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What the Industry Reads First

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Summit Speak: Comcast's Cohen Open to Paid Prioritization Ban

When it comes to the never-ending net neutrality debate, **Comcast's** top lobbyist thinks the muddy issue of paid prioritization complicates discussions even further. Speaking at **ACA** Summit Wednesday, senior evp *David Cohen* said he doesn't know anyone who has ever participated in paid prioritization and that the term is often misapplied. "You might be talking about specialized services," he said. "I think we could live with a prohibition on paid prioritization as long as we have the right to specialized services that are in the consumer's interest." However, proponents of tougher net neutrality regulations have long been concerned that the specialized service label could be loosely applied by ISPs to a host of different services. Democratic **FCC** Commissioner *Mignon Clyburn* raised the issue in 2010, saying she didn't want the specialized services exemption to become a loophole. Speaking to the ACA crowd ahead of their lobbying day on the Hill, Cohen reiterated that Comcast is looking for both parties to introduce legislation that will solidify the FCC's decision on Title II and put an end to the net neutrality debate now and in the future. "There is a broad consensus on what the net neutrality rules are, and it's time for Congress to end the game of regulatory ping pong depending on which party is in control of the FCC and put in place a piece of bipartisan legislation that establishes durable and enforceable open Internet rules so we can stop worrying about this issue," he said. Much of Cohen's appearance at ACA was devoted to Comcast's low-income broadband adoption program Internet Essentials. Having brought the message of broadband for all to localities over the years, he's now taking the sermon to small and independent operators. Comcast is willing to partner with ACA members to provide marketing materials and save them the initial investment for their own program. "The obligation and the responsibility of corporate America is to make the communities in which our customers live and work healthier and more vibrant places," Cohen said, calling the launch and success of Internet Essentials his proudest career moment. "If we sign up one family in Miami, I know we will make a meaningful difference in that one family's life, and that's good enough for me." Comcast and ACA don't always agree on policy issues, but bridging the digital divide is an area where they can find common ground. "We've learned that this is not a program



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that works by press release,” Cohen noted. “So much of this population doesn’t appreciate the value of the Internet. You have to have some organized outreach.” And this is where ACA members may even have an advantage on larger operators like Comcast, as they already have boots on the ground in their community’s business centers and within the school systems.

Summit Notebook: FCC chmn *Ajit Pai* personally encouraged small and mid-size operators to participate in the upcoming Connect America Fund Phase II auction, set to commence this summer. “As we’ve prepared for the reverse auction, **ACA** members have been making your voices heard. Now, I recognize that we didn’t adopt every ACA recommendation. But the program’s foundation reflects many of your core principles,” he said during the association’s 25th Summit Wednesday. Pai stressed that the program is technologically neutral (something ACA pushed for) and emphasizes efficiency by using a reverse auction. And for those wary of being overbuilt, he stressed that there will be no duplication of existing efforts with Connect America Fund dollars. “The FCC should not subsidize overbuilding in areas already covered by private investment,” he said. Operators will have to decide quickly, with applications due by the end of the month. In the “preaching to the choir category,” Pai declared that overregulation is a major threat to investment, pointing to the 2015 net neutrality order that classified ISPs under Title II regulation. ACA members are not “insidious, all-powerful monopolists” he said, describing how he’d met with several and heard how some were setting aside litigation reserves to deal with the aftermath. “What made this regulatory onslaught all the more galling was this: Silicon Valley tech giants with market caps in the hundreds of billions of dollars demanded that the FCC regulate small companies like yours more heavily than they were,” the chmn said. Going forward, the FCC will continue to look for rules that have outlived their usefulness, such as requiring cable operators to keep hard copies of certain regulations. Pai promising to tee up some of ACA’s suggestions in the months to come.

Cities Complain on Charter-Northwest: The cities of Yuma, AZ; Jackson, WY; and El Centro, CA have complained to the **FCC** that **Charter** failed to provide 30-day notice before **Northwest Broadcasting** stations were removed from its lineup. The stations were removed Feb 2 after the two were unable to reach a new retrans pact. Recall that **Starz** had filed a complaint against **Altice USA** after it removed programming on Jan 1 without giving a 30 day-notice. The complaint was dropped after they renewed their carriage arrangement, but Charter weighed in at the FCC asking the agency to provide clarity on the 30-day rule. Charter has suggested the FCC clarify that the rule does not apply when a cable op and programmer/broadcaster remain in carriage negotiations, even during the final 30 days of an agreement. If negotiations fail and a channel goes dark, the operator

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would be required to provide notice as soon as possible. A Charter spokesperson did not offer comment on the complaint by our deadline.

Spring's Snowstorm: Wednesday marked the fourth Nor'easter in the past three weeks for the Northeast, with the **T. Howard Foundation** making the difficult decision around 1pm to postpone its Diversity Awards dinner scheduled to take place at NYC's Cipriani's Wednesday evening. A new date will be announced for the event, which is honoring **AMC Networks'** *Josh Sapan* and **Univision. ACA** continued on with its 25th annual Summit in DC Wednesday even as the government closed federal offices for the city's biggest snowstorm of the year. It helped that most of its members had arrived earlier in the week. The association plans to have lobbying visits to lawmakers on the Hill Thursday. Speakers including **FCC** chmn *Ajit Pai*, **Commerce** Secretary *Wilbur Ross* and Rep *Marsha Blackburn* (R-TN) made the trek to the Grand Hyatt in spite of snowy conditions. Meanwhile, cable operators were doing their best to keep people connected. **Comcast** opened up its customer-only Xfinity WiFi hotspots to non-customers across the full Northeast Division, and will keep them open until Monday. Most Xfinity Stores are offering charging stations for those who have lost power. **Altice USA** opened up WiFi hotspots in NY, CT and NJ, and also freed up the **News 12** website so that anyone online can have access to it.

NY PSC Takes Aim at Charter: The **NY PSC** is seeking \$1mln for the state from **Charter**, claiming the MSO has failed to meet the terms of an agreement to expand its broadband network in the time allotted. It also is investigating whether Charter's franchise agreement with NYC should be terminated for breaches, including underpayments and failure to meet network deployment obligations. Charter said it's committed to bringing more broadband across the state. "We exceeded our last buildout commitment by thousands of homes and businesses. We've also raised our speeds to deliver faster broadband statewide. We are in full compliance with our merger order and the New York City franchise, and we will fight these baseless and legally suspect actions vigorously," the company said. The PSC order claims Charter missed a December deadline to expand its network to 36771 additional homes and businesses that didn't have HSD as of the company's acquisition of **Time Warner Cable** in May 2016. It's basing that on a staff audit that found more than 14K passings were ineligible because they either already have service at 100 Mbps from another provider, were already capable of being served by Charter, were otherwise part of Broadband Program Office deployment programs or were previously identified by Charter as addresses that would not count toward its four-year commitment to wire 145K additional home/business.

Top Places to Work: Who says Silicon Valley is the only spot for hot jobs? **Comcast** and **Disney** ranked among the top 10 in **LinkedIn's** list of most sought after companies to work at for the second year in a row. The FANGA crowd is still represented, with **Amazon** taking the top spot followed by **Google** parent **Alphabet** and **Facebook**. Comcast came in at #7 with Disney at #8. Also on the list **Salesforce** (4), **Tesla** (5), **Apple** (6), **Oracle** (9) and **Netflix** (10). Several industry players made the top 50, including **Time Warner** (16, down from 8), **Verizon** (23), **Cisco** (31) and **Twitter** (43).

Bring on the Emmys: **HBO**, **Nickelodeon** and **Disney Channel** led the pack for cable in nominations with 12 each for the **45th Annual Daytime Emmy Awards**. Nominations were revealed Wednesday on **CBS's** "The Talk." **Disney Junior** and **Food Network** were just behind with 9 nods each. Streaming services made quite a splash with **Netflix** earning 51 nominations and **Amazon** following with 49. The Daytime Emmys will be held at the Pasadena Civic Auditorium on April 29.

Programming: USA unveiled its full spring schedule, headlined by the Season 3 returns of scripted originals "Colony" (May 2), "Queen of the South" (June 21) and "Shooter" (June 21). The second half of Season 7 of "Suits" will hit the net on March 28 while unscripted original "Chrisley Knows Best" will premiere its sixth season, which will include its 100th episode, on June 19.

People: *Krystyna Hall* joined **Telemundo Enterprises** as vp, corporate communications, effective immediately. Hall has more than two decades of public relations and crisis communications experience to the position, most recently serving as svp of **Edelman**. -- **Warner Bros** named *Patty Hirsch* svp & gm of Warner Bros Digital Labs. The role places the vision of the Labs and oversight of **DramaFever** in Hirsch's hands. Hirsch will work with *Seung Bak*, current head of Warner Bros Digital Labs and DramaFever CEO, on a multi-week transition plan, following which he'll leave to pursue entrepreneurial projects.

Think about that for a minute...

Cheap Shot

Commentary by Steve Effros



I'm a big fan of public radio. I listen all the time, especially "Morning Edition" and "All Things Considered." As a matter of fact, many, many years ago I was the operational manager every Sunday of the educational radio station here in DC, WAMU-FM, and I was also the News, Sports and Special Events director of the sister station that served American University. The precursor to "All Things Considered" was a show I worked on, then hosted by Susan Stamberg, called Kaleidoscope. I mention all this because as you will see from the rest of this column, I'm both a little bit disappointed and very pissed at the folks at WAMU-FM for things they are saying in an effort to get new "members" and more fundraising dollars.

I do understand that "public radio" depends on listeners to donate, and the funding mechanism they use, of the voluntary contribution of whatever amount, is certainly difficult. But in their fundraising drive this week one announcer in particular spent a great deal of time disparaging the cost of cable in comparison to the "ask" for their one primary radio feed; ten or twelve dollars a month, she said, suggesting up to \$100 a month, is such a great deal compared to your cable bill which delivers all sorts of programs you don't watch! Well, you know the pitch. It just got steam coming out of my ears.

I know most of the readers of this column already know this stuff, and yes, I'm a "cable guy," but let's take a closer look at the "logic" of the numbers being thrown around versus the services provided to get a little better idea of what reality is. I'm going to make sure a copy of this column gets over to the folks at WAMU-FM. They may find it (hopefully) educational.

First, a few distinctions; the announcers pleading for

us to help cover the costs of the station repeatedly note that their programming costs a lot! Well guess what; video programming costs more! The "public radio" audience is importuned to support their station by mentioning a few very successful programs on one primary radio frequency. Cable delivers hundreds of video channels, and most customers watch at least 10 to 15 of those channels on a regular basis and have the option at any time to watch one, or many programs on dozens if not hundreds of additional channels! The radio station needs \$12/month for a "sustaining" member for one primary channel (don't forget, WAMU's delivery spectrum is given to them for free) while the cable customer is getting, let's say 15 repeatedly used video channels plus delivery. Even leaving aside all the other diversity options of additional channels and the difference between video and audio, and cable's construction of an entire privately financed delivery infrastructure, the cable bill should be well above \$180 per month by their own math!

As I said, I enjoy and support public radio, particularly NPR. But I also support C-SPAN, Discovery, CNN, MSNBC, BBC, Science, Weather, Public Access, and a whole host of other options cable gives me. The two should not be compared, and certainly shouldn't engage in cheap shots! According to WAMU-FM, only about 8 percent of the folks who listen to them every month also donate. That's a very challenging number and a very challenging business plan. But taking uninformed and misleading shots at other media as a way to increase your numbers is just not the way to do it.

I feel better now.

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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