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What the Industry Reads First

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Divided Still: Net Neutrality in the Age of COVID-19

Both sides in the never-ending net neutrality debate argue the current COVID-19 crisis makes their case. With US networks weathering the increased traffic from stay-at-home orders, ISPs believe the FCC's 2017 Restoring Internet Freedom order paved the way for increased network investment that is paying dividends today. On the other side, critics of the order argue that the COVID-19 emergency underscores their belief that only regulation can ensure that broadband internet facilitates local governments' efforts to protect the public. **AARP** called the COVID-19 pandemic a "stress test" that illustrates a digital divide—arguing for a return to Title II. "The digital divide is negatively affecting millions of Americans in the best of times and the COVID-19 stress test simply confirms that the Commission's existing universal service programs, combined with low levels of broadband competition, are not fulfilling statutory objectives or meeting the basic needs of Americans," the association said. The FCC kept its Monday, April 20, deadline for comments on how changes adopted in its net neutrality order could impact public safety, despite a call by L.A., Santa Clara County, Santa Clara Fire and NYC to grant a 60-day extension because of the current pandemic. Commish *Jessica Rosenworcel* blasted the denial as "shameful." The FCC is seeking to refresh the record after the DC Circuit remanded some elements of the FCC's Restoring Internet Freedom order back to the agency. The FCC wants info on how changes in the net neutrality order might affect public safety, asking questions such as whether network improvements made by possible prioritization arrangements benefit public safety applications. The County of Santa Clara, Santa Clara County Central Fire Protection District and the City of L.A. said the FCC is asking the wrong questions. The problem, they argue, is that the FCC is starting from the premises that public safety communications can be identified, isolated and treated differently based on their endpoints and that public-safety internet traffic travels primarily on business or enterprise plans not subject to the Restoring Internet Freedom order. "Increasingly, to reach residents, public safety officials use nongovernmental internet platforms. These uses include not only live-streaming on social media platforms of crucial updates on the COVID-19 pandemic by public health and emergency response officials, as we discuss below, but also posting video or photos of a suspect on Twitter or other social media platforms to engage the public in identifying and apprehending suspects" they wrote. "Because local governments distribute emergency information to the public over the internet..., reliable and unfettered internet access by

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members of the public—not just governmental personnel—is essential to effective emergency and public-safety management.” The entities said they could only file incomplete comments right now because of the pandemic. The FCC is also seeking input on the order’s effects on pole attachments and the Lifeline program. Last fall, the DC Circuit upheld the Restoring Internet Freedom order’s core aspects, including eliminating Title II status for ISPs. The proceeding has been the FCC’s most active proceeding this year, with more than 3K comments filed in the past 30 days. **NCTA** declared that the order—which relieved its members of common carrier mandates—doesn’t adversely affect the public interest in any of the areas being studied. “Moreover, the light-touch approach reinstated by the RIF Order redounds to the benefit of public safety users by encouraging greater investment and innovation in broadband services available to such users, and by giving broadband providers greater flexibility to offer tailored services that meet these users’ needs,” NCTA said. As for the effect of having broadband classified as an information service on pole attachments in states subject to federal regulation, **ACA Connects** said it has had no impact on its members’ pole attachment rights as all commingle broadband with either or both cable or telecom services. The group concluded that the universe of customers served by providers that only offer broadband is very limited, and thus the order has no appreciable effect on pole attachments.

NY AG Probing Charter’s COVID-19 Labor Practices: The NY attorney’s general office confirmed that it has opened up an inquiry into **Charter’s** labor practices and management of employees during the COVID-19 pandemic. *The NY Times* broke the news Tuesday, reporting that an anonymous source with knowledge of the company said more than 230 employees have tested positive for COVID-19 since the pandemic hit the US. Charter has 95K+ employees. Of the Spectrum employees who tested positive, roughly half worked in offices or call centers, and two Spectrum field workers have died, the source told the *Times*. Charter’s policy on remote work resulted in an engineer in Denver’s resignation last month. Charter later revised its policy, saying it would provide the “option to work remotely to employees we believe can remain productive outside the office without endangering our obligation to provide critical service.” A Charter spokesperson said Tuesday that “the significant majority of our office workers, including call center employees, are remote.” Among those who continue to report to the office are CEO *Tom Rutledge*. Charter declined to comment on the AG inquiry or the number of illnesses and deaths.

Netflix Scores Bigger Win Than Expected: If anyone was going to emerge as a winner during the COVID-19 pandemic, it was **Netflix**. The streamer added 15.8mln new subs during 1Q20, breaking the record it set one year ago when it added 9.6mln during 1Q19. Revenues hit \$5.77bln and earnings per share came in at \$1.57. That increase in demand has posed its own challenges, and the shareholder letter offered new details on how the streamer is handling it. As a precaution,

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it is temporarily reducing the number of product innovations it is experimenting with, instead focusing on features like improved parental controls that may be of higher priority during this time. It's worked out most of the kinks when it comes to customer support personnel working from home and has hired an additional 2K employees to deal with the increased demand on its platform. Netflix isn't planning on the boost in demand to last forever, and expects viewing and growth to decline as governments begin slowly lifting orders confining people to their homes. Its internal forecast and guidance is for 7.5m global paid net adds in 2Q20. "The actual Q2 numbers could end up well below or well above that, depending on many factors including when people can go back to their social lives in various countries and how much people take a break from television after the lockdown," the company said in a letter to shareholders.

HBO Max Sets Debut Date: HBO Max will officially launch on May 27, WarnerMedia announced Tuesday. Those who currently subscribe to HBO through AT&T will receive immediate access to HBO Max for no additional charge. Those on select other AT&T wireless, video and internet plans will also have HBO Max access added to their plans. On day one, the service will offer 10K hours of content including a slate of originals like scripted comedy "Love Life" and a revamped "Looney Tunes Cartoons." After the launch, WarnerMedia plans to debut more originals at a regular cadence through the rest of 2020. "Even in the midst of this unprecedented pandemic, the all-star teams behind every aspect of HBO Max will deliver a platform and a robust slate of content that is varied, of the highest quality, and second to none," WarnerMedia chmn Bob Greenblatt said in a statement.

Magnolia Premiere Put on Hold: Magnolia Network, Discovery's jv with Chip and Joanna Gaines, is delaying its launch due to production delays associated with the COVID-19 pandemic. The net was originally scheduled to debut on Oct 4. But fans will be able to get a sneak peek into what Magnolia Network will have to offer with a four-hour preview event set to begin Sunday at 5pm on DIY Network. The event will include a look back at the Gaines' "Fixer Upper" series with never-before-seen footage and episodes of upcoming originals "Home on the Road" with music duo JOHNNYSWIM and "Growing Floret."

Another Wave of Telehealth Funding: The FCC's Wireline Competition Bureau approved an additional five funding applications for the COVID-19 telehealth program. The approvals will give an additional \$3.71m in funding to healthcare providers providing telehealth services in locales like LA and NYC during the COVID-19 pandemic. The Office of the Managing Director and the Wireline Competition Bureau also announced they'd suspend the red light rule for the COVID-19 telehealth program, which would block applications from entities that have not repaid their debts to the Commission.

Free View of the Weather: The Weather Channel is working with its current distribution partners to offer a 60-day preview to subscribers who do not currently receive the network on their service tier. Comcast has already taken Weather up on the offer. All customers will have access to view the preview on Comcast's Stream site and app on April 14 and Flex devices on April 20.

Ratings: It was one concert heard 'round the world! "One World: Together At Home" pulled in nearly 21m viewers across 26 networks on Saturday, according to Nielsen. The broadcast of the concert organized by Global Citizen and Lady Gaga was broadcast from 8-10pm, and was tape-delayed on four other nets. There were 4.9m total interactions across Facebook, Twitter and Instagram. -- The newscasters led all of cable in last week's ratings race, with Fox News taking the top spot in prime (3.977m P2+) and total day (2.301m), according to Nielsen. MSNBC was runner up in prime (2.092m), followed by CNN (1.951m). CNN edged out MSNBC in totally day, 1.365m vs 1.314m. What else are Americans watching? A lot of Discovery Inc content. Three of the top 10 ad-supported cable nets for the week are Discovery siblings—4th place finisher HGTV (1.363m), 5th place TLC (1.153m) and 7th place Discovery Channel (1.027m). History nabbed 6th place with 1.034m.

NAMIC Update: NAMIC plans to go ahead with its annual conference, taking place Oct 6-7 in NYC. This year's theme is "Building a Legacy: The Future is Now" to celebrate its 40th anniversary. However, the organization said it's monitoring conditions due to COVID-19 and exploring additional options, including the possibility of a virtual conference.

Honors: The SCTE Foundation is accepting applications for the Catherine Oakes Memorial Leadership Scholarship for Women award to be used towards attendance at the WICT EDS: Executive Leadership Presence workshop. The workshop is scheduled for Sept 30-Oct 1 in San Diego. The \$3500 award is open to all women who are SCTE-ISBE members and defrays the cost of the workshop as well as a portion of travel and housing costs.

People: AMC Networks appointed Robyn DeMarco as svp, programming strategy, acquisitions and scheduling for the company's entertainment group. DeMarco spent more than 20 years at Viacom, most recently serving as evp, programming and content strategy for MTV.