieber was evp, production at **New Line Cinema**.

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GUEST COLUMNIST

At 25 Years Young, ACA Is Still Going Strong

By Matthew M. Polka

Twenty-five years ago, the American Cable Association was a name no one heard of, a voice that couldn't be identified. The organization, then called the Small Cable Business Association (SCBA), formed quickly and leaped into action in response to the harsh terms meted out by Congress and the Federal Communications Commission in the 1992 Cable Act, which slashed retail cable rates and put hundreds of small cable operators on the brink of disaster.

Through hard work and persistence, ACA and its members overcame those challenges, proving that Washington, D.C., will, on some occasions, let facts drive sound public policy. Since that time, ACA has gone on to plant deep roots in Washington and score any number of public policy successes – most recently our participation in the FCC's effort last December under Chairman Ajit Pai to restore Internet freedom by scrapping oppressive common carrier regulation of every broadband ISP in the land.

This week, ACA and its members are not celebrating just a milestone generated by the calendar. Rather, this year's ACA Summit will celebrate the historic achievements of hundreds of smaller communications providers that have strong ties to their communities, which are enjoying the benefits of job growth, e-commerce, distance learning and tele-health enabled by privately funded broadband connectivity.

I am honored that the men and women who stand behind the 800 small communications firms that ACA represents will have the opportunity to hear directly from numerous public policy officials, including FCC Chairman Pai himself.

I would also note that this year's Summit is a first in that two members of President Donald J. Trump's Cabinet will address our members. They are SBA Administrator Linda McMahon and Commerce Secretary Wilbur L. Ross, Jr. – both of whom are committed to advancing the interests of small business.

At ACA, we're fond of saying, "Fatigue is not on the agenda." That's because we have a lot of unfinished business. For instance, TV stations' abuse of retransmission consent remains a severe problem. We've come to the point where some ACA members, viewing

the provision of broadband Internet access as their business future, are willing to let the traditional pay-TV service wither on the vine. Broadcasters' greed – abetted by relaxed media ownership rules and uncertain anti-trust enforcement – is driving these operators' decision.

The facts are depressing. In a recent survey, ACA members reported that they will be forced to pay corporate broadcasters an average of 88% more in retrans fees by 2020. Nearly a quarter of those surveyed will see a drastic jump of at least 100% in fee increases in the

next three years.

According to the American Television Alliance (ATVA), consumers have since 1992 paid \$40 billion in retrans fees to receive programming that TV stations broadcast for free. This issue will go away one day because, ironically, consumers will have lost access to "free TV" that became too expensive for their cable company to provide.

We're also keeping a very close eye on the Google-Facebook online content duopoly for any signs that this pair, and other powerful edge providers, might try to juice earnings by demanding ESPN-like license fees from broadband ISPs, especially smaller ones.

It's clear the dominant edge providers, for themselves, want no rules, no regulations, no taxes and no competition. Meanwhile, they're funding a lawsuit to keep ACA members harnessed to the prior FCC's heavy-handed Net Neutrality regime. Though some call us paranoid, the European Union's \$2.7 billion fine of Google last June for antitrust violations is a reality-based action that fully justifies my concerns.

For the past 25 years, ACA has been the voice of independent communications providers that deliver the magic of robust broadband connectivity and help millions of rural Americans fully and effectively participate in the global economy. We have heeded the words of Abraham Lincoln to "Be sure to plant your feet in the right place, and then stand firm." And in doing so you can be sure that ACA and its members will be "Standing the Test of Time."

– *Matthew Polka is president/CEO of the American Cable Association.*



Matt Polka