

Cablefax Daily™

Thursday — August 30, 2018

What the Industry Reads First

Volume 29 / No. 167

Super Sonic: USTelecom's Petition Drives Consumer Comments

A lot has been made about the number of comments the FCC's net neutrality docket received. While the comments are not in the millions, it's worth looking at the docket for USTelecom's petition to eliminate wholesale requirements from the 1996 Telecom Act related to unbundled network elements such as DS0, DS1 and DS3 lines. That hardly sounds like the sort of thing to drive mass consumer action, but San Francisco-based ISP **Sonic** has successfully driven hundreds of comments that are uniquely written—ie, not masses of the same form letter. "I use Sonic.net because they offer me a superior product to **AT&T** or cable companies," states one missive. Another customer begins, "Last year Sonic put in fiber cable to our semi-rural neighborhood in Sonoma County. I switched to fiber and have been very happy with their Internet and phone service. It works very well and is not expensive." If nothing else, it's a reminder of how passionate consumers can be to a challenger of incumbents. Sonic CEO & co-founder *Dane Jasper* sent an email recently to customers urging them to visit SaveCompetition.com to file a letter with the FCC. "Without access to this[UNE] infrastructure, Sonic is at risk of losing access to a huge portion of our customer base, leading to potentially higher rates, less fiber deployment, and even less options for consumers," the letter said, noting the company needs to continue to access copper as a bridge to building out fiber networks. The [SaveCompetition](http://SaveCompetition.com) site is part of **INCOMPAS**' "Bridge2Broadband" effort, which drives consumers to take action by warning that large companies like AT&T are seeking to cut off competition and raise prices. For the most part, cable's been pretty quiet on this issue as it's CLECs who have the biggest worries here, facing the possibility of not being able to serve customer or paying higher market rates to telcos. Cable ops generally doesn't use unbundled network elements because they provide service over their own networks. **Cox Communications** has weighed in to urge the FCC to deny any forbearance of unbundling obligation related to 911 and E911 databases, operations support systems (including pre-ordering, ordering, provisioning, maintenance and repair, and billing functions) and subloops for multiunit premises wiring. Essentially, Cox is concerned about the unbundling of elements that a cable operator may need to work with an ILEC on. USTelecom's stance is that it doesn't make sense to single out some companies to share their networks with competitors. It remains to be seen if that message will resonate, particularly at a time when there



ROCKY
I • II • III • IV • V
SEPTEMBER SHOWDOWN
- EVERY SUNDAY IN SEPTEMBER -
AT 10PM ET
[CLICK FOR MORE](#)
insp

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 ● Associate Editor: Mollie Cahillane, 212.621.4951, mcahillane@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● VP Marketing: Amy Jefferies, 301.354.1699, ajefferies@accessintel.com ● Director of Marketing: Kate Schaeffer, kschaeffer@accessintel.com ● Prod. Mgr: 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

is pressure to increase rural broadband penetration. USTelecom's response to petitions to deny isn't due until October, so this whole conversation (and possibly the onslaught of public comments) will continue in 2019.

Know Your Enemy: The legal battle for **Sinclair** and **Tribune** continued Wednesday, with the former filing its counterclaim with the Delaware Court of Chancery. "We were extremely disappointed that the Tribune transaction was terminated," Sinclair pres/CEO *Chris Ripley* said. "We are likewise disappointed that Tribune, through its meritless lawsuit, is seeking to capitalize on an unfavorable and unexpected reaction from the **Federal Communications Commission** to capture a windfall for Tribune." Sinclair's counterclaim describes Tribune as a full partner in the DOJ and FCC approval process for the \$3.9bln merger, saying the two "worked shoulder-to-shoulder" on the various submissions to the FCC to facilitate station divestitures and on joint responses to public objections to those divestitures. The broadcaster claims Tribune breached its merger obligations to exercise its own reasonable best efforts to close the deal. When the FCC voted to send the deal to a hearing, "Tribune made an aboutface, and its number one priority became distancing itself from the regulatory approval process and preserving and promoting a meritless litigation claim," Sinclair told the court. Tribune responded to the filing, calling Sinclair's counterclaim "entirely meritless" and an attempt to distract from its legal violations. "As detailed in Tribune's complaint, Sinclair repeatedly and willfully breached its contractual obligations during what should have been a straightforward regulatory review process," Tribune said in a statement. "Sinclair's misconduct culminated in its submitting to the Federal Communications Commission divestiture proposals that led the Commission to order a hearing on the fundamental issue of Sinclair's lack of candor, thus ending any chance at merger approval in any reasonable timeframe."

Done Deal: Private equity firm **GTCR** has signed on to acquire **Northland Communications** through its portfolio company **Mega Broadband Investments**. Headquartered in Seattle, WA, Northland offers HSD, TV and voice services to residential and business customers in rural areas of the Southeast, Texas and the Northwest. Terms weren't disclosed, with the investment to be funded from a private equity fund with \$5.25bln of limited capital partner capital commitments. Mega Broadband Investments is a partnership with CEO *Phil Spencer*, who headed Rural Broadband Investments, a GTCR-funded rural cable op acquired last year by **Cable ONE**.

Rural America: President *Donald Trump* is talking everything from the US-Mexico trade agreement to rural infrastructure in an interview with **RFD-TV** Washington DC bureau chief *Sarah Mock*. The interview is set to air in three parts, beginning Wednesday and continuing on Thursday and Friday at 7:30pm ET. It will also re-air in its entirety on Labor Day at 7:30pm.

CFX Cablefax
PEOPLE TO WATCH

ENTER TODAY

Entry Deadline: August 24

Final Entry Deadline: August 31

Cablefax is looking for the next generation of cable, media and broadband leaders helping to drive the industry toward innovation and greatness amid rapid change.

Whether this describes you or a member of your team, we're looking for the rising talent that will become the C-level stars of tomorrow. All areas of discipline are in the running, including PR/marketing, digital, social, technology, HR, finance, legal, regulatory and beyond.

Enter at: www.cablefax.com/awards

40-Love: IBM Watson is continuing its relationship with the US Open, integrating its AI Highlights technology into player performance and helping coaches and players analyze and improve their performance. The solution will review hours of match footage and automatically identify and index key points and stats, allowing coaches to design reports, reference and review a database of the player's match data. In addition to these efforts, IBM's AI Highlights is expanding at this year's tournament to create highlights of a match or player within minutes.

Aspiring Awards: CHTRA announced the winners of the 2018 Excellence in Human Resources award winners. *Terese Farmen*, recognition program manager for **Cox Communications**, was named Aspiring Leader, and **Comcast NBCU Disaster Relief** was selected as Team Innovator of the Year. They will be honored at an awards luncheon in Philadelphia during CTHRA's HR Symposium on Oct 2. -- **NAMIC** announced *Debra Lee*, chairman and ceo emeritus of **BET Networks**, as the recipient of the 2018 Mickey Leland Humanitarian Achievement Award. She will be honored on Oct 17 at the 32nd Annual Namic Conference in NYC.

An Offer They Can't Refuse: Broke college students rejoice, another content partner has joined with **Spotify** to offer its content to student subscribers of the music service. Now, **Showtime's** library of original series and movies is available with Spotify's Premium for Students plan. The package, which also includes a **Hulu** Limited Commercials subscription, remains at a \$4.99/month price point.

Care Companion: DISH is partnering with **Independa** to make its voice remote compatible with the Independa AnyTV Companion. The feature becomes available when an Independa system is connected to a TV installed with DISH's Wally receiver. The remote allows users to control navigation, search and content selection while also featuring two buttons to launch the Independa system and to signal professionals and loved ones for assistance.

Football Freebie: Sling TV is offering a free preview of **Pac-12 Networks** to Sling Orange and Blue subscribers through Sept 17. Following the free preview, customers will be able to add Pac-12 Networks by subscribing to Sports Extra for an extra \$5/month for Orange customers and \$10/month for Blue customers.

Fight Song: ESPN released its inaugural ad spot in a fan-first campaign for the college football season. The creative, "Everything Matters," is a continuation of the "Who's In?" effort that began in 2014. Schools represented in the initial spot include Alabama, Georgia, Oklahoma and Miami. ESPN will also launch an **SEC**-centric version featuring all 14 of the conference's schools. And remember... a year from now we'll be talking about the **ACC Network**.

Copyright Lesson: A US Trade Representative fact sheet detailing a preliminary trade deal between the US and Mexico had some up in arms over copyright language. There was concern with the description that the deal would "extend the minimum copyright term to 75 years for works like song performances and ensure that works such as digital music, movies and books can be protected through current technologies..." Current law is 70 year plus life. There was a lot of confusion over what USTR meant, but it now appears that the 75 year period referred to works-for-hire and other works that don't fall under the "life plus" terms. Mexico and the US are already at or above 75 years for this category, so it appears this requirement is really aimed at Canada.

Programming: E! renewed "Hollywood Medium with Tyler Henry" for Season 4, premiering in 2019. -- **Viceland's** docu-reality series "Dopesick Nation" is set to premiere on the network on Sept 12 at 10pm. The show follows recovering addicts Allie and Frank as they attempt to help fellow addicts on their roads to recovery.

Connecting the Globe: Ruckus Networks is partnering with **Facebook** and others on the Express WiFi Certified program. The program sees participants partnering with local ISPs and mobile network operators to provide WiFi services. **Arista** and **Cambium Networks** serve as the other initial partners. In addition to the partnerships, Facebook has worked with manufacturers to build better Wi-Fi access points. Testing began in late 2015, and now Express Wi-Fi is available with 10 partners in India, Indonesia, Kenya, Nigeria and Tanzania.

People: Netflix picked *Verna Myers* for the newly created role of vp, inclusion strategy. For the past two decades Myers consulted with a wide range of major corporations and organizations on how to help eradicate barriers based on race, ethnicity, gender and sexual orientation through the **Verna Myers Company**. -- **Comedy Central** promoted *Matt Silvestri* to vp and creative director, brand creative. -- *Don Schena* is joining **WOW!'s** executive team as chief customer experience officer. Schena brings more than 20 years of senior experience in telecom, previously service as svp at **Clearwire, Comcast, AT&T** and **MediaOne**. He also acted as COO at **Simple Star**.

Most Powerful Women: Notifications for **Cablefax's** 2018 class of Most Powerful Women are going out now, with the full list of honorees to be revealed online on Sept 12. Which company will grace this year's cover? Pitch us your suggestions!

Think about that for a minute...

Playing With Fire

Commentary by Steve Effros

It's called "situational awareness," and some folks at Verizon out in California didn't have it last week when they didn't immediately just ignore the data plan that had been purchased by the Santa Clara County Fire Department and give them unlimited data usage during the horrendous fires being battled. According to Santa Clara County folks, one of their fire trucks had an LTE device that was "throttled" after the fire department admittedly exceeded the published cap on the service they had knowingly bought.

Now from the point of view of Verizon, or any other company with customer service reps, it's obvious that situational awareness should have triggered the quick response that in that circumstance the cap should have been ignored and the service quickly upgraded. That's true even though apparently the same fire department had the same problem several months earlier, knew about it, and still chose to stick with the service level they now wanted ignored.

What's even worse, California uses the "FirstNet" dedicated first responder system. That's a special system designed to prioritize service to first responders. For reasons nobody understands, the Santa Clara folks chose to make the Verizon limited data plan their primary provider and the FirstNet, dedicated, priority data system just a backup! Yes, one can be critical of the situational awareness of some customer service representative, but what about the Santa Clara County Fire Department's very strange decision regarding available data choices?

In any event, there are several things to learn from this; first, that customer service folks always have to be aware of what's going on in the community being served. I have no idea, but it could be that the call center the fire depart-



ment talked to for the extra data speed they had not paid for was in an entirely different part of the state, or possibly out of state completely. Regardless. Call centers have to be organized in a way that allows the representatives to be situationally aware. They also have to have the freedom and discretion to "do the right thing" whatever that may be, and worry about whether that was the appropriate decision later, when there is time for analysis and reflection. That didn't happen in this case, and Verizon has rightly apologized for that and made some corrections.

The other side of this drama, I'm afraid, won't be corrected so easily. You see, Santa Clara County is one of the lead legal complainers about the FCC's decision to abandon Title II "net neutrality" regulation. Spoiler alert; net neutrality has absolutely nothing to do with service bundle rates, so even if all the net neutrality rules had been in place it would have made absolutely no difference in this situation! But that didn't stop the advocates from blowing the whole event out of proportion and getting headlines in newspapers about how the lack of more regulation was somehow linked to all this. There are even calls for more hearings on Capitol Hill based on this episode.

I hope they happen. It would be really interesting to find out why Santa Clara County is not using the dedicated, prioritized data service already available to it. And at the same time it might be good to once again ask the question of why some folks insist that ISPs not be allowed (as would be the case with "net neutrality") to offer or provide prioritized service! Seems to me this would be the perfect example of why and when we should not be playing with fire.

Steve

T:202-630-2099
steve@effros.com

(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.)

Congratulate and Reach the Most Influential Minorities in TV, Cable and Broadband

Publication Date: October 15, 2018

Advertising Contact: Olivia Murray, Account Executive
301.354.2010 | omurray@accessintel.com

Ad Space deadline: September 17

Artwork due: September 21

www.cablefaxdiversity.com

