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At Odds: Starks Opposes FCC Broadband Report Citing 'Huge' Data Error

The **FCC** revealed its 2019 broadband deployment report Wednesday, claiming that the digital divide has closed by more than 18% from the end of 2016 to the close of 2017. And while the report left folks optimistic on broadband's growth, it's coming under heavy fire from folks inside and outside the Commission. The report's harshest critic may actually be one of the FCC's commissioners. In his dissent, commish *Geoffrey Starks* called the report "fundamentally at odds with reality," calling attention to an error in the development of the report itself. It all comes down to broadband service reports from provider **BarrierFree**. In the provider's first report to the Commission, BarrierFree said that, as of December 2017, it offered high-speed broadband service to an area with a population of 62mln people. **Free Press** was the first to bring attention to the data, saying that the inclusion of those results was a "massive over-statement" of the change in broadband deployment at the national level during 2017. "This claimed level of deployment would make BarrierFree the fourth largest US ISP in terms of population coverage—an implausible suggestion, to put it mildly," Free Press said in its March 2019 filing. When the revised report was circulated on May 1, Starks said it looked very similar to the one he had received previously. Pai said in a statement at the time that the new data didn't "change the report's fundamental conclusion: we are closing the digital divide, which means we're delivering on the FCC's top priority." "It's incredible to me that an error that large—approximately 62 million in overstated broadband connections—didn't materially change the report," Starks continued in his dissent. "The fact that such a large number of connections came out of the report's underlying data without changing the report's conclusion, and without resulting in a substantial charge to the report, calls into question the extent to which the report and its conclusions depend on and flow from data. These issues go to the core nature of the Deployment Report, and more broadly, our FCC mission—to determine where broadband service is and is not deployed, and to be grounded in and led by the actual facts and data." Starks called for data checks by Commission staff that would flag issues at the filing stage. He also suggested the deployment of machine learning models to identify outliers within the data sets that are likely to be anomalies. Fellow Democratic commish *Jessica Rosenworcel* also addressed the flawed data, although she put aside what she called in her

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dissent "the embarrassing fumble of the FCC accepting incorrect data" for the first version of the report. Her major concern was the FCC's decision to maintain its 25/3Mbps standard, which has not been updated in four years. In order to put forth what she called a "candid appraisal of the work we have to do to bring broadband everywhere," Rosenworcel called for the FCC to re-examine its basic methodology for gathering data, adopt a 100Mbps standard and be more thoughtful about barriers to adoption. Outside of the Commission, **NCTA** celebrated cable's significant progress, with 80% of American homes being able to receive gigabit service at the end of 2018 versus just 4% at the end of 2016. Still, there's plenty left to do, including updating Form 477 to ensure it offers more accurate data on the availability of broadband nationwide. "We support the Commission's conclusion that massive private investment is producing better broadband for more Americans, but the Commission must do more to achieve the goal of universal broadband," **NCTA** said in a statement to ***Cablefax***. "We encourage the Commission to quickly move forward with long-pending proceedings to reform the cable franchise regime and Form 477 broadband reporting requirements and to commence its promised proceeding on the new Rural Development Opportunity Fund."

ATSC 3.0 Ahead: The **FCC** Media Bureau has granted the first ATSC 3.0 licenses, just one day after the Bureau began accepting applications for the next-gen broadcast standard. Three stations got the thumbs up from the Bureau on Wednesday. Low-power broadcaster **WatchTV** of Portland was granted a modification to a next gen license for three of its Oregon stations. According to the application, WatchTV estimates it will commence ATSC 3.0 service for call signs K28GG-D of Medford, K14SC-D of Ashland and K25GA-D of Redmond/Prineville on July 1. Last year, WatchTV received an experimental license to allow its Class A low-power stations to be used for ATSC 3.0 DTS. Wednesday also was the first day of the ATSC standard group's two-day Next Gen TV conference, which features FCC officials along with reps from **NAB**, **Nexstar**, **TEGNA** and more. Broadcasters have said the voluntary next-gen standard will allow stations to provide advanced emergency alerts, VOD content and other interactive services.

May Ratings: **NBA** playoff action propelled **TNT** to the primetime cable throne in May, but **Fox News** wasn't far behind. TNT averaged 2.5mln P2+ viewers in prime for April 29-May 26, while Fox News averaged 2.39mln. For the week of May 20-26, Fox News edged out TNT in prime (2.37mln vs 2.31mln) and **ESPN** in total day (1.31mln vs 887K). The news net snagged the No 1 spot in total day for the month of May (1.34mln P2+) followed by rival **MSNBC** (909K). It marked the 35th month in a row that Fox News ranked as the top basic cable net in total day views. News performed well for May, but NBA action on ESPN and TNT accounted for May's top 32 cable programs. Fox's "Hannity" was the most-watched non NBA program, averaging 3.66mln P2+ L-SD for its May 1 ep. In fact, Hannity eps scored the top four non-sports cable shows for May, followed by **History's** "Curse of Oak Island" (3.33mln) and MSNBC's "Rachel Maddow Show" (3.27mln). Meanwhile, **Tunity Analytics** said Wednesday's Mueller announcement attracted nearly 4mln out-of-viewers at its 11:09am peak across four cable news nets. **CNN** led Tunity's ranking (1.592mln), a trend Tunity has seen for other big news, followed by **Fox News** (1.533mln), **CNBC** (436K), **MSNBC** (389K). Tunity captures out-of-home linear TV viewing that occurs in locations outside the home, such as bars, gyms and offices.

Out of This Country: After its acquisition by **Viacom**, **Pluto TV** continues its expansion with an increased European expansion. The free streamer launched on **Amazon Fire TV** and tablets in the UK, Germany and Austria on Wednesday. In Germany and Austria, Viacom branded channels will be available, marking the first time the channels debuted on Pluto TV outside the US. In the UK, more than 50 Pluto TV channels, including recently launched Pluto TV Drama and Pluto TV Crime are available to Fire TV customers.

Carriage Deal: **Cine Sony**, **Sony Pictures Television**'s channel for bi-cultural US Latino audiences, is now available on **Charter Spectrum**'s Spanish-language offering "Mi Plan Latino." With the agreement, Cine Sony is available on all major pay-TV platforms across the country.

Internet Ads: Internet advertising is becoming more relevant, according to **Pivotal Research Group**. The firm initiated coverage of the sector Wednesday, saying it is "more mature than it used to be." Pivotal initiated coverage on **Facebook**, **Twitter**, **The Trade Desk**, **Amazon**, **Google**, **Snap** and **Pinterest**. It issued "Buy" ratings to Amazon, TTD, Facebook and Twitter, particularly emphasizing Amazon and TTD. It awarded Amazon with a target price of $2,750 (currently $1,836.86), noting "AMZN's move to one-day retail is the beginning of another disruptive journey for retail." TTD earned a target price of $255 (currently $202.27), with the note reading "TTD in incredibly well-positioned as they hit an inflection point in connected TV advertising." It gave "hold" ratings to the other three players, describing Google as "lacking expansion of margins or greater disclosure, it [is] unlikely to rerate higher and will likely always be 'cheap.'"

New Waze: **Waze** and **AccuWeather** are entering into a media and data sharing partnership called "Waze for Broadcasters." The two companies will integrate tools, and research around relevant traffic news, including jams, road closures, estimated drive times and routes. The tool is designed to provide users and partners with comprehensive coverage of what's happening on the road.

Member Alliance: The **Streaming Video Alliance** kicked off its two-day Annual Member Meeting Wednesday in Philadelphia at the new **Comcast** Technology Center. The global association, which is comprised of organizations from across the video ecosystem, is celebrating its fifth anniversary. Among the issues being discussed this week are VR and the timeline for 360-degreee video streaming latency proof of concept along with ad monitoring and taxonomy of OTT media uses and transport protocols. **Comcast** CTO *Mark Zelesko* and Comcast svp business and industry affairs *Mark Hess* are keynoting the event.

Georgia Growth: **Hargray's** expansion plans have grown once again with the company announcing it will grow its fiber footprint in Georgia. Hargray will begin the latest effort with last-mile fiber construction in Conyers, GA.

Senate STELAR: **Senate Commerce** announced it will hold its own STELAR review hearing on June 5. It'll come one day after **House Commerce's** own review of the Satellite Television Extension and Localism Act Reauthorization, which would give **DISH** and **DirecTV** compulsory copyright licenses to retransmit distant broadcast signals.

Ratings: Christina Anstead's solo **HGTV** debut "Christina on the Coast" pulled in 29mln total viewers in L+3 after its May 23 9pm premiere. It saw a 0.81 rating among W25-54, a 29% increase in the demo for the timeslot over the prior six weeks.

People: *Hayes Tauber* was named as evp, marketing for **INSP**, reporting directly to COO *Dale Ardizzone*. Tauber previously served as svp, US marketing for **National Geographic Partners**, overseeing marketing for **Nat Geo** and **Nat Geo Wild**. He also served as vp, brand strategy & multiplatform marketing for **truTV**, leading the network rebrand from **Court TV**. -- **High Noon Entertainment** upped ***Katie Neff*** to svp, development. She's been with the company since 2011, where she previously served as vp, development. -- The **NAB Leadership Foundation** promoted *Michelle Duke* to pres, effective July 1. She's served as vp of the foundation since 2010, and will take over for *Marcellus Alexander*, who previously announced his retirement.

Think about that for a minute...

Speed vs. Value

Commentary by Steve Effros

As you know, one of my recurring themes these days can easily be summarized as "speed kills." Usually I'm talking about the impact of our technology and its ability to accelerate the distribution of information, or misinformation. Today I'm going to take a slight detour.

Not only do we have to worry about the dissemination of information and what it can do, we should also be aware of our tendency to react to that "information" and reach conclusions or at least suggest them with little or any real support.

I guess we should all have known this was going to happen when some very smart folks started building an extremely high-tech fiber-optic link to instantly get data from the Chicago Commodities Exchange to the New York Stock Exchange. They went to extraordinary lengths, even boring through mountains, to get as straight a path as possible for their fiber so that the last miniscule bit of speed could be attained. That helped sell the system to traders who use high-speed computer trading which sometimes sees fractions of seconds make huge financial differences. Is that a good idea? Should financial decisions be decided based on speed rather than reasoned analysis? Should we force a delay in the entire process? All good questions.

Anyway, now everyone seems to reach conclusions based on very limited analysis. The latest buzz around OTT is that Netflix might be in trouble because Disney is about to get in the business with its own streaming service, and since Disney has a very deep library and Netflix does not, customer preferences may be forced to shift in the Disney direction! Of course Netflix has seen this coming, and it is focusing on original product, and spending immense amounts of money in the process.

So reaching any speedy conclusion is a fools game at this point. The mere news that Disney or anyone else (Apple? Comcast?) is gearing up to compete for eyeballs and subscriptions shouldn't immediately trigger either the analysts or the consumer press folks to stampede in any direction. I fear it's too late to get everyone to slow down, however. This seems to be a time of instant dissemination, instant analysis and instant reaction. All of it bad.

There's a certain irony to the analysis that the Disney library is the key to future streaming competition. That, after all, is where HBO started! We've seen this before. Remember, it was a "box office" of aggregated movies, a "library," which attracted the original attention. After its successful growth, aided by its linkage with the cable industry, HBO, like Netflix, started down the path of original productions which resulted in overwhelming hits like The Sopranos and Game of Thrones.

But those, too, may be part of a bygone era if the analysis is correct that the "binge" watching instant release of entire seasons of programs, the way Netflix does it, will dampen any grand obsession for publicity, reporting buzz and focus as has just taken place for the GOT final season. Who knows? Certainly not me, and I doubt anyone else really has a clue either.

The point here is that the only thing the speed and clamor of many discussions really results in is speed and clamor. The quality of the analysis has to await more information and careful observation and study. All of those things are lost in the headlong rush we seem to be unable to escape. My advice; take a deep breath and relax a little. Speed doesn't equate to value.

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.)