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What the Industry Reads First

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First Timers: FTC, FCC Heads Tackle 5G, Big Tech at CES

Three years after rising to the position of **FCC** chmn, *Ajit Pai* finally made his **CES** debut Tuesday afternoon. He received plenty of ribbing from **CTA** pres/CEO *Gary Shapiro* for his delay in attending the conference as Pai has been scheduled to appear at the Vegas-based conference every year since 2018. Threats to Pai and his family led to a cancellation in 2018, while both he and **FCC** commish *Brendan Carr* were forced to back out in 2019 due to a partial government shutdown. Pai kicked off the inaugural appearance by discussing the success of broadband since the approval of the **FCC**'s 2017 Restoring Internet Freedom Order. "More Americans than ever before, faster than ever before, are able to hate-tweet their favorite **FCC** chairman," Pai joked. Taking on a more serious tone, he encouraged lawmakers and citizens alike to focus on what both Democrats and Republicans can agree on in terms of open internet principles, including no blocking or throttling, encouraging competitive conduct and maintaining transparency. "I just described in five seconds a bill that should sail through Congress, but this has become more of a political issue than a policy one," Pai said. Turning to 5G, Pai said that it's part of a suite of services that the **FCC** wants to encourage in the US. The **FCC** has encouraged 5G deployment through its 5G Fast Plan, which prioritizes freeing spectrum and greater deployment of small cells. Those will continue to be priorities in 2020, as will the deployment of fiber. "We have a very big country geographically, we're very diverse demographically, and I don't want fiber to be the bottleneck for some of the 5G networks that need to be built," Pai said, adding that he wants to make it easier for companies to participate in the **FCC**'s rural broadband programs to encourage fiber deployment. "Frankly, we don't care what company is trying to pioneer fiber deployment. We want all of them to have a full and fair chance to compete." On the data and privacy front, **FTC** chmn *Joseph Simons* addressed the way that the agency approaches big tech. "We don't go after companies just because they're big and successful," Simons said. "It has been doctrinal law in the antitrust in this country that we encourage firms to compete, and if they do that and become successful and go to the extreme of monopolizing the market, if they've done it legally, we shouldn't then turn around and penalize them for success." The **FTC** has been subject to criticism from consumer associations and Democratic lawmakers for not going after big tech enough, and striking insufficient settlements with those companies when it does decide to take action. The two biggest examples

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in 2019 were its \$170mln settlement with **YouTube** over children's content and its record-setting \$5bln settlement with **Facebook** that required the social network to revamp its consumer privacy practices. Though they sparked controversies, Simons said he designates those as his proudest achievements since becoming FTC chmn. "Those settlements imposed requirements that are far and away greater than what the law itself requires, including transparency requirements," Simons said. "Facebook and **Google** know that we're paying attention... if they continue to do what they were doing in the past and violate the privacy laws, then they can expect that the repercussions will be even more severe. YouTube rolled out changes to the platform to comply with the settlement Monday, restricting targeted ads from running on kids' videos and restricting user access to comments and other community features. YouTube will also begin running promotions for its YouTube Kids app which filters the type of content users can see on all videos made for children.

CES Notebook: NFL fans in Las Vegas get ready. **Cox Business** says that the future home of the Raiders, Allegiant Stadium, will be the "ultimate connected fan experience." Allegiant Stadium will be fully covered by 1.7K WiFi access points, 227 miles of fiber and copper connectivity and nearly 2.2K Cisco Vision screens and signs throughout the venue. "I think we're going to see a great example of technology done right when the stadium opens here in Las Vegas," NFL chief information officer *Michelle McKenna* said Tuesday at **CES 2020**. "In 2012 when I joined, there were stadiums that didn't have WiFi. We had to do some work to convince owners that WiFi was as important as plumbing." Back then, **Verizon** and **Extreme Networks** partnered with the NFL, and within 18 months all stadiums were WiFi enabled. Next up is 5G. Verizon kicked off the 2019-2020 season with 5G in 15 stadiums, and is ready for the first Super Bowl with 5G. "5G is going to revolutionize what you can do," said McKenna. It will allow you to immerse yourself in the game in a different way. Something as simple as the virtual yellow line that you get to see on broadcast. There's so much that can happen when you have that kind of speed and connectivity, and that's been one of our biggest challenges. Our stadiums are made of concrete and full of people made of water, and those are the two things that signal can't travel through." -- Short-form content startup **Quibi** has gained plenty of attention for its choice to embrace bite-sized content experiences, even scoring its own CES keynote Wednesday morning. But not everyone is convinced that short-form content has the power to engage in the same way that long-form content always has. "It still very much feels like people are consuming it in the interstitials of their life," *Samantha Cooper*, **ViacomCBS'** evp, partnerships, distribution & business development, said on a CES panel Monday. In her view, the only one to break the mold and find viewership for short-form on the television is **YouTube**. **Fox** svp, digital and social sales *David Borstein* said that the real opportunity in short-form is to use it to test new ideas that could then be translated into the traditional long-form format, pointing to



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the ViacomCBS-owned **AwesomenessTV** as a prime example of that. The brand continues to post web series to its YouTube channel, but has also found success producing the sketch comedy series “AwesomenessTV” on **Nickelodeon** and producing content for SVOD services. “We do see success, and value in third-party licensing of our IP. **Netflix, Amazon, Hulu...** they are very important strategic partners for us,” Cooper said.

5G Talk Dominates at CES: It wouldn't be **CES** if 5G wasn't at the top of every conversation. Spectrum was top of mind, and while **Samsung** svp, public policy *John Godfrey* said the **FCC** has done a great job at freeing up mmWave spectrum for 5G uses, it needs to take a closer look at the midband. “That has a nice compromise between carrying capacity and propagation, so the US really needs to move faster on that,” he said. **Verizon** associate/general counsel, emerging technologies *Melissa Tye* said the wireless provider is also looking more closely at midband spectrum, particularly the C-band. She added that Verizon and others in the industry consider it vital to have that spectrum allocated via an FCC auction by the end of the year. The other challenge Verizon is facing in its continued deployment of 5G is the need for more fiber and greater levels of small cell deployment. For that to be improved, Tye called for a streamlining of the small cell deployment process at the local level. “It probably doesn't make sense and it's not serving anybody to file 200 applications that all say the same thing, but change the location by 200 feet,” Tye said. “It's about having conversations on that and ensuring communities feel good about what we're doing.” Verizon met its goal of deploying 5G to parts of 31 cities within 2019, and its upping the ante in 2020. Tye said Verizon is hoping to reach 50% of the population with its 5G network by the end of the year.

Amazon Fire TV Spreading: **Amazon** used CES to announce an expansion of its Fire TV offering, including an edition aimed at video service providers. **Verizon** and India's **Tata Sky** are the first announced providers on board. Not a lot of info yet on how the integration will take place for service providers. Amazon also announced a Fire TV edition for Auto that will enable vehicle manufacturers to integrate the offering directly into in-car entertainment systems. **BMW** and **Fiat Chrysler** Automobiles have signed on.

Networks Join Nielsen Addressable Ad Test: **Nielsen** began a beta launch of its addressable TV ad platform, and **A+E Networks, AMC Networks, CBS, Discovery, Fox, NBCUniversal** and **WarnerMedia** will run addressable campaigns as part of the beta test. The program will run through the first half of 2020 and is designed to evaluate how it interoperates with existing and evolving workflows. Nielsen expects a commercial debut later this year.

Weekly Ratings: “Countdown to Christmas” may have wrapped, but **Hallmark Channel's** still a top five cable net. It finished the week of Dec 30 as the third most-watched ad-supported, basic cable net in prime, averaging 1.34mln total viewers per Nielsen. College Bowl games easily propelled **ESPN** to the No 1 spot in prime. It averaged 4.8mln viewers—well ahead of second-place finisher **Fox News** (2.17mln). Fox had a healthy lead over its cable news competitors, with **MSNBC** finishing 5th in prime (1.18mln) and **CNN** taking 8th place (976K).

Speed Spat: **ACA Connects** and **NTCA – The Rural Broadband Association** disagree with a **USTelecom** recommendation that the **FCC** lower the upstream speed to 10Mbps from 20Mbps for the proposed Rural Digital Opportunity Fund 100Mbps performance tier. The program uses USF funds to bring broadband to unserved areas. It has a 25Mbps/3Mbps baseline tier, but the FCC also set aside money for a 100Mbps and a 1 Gig offering. USTelecom, whose members include **AT&T** and **CenturyLink**, argue the faster upload speeds won't help rural America much. NTCA and ACA Connect joined together to argue against adjusting the requirements. “It would be remarkable ‘backsliding’ indeed from the CAF Phase II auction to adopt lesser standards—such as lower upstream speeds or entirely new, lower speed tiers—for an auction that will be conducted at least two years later and will distribute funds into the early 2030s. Rather than closing the digital divide, USTelecom's proposal will only widen it,” the two wrote in joint comments to the FCC this week.

Ratings: **HGTV's** series “Love It or List It” delivered its highest-rated episode in series history on Dec 30. It brought in more than 3.4mln total viewers in L+3 with a 0.92 in P25-54 (a 130% jump in the 9-10pm timeslot over the previous year).

Programming: **ESPN+** is kicking off 2020 with more than 1,300 live events and 125 exclusive, original programs, including *Conor McGregor's* return to UFC, more than 800 men's and women's college basketball games, 40 NHL games, FA Cup and Australian Open tennis. -- **AMC** will air a five-week “Breaking Bad” marathon in advance of the TV premiere of “El Camino: A Breaking Bad Movie” on Feb 16 at 8pm. The marathon, featuring all episodes from the five seasons of the show, kicks off Jan 19 at 4pm and airs over five consecutive Sundays. -- **DirectTV** customers will be able to watch the College Football Championship between LSU and Clemson on **ESPN** in 4K. The game airs Jan 13 at 8pm. -- **Sundance Now** will premiere French crime drama “The Red Shadows” on Jan 23. New episodes of the six-part series will be added on Thursdays. -- **Universal Kids** is bringing back “American Ninja Warrior Junior” for Season 2 on Feb 22 at 7pm.