

# Cablefax Daily™

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What the Industry Reads First

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## Security Alert: Pai Proposes Universal Service Fund Block

FCC chmn *Ajit Pai* proposed blocking the Universal Service Fund from buying equipment or services from companies posing a national security threat to US communication networks or the communications supply chain. “Hidden ‘back doors’ to our networks in routers, switches – and virtually any other type of telecommunications equipment – can provide an avenue for hostile governments to inject viruses, launch denial-of-service attacks, steal data, and more,” Pai said in a statement. “Although the FCC alone can’t safeguard the integrity of our communications supply chain, we must and will play our part in a government- and industry-wide effort to protect the security of our networks.” The draft “Notice of Proposed Rulemaking” asks for input on how the FCC should identify companies covered under the prohibition, how to enforce the proposed rule and how funds that are dispersed in violation of the rule should be recovered, according to senior FCC officials. The draft also proposes to limit the use of USF funds directly by the recipients and indirectly by contractors. The proposal would only apply to funds spent after the rule takes effect. While Pai’s statement did not outline what countries or companies may specifically pose a threat to national security, the chmn expressed security concerns in a letter to Congress Friday surrounding the selling of **Huawei** smartphones and other Chinese technologies in the US. And it’s not the first time concerns have been raised. In November 2010, *Rep Anna Eshoo* (D-CA) sent a letter to then-FCC chmn *Julius Genachowski* expressing “grave concerns about the implications of foreign-controlled telecommunications infrastructure companies.” More recently, the National Defense Authorization Act for FY 2018 highlighted national security concerns with any official use of products from Huawei, **ZTE** or Russian-based **Kaspersky Lab**. Because of an option in the proposal that suggests looking to statutes and funding restrictions that Congress has passed with respect to other agencies, its not unlikely that those same companies would be included in the block. Pai plans to call for a vote on the proposal at the Commission’s April 17 meeting.

**Private Practices:** The **FTC** opened a non-public investigation into the privacy practices at **Facebook** in light of **Cambridge Analytica** accessing data from approximately 50mln users of the social media platform.

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“The FTC takes very seriously recent press reports raising substantial concerns about the privacy practices on Facebook,” Tom Pahl, acting director of the FTC’s Bureau of Consumer Protection said in a statement issued Monday. “Today, the FTC is confirming that it has an open non-public investigation into these practices.” The attorneys general of New Jersey, New York and Massachusetts have launched their own investigations into the two companies. “Consumers have a right to know how their information is used - and companies like Facebook have a fundamental responsibility to protect their users’ personal information,” New York attorney general Eric Schneiderman said in a statement. Massachusetts attorney general Maura Healey said the social media company is in “active communication” with her office as the investigations ramp up. “I am particularly troubled by reports that Facebook may have allowed Cambridge to harvest and monetize its users’ private data, despite Facebook’s promises to keep that information secure,” New Jersey attorney general Gurbir Grewal said in a statement announcing his state’s investigation. “At this point we have many questions and few answers, and New Jersey’s residents deserve to know what happened.”

**Come Together:** Viacom announced a strategic partnership with Day Zero Productions, the international distribution and production company headed by Comedy Central’s Trevor Noah. The long-term deal will give Viacom exclusive “first look” rights on all projects developed by Noah and Day Zero in all media, including TV, feature films, digital and short-form video content. The deal includes Paramount Players adapting Noah’s memoir, “Born a Crime: Stories from a South African Childhood.” Lupita Nyong’o is set to star as Noah’s mother. Viacom will also invest in Day Zero.

**Making My Way Downtown:** Comcast Business invested \$1.7mln in expanding its fiber-based network in Harrisburg, Pennsylvania, allowing it to reach more than 600 additional businesses directly and making the network more accessible. The company deployed more than 27 miles of new fiber optic cable extensions, both aerial and underground, in and near the downtown area. The network is capable of delivering up to 100 Gbps of network capacity.

**Hello, Seattle:** ESPN announced its plans for covering the 2018 Special Olympics in Seattle, Washington. Programming will begin with live coverage of the Opening Ceremony at 3:30pm on July 1 and continuing with evening studio programs hosted by Kevin Negandhi. Coverage will air primarily on ESPN2 while the Opening Ceremony and highlights from the Closing Ceremony will go to ABC. All programming will be able to be streamed live on the ESPN app.

# Corporate Licenses

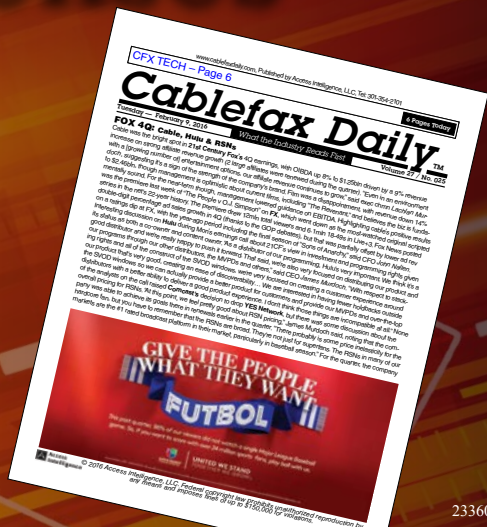
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**Dusting Off The Tapes:** HBO is using cloud-native video management company **Wazee Digital's** Core to digitize and archive sports content currently living on endangered videotape formats. The efforts, which focus on the preservation of HBO's analog and digital videotape formats using AS-02 MXF versioning, will allow the company to preserve the content while building out an archive for stakeholders wanting access to that content. Core is Wazee Digital's enterprise SaaS platform built specifically for the cloud, managing video acquisition, metadata management and automated delivery to any authorized user on any screen.

**Speed Racer:** Cable ONE doubled its available speeds for high-speed internet customers in the majority of **NewWave Communications** markets, delivering speeds up to 200 Mbps to its customers. The upgrade is part of Cable ONE's efforts to complete 32-channel bonding in NewWave markets, allowing it to launch up to Gigabit speed for residential customers. The company plans to invest up to \$60m over three years on network upgrades in NewWave markets.

**Coming Up Roses:** Excluding the PyeongChang 2018 Olympics, the US national ad market grew by 8% in February 2018 over the previous year. The market saw growth across national TV (+12%), cable (+12%), broadcast (+12%), digital (+18%) radio (+15%) and OOH (+9%). Print was a very different story, falling 26%. February's statistics are usually affected by the Olympics, The Grammy Awards and the Oscars. This year saw the Grammys moving to January and The Oscars falling back to March. The Super Bowl, which aired on **NBC** on February 4, generated in-game TV revenue of \$337m, up 3.4% from last year's showdown between the New England Patriots and Atlanta Falcons. The special airing of drama "This Is Us" brought in more than \$12m in revenue, the highest for any single episode of the show.

**Ready to Play:** **GSN** announced new programming and initiatives coming as part of its 2018 Upfronts, greenlighting two new series, "America Says (Working Title)" and "Caroline & Friends (Working Title)," hosted by comedian Caroline Rhea. "Cover Story," which debuted in January 2018, has been picked up while David Alan Grier's "Snap Decision" will return for a second season.

**Programming:** **The Africa Channel** will premiere its first animated kids programming with "Jabu's Jungle" (7am) and "The Magic Cellar" (8am). The shows will air as part of a weekly kids block running from 7-9am. Returning live-action series "Siyaya -- Come Wild with Us" will round out the block with a half-hour episode at 8:30am. -- **Netflix** renewed "One Day at a Time" for a third season. The reimagining of the classic *Norman Lear* sitcom will return in 2019 with 13 30-minute episodes. -- **Acorn TV** announced its first straight-to-series order with "London Kills." The British drama will be shot like a documentary, following a team of top murder detectives. It is currently casting, going into production in May with a late 2018 North American premiere. -- "Fahrenheit 451" is set to debut exclusively on HBO on May 19 at 8pm. Based on *Ray Bradbury's* novel, the film shows a future where history is rewritten and "firemen" burn books. -- **FremantleMedia North America** has obtained the rights to "Astro City," a fictional universe wherein ordinary people and superheroes look to hold on to hope amidst the chaos caused by supervillains. -- *Reggie Watts* ("The Late Show with James Corden") will host **Comedy Central's** newest game show. "Taskmaster," which has a format that originated in the UK, will premiere on April 27 at 11pm with guests *Freddie Highmore* ("The Good Doctor"), comedian *Lisa Lampanelli* and more.

**People:** **Crown Media Family Networks** elevated *Penny Perry* to svp, casting. Reporting to svp, original programming and development, *Randy Pope*, Perry will oversee all talent agreements, maintain relationships with existing talent rosters and recruiting high-profile actors. In addition, *Jessica Callahan* has been promoted to director, development. She'll guide the development of original movies and potential projects. -- **Univision** has elevated *Matthew Drucker* to evp, chief accounting officer and corporate controller, effective immediately. He'll handle the company's financial reporting, budgeting and accounting operations. Prior to joining Univision in 2012, Drucker served as an audit partner at **KPMG LLP**. -- **Comcast Corporation** named *Mitch Rose* svp of congressional and federal government affairs. The role places him at the head of all legislative efforts focused on Congress and the Administration as well as the company's political activities in Washington, DC. -- *Michael Allardyce* has been named **NBC Sports Chicago's** multi-platform director, effective immediately. The newly-created position charges Allardyce with the leading and planning of the network's entire portfolio of multiplatform content and initiatives. He'll also lead long-range content planning, incorporating the latest developments and innovations in sports media into company strategies.