

# Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

## People's Court: Groups Stand Up For FTC's Click-to-Cancel Rule

The **FTC** has undergone a number of changes in recent weeks, all while a legal battle continues in the Eighth Circuit over the agency's recently adopted Click-to-Cancel rule.

The rule, which went into effect in January, requires companies offering memberships to make it easier for consumers to cancel those subscriptions. It specifically addresses negative option contracts that force a customer to take affirmative action in order to decline or discontinue a service. **NCTA**, the **Interactive Advertising Bureau** and others have asked the federal court to strike down the rule, which applies to multiple businesses, including streamers and broadband providers.

The **Center for Consumer Law and Economic Justice**, **Consumer Federation of America**, **Consumer Action**, **National Consumers League**, **National Consumer Law Center** and **National Association of Consumer Advocates** submitted an amicus curiae brief supporting the FTC rule last week, calling the regulation a "commonsense effort to protect American consumers" from abuse stemming from negative option contracts.

In the brief, the groups noted that the petitioners combating the Click-to-Cancel rule don't argue against the need for the rule or that it somehow violates constitutional norms. Instead, the challenge is largely based on an argument that the rule exceeds the FTC's statutory authority, is arbitrary and capricious and violates procedural requirements.

"Petitioners selectively highlight industry-specific hypo-

theticals, exaggerating supposed burdens while ignoring the Rule's carefully articulated flexibility," the brief said. "The FTC explicitly considered and addressed legitimate concerns about verification processes and bundled services, adopting reasonable standards that balance consumer protection with practical business needs."

They fought back against specific claims that the FTC violated Section 18 of the FTC Act, saying the rule comfortably sits within the bounds of the statute.

"Contrary to Petitioners' assertions, the FTC's 'Click-To-Cancel' Rule comfortably satisfies Section 18's requirements by precisely defining unfair and deceptive practices, substantiating their pervasiveness, and addressing the very consumer harms that Congress sought to curtail," the groups said.

Also supporting the FTC's right to institute the Click-to-Cancel rule is the **Main Street Alliance**, which filed an amicus brief of its own. The association represents approximately 30,000 small businesses across the country, and it said its members would suffer from competitive disadvantages should the rule be struck down. Among the consequences would be lost sales due to much larger competitors using negative option contracts.

The association firmly stood behind the FTC's statutory authority to create the Click-to-Cancel rule, noting that the agency had plenty of evidence showing a need for the regulation. It not only had thousands of consumer complaints related to negative option contracts, but also nearly 100 private actions, studies and survey results submitted by commenters as well

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Commissioner, Women's National Basketball Association (WNBA)



Inaugural Spotlight Award  
**CRAIG MELVIN**  
Co-Anchor, *Today* and Co-Host, 3rd Hour of *Today*, NBC



Executive Leadership Award  
**RITA FERRO**  
President, Global Advertising, The Walt Disney Company



Corporate Leadership Award  
**MIGUEL "MIKE" ROGGERO**  
Chairman & CEO, Fuse Media



Lifetime Achievement Award  
**R. THOMAS UMSTEAD**  
Senior Content Producer, Multichannel News/Broadcasting & Cable



Emcee  
**ELLE DUNCAN**  
Anchor, *SportsCenter* ESPN



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as many recent federal and state enforcement actions.

“At bottom, Petitioners are not making an argument about statutory authority at all; they simply disagree with the FTC’s substantive conclusion that the practices the rule addresses are widespread,” Main Street Alliance said.

Oral arguments in the case have not yet been scheduled, but the court is looking to schedule something in the May-June timeframe. Last week, the FTC notified the court that it would be unable to appear on June 12-13, but was available at any other time during that period.

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## NAB PETITIONS FCC TO AXE CAP

The pressure on the **FCC** to adjust the broadcast ownership rules continues to rise. **NAB** filed a petition with the Commission Wednesday asking it to eliminate the national cap on the percentage of Americans one broadcast group can reach. The association’s letter mentions former FCC Chair *Ajit Pai*’s efforts to revisit the rules in 2017, but adds there hasn’t been much movement even as the video marketplace evolves rapidly. “At the start of this proceeding in 2017, NAB had advocated for the FCC to at least do no harm, and essentially preserve the status quo by either retaining the 39% cap and discounting all stations (not just UHF) at 50% of their reach, or in the alternative, if the Commission was intent on eliminating the discount, to raise the cap to 78%. But continued marketplace trends over the past seven years make clear there is simply no good reason to keep any artificial limits on TV station groups’ audience reach,” NAB’s letter read. It pointed to **Google** and **Facebook** “gobbling up local advertising revenues” and broadcast stations competing with unconstrained streaming platforms for viewers’ attention. NAB also wrote that the FCC has proven it retains authority to revise the ownership cap, citing the 2013 rulemaking notice approved to consider eliminating the UHF discount and the eventually reversed 2016 order that eliminated the UHF discount.

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## TIKTOK COUNTDOWN... AGAIN?

Yes, **TikTok** is once again in a race against time to beat a Saturday deadline and avoid being banned (again) in the U.S. The issue [remains centered](#) around the app’s owners **ByteDance** as U.S. officials flagged concerns regarding TikTok sharing user data with the Chinese government. In January, the app was briefly banned in the U.S. before being reinstated for users, and it delayed the deadline for the social media platform to find a new owner. It’s a two-step process for TikTok to survive this round: President *Trump* must approve a deal, then China’s President *Xi Jinping* needs to give it the go-ahead. The reported interested parties include the likes of **Oracle**—which

already operates TikTok’s U.S. servers—and other private equity firms like **Blackstone**. Another player, however, made its entrance in the ring Wednesday, with the *New York Times* [reporting](#) **Amazon** submitted a last-minute bid to acquire all of TikTok. Citing people familiar with the bid, the report then states parties involved in the bidding process don’t look as if they’re treating Amazon as a serious factor. Trump and White House officials are set to go over possible deal options today.

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## NHL STICKS WITH ROGERS

The **NHL** sorted its distribution for our neighbors up north, signing a 12-year deal with **Rogers Communications** for the national media rights to NHL games on all platforms in Canada through the 2037-38 season. It’s an \$11 billion CDN agreement that’ll kick in with the 2026-27 season. Under the new deal, fans will be able to access all regular-season games, playoffs, the Stanley Cup Final and other special events. The deal also includes out-of-market rights for all regional games and makes Rogers the exclusive category sponsor for the NHL and all NHL tentpole events held in Canada. Additionally, the agreement allows for the possibility of sublicensing part of the rights, including national French-language and a single-night exclusive national package.

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## DIRECTV MAKES MORE ADDITIONS TO SKINNY BUNDLES

**DirecTV** is dishing out another set of enhancements for its Genre Packs. Arriving today is **MLB Network Strike Zone** on MySports Extra, offering viewers live look-ins and season-to-date updates regarding MLB. No changes will be made to MySports Extra’s price of \$12.99/month. **Ovation** is set for launch within its MyEntertainment package. Stay tuned for more additions in the coming weeks, but with the FAST service MyFree DirecTV.

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## FUBO PITCHES MLB PARTNERSHIPS

**Fubo** inked marketing partnerships with the **MLB**’s Reds, Guardians and Astros for the duration of the 2025 season. They join the Rangers on the list of baseball teams the vMVPD is partnering with. Part of the collaborations include in-stadium and digital branding, fan engagement opportunities and promotional offers for fans to stream on Fubo. Fubo’s lineup includes over 35 RSNs in addition to carrying **MLB.TV**, **MLB Network**, **MLB Strike Zone**, **FS1** and **ESPN**.

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## CARRIAGE

**CNBC**’s subscription offering **CNBC+** will begin rolling out on



## How I got **HERE**

DAVID  
**Kline**  
EVP, CHARTER  
& PRESIDENT, SPECTRUM REACH



It's been quite a 46-year career for Kline, but it's a chapter that'll come to a close once he enters retirement in May. Still, he plans on keeping his hand in the game by serving on boards, and after an initial feeling of nervousness, Kline is embracing retirement and looking forward to the opportunities he'll now have.

Kline's beginnings came in 1980 as a door-to-door salesman for Warner-Amex Cable Communications. After learning the pay TV business he made the switch to Showtime as an affiliate representative, before jumping to the regional sports networks business in the early 1990s. Kline worked as SVP/GM of Sportschannel Ohio (now known as FanDuel Sports Network Ohio). In 1997, he became President/COO of Cablevision Media Sales Corp., a role he'd hold for 15 years before a brief stop at Visible World as President/COO and then Ensequence as COO. Kline joined Spectrum Reach in 2015, proving to ultimately be the last stop on his career journey.

The TV advertising landscape has gone through ups and downs throughout Kline's career, but the biggest change, in his view, is how far technology has come and the ways it's democratized advertising. Kline added that the shift in digital has enabled marketers to have more freedom to find the right audiences they want.

"Back in the '60s and '70s, if you had a TV show on a broadcast network, you could brand yourself with one spot. Sixty percent of the country tuned in to see 'M\*A\*S\*H,'" Kline told CFX. "But what's happened is, over time, the audiences splintered, and the technology has made it much easier to try and reach those people at the right time, with the right message and be able to allow them to transact."

The new waves of technology played into how Kline stayed motivated to remain in the same industry for more than four decades. He said always being willing to find, try and get involved with every new thing or trend goes a long way with keeping the spark alive, and in an ever-changing advertising business, that'll certainly continue.

Among Kline's fondest memories include the people he's met along the way. In that group are former AMC Networks chief Josh Sapan, former Charter CEO Tom Rutledge and current CEO Chris Winfrey as well as Rich DiGeronimo, Charter's President, Product and Technology. But among career-defining memories is being one of the first groups to obtain all of the TV rights in Cincinnati for the Reds. "At that time, most regional sports networks, all they did was they buy the cable network rights. Well, I had an opportunity to buy all the television rights—so cable and broadcast," he said. "I didn't even know what I didn't know at the time, but I know at Cablevision, if you had a good idea and you could back it up, they would fund it."

On Kline's to-do list once retired includes getting his tennis game back (he said he was a 5.0-rated player in his college days at Ohio State). He'll get in some golf, nonprofit work, traveling and family time as well, quipping that he'll remain almost as busy as now.

"It seems like yesterday I was knocking on doors and dreaming of being a cable executive. And if you can dream it, you can do it in this industry. It sounds trite, but it's true," Kline said.

— Noah Ziegler

**Apple TV** and **Roku**. Users will get access to the network's business news content and Business Day shows for from the U.S., Europe and Asia for \$14.99/month. Folks can also run two CNBC+ livestreams to simultaneously watch shows like "Squawk Box Europe" and "Closing Bell" every weekday. – **TCLtv+** is adding 21 FAST channels from the **Warner Bros. Discovery** portfolio. Set to arrive this month, the additions span genres including news, food, sports, true crime, history, travel and unscripted formats. **CNN Headlines**, **B/R Sports Network**, **Primetime Soaps**, **MotorTrend FAST TV** and others headline the new TCLtv+ channels, which feature more than 350 in total.

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## WOMEN OF THE YEAR

The **WICT Network** revealed its 2025 Women of the Year. Representing the Media realm is **Optimum** SVP/Chief Procurement Officer **Jennifer Yohe**. Taking home the win for the Entertainment segment is **Paramount Global** EVP/CFO, Direct to Consumer Segment **Elizabeth Wright**. When it comes to Technology, the woman to celebrate is **A+E Global Media** CTO/EVP, Head of Global Technology and Media Operations **Susan Tanamli**. The organization also announced this year's Women to Watch, which are **Spectrum News** SVP/General Manager **Alison Hellman** (Media); **Disney** SVP, Platform Distribution Sales **Lauren Morrissey** (Entertainment); and **Comcast NBCU** SVP, Technical Operations and Engineering **Rachel Solomon** (Technology). They will be celebrated during WICT Network's Signature Awards Luncheon on May 6 at the Four Seasons Beverly Wilshire Hotel in L.A.

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## FIBER FRENZY

**GVTC**, a provider in South Central Texas, rolled out multi-gig fiber internet service for select customers. The company now offers 2 Gig speeds for a package price starting at \$116/month and 5 Gig for \$172/month for eligible addresses. Both include a 20% dividend that comes from GVTC's Customer Dividend Program, which provides a monthly payment to customers on their monthly invoice and is calculated as a percentage of the amount billed for qualifying services.

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## PEOPLE

**Alan Morse**, Executive Chairman for **Ritter Communications**, is retiring effective April 30. He's been with Ritter for over a decade, joining as President in 2014 before being promoted to CEO in 2019 and then his current title in January 2024. Morse helped the company more than double the communities it serves, representing an investment north of \$500 million in network expansion. He also oversaw advancements in infrastructure, service offerings and customer reach, ushering in Ritter's Data Technology Center as well as the launch of the FTTH service **RightFiber**. Morse will continue to be on the company's Board of Directors. – After 14 years at **Mediacom**, **David McNaughton** has retired from his role as CMO. He joined the operator in 2011 from **nTELOS** after stints with **Cincinnati Bell**, **DirecTV** and **Sprint**. No word yet on his replacement.



**Think about that for a minute...**

## Invidious

### Commentary by Steve Effros

It's hard to read anything about telecommunications regulation, policy and politics these days without being introduced to the word "invidious." That's because the new Chairman of the FCC has said that if the Commission determines that a company has engaged in "invidious" discrimination (presumably this does not apply to the "E and the I" of DEI (equity and inclusion) because it's almost impossible to even make up a scenario, for instance, where there is "invidious inclusion," that company could lose government approvals or licenses.

This is no small threat. The Chairman has already singled out Comcast, Verizon and Disney with “investigation” threats over DEI. And what does he suggest he wants to investigate? “Invidious hiring practices” and hiring discrimination, particularly as to gender and race. He also wants to explore news distribution, business relationships with local broadcast stations, and editing. Whew! That’s quite a list, and almost none of it, I believe, is truly within the statutory jurisdiction of the FCC. We’ll get to that.

First, let's make sure we are on the same page on what "invidious" means. That's important, because while they have been labeled as almost banned words, "discrimination, equity and inclusion" by themselves, are totally acceptable and well-understood activities and ideas. If you're on a board of a public corporation, for instance, and you want to appeal to all segments of your potential customer or service base, it makes sense to have a board and top management that reflects those segments so their experience can be used to make that happen on behalf of the company. That's just good business practice, not "invidious" discrimination.

So what does “invidious” mean? Well, the dictionary has two primary definitions; “...unfairly discriminating; unjust, or an action or situation likely to arouse or incur resentment or anger in others.” Do you see the problem here? Looking at these through a political lens rather than a legal one, just about anything that results in you, as an individual, not being selected as opposed to someone else can be seen as “unfair, unjust.” And incurring resentment or anger? Heck, in today’s political atmosphere that happens in just about any “wedge issue” conversation! So, if those are the parameters

of what the Chairman thinks the FCC's power is, to rule on government benefits based on what the politically appointed Commission thinks is "unfair" or causes "anger," then it's a free-for-all and they can literally do anything they want! That's not good.

It's reminiscent of the absurdly long and unnecessary battle we've had over net neutrality. Each time an administration changed, the rules changed! That's not in "the public interest" and certainly not in any way conducive to promoting the development of telecommunications to the public, the FCC's statutory job. Yet the argument has now been warped, saying the FCC is supposed to regulate "... in the public interest," and therefore they have unrestrained latitude to decide, writ large, what "the public interest" is. The other shapeshifting terminology is "national security." As we are now seeing, if a regulator or administration wants to, they claim they can simply say "the magic words" and apply them to any policy they want. We're in trouble if that's the way the law becomes interpreted.

The benefit of traditional approaches to the law is that precedents are created, interpretations are explained, limitations are imposed and then everyone knows how they can proceed. If all of that goes away, no company could confidently create a business plan. That hurts everyone.

I don't think the Chairman really believes the Supreme Court, which just overturned "Chevron" and has seriously limited agency flexibility in terms of deciding its own powers, will support what he is suggesting. But a lot of damage is being done just intentionally floating "invidious" threats.



Steve  
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.)*

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