

## New Networks Institute's Complaint:

<http://newnetworks.com/petitioncomcasttimewarner/>

# Ars: Petition: Time Warner Cable mistreats customers, shouldn't merge with Comcast

## Deceptive billing practices and other harms to consumers described in complaint.

<http://arstechnica.com/business/2015/01/petition-seeks-investigation-of-time-warner-cable-halt-to-comcast-merger/>

Time Warner Cable (TWC) has mistreated its customers for decades and should face a wide-ranging investigation as part of its proposed merger with Comcast, a new complaint to the Federal Communications Commission says.

Telecom analyst Bruce Kushnick of New Networks Institute, who recently [petitioned the FCC to investigate Verizon for perjury](#), is now taking aim at TWC's billing practices and customer service.

"We call for the halt of the proposed Time Warner Cable-Comcast merger, but more importantly, this Petition for Investigation & Complaint calls for the immediate start of a series of investigations," Kushnick and Audit Director Tom Allibone of telecom customer advocacy group Teletruth [write in a complaint](#). It was filed with the FCC two weeks ago and is being filed today with New York state officials, who are [also examining the merger](#).

Kushnick and Allibone point out that Comcast and TWC are [two of the most hated companies](#) in the US, according to the American Customer Satisfaction Index, and they lay out five areas the FCC should investigate. One of those is related to Kushnick's own experience in which his Time Warner Cable service was [advertised](#) at \$89.99 per month and shot up to \$190.77 less than two years later.

Kushnick and Allibone write:

1) **Time Warner's "Triple Play"** bill exposed questionable business practices and charges including 'made up fees', billing errors, as well as deceptive and possible Truth-in-Billing and Truth-in-Advertising violations. These problems are not restricted to Time Warner but are industry-wide.

2) **Time Warner & Comcast's "Social Contract" with the FCC.** In 1995 an actual agreement called the "[Social Contract](#)" was put in place to have the cable companies upgrade their networks and provide broadband and Internet services to schools in their territories. The FCC allowed 'temporary' rate increases of up to \$5.00 a month; 'temporary', as the Contract expired at the end of 2000. Time Warner (at least) never stopped charging customers the extra fee nor is there evidence that the Company wired the schools as required. Moreover, Time Warner and Comcast's profit margins for "high-speed Internet" was 97% in 2013; the "Social Contract" additions became pure profits, but cost every cable subscriber hundreds of dollars.

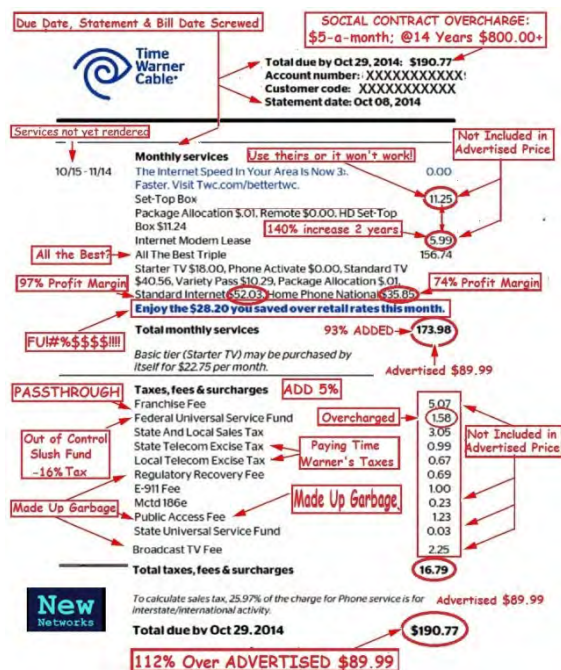
3) **A recently filed consumer protection action** was [filed](#) with the Albany New York Supreme Court against Time Warner and it reveals multiple issues, including customer service problems, selling broadband/Internet services that were not delivered, among other harms to customers industry-wide. These problems are not restricted to Time Warner but are industry-wide.

4) **22 Years of Continuous Rate Increases Means There has been No 'Effective Competition'**. Using actual bills, we found that Time Warner's Brooklyn New York prices for 'regular' cable service increased 306% from 1992-to-November, 2014, from \$22.95 a month to \$93.16 a month. The "Triple Play" bill shows that this was from made up fees, deregulation of the set-top box (with no alternative), pass-through taxes, and simply because there are no other options; at best, some markets have a 'duopoly' which is ineffective for controlling prices or problems with service.

5) **Multiple Cross-Ties with Verizon's Wireline and Verizon Wireless, and with Time Warner and Comcast Need Immediate Attention.** The FCC and DOJ allowed Verizon Wireless to [create a marketing deal with both cable companies](#) to bundle the wireless service with the cable service in areas Verizon has refused to upgrade to FiOS. But what was unexamined is the fact that Verizon Wireless has a sweetheart deal with Verizon wired companies, such as Verizon New York, for use of the networks—as Title II. This means that the wired, wireless, and cable companies are colluding to control almost ALL communications services.

That point about the "sweetheart deal" refers to Verizon using its [status as a common carrier](#) under Title II of the Communications Act to build out fiber for both its wireline and cellular networks.

Here's a look at the Time Warner Cable bill Kushnick detailed:



Time Warner Cable said the allegations are without merit, but the company declined to answer them specifically.

"These allegations are so full of holes and lacking in facts that we will decline to further comment," a TWC spokesperson told Ars.

We've also asked Comcast for comment but haven't heard back yet.

Comcast [announced its deal](#) to buy Time Warner Cable for \$45.2 billion in February 2014, joining the nation's two largest cable companies. Comcast has said it expects to [close the deal](#) in early 2015, but it [could be blocked](#) by the FCC or Department of Justice.

# Worries as Cable Soars in '14

Fueled by TWC Machinations, Distribution Stocks Rise

17% 1/05/2015 8:00 AM Eastern

By: [Mike Farrell](#)

## TakeAway

**Fallout from the pending Comcast-Time Warner Cable megadeal drove MSO stocks to a 17% uptick last year.**

Despite the looming threat of increased regulations, competition from over-the-top providers and the fallout from the pending Comcast-Time Warner Cable merger, cable distribution stocks performed strongly in 2014, up a collective 17% as the promise of more deals and intensified consolidation in the industry outweighed any potential regulatory pitfalls.

While the stocks performed well below the scorching 50% increase they experienced in 2013 — fueled by Charter Communications's pursuit of Time Warner Cable — consolidation opportunities still seemed to drive the stocks higher. No. 2 U.S. cable provider TWC agreed in February to be acquired by No. 1 MSO Comcast in an all-stock deal valued at about \$45 billion, not including debt.

But Charter, whose own unsolicited offer for TWC was rejected last year, cut a series of deals with the two companies that will allow the smaller-market cable operator to double its footprint after the Comcast-TWC deal closes, expected sometime in the first quarter.

The Comcast-TWC deal also will spur the creation of another cable player — GreatLand Connections, a publicly traded operator with about 2.5 million customers that will be 33% owned by Charter.

That company's potential, coupled with strong fundamentals, helped Charter lead the distribution sector with a 23.5% increase in its stock price from \$136.76 to \$168.92 per share.

### ***CABLEVISION STRENGTH***

The second strongest gainer in the sector was a surprise — Cablevision Systems. Stock in the Bethpage, N.Y.-based operator was up almost 18% for the year, from \$17.93 per share to \$21.08 each, fueled in part by speculation earlier in the year that the company could be a takeover target.

Cablevision, which leads the industry in penetration of advanced services, had been a victim of its own success in the past year. But although subscribers continued to decline, most analysts see the company as a possible target of Charter, noting that most of the bad news is already baked into its valuation.

“It was a good year for cable distribution,” Pivotal Research Group principal and senior media & communications analyst Jeff Wlodarczak said. Worries over wireless competition and cable's success at attracting small businesses and high-speed data customers caused some investors to rotate out of telco stocks and into cable. Verizon Communication was down 3.7% for the year, and AT&T, in the process of acquiring satellite giant DirecTV, fell 3.2%.

Cable stocks have held their own, though some analysts had foreseen a down year for the sector, particularly after President Obama made it known that he favored a move toward more onerous Title II reclassification of cable. That would mean stricter, common carrier-style rules, particularly around cable broadband service, and could lead to pricing restrictions.

Wlodarczak cited a strong outlook for the business overall. “Cable is still the place to be, and even realistic worst-case regulation is not going to affect their results.”

Obama's Nov. 10 bombshell did affect the stocks — the sector was down about 5% when he made his video announcement calling for Title II — but they rebounded almost as quickly. Within two weeks, the sector was back on its

feet, having regained losses and then some and continuing on an upward trajectory.

The speed of the rebound surprised some analysts, but they said they also see it as proof of cable's resilience in the face of a sluggish economy.

### ***HEALTHY, WELL-VALUED***

Their performance shows that although cable stocks may have “some warts on them, compared to some of the businesses around them they look much healthier and are much more attractively valued,” MoffettNathanson principal and senior analyst Craig Moffett said in November.

Satellite-TV stocks also soared, with Dish Network up 26.6%, fueled by a robust federal wireless spectrum auction, which helped boost valuations for the company's wireless licenses, and optimism over its planned over-the-top video offering. Direc-TV, which in May agreed to be acquired by AT&T in a deal valued at about \$48.5 billion, saw its stock rise about 26% over the past 12 months.

While distribution had a good year, the same could not be said for programmers, which for the most part saw declines in key stocks hit hard by ratings and advertising slumps. Overall, programming stocks rose about 3.4% for the year, but that was mainly due to a few names (The Walt Disney Co., Time Warner Inc., Madison Square Garden and HSN).

Wlodarczak added that fears over ad declines caused some programming investors to rotate out of that sector into the more stable distribution stocks.

TAGS:

**[transactions](#) [mergers](#) [stock](#) [MSOs](#) [programmers](#) [Comcast](#) [TWC](#) [DirecTV](#) [AT&T](#)**

- See more at: <http://www.multichannel.com/deals-outweigh-worries-cable-soars-14/386598#sthash.cqRGzJ0j.dpuf>

Multichannel News

# Out With a Bad Year, In With a Better One?

## Rapid Changes in TV Viewing Prompt Some Worrisome Trends

BY GEORGE WINSLOW

A year ago, many predicted the TV industry would enter 2015 on very solid ground. Better-than-expected ad results in 2013 and a recovering economy convinced a number of analysts to raise their projections for 2014, which promised to be a very good year.

Instead, Nielsen reported notable declines in TV viewing, while ad revenue failed to live up to expectations.

Magna Global predicted an anemic 0.8% yearly annual growth rate in TV ad spending from 2014 to 2019, Vince Letang, executive vice president and director of global forecasting at the media-buying giant, noted.

"We now expect digital as a whole to outgrow TV by 2017, which is a year earlier than we had previously been forecasting," Letang said.

Meanwhile, pay TV subscribers continue to decline, according to both Magna Global and SNL Kagan, though at much slower-than-expected rates. Cable, telco and satellite operators showed their first-ever drop in 2013, losing about 142,000 subscribers, or about 0.1%. The industry is on track for a similar decline this year, Ian Olgeirson, senior analyst at SNL Kagan, said.

Bruce Leichtman, president and principal analyst for Leichtman Research Group, agreed. "While some have prognosticated and even hoped that the industry would crater, that isn't happening," Leichtman said. "It is, however, flat and not keeping pace with rental-housing growth."

Leichtman and others noted that the number of cord-cutters or cable-nevers has not increased as quickly as some had expected. Even so, SNL Kagan reported that the total number of cord-cutters and cable-nevers hit 6.8 million in 2014, up from 2.5 million in 2010.

Worse, the lack of growth has prompted speculation that the traditional pay TV business models are fraying. By year-end, CBS had launched its own subscription video-on-demand service; HBO was readying an over-the-top subscription service for non-pay TV subscribers; and both Sony and Dish Network were



ESPN executives say that TV everywhere apps like Watch ESPN on Xbox One provide them with a path toward reinventing how consumers experience the sports programmer's networks.

### TAKEAWAY

Changes in the way TV viewers watch shows have industry analysts seeing some worrisome trends.

preparing to start selling subscription packages of Internet-delivered channels.

"I think you can draw a direct correlation between a mature multichannel industry that is not seeing a lot of growth and the launch of these new services," Olgeirson said.

### BACK TO THE '90S

That correlation has revived a heated debate over how the changing use of video is impacting the TV industry. Total TV viewing (live and time-shifted) for the 18-24 demo has fallen from 26 hours and 29 minutes a week in the third quarter of 2010 to only 19 hours and 17 minutes — a drop of more than 7 hours — in the third quarter of 2014.

Letang has argued that the changes don't seem to reflect one poor season. Looking back over 20 years of data, he said he found fairly steady viewing levels in the mid-1990s, followed by a notable rise from 26.4 hours per week in 1999 to a peak of 31.6 hours in 2009. Since then, viewership has again started to fall, dropping to 27.1 hours in 2014.

These declines have been widely attributed to rising levels of over-the-top viewing. But a number of re-

searchers disagree. Turner Broadcasting System chief research officer Howard Shimmel said he believes that Nielsen's decision to add broadband-only homes to its sample last year was a major contributing factor.

"We analyzed the drivers of the decline and found that the addition of broadband-only homes accounted for half of the decline, and increased penetration and time spent with SVOD services accounted for only 7%," he said. The movement of TV time to PC and mobile accounted for the other 43%, Shimmel said.

A major problem, many have said, is measurement. "Everyone is very frustrated with Nielsen that they have not kept up with how consumers are watching TV," Colleen Fahey Rush, executive vice president and chief research officer at Viacom Media Networks, said. "We have plenty of evidence showing that there is a lot of viewing in places that Nielsen doesn't capture."

NBCUniversal president of research and media development Alan Wurtzel agreed, citing data that shows Nielsen isn't measuring 36% of the TV viewing by 18-to-24-year-olds and 27% of viewing by 25-to-34-year-olds.



*"We now expect digital as a whole to outgrow TV by 2017, which is a year earlier than we had previously been forecasting."*

VINCENT LETANG, MAGNA GLOBAL



HBO will aim for cord-cutters this year with an over-the-top service offering content such as the original series *Girls*.

Even in the 50-65 demo, 7% of viewing is being lost. These losses, he said, would more than make up for the viewing declines Nielsen has reported.

"There is no doubt in my mind that much of the declines are due to the fact that Nielsen isn't measuring many of the alternative platforms," Wurtzel said. "Nielsen keeps promising these cross-platform measures and we are still waiting."

A number of researchers and analysts also worry about the future cost of such measurement. "There is no question that there are more and more screens around which viewing is occurring," said Brian Wieser, senior research analyst at the Pivotal Research Group, who added that the industry bears some of the blame. "Getting the most robust measurement may require more spending than much of the industry is ready to support."



*"We have plenty of evidence showing that there is a lot of viewing in places that Nielsen doesn't capture."*

COLLEEN FAHEY RUSH, VIACOM MEDIA NETWORKS

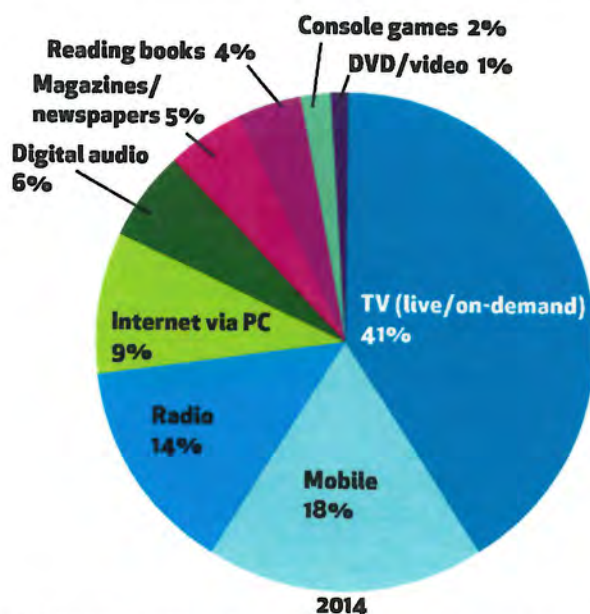
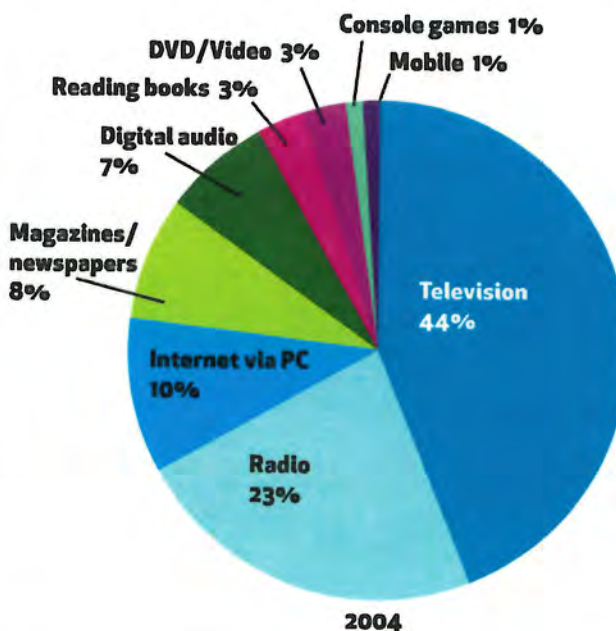
Still, Jane Clarke, managing director of the Coalition for Innovative Media Measurement (CIMM), said progress is being made. She said she remains hopeful better cross-platform measurement could be in place by the end of this year. "It is not going as fast as everyone wants," she said. "But I do think the industry now understands how to do this ... and some interesting partnership are coming into place to get it done."

And, as the next feature explains, measurement isn't the only area where important advances are occurring. **O**

## Changing Use of Media

Weekly media use among adults increased to 90.7 hours last year from 76.4 hours in 2004, but consumers are spending more time with digital media and less with TV.

(Share of time spent per week with media among adults)



SOURCES: Data compiled by Magna Global from Nielsen, ComScore, Media in Mind and Magna Global estimates.



# Racing Toward Television's Future

Tech Advancements Blaze Trail to More TV Everywhere

BY GEORGE WINSLOW

The multichannel-TV industry is stepping up its efforts to capitalize on changes in how consumers watch video content, even as those shifts pressure its traditional business models.

But much work remains to be done in developing new products and infrastructures that will enable the industry to retain and attract younger consumers. For the first time, millennials 18-34 surveyed were more likely to have a smartphone (88%) than a pay TV subscription (83%), according to a recent survey by marketing consultancy Frank N. Magid Associates. Moreover, 70% of this age group subscribed to over-the-top providers such as Netflix or Hulu Plus, Andrew Hare, Magid's director of research, said.

"This is a highly-connected group," Howard Horowitz, president of market research firm Horowitz Associates, said. "One of the very important challenges facing the industry is predicting the habits of the millennials as they get older and making sure the pay TV industry can evolve to meet their demands."

This challenge is complicated by the fact that about 69% of subscribers continue to view video content via traditional live TV, digital video recorders or video-on-demand services from a multichannel provider, a recent Horowitz study found. Another 31% are active users of streaming media, including 8% of viewers who've already cut the cord, according to the research firm.

"But if you flip it around and just look at millennials, 70% of those are streaming video and consuming video in newer ways," Horowitz said.

## ASPIRING TO BE EVERYWHERE

Data such as the Horowitz survey have prompted renewed efforts to strengthen the industry's TV everywhere offerings, with more content, improved user interfaces, a simplified authentication process and better marketing, Matthew Strauss, senior vice president and general manager of video services for Comcast Cable, said.

For example, top U.S. MSO Comcast now has some 300,000 on-demand choices available on its various



Faced with growing competition from over-the-top providers, Comcast and other operators are greatly expanding their TV everywhere apps with more live and on-demand content.

### TAKEAWAY

Operators and programmers are making rapid progress on some key tech issues despite several depressing trends.

platforms and has significantly expanded its number of live-streaming channels to 75, a number Strauss said the cable operator expects to double in 2015.

"We now have 30% penetration of our video base using TV everywhere on a monthly basis, which is up about 25% from the previous year, and the average viewer is spending close to seven hours using TV everywhere a month, which is up 45% from the prior year," Strauss said.

A yearlong TV everywhere marketing effort by the Cable & Telecommunications Association for Marketing has boosted awareness and usage, Anne Cowan, the

trade group's senior vice president of communications and marketing, said. The industry has also made progress toward improving the infrastructure for delivering TV everywhere products. In the past, many of the digital-content delivery processes were handled manually, Discovery Communications chief technology officer John Honeycutt said.

"That has to change," he said, noting that Discovery has been investing heavily to automate those processes. "You need to have a recipe for doing this at speed and at scale."

Over time, that will also mean a dramatic change in content providers' facilities as they move to Internet-protocol infrastructures, Honeycutt and others said.

"In the last 18 months, over-the-top has become the biggest issue for [TV programmers]," Francesco Venturini, global managing director and media and entertainment industry lead at Accenture, said. That has prompted greater investment in cloud-based delivery systems and IP infrastructures to streamline the delivery of OTT content, he added.

The move to IP-based infrastructure is also speeding up the pace of innovation for operators. AT&T's U-verse TV product has been IP-based since its launch, GW Shaw, AT&T's vice president of U-verse and video product marketing, said.

"It allows us to be really flexible in improving the



Dish's Hopper With Sling allows the satellite TV provider's subscribers to access all live and DVR content over the Internet.

## viewer watch



*"You still hear naysayers about TV everywhere, but I think we are way beyond that."*

MATT MURPHY, DISNEY AND ESPN MEDIA NETWORKS



AT&T's IP-based U-verse TV platform delivers 200 channels in the home and 100 channels to mobile devices.

platform and means that we can make changes for every single customer without having to install new boxes," Shaw said. "Our oldest customers and our newest customers all have the same experience."

With more than 100 live channels available outside the home on mobile devices and more than 200 available in the home, U-verse's IP infrastructure also allows the telco to more tightly integrate its TV everywhere apps with a variety of other features, which in turn has helped boost usage of those apps, Shaw added.

Newer, Internet-connected set-top box platforms such as Dish Network's Hopper With Sling and Comcast's X1 are also transforming the TV-viewing experience.

"[Hopper] allows us to deliver all live TV and DVR


content and thousands of hours of on-demand content across iOS devices, Android, smartphones, tablets, Kindle, etc., so that we can replicate the same TV experience you have at home with whatever device you are on," Jimshade Chaudhari, director of product management at satellite-TV provider Dish, said.

In addition to X1 rollouts — which are now proceeding at a pace of about 20,000 per day — Comcast has also been rolling out "cloud TV" platforms, Strauss said.

"We just started rolling out home streaming this year and now have it in about 75% of our homes, and just introduced cloud DVR, which is in about 50% of the home," he said.

Over time, these enhancements will allow programmers and operators to transform the viewing experience on the TV set.

"It is the first time that we've been able to take advantage of the functionality, interactivity and features that the Internet has to offer and bring that to the TV set," Matt Murphy, senior vice president of digital video distribution at Disney and ESPN Media Networks, said.

"You still hear naysayers about TV everywhere, but I think we are way beyond that," he said. "It has really become a trigger to figure out what our networks will look like when the Internet gets to the TV. And that's a very exciting opportunity." 

### TV Everywhere Perceptions

Awareness of TV everywhere (TVE) has increased, but more progress needs to be made with respect to usage and the sign-in process:

Share of viewers who are aware of TVE	54%
Share who have used TVE	49%
Find it difficult to sign in	42%
Believe it makes subscription more valuable	52%
Improves perception of the operator	51%

SOURCE: CTAM/Hub Entertainment survey

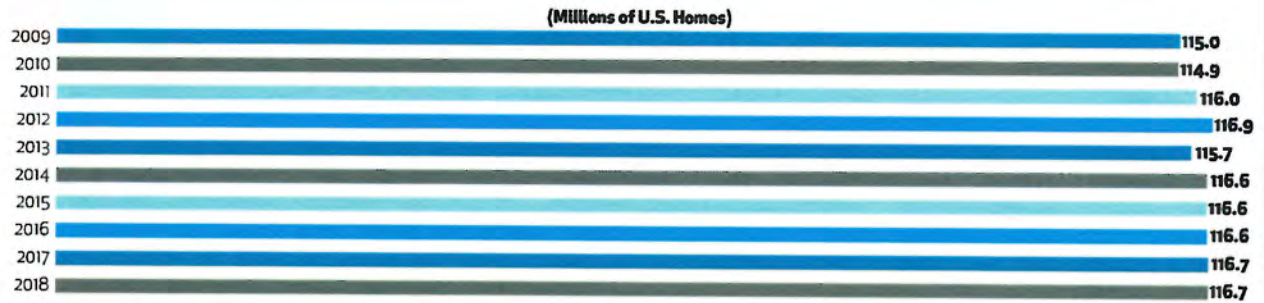




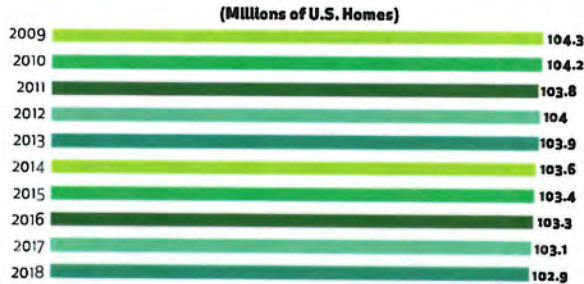
# The TV Landscape

Satellite-TV subscribers will remain relatively flat, while telco providers will grow and cable subs will continue to fall as overall multichannel subscribers show a slight decline, according to Magna Global.

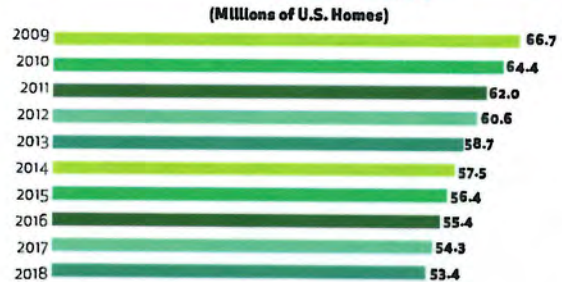
## Total TV Homes



## Total Multichannel Households



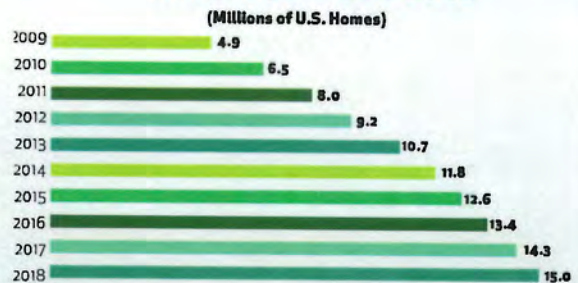
## Total Cable Subs



## Total Satellite Subs



## Total Telco Video Subs



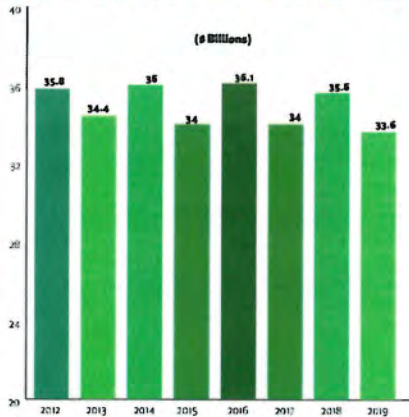
SOURCE: Magna Global



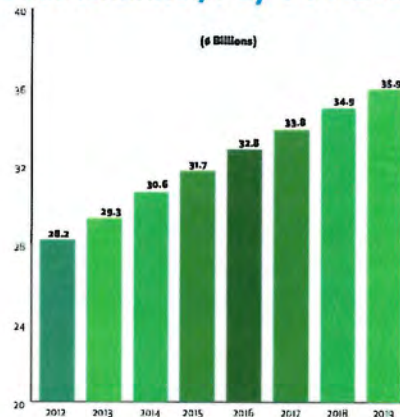
# Subscription and Advertising Revenue

Multichannel advertising will continue to grow faster than broadcast-TV advertising, Magna Global predicts, hitting \$35.9 billion by 2019. Meanwhile, subscription spending will see relatively slow growth, PricewaterhouseCoopers says.

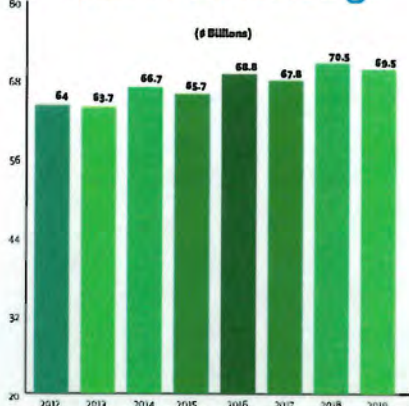
Total Broadcast-TV Advertising



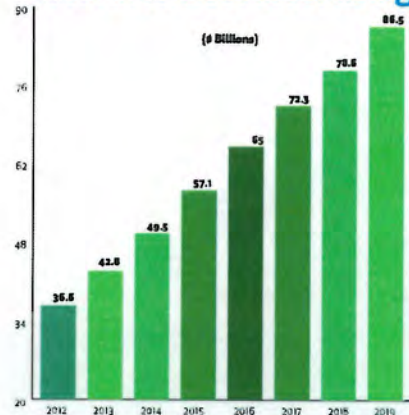
Multichannel/Pay TV Advertising



Total TV Advertising



Total Internet Advertising



SOURCE: MAGNA GLOBAL

Multichannel-TV Subscription-Fee Spending



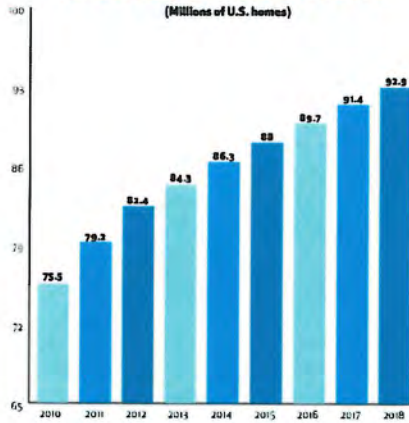
SOURCE: PricewaterhouseCoopers, Global entertainment and media outlook 2014-2018. Preliminary data for 2013; projections for 2014-18.



# The Emerging Over-the-Top Landscape

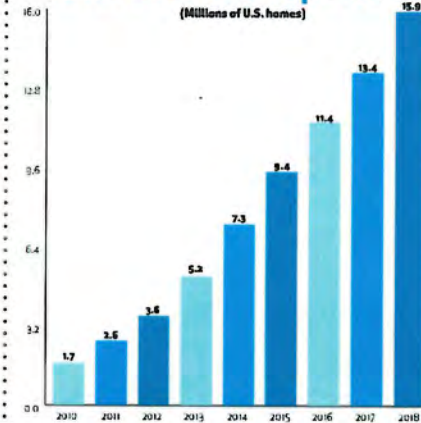
By 2018, 15.9 million homes will subscribe to OTT services and 23.6 million homes will have a smart TV set, Magna Global predicts, while PwC forecasts that spending on subscription-video services such as Netflix will top \$10 billion by 2018.

**Total Residential Broadband Subscribers**  
(Millions of U.S. homes)

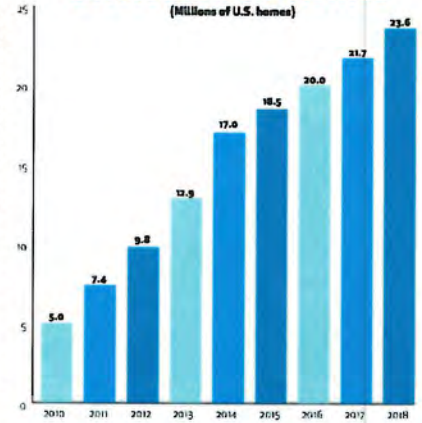


SOURCE: Magna Global

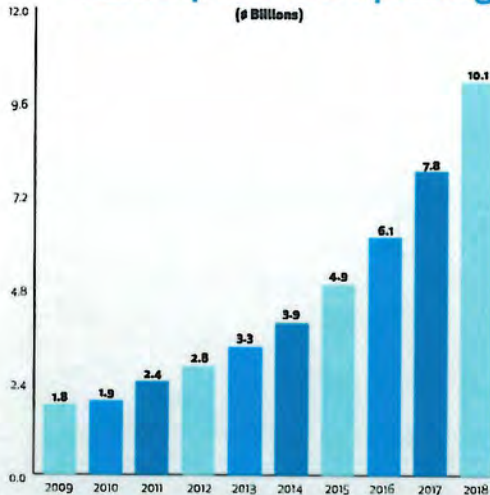
**Total Over-the-Top Homes**  
(Millions of U.S. homes)



**Connected-TV Homes**  
(Millions of U.S. homes)

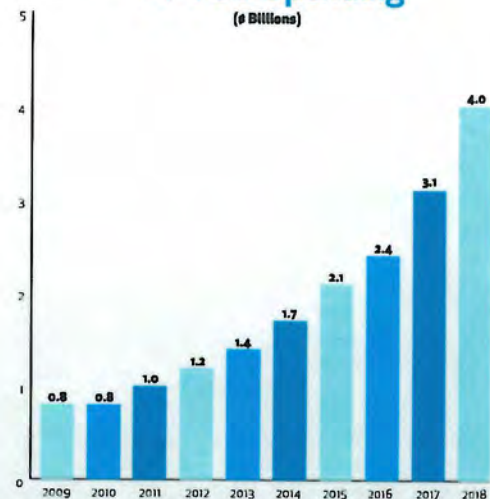


**Subscription VOD Spending**  
(\$ Billions)



SOURCE: PricewaterhouseCoopers, Global Entertainment and Media Outlook: 2014-2018. Preliminary data for 2013; projections for 2014-18.

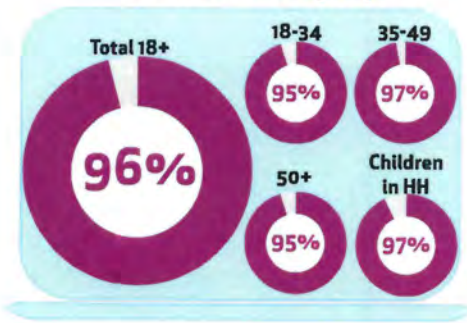
**TV VOD Spending**  
(\$ Billions)



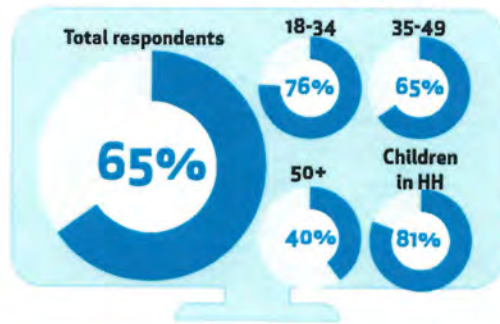
# Multichannel, Multi-Device

Broadband video is now widely available, with 97% of users ages 18-34 able to stream video over a handheld device and 65% of all adults able to stream video to a TV, according to Horowitz Associates.

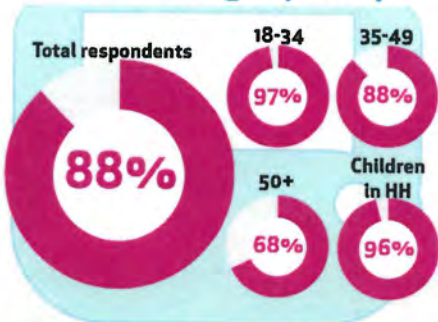
## Adults With High-Speed Internet On a PC or Laptop



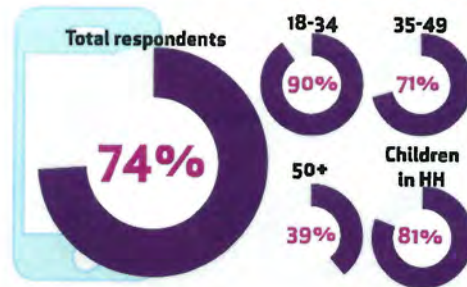
## Able to Stream Video to TV



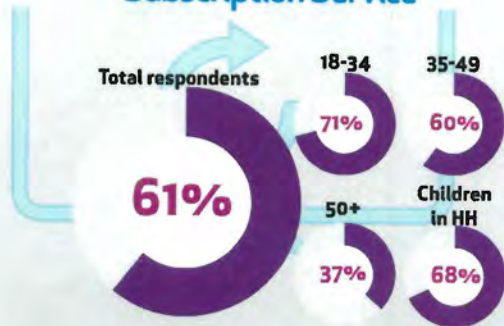
## Handheld Device With Streaming Capability



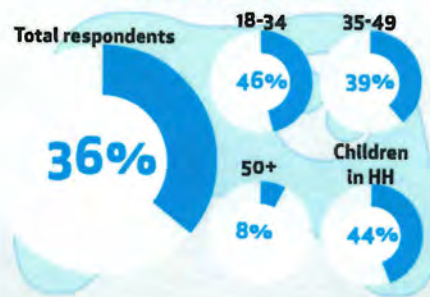
## Smartphone With Streaming Capability



## Adults With a Streaming Subscription Service



## Able to Stream Video to TV With Game Console



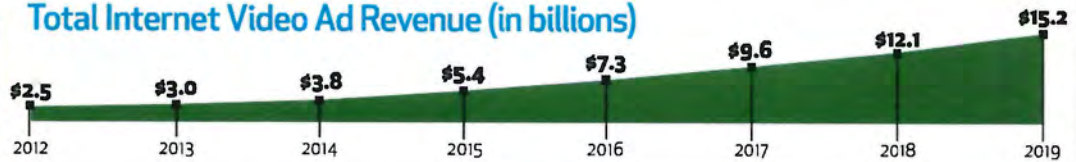
SOURCE: Horowitz Associates, Multiplatform Content & Service, 2014

# The Digital Advertising Landscape

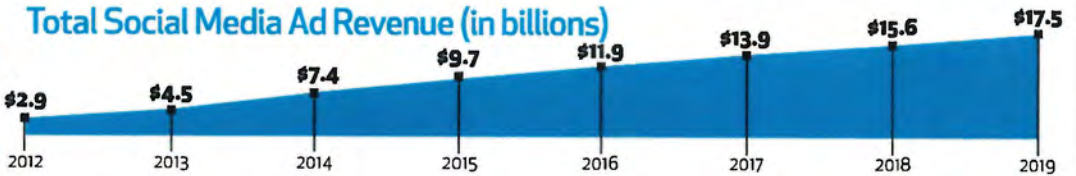
Magna Global has raised its forecasts for online video ad spend, which should hit \$15.2 billion by 2019, while mobile video will grow to \$7 billion.



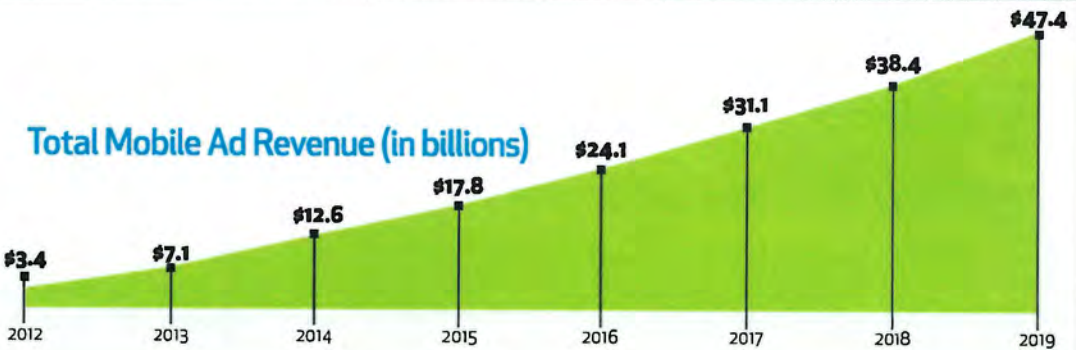
Total Internet Video Ad Revenue (in billions)



Total Social Media Ad Revenue (in billions)



Total Mobile Ad Revenue (in billions)



Mobile Video Ad Revenue (in billions)



Desktop Video Ad Revenue (in billions)



SOURCE: MagnaGlobal, projections for 2014-2019



# Top Ad-Supported Networks

Nickelodeon topped the list of 2014's most-popular networks (through the start of November) for people 2 and older, while USA Network led the 35-49 demo, according to Nielsen.

(All Figures in Millions)

## People 2-Plus (Full-day, year-to-date, 2014)

RANK	NETWORK	AVERAGE AUDIENCE
1.	Nickelodeon	1,649
2.	Disney Channel	1,417
3.	Adult Swim	1,259
4.	USA Network	1,172
5.	TNT	1,077
6.	Cartoon Network	1,071
7.	Fox News Channel	1,039
8.	Nick at Nite	999
9.	ESPN	974
10.	History	883

## Men 18-Plus

RANK	NETWORK	AVERAGE AUDIENCE
1.	ESPN	646
2.	History	533
3.	Fox News Channel	529
4.	Adult Swim	481
5.	TNT	447
6.	USA Network	406
7.	Discovery Channel	362
8.	TBS	336
9.	FX	319
10.	AMC	312

## Women 18-Plus

RANK	NETWORK	AVERAGE AUDIENCE
1.	USA Network	406
2.	TNT	447
3.	HGTV	542
4.	Fox News Channel	494
5.	ID	410
6.	Nick at Nite	405
7.	Food Network	377
8.	A&E	374
9.	Nickelodeon	371
10.	Adult Swim	360

## Kids 2-11

RANK	NETWORK	AVERAGE AUDIENCE
1.	Nickelodeon	879
2.	Disney Channel	747
3.	Cartoon Network	487
4.	Disney Junior	294
5.	Nick at Nite	255
6.	Nick Jr.	193
7.	Adult Swim	164
8.	Disney XD	159
9.	Nicktoons	101
10.	TeenNick	87

## Teens 12-17

RANK	NETWORK	AVERAGE AUDIENCE
1.	Disney Channel	259
2.	Adult Swim	254
3.	Nickelodeon	191
4.	Cartoon Network	181
5.	Nick at Nite	158
6.	MTV	85
7.	ABC Family	66
8.	TeenNick	64
9.	Disney XD	56
10.	USA Network	54

## Young Adults 18-24

RANK	NETWORK	AVERAGE AUDIENCE
1.	Adult Swim	256
2.	Nick at Nite	151
3.	Nickelodeon	118
4.	Cartoon Network	114
5.	Comedy Central	106
6.	ESPN	105
7.	MTV	105
8.	USA Network	89
9.	ABC Family	84
10.	FX	83

## Adults 25-34

RANK	NETWORK	AVERAGE AUDIENCE
1.	Adult Swim	260
2.	Nickelodeon	170
3.	ESPN	154
3.	USA Network	145
5.	Nick at Nite	141
6.	TBS	122
7.	Disney Channel	120
8.	Cartoon Network	107
9.	FX	105
10.	TNT	104

## Adults 35-49

RANK	NETWORK	AVERAGE AUDIENCE
1.	USA Network	232
2.	TNT	231
3.	ESPN	228
4.	Adult Swim	198
4.	History	195
6.	TBS	173
7.	Discovery Channel	172
8.	A&E	170
9.	FX	163
10.	HGTV	162

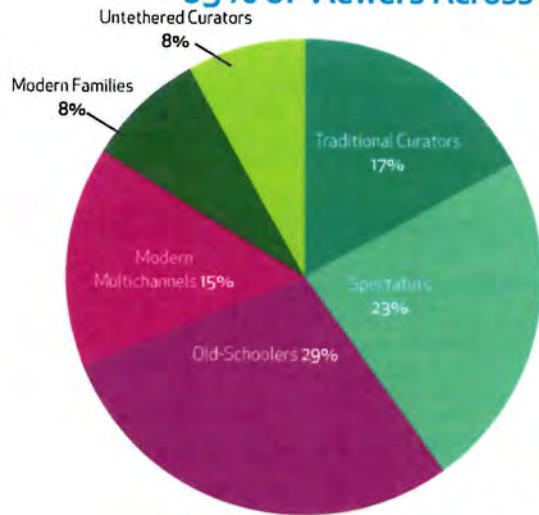
SOURCE: Fox Cable Networks based on Nielsen data; ad-supported networks ranked by average audience for full-day, live-plus-7-days Jan. 1-Nov. 2, 2014; average audience in millions



# TV-Viewing Segments

Audiences are traditionally divided into age groups, which can blur their very different behaviors. To better understand changing viewing habits, Horowitz has broken TV audiences into behavior-based segments.

## 69% of Viewers Across All Segments Still Prefer Traditional TV



**Traditional Curators:** Tend to be baby boomers and Generation X-ers who split most of their TV viewing between live TV, digital video recorders and video-on-demand.

**Spectators:** These "lean-back" channel surfers watch the most TV and still spend nearly all of their viewing time with live TV.

**Old Schoolers:** Older viewers (71% are 50-plus) who watch almost exclusively live TV, have a lower income and are the least technology-oriented.

**Modern Multichannels:** As individuals, this group skews young (53% are 18-34), has heavy TV watchers, tends to be more ethnically diverse, has the highest income and is the most technology-oriented segment with the highest multichannel penetration. Most of this group's viewing is via DVR/VOD, supplemented by streaming and live TV.

**Modern Families:** Viewed as households, this group consists of young (43% are 18-34), diverse families that use streaming options over the DVR or VOD.

**Untethered Curators:** These are young (53% are 18-34), tech-savvy cord-cutters, shavers and nevers; almost all of their viewing is streamed. They tend to be lower-income and less diverse.

### Old Schoolers

Live TV 95%  
DVR/VOD 2%  
DVDs 2%  
Streaming 1%



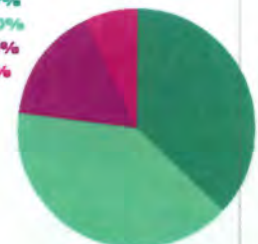
### Spectators

Live TV 85%  
DVR/VOD 7%  
DVDs 3%  
Streaming 5%



### Traditional Curators

Live TV 37%  
DVR/VOD 40%  
DVDs 16%  
Streaming 7%



### Modern Multichannels

Live TV 18%  
DVR/VOD 49%  
DVDs 10%  
Streaming 23%



### Modern Families

Live TV 42%  
DVR/VOD 10%  
DVDs 6%  
Streaming 42%



### Untethered Curators

Live TV 7%  
DVR/VOD 4%  
DVDs 5%  
Streaming 84%



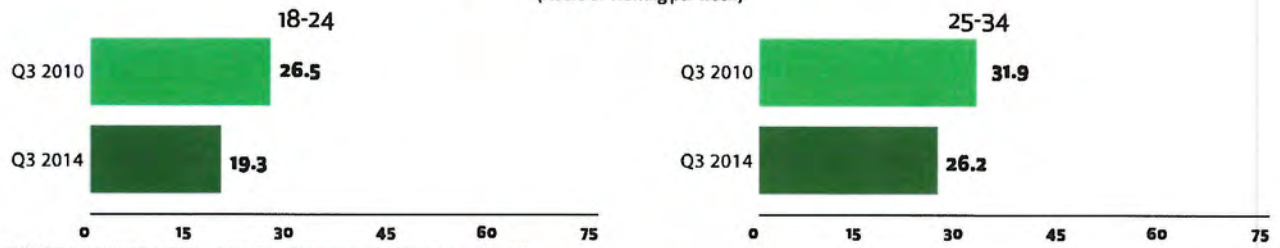
SOURCE: Horowitz Associates, State of the Viewer Segmentation 2014

# The Millennials

TV viewing by 18-to-24-year-olds has fallen by seven hours since 2010, Nielsen reports, while survey data from Frank N. Magid Associates shows that for the first time, millennials are more likely to have a smartphone (88%) than a pay TV service (83%).

## TV Viewing on the Decline

(Hours of viewing per week)



SOURCE: Nielsen, State of Media TV Usage Trends Q3 and Q4 2010; Nielsen, Total Audience report Q3 2014

## Millennials vs. Boomers

(Share of viewers with service/device)



SOURCE: Frank N. Magid Associates, June 2014 Magid Media Futures survey of 2,751 U.S. consumers

# TV and Digital Media Consumption Trends

African-Americans spend more time with TV, game consoles and mobile video than the overall population, according to Nielsen.

## Weekly TV and Digital Media Usage (Hours and minutes spent in TV homes)



### Traditional Linear TV



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanic 2+	Asian 2+
22:41	19:12	17:34	23:09	29:41	39:23	47:13	30:17	32:45	43:54	25:50	16:24

### Time-Shifted TV



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanics 2+	Asian Americans 2+
2:33	1:54	1:43	3:03	3:40	3:49	3:19	3:04	3:17	2:55	2:11	1:47

### DVD/Blu-ray Devices



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanics 2+	Asian Americans 2+
1:53	1:08	0:46	1:20	1:08	1:02	0:37	1:08	1:00	1:14	1:08	0:50

### Game Consoles



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanics 2+	Asian Americans 2+
3:00	4:19	3:35	2:36	1:03	0:20	0:07	1:46	1:37	1:57	1:59	1:07

### Connected-TV Devices (Such as Roku)



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanics 2+	Asian Americans 2+
0:35	0:22	0:38	0:44	0:30	0:17	0:13	0:28	0:27	0:18	0:18	1:09

### Mobile Video (via Smartphone)



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanics 2+	Asian Americans 2+
NA	NA	0:29	0:19	0:14	0:07	--	NA	0:12	0:24	0:21	0:20

### Any App/Browser on a Smartphone



2-11	12-17	18-24	25-34	35-49	50-64	65+	People 2+	Adults 18+	African American 2+	Hispanics 2+	Asian Americans 2+
NA	NA	9:40	10:32	9:39	6:22	1:16	NA	7:27	10:47	10:06	9:09

SOURCE: Nielsen, The Total Audience Report-December 2014; data from 1st quarter 2014; N/A=not available

# Sling TV Takes Center Stage

PROMISES TO DISRUPT RIVALS, STATUS QUO AND THE BUNDLE 1/12/2015 8:00 AM Eastern

By: [Mike Farrell](#)

## TakeAway

**Dish Network finally took the wraps off its much-anticipated Sling TV over-the-top service at CES and it was met with mixed industry reaction.**

Not many people can agree on what Sling TV — Dish Network's long-awaited over-the-top service — really is.

But the new offering, introduced as Dish CEO Joe Clayton was banging a bass drum on a stage at last week's International CES in Las Vegas, is sure to be a disruptor.

The \$20-per-month, 12-channel singlestream service is about \$10 per month and has eight to 18 fewer channels than some had speculated it would — even Dish chairman Charlie Ergen had hinted at a service priced at \$1 a day as recently as November. With sports networks ESPN and ESPN2, plus TNT, TBS and Adult Swim, the service could lure at least some of its target market of single, urban, apartment-dwelling males once it is officially introduced sometime later this month.

Customers who want more channels can get them. At CES, Clayton literally banged the drum, trailed by a troupe of actors in kangaroo costumes, for Sling TV and a litany of other products. Later, Sling TV CEO Roger Lynch said add-on packages of genre channels for news, sports and kids will be available for \$5 per month.

## ***HOLES IN THE LINEUP***

Conspicuously missing from the package were any broadcast stations, Fox channels like FX and FXX (the home of *The Simpsons* and *It's Always Sunny in Philadelphia*, two programs popular with young males), and youth-skewing Viacom networks such as MTV and Comedy Central. A+E Networks, which had announced an OTT deal with Dish late last year, also wasn't part of the announcement, but could show up in later iterations of the product.

The absence of those channels and more could be a big factor in deciding whether to subscribe to Sling TV. The five most-watched programs by millennials are *The Big Bang Theory* (CBS), *The Walking Dead* (AMC), *American Horror Story* (FX), *NCIS* (CBS) and *Game of Thrones* (HBO), according to research company Barna Group. None of those programmers have a deal with Sling TV.

HBO is planning its own OTT launch later in the year, so Sling customers could subscribe to that separately. And Viacom has been open to licensing its networks over the top — it signed a deal with Sony for its planned service — so it could, in theory, strike a deal with Dish as well.

CBS, which launched its own OTT service late last year — CBS All Access, which includes its primetime broadcast content — may be a little trickier.

Still, some touted the service as a move toward a la carte, the first step in removing the cable yoke from the collective necks of America. Others saw Sling TV as either a curiosity, a product that could make a dent in attracting cord-cutters or cord-shavers or cord-nevers to the pay TV universe, or as a product that will draw a collective yawn from younger viewers.

In a blog post titled “Ladies and Gentlemen, Please Start Your Worrying,” MoffettNathanson principal and senior analyst Craig Moffett took the middle ground. Despite the drawbacks — it has only a dozen channels, only one device at a time can use the service, and programming contracts will likely place a cap on how many customers it could have — Moffett said he believes the service at least lays the groundwork for a more disruptive over-the-top product.

“We think Dish’s service is likely to be much more successful, and much more disruptive, than the HBO and CBS services that have garnered far more attention but which will likely be much less attractively priced,” Moffett wrote in his blog.

### ***COULD BE COSTLY***

Cable operators concentrated on the price of the service. At \$20 per month, and with a \$65 to \$70 standalone broadband connection fee, dropping cable for Sling TV could end up costing consumers more than a 150-channel cable double or triple play.

“I don’t necessarily find the \$20 a month, one device, very limited programming choice option to be something we feel will apply to any type of a broad market,” Cablevision Systems vice chairman and chief financial officer Gregg Seibert said at a recent industry conference. “I’m sure there will be niche users that will take it up, that type of a service.”

Other executives at the same conference, including Comcast Cable CEO Neil Smit, echoed the same sentiment. But what Seibert said next is more telling and shows that cable operators aren’t ignoring the threat of OTT.

“We recognize that the business will change over time,” Seibert said. “There’s more OTT coming, there’s more SVOD coming, but at this point in time we don’t believe it’s going to have a material effect on our business.”

More are coming. At least four other services are expected to make their debut this year — the HBO product, an OTT offering from CBS’s Showtime Networks, the Sony offering (PlayStation Vue) and a “mobile-first” product from Verizon Communications. The popularity of Sling TV could either spur or discourage the creation of even more.

Sony has already started to beta-test its 75-channel PlayStation Vue, although pricing and packaging will be disclosed upon its official launch later in the first quarter. Verizon chairman and CEO Lowell McAdam said recently its OTT

product will be launched in the second half of the year and have between 20 and 30 channels. He declined to reveal how much it will cost.

### ***MIXED VERDICT***

Analysts are split as to the impact Sling TV will have. Moffett noted that at the \$20 price point, the initial 12-channel Sling TV package is likely operating at a loss and any profit will come from the \$5 add-on packages, which have a cost base of under \$1 per subscriber per month.

Pivotal Research Group principal and senior media & communications analyst Jeff Wlodarczak estimates Sling TV will attract only a “couple of hundred thousand subscribers” — but he believes it is at least worth a try.

Although Wlodarczak said he doesn't see a lot of upside for Dish in Sling TV, its real value may be in what the satellite company can learn from the service, not necessarily how many customers it signs up.

“Why not go for it?” Wlodarczak said. “Maybe [Dish] can capture some cord-cutters, get some knowledge around advanced advertising and experiment with going direct.”

- See more at: <http://www.multichannel.com/sling-tv-takes-center-stage/386799#sthash.VMPOVPsk.dpuf>

Multichannel News

# Wheeler Hits the Gas On Broadband Speeds

1/12/2015 8:00 AM Eastern

By: John Eggerton

## TakeAway

**A draft of the FCC's latest broadband deployment report would raise the legal minimum for "high-speed Internet" to 25 Mbps downstream.**

WASHINGTON — Advanced telecommunications is not being deployed in a reasonable and timely fashion, and to qualify as advanced, broadband will need to be delivered at speeds of at least 25 Megabits per second downstream and 3 Mbps upstream.

That's according to a draft of the Federal Communications Commission's latest Section 706 report to Congress on the state of advanced telecom deployment.

The draft was circulated to the other commissioners at about the same time that FCC chairman Tom Wheeler was signaling Internet-service providers would face Title II reclassification as a further effort to promote broadband adoption.

It was a one-two punch for ISPs. Many of them have warned that Title II is an investment killer and a guarantee of years of legal challenges. They have also complained about upping speed definitions and the Section 706 report's



recent conclusions — under former Democratic chairman Julius Genachowski — of insufficient deployment.

If the FCC determines that broadband is not being deployed in a reasonable and timely fashion, it is empowered to take various regulatory actions to make it so.

MoffettNathanson partner and senior research analyst Craig Moffett also pointed out that increasing the speed to 25 Mbps would give a combined Comcast-Time Warner Cable a larger share of the broadband market, an issue in front of the FCC as it vets the proposed merger of the Nos. 1 and 2 U.S. MSOs. Moffett said he still expects the deal to be approved, but should it fail, the combined company's share of the broadband market would likely be the reason.

The current Section 706 report defines broadband at speeds of 4 Mbps downstream and 1 Mbps upstream. Wheeler, though, has been signaling that at least 10 Mbps, and more likely 25 Mbps, should be the new “table stakes” for broadband download speeds in an age of high-definition viewing, remote health monitoring and the Internet of lots of things.

Given the updated 25 Mbps/3 Mbps benchmark, the competition report concludes that broadband is still not being deployed “to all Americans in a reasonable and timely fashion,” especially in rural areas, including Native American tribal lands and U.S. territories.

The report concludes that a 4-Mbps/1-Mbps definition is not sufficient for high-quality voice, graphics and video.

According to the report, 53% of rural Americans and 17% of all Americans don't have access to speeds of 25 Mbps downstream and 3 Mbps upstream.

Just last month, the FCC boosted its threshold speeds for grants from the Connect America Fund (CAF) for broadband buildouts to 10 Mbps downstream and 1.5 Mbps upstream, but even those buildouts wouldn't qualify if the draft were adopted.

Congress, in Section 706 of the Telecommunications Act of 1996, requires the FCC to issue an annual report on whether advanced telecommunications services are being deployed in a reasonable and timely fashion to all Americans. If it is not so, the agency may take regulatory steps to make it so.

A source said the report is accompanied by a Notice of Inquiry asking what more the FCC needs to do to increase the pace of deployment.

- See more at: <http://www.multichannel.com/wheeler-hits-gas-broadband-speeds/386791#sthash.IEcUX2H.dpuf>

Multichannel News

# Title II Is Looming for ISPs

At CES Q&A, Wheeler Signals That FCC Is Setting The  
Table 1/12/2015 8:00 AM Eastern

By: [John Eggerton](#)

WASHINGTON — Federal Communications Commission chairman Tom Wheeler has as much as confirmed that he'll use some variant of Title II common-carrier regulations to restore network-neutrality rules thrown out by the courts.

Ever since President Obama signaled — first to Wheeler and then to the rest of the country — that he wanted Title II-based Internet neutrality rules, and that the FCC should also, the handwriting has appeared to be on the wall.

Internet-service providers made their case in person, in blogs and through advocacy groups, arguing that Title II was an innovation- and investment-killer. At last week's International CES in Las Vegas, though, Wheeler came as close as he has come, and likely as close as he will come until Feb. 5, to outlining his plan for the new rules.

## ***FEB. 26 DATE EYED***

That included confirming that he wants to vote on the new rules at the agency's Feb. 26 meeting; Feb. 5 is three weeks before the meeting date, the customary time to circulate an item to the other commissioners.

In a Q&A with Consumer Electronics Association president Gary Shapiro, Wheeler said he has concluded that the “commercially reasonable” standard for discrimination in his original proposal for new rules based on authority under Section 706 of the Telecommunications Act could be interpreted as meaning what was reasonable for ISPs, not for consumers, and that that was “the wrong question and the wrong answer.”

He said that led to a “more-robust” examination of a “just and reasonable” standard under Section 202 of the Title II regulations (see sidebar) and drove the FCC to start looking into various Title II approaches to get to that standard, which he said provides the best protection.

The FCC would also apply Section 208, which deals with consumer protection, Wheeler suggested.

That means new rules against blocking, throttling and paid prioritization, he suggested, measured against the “yardstick” of “just and reasonable.” Wheeler did not say it would those rules would be based on Title II, but did not dispute Shapiro’s characterization that what Wheeler had said “without totally confirming it,” that “you’re going down the Title II path, that the wireless model is a good model, and that the wireless model said forbear by law, except for a couple of sections, 201 and 208.”

Wheeler corrected him, noting it was Sections 202 and 208. Both wired and wireless ISPs have in the past branded Title II as a nuclear option, or a “Net Disaster,” as the National Telecommunications & Information Association recently tabbed it. They have argued it is easier to talk about forbearance than to do it.

Wheeler said he is concerned about not disincentivizing ISPs from investing and building out their broadband networks, as many providers have argued that’s exactly what Title II reclassification will mean. But he also said he has talked to smaller ISPs and rural and competitive carriers who said they liked Title II and hoped he would adopt it.

The American Cable Association, which represents smaller and midsized independent cable operators, didn’t agree with Wheeler’s plan.

“Common-carrier rules for telephone service, crafted in 1934, should not be applied to the hyper-competitive broadband Internet market in 2015,” the ACA said. “A Title II regulatory regime will cut off investment and end up doing more harm than good.”

Wheeler also pointed out that even after President Obama signaled his support for Title II, wireless broadband spectrum still generated record bidding in the AWS-3 auction.

Wheeler suggested he would follow the lead of those suggesting the FCC can forbear from all but a few sections — Sections 201, 202 and 208 — as the FCC did when classifying wireless phone service under common-carrier regulations two decades ago; Wheeler helped negotiate that while head of CTIA-The Wireless Association.

The chairman clearly sees the wireless model of forbearance as one that could translate to new network neutrality rules.

“So, there is a way to do Title II right, that says there are many parts of Title II that are inappropriate and would thwart investment, but that a model has been set in the wireless business that had billions of dollars of investment, built the best wireless market, systems in the world, the most competitive wireless ... in the world, the most innovative wireless system and the best service for consumers,” he told Shapiro last week. “We ought to take a look at how that fits together with this other goal I was talking about: making sure that we have open access.”

The National Cable & Telecommunications Association had no immediate comment, but its largest member, Comcast, was sufficiently concerned about Title II that it filed off a Christmas Eve letter to the FCC calling it a “risky and destabilizing” alternative to Section 706 authority.

CTIA also filed back at the Title II signals last week: “Comparisons to the regulatory framework for mobile voice are misplaced and irrelevant,” said CTIA president Meredith Attwell Baker, a former Republican FCC commissioner. “Congress created a regulatory regime for mobile voice under Section 332 and Title II. Congress also created a separate regulatory regime — explicitly outside Title II — for other services like mobile broadband.”

Washington, D.C.-based advocacy group Free Press, which has pounded Wheeler over his initial inclination not to use Title II, was not declaring victory just yet, but it clearly read the Wheeler tea leaves and liked what it saw.

### ***SKEPTICAL ADVOCATES***

“Chairman Wheeler appears to have heard the demands of the millions of Internet users who have called for real net-neutrality protections,” Free Press president Craig Aaron said. “Of course, the devil will be in the details, and we await publication of the agency’s final decision.”

The final decision will likely not be final. AT&T, for one, has threatened to sue if Title II is implemented, suggesting the FCC should defer to Congress on the matter.

Senate Communications Subcommittee member Dean Heller (R-Nev.) agreed. “[I]t is clear to me that bipartisan interest exists to pursue legislation that clearly addresses potential harms to an open Internet without creating onerous regulations,” he told *Multichannel News* in an email message last week. “I believe the FCC would be wise to let elected officials on Capitol Hill continue working before proceeding to any vote on a new order in February.”

### **Discrimination Brings Regulation**

WASHINGTON — The key Title II regulation the FCC would apply in reclassifying broadband access under a common-carrier regime is Section 202, which says it “shall be unlawful for any common carrier to make any unjust or unreasonable discrimination in charges, practices, classifications, regulations, facilities, or services for or in connection with like communication service, directly or indirectly, by any means or device, or to make or give any undue or unreasonable preference or advantage to any particular person, class of persons, or locality, or to subject any particular person, class of persons, or locality to any undue or unreasonable prejudice or disadvantage.”

- See more at: <http://www.multichannel.com/news/technology/title-ii-looming-isps/386795#sthash.NL9N7RRt.dpuf>

Multichannel News

# Streaming In The Sky

Airlines Tap WiFi To Target Tablets, Phones For Entertainment 1/12/2015 9:00 AM Eastern

By: Glen Dickson

## TakeAway

**The major U.S. airlines are now in an arms race to deliver popular TV content to fliers, and WiFi is becoming an important piece of that effort.**

“TV everywhere” is now available in the clouds. Literally.

While U.S. airlines may be cutting back on snacks and free checked bags, there’s one service most are going overboard to deliver: streaming TV entertainment.

Like never before, airlines are launching videostreaming services that use WiFi to deliver major network-TV programming to passengers’ smartphones, tablets and laptops.

This “bring your own device,” or BYOD, model is allowing passengers access to in-flight entertainment on planes that didn’t have it before, and in many cases augmenting existing TV services with on-demand content. And it often provides a higher-quality viewing experience than a passenger would get with an aging, low-resolution seat-back display.

The new wireless streaming services are also being rolled out in lockstep with high-speed Internet access by some international carriers that are just introducing connectivity to their fleets.

Southwest Airlines, for example, has offered a 20-channel live-TV streaming service since mid-2013, available free on passenger devices. Delta Air Lines, which already offers live satellite TV on seat-back displays in many of its large jets, last summer launched free streaming video to passenger-owned devices on smaller regional jets through its “Delta Studio” service.

United Airlines announced in October that it will roll out a similar on-demand streaming service on 200 smaller regional jets through next year. JetBlue Airways in November introduced WiFi-enabled streaming video through its “Fly-Fi Hub” service with on-demand shows from Fox and National Geographic Channel. And both Alaska Airlines and Canadian lowcost carrier WestJet Airlines are rolling out new videostreaming services.

While airlines continue to invest in seat-back displays, particularly for large planes making long flights, streaming video to personal devices is now seen as being good enough to serve as the sole entertainment offering on some flights.

And in-flight streaming on jets is expected to grow as more planes add WiFi connectivity to allow passengers to access the Internet and check email in-flight — while at the same time generating ancillary revenues for the airlines.

“With all of our newer domestic narrow-bodies, we’re looking at personal device entertainment as the primary IFE [in-flight entertainment] option,” Tarek Abdel-Halim, managing director of passenger systems at United, said.

Airline executives said the personal-device model can result in a better viewing experience for passengers. Consumers tend to buy new smartphones or tablets every two years or so; Abdel-Halim said a seat-back screen may be used for 10 to 12 years before being replaced and tends to show wear and tear.

“It’s a more private experience for the passenger, and they’re comfortable with the UI [user interface]; they know how to navigate their own device,” Abdel-Halim said. “So we can have a really premium viewing experience by leveraging the on-board server, which holds a lot of content.” United offers more than 400 free TV movies and TV shows with its streaming service.



“We reach content deals with the studios and try to tailor the offering around our own viewing habits,” he said. “Today, it’s far more of an on-demand world — I want to watch what I want to watch, when I want to watch it.”

Seat-back TV displays have been around since the late 1980s and are a common feature on wide-body jets. JetBlue first launched DirecTV satellite TV on its planes back in 2000.

But in-flight WiFi is still a relatively new amenity. It is only found on around 3,500 commercial planes at present, with the vast majority in North America.

Analysts estimate that more than 12,000 commercial planes globally have yet to add Internet connectivity, and that the connectivity market itself could eventually grow to more than \$2 billion in annual revenues.

“The business is changing pretty dramatically and growing,” said Dave Davis, CEO of Global Eagle Entertainment, a Los Angeles-based firm that licenses in-flight content, makes video-streaming software and provides satellite connectivity to Southwest and a number of international airlines.

While Global Eagle currently licenses content for seat-back displays in more than 4,000 planes, its Internet- connectivity systems are only installed on around 615 planes; 500 of those aircraft also offer streaming video to personal devices. Davis noted that Global Eagle also provides streaming software to airlines using other connectivity vendors, such as Philippines Airlines, which offers streaming video as the primary in-flight entertainment on its wide-body Airbus A-330 jets.

Myriad players serve the in-flight entertainment (IFE) and connectivity markets, including manufacturers of embedded seat-back displays, content service providers (CSPs) who serve as middlemen between programmers and airlines, and providers of connectivity via satellite or terrestrial links.

Most have their foot in the door of the nascent in-flight streaming market. Some of the biggest players include GoGo, an Itaska, Ill.-based company which leads the in-flight connectivity market with over 2,000 planes installed;

Global Eagle, which counts media veterans Jeff Sagansky and Harry Sloan as major investors; and ViaSat, a Carlsbad, Calif.-based company which provides high-speed Internet connectivity via Ka-band satellite to JetBlue's fleet as well as some United planes.

Besides making TV shows and movies available on more flights, streaming should also lower the cost of delivering that programming for airlines. One of the biggest benefits of BYOD in-flight TV to airlines is that it eliminates seat-back display systems and their associated wiring and under-seat boxes. That means significant weight savings, and thus lower fuel costs. Streaming also means lower maintenance costs than embedded displays, which usually can't be fixed without parking the plane.

The BYOD model also allows passengers to take advantage of connected devices that they are bringing aboard anyway and which often provide a larger, higher-quality display than conventional seat-back systems.

"As airlines look to increase their profit margins, one of the biggest things they do is look at the cost of fuel and the weight of plane," Elliot Wagner, vice president of international program sales and North America partnerships for Discovery Communications, said. "With streaming, you could theoretically get rid of 90% of the weight of your content system. So we are more than happy to work with these airlines to help them do that."

As long as airlines and in-flight content service providers deliver the same level of digital rights management [DRM] that Discovery is used to on the ground, said Wagner, the programmer has no problem with streaming in an airline's cabin.

"As a passenger, I think it's great," he added. "I'm bringing my iPad onboard regardless, and in most cases, it's a better display [than the seat-back model]."

To be sure, streaming video to personal devices at 35,000 feet isn't exactly the same as doing it on the street or in your living room. While the service is delivered via WiFi, the streaming content delivered within a plane represents more of a "walled garden" than all of the video delivered through the Internet.

This is due both to bandwidth constraints and rights issues. As a result, typical “TV everywhere” content that can usually be watched via the Internet on authenticated devices might not always be available in the air.

Piper Jaffray analyst James Marsh, who covers Global Eagle, notes that most in-flight connectivity providers won’t let you access Netflix or other popular streaming sites today.

“Up to now, it’s more of a capacity issue and less of a rights issue,” Marsh said. “Most connectivity players won’t let you stream.”

As in-air bandwidth is expensive, most airlines are focused on using streaming to deliver on-demand movies from onboard servers preloaded with content. GoGo’s streaming product, GoGo Vision, is a good example. Launched in 2011 as a cost-effective add-on to GoGo’s existing WiFi connectivity services, the service is now on more than 1,600 commercial planes, many of which are already equipped with traditional seat-back displays or overhead monitors. GoGo Vision runs off onboard servers stocked with more than 100 movies and TV shows, and can be found anywhere from on regional jets up to large aircraft, where it is often an add-on service to traditional seatback TV.

GoGo Vision is used by most of GoGo’s major U.S. connectivity customers including Delta, American and United, as well as Japan Airlines for domestic flights, and is generally offered under the airline’s branding.

“When we launched connectivity in 2008, we knew there was interest from leisure travelers in watching movies and streaming video through the Internet, but the capacity wasn’t there when we launched,” GoGo spokesman Steve Nolan said. “So we created a product to allow customers to rent movies where it’s not such a bandwidth issue. That was the genesis of it.”

While GoGo hasn’t disclosed the cost of adding connectivity to a plane (analysts peg the cost of terrestrial connectivity at around \$100,000 per plane, with satellite connectivity costing two to three times as much), Nolan said that adding GoGo Vision requires only a small incremental investment.

Besides installing a special antenna to receive ground-to-air data, providing connectivity on a plane is similar to installing a Wi-Fi system in a house, Nolan said. Needed equipment includes an onboard server, modem and several wireless access points (WAPs). Movies and TV shows are loaded onto the server while the plane is on the ground through a universal serial bus-based content loading system.

GoGo Vision content is generally offered on a pay-per-view basis, with TV shows selling for \$1 and movies for \$5.99. (Movies tend to be offered in the same window as DVDs for wireless streaming, not the “early window” that seat-back fare enjoys, though some smaller studios like Magnolia Pictures do offer movies in the early window.) Some airlines offer free fare.

Streaming won't take over right away — airlines still have plans to improve embedded seatback displays (see sidebar, page 15), which often accompany power outlets for long flights. But even leading seatback vendors like Panasonic Avionics and Thales now have streaming products.

Thales, which provides a variety of technology for the aviation industry including navigation, communication and instrumentation systems, is along with Panasonic Avionics one of the two big vendors of embedded seatback displays and already counts more than 75 airlines as customers.

In June it bought JetBlue's LiveTV unit, which provides the live DirecTV seatback service to both JetBlue and United, to bolster its connectivity business.

The French conglomerate is now branching into wireless, in-flight entertainment with Middle Eastern airline Saudia, which is currently installing serverbased Thales systems that will stream on-demand video to passenger devices. Thales is also a partner of GoGo, which is working to improve its connectivity products for both the U.S. and the international markets.

### **In-Flight HD: Takeoff Still Delayed**

While the hottest technology trend in in-flight entertainment may be streaming video to portable devices, that doesn't mean that airlines are giving up on seat-back displays.

In fact, at the same time Delta announced its new BYOD [bring your own device] streaming service for regional jets last summer, the carrier touted its continued investment in seat-back entertainment. Delta said it would upgrade some 156 domestic narrow-body aircraft with seat-back displays through 2016, adding to the 140 domestic planes already with them. More than 100 new Airbus and Boeing planes are set to be delivered with seat-back displays through 2018, Delta also said.

“Especially for longer-haul planes, such as international routes, there's always going to be a place for seatback solutions that also provide power as well,” GoGo spokesman Steve Nolan, whose company provides Delta's streaming service, said. “But the trend is also moving away from that, as there are operational advantages to offering a [streaming] service to passengers who already have a device in their hands. We know from our research that a lot of people walk onto a plane with a WiFi device.”

One way that seat-back displays can stay relevant with passengers is by improving their resolution. Large airlines typically have a long refresh cycle for their IFE displays, as much as 10 to 12 years. So most units today are 480-line progressive standard definition, which pale in comparison to the high-definition displays featured in many of today's smartphones, tablets and laptops and represent a fraction of the 4K resolution offered by the latest HD consumer sets.

“We have to get to the next generation of monitor, which is 1080p,” Tarek Abdel-Halim, United managing director of passenger systems, said. “The refresh rate of personal devices is always going to be faster, and allow the latest, greatest screen technology to come to PDE [personal-device entertainment].”

In the near term, wireless streaming to personal devices is probably the easiest way to provide HD content in-flight, Elliot Wagner, vice president of

international program sales and North America partnerships for Discovery Communications, said.

“If we are able to send a deliverable encoded as an HD file, and have it displayed back on a Retina Display on an iPad, that would be ideal,” Wagner said.

One in-flight vendor that remains firmly committed to seat-back displays is Irvine, Calif.-based Lumexis, which said it has taken most of the weight out of the seat-back experience with a new architecture called FTTS, or fiber to the seat. Lumexis’s approach is to run embedded fiber-optic cables directly to each seatback display from a central server, forgoing any terminal units under the seat.

The company uses LED-backlit liquid crystal displays, with smaller economy and business class units (10.1-, 12.1- and 15.2-inch) at 720p resolution and larger (23-inch) first-class units at 1080p. Lumexis VP of sales Jon Norris said the system runs at 40% of the weight of a typical legacy in-seat system.

## **What’s On-Air Up There**

Here’s a sampling of what’s available on a few of the biggest U.S. airlines:

### **United Airlines**

The airline is now rolling out GoGo Vision on 200 two-cabin United Express regional jets, with installation scheduled to be complete by next summer.

By the end of this year, all of United’s domestic planes are scheduled to offer WiFi, plus either seat-back DirecTV service or wireless streaming to personal devices, including iOS and Android devices accessible through United’s mobile app, as well as laptop computers. Close to 200 planes already offer streaming.

While most of its narrow-body fleet has seat-back DirecTV, United’s latest deliveries of 737s do not have seat-back displays. Instead, they are being installed with WiFi connectivity, then streaming video.

United's streaming service is complimentary, as the airline is using an ad-sponsored approach for personal device entertainment with the Chase Mileage Plus Card as the current sponsor. United managing director of passenger systems Tarek Abdel-Halim said United still characterizes streaming as a beta product and hasn't aggressively marketed the service. He didn't provide detailed metrics on usage, but so far United has seen "good uptake," he said, particularly on the Boeing 777s making long flights across the Pacific.

"Though it's very early stages, from a domestic fleet point of view, I can't envision a scenario where we go back to wired seat-back entertainment based on the initial response to PDE [personal device entertainment]," he said.

As the streaming service becomes more commonplace, United plans to ramp up its marketing, and to make connecting to United WiFi and loading up the in-flight portal "look very similar and have common capabilities" across different aircraft, Abdel-Halim added.

### **Southwest Airlines**

Southwest, which introduced on-demand streaming content on its Boeing 737s in February 2013, five months later launched "TV Flies Free," a 20-channel live TV service sponsored by Dish Network and viewable for free on customer-owned WiFi-capable devices. (Dish's sponsorship ran through 2014, and the service is now sponsored by Chase and called "Free Live TV Compliments of the Rapid Rewards Credit Card.") Streaming video is the only form of in-flight entertainment that price-conscious Southwest offers.

While 80% of Southwest's fleet has Wi-Fi connectivity today, its Boeing 737s had neither Internet access nor in-flight entertainment just five years ago. The satellite-based connectivity system from Global Eagle/ Row 44 uses a Ku-band satellite connection to deliver live video in a "dedicated pipe" alongside Internet data.

The "Free Live TV" lineup includes CNBC, MSNBC, NBC, Fox News Channel, Fox Business Channel, Fox, Fox Sports 1, NFL Network, [MLB.com](http://MLB.com), Golf Channel, Bravo, Animal Planet, Travel Channel, TLC, HGTV, Food Network, CBS, Cartoon Network, Discovery Channel and a promotional channel. During

football season, NFL Network Red Zone is also available on an a la carte basis for an additional \$4.

“TV Flies Free is available gate-to-gate and doesn’t require users to download an app beforehand, which is how most other airlines offer streaming video. The service is simply accessed through a Web browser, though passengers need to provide their email for marketing purposes before they get to watch TV.

While watching live TV through WiFi is free, using WiFi to access the Internet or send email costs \$8 per day. Southwest also offers on-demand movies for \$5 per title, and smartphone users can enjoy IP-based messaging (either Apple’s iMessage or the platform-agnostic WhatsApp) for \$2 per day.

### **Delta Air Lines**

Delta uses a seat-selection technology to give passengers access to a range of free streaming content from GoGo Vision based on the class of ticket a passenger has; the pricier the ticket, the more free content is available.

“It asks you your name and where you’re sitting on the plane, and it serves up content based on where you are,” said GoGo spokesman Steve Nolan of the airborne authentication system. “The further up you are in the plane, the more likely you are to have everything free.”

To use GoGo’s straight connectivity product to surf the Web or check email, passengers must pay standard connectivity fees, which start at \$16 for an all-day pass when bought on the ground (and potentially run much higher or lower when bought on-board, depending on the length of the flight).

- See more at: <http://www.multichannel.com/news/tv-everywhere/streaming-sky/386804#sthash.73CDFj5C.dpuf>

Multichannel News



# FCC ‘Peering’ Into Comcast-TWC

Agency Seeks Data on ISP-Online Video Provider Relationships 1/12/2015 8:00 AM Eastern

By: [John Eggerton](#)

## TakeAway

**The FCC will put the practice of paid peering under the microscope as it resumes its vetting of the Comcast-Time Warner Cable merger.**

WASHINGTON — The Federal Communications Commission’s informal “shot clock” on the proposed merger of Comcast and Time Warner Cable is scheduled to restart today (Jan. 12), but many of the mega-deal’s opponents are still trying hard to stop it and the regulator is still ruminating over the hot-button issue of paid peering.

Late-filed TWC documents cited by the FCC as cause for the latest, and second, halt in the informal 180-day window for vetting the \$69 billion merger, combined with ongoing litigation over third-party access to program contract documents (see *Capital Watch*, next page), are insuring that the merger-approval process won’t get a smooth start in the new year. It wrapped up 2014 with a flurry of comments opposing the transaction, which would combine the No. 1 and No. 2 U.S. cable operators into a mega-MSO of some 30 million subscribers.

## **WORDS OF WORRY**

Those comments came late last month from, among others, the Stop Mega Comcast Coalition, whose members include such advocacy groups as Consumers Union, the Future of Music Coalition, Public Knowledge and the

Sports Fans Coalition, as well as rival satellite-TV provider Dish Network and a screenwriter's union, the Writer's Guild of America, West.

But on its own dime, the FCC is looking to drill down on the matter of paid peering, or instances in which online video distributors such as Netflix agree to pay for access to the networks of ISPs that own the last-mile link to subscribers.

FCC chairman Tom Wheeler may have signaled that he wanted to keep such interconnection charges out of the Internet-neutrality debate, but the same can't be said of the battle over whether to allow Comcast and Time Warner Cable to merge.

According to various filings in the deal's docket last week, the FCC has reached out to a host of over-the-top video edge providers — including Netflix, Hulu and HBO Go — for information on peering or interconnection deals with the top 20 ISPs and the traffic flows of that content.

It has even reached out to consumer-electronics giant Sony about its proposed over-the-top service, asking it about its plans for interconnection, whether it expects to have to pay for it and why.

Netflix has complained about having to pay Comcast to carry its video traffic and Comcast's slowing of that traffic. It has asked the FCC to block the deal outright, and to put peering-related conditions on another proposed merger between telco AT&T and satellite-TV provider DirecTV.

Comcast has countered that it was Netflix that engineered a traffic slowdown for political purposes and that paid peering is general industry practice when the traffic exchanges are inequitable — according to a November study from research firm Sandvine, Netflix accounts for a third of all Internet traffic in prime video viewing periods.

## ***PEERING PROBE***

The FCC appears to want to use the merger to help it determine whether paid peering is an anticompetitive move, as Netflix has suggested, or whether it's part of the cost of doing businesses, as ISPs have said.

Bernstein Research equity analyst Paul De Sa has advised clients that it would be tough for the FCC to make a case that interconnection charges are anti-competitive, "as opposed to a legitimate source of returns that provide an incentive for further network investment and potentially reduce consumers' retail rates by supplying an additional revenue stream."

De Sa predicted the Comcast-Time Warner Cable deal would be approved, with conditions, in the second quarter.

The analyst handicapped the chances of the deal not going through at 25%, given the "vast amount of non-public information" that will go into the decision, or the possibility that Comcast could walk away from the deal, particularly if common carrier-style Title II Internet-neutrality regulations are imposed.

### **Information Please**

WASHINGTON — As part of its review of the proposed Comcast-Time Warner Cable merger, the Federal Communications Commission has given some prominent present and would-be over-the-top video providers and edge providers until Jan. 23 to provide much information about their interconnection agreements with the top 20 ISPs.

Such data requests are not unusual, but the subject matter suggests the FCC is looking at the competitive impacts of ISP interconnection and paid-peering deals with over-the-top providers.

The requests were made of over-the-top (OTT) video providers Netflix, HBO Go, Sony and Hulu, as well as content-delivery networks Limelight, Level 3 and Akamai.

For example, the FCC wants the Netflix data drop to include:

1. The top 20 ISPs to whom the company delivered the most traffic.
2. Total volume of traffic delivered (in Gigabytes).
3. Total hours of programming delivered.
4. The company's total cost of delivering that programming.
5. The number of subscribers, using the 20 ISPs and all others as a combined figure.
6. The average bit rate of traffic and percentage of packet loss.
7. Whether Netflix service can be delivered on reasonable terms and conditions.
8. Any firms with which it could not obtain commercially reasonable rates.
9. The interconnection capacity made available to Netflix.
10. Recurring interconnection payments to ISPs (including payments for locating Netflix equipment at ISP facilities).
11. Capacity made available in both paid and settlement-free peering agreements.
12. Discussion of the potential impact of data caps and usage-based billing.
13. The effects of an ISP's network management practices on delivery of Netflix's service, including Comcast's network practices.
14. All video programming Netflix sought to distribute as part of its OVD service but was "unable to obtain rights to distribute on terms acceptable to the company," and which it had reason to believe was "related" to "a provision in another video programming provider's agreement with another MVPD or OVD."

- See more at: <http://www.multichannel.com/fcc-peering-comcast-twc/386806#sthash.OkCAIq3j.dpuf>

Multichannel News

## **FCC Opens Online Complaint Department**

WASHINGTON — The Federal Communications Commission last week launched a new online consumer help center to make it easier for the public to file complaints against its licensees — such as broadcasters and cable operators — and others. The move was billed as part of a broader effort to reform FCC process, but it is also in the wheelhouse of chairman Tom Wheeler’s pledge of a consumer-focused agency. The common cable issues in the TV portion of the site include “sports blackouts” and “loud commercials” — which gets its own category (there is also a “broadcast advertising” category) — as well as ones on indecency, closed-captioning and complaints about broadcast journalism. (The FCC has conceded it has narrow authority over news programs, confined primarily to cases of falsifying the news, though the site pointed out that the FCC “has stated publicly that ‘rigging or slanting the news is a most heinous act against the public interest.’”) On the cable side, common issues include record retention, signal leakage, rate regulation, channel-carriage issues — retransmission- consent blackouts for one — and signal quality. Broadcast issues include a category for “sports blackouts.” - See more at:

<http://www.multichannel.com/capitalwatch/386807#sthash.iUKhgeVO.dpuf>

Multichannel News

# Hill Takes Aim at Title II As GOP Seeks Compromise

Sen. Thune Spells Out 11 Parts of Legislation 1/19/2015 8:00 AM Eastern

By: [John Eggerton](#)

## TakeAway

**Legislators last week were working on a potential net-neutrality compromise that could satisfy both parties, if not the president, by addressing everything except Title II reclassification.**

A flurry of activity on Capitol Hill last week lent support to cable operators and other Internet service providers, the targets of President Obama's regulatory ambitions.

It wasn't the cavalry, but Republicans newly in control of both the House and the Senate rode in on what they hoped would be bipartisan legislation — although no Democrats were on board by press time — to give the Federal Communications Commission explicit authority to prevent some Internet practices without resorting to “the nuclear option,” and to extend those to wireless broadband.

The president's declaration that the FCC should reclassify Internet access under Title II regulations — more like how utilities are regulated (see Cover Story) — could make it difficult to get Democratic support.

The bill would prevent blocking, discrimination and paid prioritization, and would even apply the regulations to wireless broadband. But it would also

limit the FCC's Section 706 forbearance authority, something that will not please Democrats.

One of the two Republican leaders who worked on the draft, new Senate Commerce chairman John Thune (R-S.D.), spelled out 11 key parts of the legislation that sounded like a net-neutrality activist's wish list, save for the part about no Title II.

Those Thune principles included: "Prohibit blocking, prohibit throttling, prohibit paid prioritization, require transparency, apply rules to both wireline and wireless, allow for reasonable network management, allow for specialized services, protect consumer choice, clarify that Section 706 of the Telecommunications Act may not be used as a grant of regulatory authority, and direct the FCC to enforce and abide by these principles."

Two hearings are scheduled this week on the bill, which contained all of those things and defined the reasonable network management and specialized services that would be allowable, as well as the paid prioritization that would not be.

One hearing is in the House Energy & Commerce Communications Subcommittee and one is in Thune's committee. Key to those hearings is the reaction of Democrats; if at least one highprofile Democrat gets on board, it could create hope for some kind of compromise.

That will be a tall order, as will getting bipartisan support for a bill that does not include the Title II reclassification that the president and party leader requested. In coming out strongly for Title II, unless he changes course, President Obama has drawn a line that Democrats would have to cross to support a non-Title II approach.

Republicans would clearly be giving something up if they were to agree to net rules at all, much less to banning paid prioritization and applying the rules to wireless broadband.

The National Cable & Telecommunications Association, which has been pushing hard against Title II, was cautiously optimistic as NCTA president Michael Powell was set to be a witness at the House hearing on the rules.

“We are encouraged by the potential of Congressional discussions on network neutrality,” the NCTA said in a statement. “While we will reserve judgment on specifics, we believe Congress can play a constructive role in offering meaningful open-Internet rules that avoid the collateral damage of ill-fitting Title II regimes, including the real costs that consumers would suffer from greater government control over the Internet and the years of disruptive litigation and marketplace uncertainty.”

TAGS:

SHARE THIS POST

- See more at: <http://www.multichannel.com/hill-takes-aim-title-ii-gop-seeks-compromise/387001#sthash.fNCPIV2C.dpuf>

Multichannel News



# Power Play

**How Obama Is Shaping Policy — and His Legacy — by Pushing for a Faster Internet and Utility Rules for ISPs** 1/19/2015 8:00 AM

Eastern

By: [John Eggerton](#)

WASHINGTON — The president of the United States has thrown his weight into passing strict new laws that will fundamentally alter the business model for the nation's cable operators, regulating them like utilities and requiring faster minimum speeds for Internet delivery.

Last week, President Obama asserted that stance in a speech delivered at the municipal utility in Cedar Falls, Iowa — also that community's cable provider — vowing to pass the law as he builds a last-term broadband legacy in concert with Federal Communications Commission chairman Tom Wheeler.

Should the nation's broadband pipes, paid for by private capital and entrepreneurial companies, be allowed to flourish as they have since inception without government intervention? Or should those pipes now be governed by federal regulations because the Internet is just as critical as electricity, the means by which we communicate, educate, buy goods, receive health care and even decide who we meet and marry?

The signal from the Obama administration and an army of regulators appears to be that it almost doesn't matter how ISPs gained the power they have — that the power to connect people to the Internet is now so great, and the Web so central to daily life and commerce, that it is in the public interest for government to step in.

In the call for new rules, the Obama Administration has made the speed of delivery an issue to be highlighted. Its message: ISPs aren't delivering broadband that's fast enough to meet all of those needs, and they aren't facing enough competition for service to lower prices and boost those speeds.

Moreover, they need common-carrier rules to keep them from blocking and discriminating and prioritizing that Internet traffic.

The president pulled no punches last week, defending his support for FCC pre-emption of state laws that limit municipal broadband by saying consumers were at the whim of Internet-service provider monopolies that “jacked up” rates while trying to squash competition.

ISPs are pushing back, but they are on the defensive. National Cable & Telecommunications Association president and CEO Michael Powell warned the FCC about “chas[ing] false solutions.” Walter McCormick, president of telco trade group USTelecom, said the president’s plans for regulations based on Title II of the Telecommunications Act and FCC pre-emption sound like a “call for the federal government to regulate the Internet, and for municipal governments to own the Internet.”

Cable operators continue to call for light-touch regulations and point to hundreds of billions of dollars of private- enterprise investment at stake, but the hand of government is beginning to weigh heavily on their collective shoulders.

Over on Capitol Hill, top Republicans on the FCC oversight committees were trying to help cable operators on the Title II front, announcing they were working on legislation that would prevent discrimination, blocking and even paid prioritization, but under existing authority clarified by Congress.

But the larger issue is the administration’s apparent view that broadband is so ubiquitous and important that unusual measures are justified.

### ***NEW DEAL PARALLEL***

Last week, the White House drew a direct parallel between government efforts in the 1930s to get electricity to rural areas and the high-speed broadband initiatives that the administration and the FCC are backing to ensure that broadband reaches those same rural areas.

“In the 1930s, many argued that electricity was a luxury, something too costly to bring to rural communities and to every American and too modern for them to take advantage of,” Jeff Zients, director of the President’s National Economic Council, said in a White House-arranged call with reporters. “We are at a similar moment today. Broadband is no longer a luxury, it’s a necessity.”

Punctuating that comparison, Obama is now defining broadband by speeds several times higher than current FCC definitions.

The White House has already told Wheeler it thinks the agency needs to reclassify Internet access under Title II common-carrier regulations to ensure that cable and phone companies don’t become gatekeepers.

The push for high-speed Internet penetration is going to be one of the themes of Obama’s State of the Union address Tuesday night (Jan. 20), but the White House is taking a different tack this time around, previewing those themes, as it did with broadband and cybersecurity last week.

The White House even sent out an email with a link to a video of the president plugging his midweek broadband speech from the Oval Office.

The Obama administration and Wheeler appear to be on the same page when it comes to viewing the rollout of broadband service, which they are defining at higher speeds — 10 Megabits per second, then 25 Mbps and now perhaps as fast as 1 Gigabit per second — as a seminal moment in the nation’s relatively brief digital history.

In Cedar Falls last week, the White House was talking up 1-Gbps services as a good mark to aim for — not just for watching videos and playing games, but for helping small businesses be more competitive.

Defining competition in a market, or determining whether a market is “underserved” and even “unserved,” may eventually be measured not by whether an incumbent is offering service, but at what speed and price the service is offered.

Wheeler is even teeing up some action items the president could reference in his speech to show the FCC's foot was on the broadband accelerator, including scheduling a vote this month on raising minimum broadband speeds to 25 Mbps, and next month on a pair of petitions to pre-empt state broadband laws.

Affordability may also become the table stakes for the definition of "available" broadband. Zients said the president wanted to remove roadblocks to competitors entering local markets — which would include state laws limiting municipal broadband. Pre-empting state broadband regs is just one of several initiatives Obama is backing to boost high-speed broadband (see sidebar).

The White House said 19 states had broadband-limiting laws, though the Coalition for Local Internet Choice put that number at 21 and potentially 22 if a newly introduced Missouri law is passed.

### ***CALL FOR MORE MUNIS***

The White House initiatives on speed and ISP reclassification also mirrors calls by Susan Crawford, a former tech adviser to Obama — as was Tom Wheeler — for municipal buildouts, an approach to broadband similar to the Roosevelt-era rural electrification program, and for regulating broadband like a utility, all on the president's list. Crawford is a Cardozo School of Law professor and author of *Captive Audience: The Telecom Industry and Monopoly Power in the New Gilded Age*.

Wheeler has already signaled that he thinks the FCC should use its preemption powers to reverse what he characterizes as incumbent ISPs trying to prevent competition. ISPs counter that municipal broadband networks sometimes fail, leaving taxpayers holding the bag. Others said cities sometimes overbuild existing service from private companies that have a hard time competing on price with government-subsidized networks.

The FCC currently has two petitions in front of it asking for state law pre-emption — from the cities of Chattanooga, Tenn., and Wilson, N.C. A

spokesperson said the FCC was still vetting them at press time, but a highly placed source said the chairman wanted a vote in February, and he is likely to get a Democratic majority to support pre-emption. Democratic commissioner Jessica Rosenworcel said last week she supported the president's initiatives. Republican commissioners Ajit Pai and Michael O'Rielly signaled they were not on board, saying the FCC did not have that pre-emption authority.

The White House stopped short of endorsing those petitions, but it might as well have, saying Obama wanted to "end laws that harm broadband competition. Chattanooga Mayor Andy Berke joined Zients on the call outlining the president's high-speed initiative, and the fact sheet cited three cities that had taken aggressive steps to improve broadband: Chattanooga, Wilson, and Kansas City, Kan. (The latter struck a deal with Google Fiber.)

Promoting municipal broadband could have a side benefit for an FCC and administration concerned about ISPs favoring their own content.

Because city-owned cable systems don't own content or networks, they don't "have the same incentives as cable- or telco-owned networks to play favorites with Internet content," Robert Cooper, a partner at Boies, Schiller & Flexner LLP in Washington, said.

Cable operators were already on the defensive after Wheeler pivoted toward Title II, and he has since signaled that he is likely to follow the president's lead. That has led to a new round of pushback from cable operators who argue that reclassification will mean billions in new taxes and fees, decreased investment and innovation, and certainly more legal challenges.

Not that cable operators have been resting on their laurels. There seems to be an announcement almost daily of a speed upgrade in cities across the country, but going forward, those upgrades would be needed not just to keep up with Google Fiber and others but to keep pace with the policy imperatives.

In a blog post rebutting the presidential announcement that had already been telegraphed via online videos and press calls and fact sheets, the NCTA pointed to the \$230-billion cable providers had invested to extend and

upgrade broadband to communities “urban and rural,” and speeds that had increased by 3200% in the last decade.

### ***NCTA FIRES BACK***

The NCTA talked about declining permegabit prices and even faster speeds via DOCSIS 3.1 and the new Broadcom Gigasphere chips on display earlier this month at the International CES in Las Vegas.

While the president was touting the Cedar Falls, Iowa, municipal system’s speeds as rivaling those in Paris and other high-speed cities, the NCTA talked about cable operator Mediacom Communications bringing state-of-the-art speeds to the entire state of Iowa.

The NCTA conceded that there are two “discrete” areas where government “may” play a targeted role. That is in “very rural” areas where there is no service and no business case for it, and in adoption education.

The White House signaled the administration did not think Title II would put a damper on investment of innovation, as cable operators have argued, and that price and availability of high speeds, rather than not wanting broadband, were the key roadblocks to ubiquitous broadband.

Among those pushing back in Congress last week was Sen. Deb Fischer (R-Neb.), who likened the president’s broadband speech to announcing he was nationalizing the Internet. “This afternoon, we will see the president parachute into Iowa and tout a new federal takeover of state laws governing broadband and the Internet,” she said.

### **Obama’s Broadband Initiatives**

**The White House last week announced some new executive actions to promote high-speed broadband, building, it said, on President Obama’s network-neutrality proposal to have the FCC reclassify Internet access under Title II:**

► **Calling to End Laws that Harm Broadband Service Competition:**

“Laws in 19 states — some specifically written by special interests trying to stifle new competitors — have held back broadband access and, with it, economic opportunity. Today, President Obama is announcing a new effort to support local choice in broadband, formally opposing measures that limit the range of options available to communities to spur expanded local broadband infrastructure, including ownership of networks. As a first step, the Administration is filing a letter with the Federal Communications Commission (FCC) urging it to join this effort by addressing barriers inhibiting local communities from responding to the broadband needs of their citizens.”

► **Expanding the National Movement of Local Leaders for Better Broadband:**

“As of today, 50 cities representing over 20 million Americans have joined the Next Century Cities coalition, a nonpartisan network pledging to bring fast, community-supported broadband to their towns and cities. They join 37 research universities around the country that formed the Gig.U partnership to bring fast broadband to communities around their campuses. To recognize these remarkable individuals and the partnerships they have built, in June 2015 the White House will host a Community Broadband Summit of mayors and county commissioners from around the nation who are joining this movement for broadband solutions and economic revitalization. These efforts will also build on the US Ignite partnership, launched by the White House in 2012, and which has grown to include more than 65 research universities and 35 cities in developing new next-generation gigabit applications.”

► **Announcing a New Initiative to Support Community Broadband Projects:**

“To advance this important work, the Department of Commerce is launching a new initiative, BroadbandUSA, to promote broadband deployment and adoption. Building on expertise gained from overseeing the \$4.7 billion Broadband Technology Opportunities Program funded through the Recovery Act, BroadbandUSA will offer online and in-person technical assistance to communities; host a series of regional workshops around the country; and publish guides and tools that provide communities with proven solutions to address problems in broadband infrastructure planning,

financing, construction, and operations across many types of business models.”

► **Unveiling New Grant and Loan Opportunities for Rural**

**Providers:** “The Department of Agriculture is accepting applications to its Community Connect broadband grant program and will reopen a revamped broadband loan program, which offers financing to eligible rural carriers that invest in bringing high-speed broadband to unserved and underserved rural areas.”

► **Removing Regulatory Barriers and Improving Investment**

**Incentives:** “The president is calling for the Federal Government to remove all unnecessary regulatory and policy barriers to broadband build-out and competition, and is establishing a new Broadband Opportunity Council of over a dozen government agencies with the singular goal of speeding up broadband deployment and promoting adoptions for our citizens. The Council will also solicit public comment on unnecessary regulatory barriers and opportunities to promote greater coordination with the aim of addressing those within its scope.”

— *John Eggerton*

- See more at: <http://www.multichannel.com/power-play/387005#sthash.IAJTAEpn.dpuf>

Multichannel News



# Operators Warming to Big Data

Cable Focuses On Customer Service In Sea Of Analytics <sup>1/19/2015</sup>

8:00 AM Eastern

By: K.C. Neel

## TakeAway

**As the technology improves, cable operators and consumers are more open to using “big data” analytics to improve customer service.**

Cable, satellite and telco operators have been gathering data about their customers for decades, but results often fall short of expectations. These days, though, so-called big data analysis seems at least poised to create real operational efficiencies and improved customer care, big-data experts and cable operators said.

Up until recently, objections to using big data analytics seemed reasonable. Concerns over potential privacy infringement were among the biggest objections.

### ***CONSUMERS LESS WARY***

Making money on big data meant selling customer information to third parties, a practice that made subscribers even more leery of providing information. At the same time, overinflated promises and expectations dashed some operators' enthusiasm to dive into the big-data pool.

But the technology has improved, and consumers are more willing to share information. Multichannel distributors, too, are becoming more adept at using

big data to enhance customer care, improve operating efficiencies and add to the bottom line.

One of Canada's largest multichannel pay distributors is using big data to determine where it can have the biggest impact on a customer's experience, according to the director of consumer digital services at the unnamed MSO. The amount of data any company collects can be overwhelming, so this Canadian MSO has chosen to focus on specific customer-care areas. That means a lot of data may remain in storage to be used later. But it also means present-day solutions are being crafted for present-day problems.

Most phone calls into care centers are still billing-related, so using big-data analytics to reduce those calls will not only make customers happier, it can also have a direct impact on the bottom line, Nibha Aggarwal, senior director of product marketing for Amdocs, said. In one case study conducted for Amdocs last year, an undisclosed wireless provider had a chronic problem of callers repeatedly asking for credits whenever their calls were dropped.

"The carrier found they could pre-emptively fix the problem by giving small credits to customers before they called in to the call center," Aggarwal said. "That wireless provider saw a 40% drop in its call rates simply by communicating with those customers and saying, 'Your call was dropped and you will not be charged.'"

"We are also seeing increases in customer satisfaction with some multichannel distributors who are sending step-by-step videos and instructions via text or email to customers who are trying to self-install equipment," Aggarwal added. "It is an example of helping educate the customer before they call into the call center to ask questions."

In another case study involving an undisclosed operator, call volumes dropped 14% when the operator sent pre-emptive emails and text messages to customers who experienced onetime price hikes for such items as late charges, Aggarwal said.

“By sending the emails before they call in, customers know what to expect and why. This company was spending millions of dollars every year giving out credits to customers,” Aggarwal said. “When they implemented this procedure, their credits dropped 12.5%. Using big data in this manner not only improves a customer’s experience, it reduces operating costs.”

## ***SILOS A ROADBLOCK***

One big hurdle that keeps big data from reaching its full potential is the hefty task of breaking down operational silos, experts said. It’s neither easy nor expensive.

But getting rid of those silos makes it easier to be proactive and helpful. For example, in the case of a TV service outage, it would be beneficial if customers in the affected area automatically received an email or text notification. That would reduce angry calls to the call center and reassure customers that their provider is on the case and working to fix the problem. Advances in big-data technology are making this scenario easier to accomplish, but breaking down internal operational barriers and enabling communications between those business units is necessary to take full advantage of what big data has to offer.

Companies across multiple industries, including most telecommunications companies, are moving to break down those operational silos. Terms like “single customer view” or “customer 360” have been gaining traction in marketing circles for some time. Gartner Inc., an information technology research and consulting company, presents a annual summit on how to create a customer-centric organizational culture based on a companywide CRM strategy. And vendors such as Amdocs are working with operators to integrate those operational silos to improve efficiencies and customer satisfaction.

Meanwhile, balancing the benefits of big data with concerns over privacy is an issue that continues to require operators’ attention. The Canadian cable executive said. Companies like Google and Facebook have paved the way to help consumers feel less threatened by sharing their personal information. But minefields still exist, and operators must tread lightly to make sure

consumers aren't uncomfortable with the information their telecom providers have about them.

“When you use that big-data information in an impersonal way, it can have a negative impact,” the Canadian MSO executive said. “When a customer calls in to complain about his or her Internet speeds, it might not be the best time to upsell them at that moment even if it makes sense on paper to sell that bigger package to them.”

### ***EARNING THE 'RIGHT TO SELL'***

He continued: “We have to earn the right to upsell or cross-sell our customers. We want to understand and fix their problem first. We always bring it back to the human experience. Data collection is an issue people are increasingly concerned about and we have to earn the right to use that data.”

As multichannel distributors continue to build trust with their customers, they will use big data more to sell more services, the cable executive said. Operators can learn a lot from the fumbles, foibles and successes of companies like Google and Facebook. It's one thing to learn from companies like Google when it comes to using big data effectively. It's another to actually put those practices to use. To be sure, analyzing big data requires manpower and the skill sets needed to take advantage of those analytics are in high demand these days. Many colleges, including the University of California at Berkeley and Queen's University in Kingston, Ontario, are creating courses specializing in big data.

“It's often hard to find the right people in this field,” the operator said. “Most people who deal with data are used to structured analytics, and big data is not structured and it takes a different approach. We do a lot of internal training in the classroom and in the field, and we're working with other companies to get ramped up in this space.”

“We are working in uncharted territory,” he said.

- See more at: <http://www.multichannel.com/news/cable-operators/operators-warming-big-data/387007#sthash.qawxbAYs.dpuf>

Multichannel News

# X1 Lets Comcast Subs Shop for CE Accessories

Top MSO Broadening App Selection 1/19/2015 8:00 AM Eastern

By: [Jeff Baumgartner](#)

The number of apps offered on Comcast's X1 platform is a far cry from the sheer tonnage that's available through Roku or Google Play, but the MSO continues to expand its wares slowly and with little fanfare.

One of the latest apps to join the X1 mix lets Comcast subscribers access the recently launched Xfinity Accessories Store. Customers can't make purchases directly via the X1 app (at least not yet), but they can browse the store via the set-top box.

The X1 Accessories Store app also lets customers browse Comcast's range of mobile apps, such as Xfinity TV Go, and to be directed to the Apple Store or Google Play to download them directly to a mobile device.

If customers are interested in purchasing an accessory, they can direct the system to send an email or text message that provides a link to the Web-based online store, where they can complete the buy using a credit card or PayPal.

Like the X1 Sports App, the Accessories Store app is a native X1 application, and not delivered to the box via the Internet. X1, though, has integrated several third-party, Internet-based apps, including Pandora, Facebook, Instagram and Flickr.

Comcast hasn't disclosed how many subscribers are on X1, but revealed last year that it has deployed more than 5 million X1 set-tops.

The X1-facing element follows the launch of the Xfinity Accessories Store in 2013. Though the offerings are still somewhat limited, Comcast subs can go there to purchase items such a backlit remote for X1 for \$19.95, an Onkyo-made Sound Bar (\$189.99), a WiFi range extender from Netgear (\$69.99), High-Definition Multimedia Interface (HDMI) cables, and a “My Book” DVR expander that regularly sells for \$124.99, but was on sale last week for \$99.98.

Comcast wouldn't discuss technology partners for the Accessories Store, but Delivery Agent is believed to be providing some of the key back-end components for it; the store's FAQ tells prospective buyers to send an email to an address with a Delivery Agent domain if they want to unsubscribe from the service.

Delivery Agent's known partners from the pay TV universe include Comcast, Verizon Communications, Cablevision Systems, AT&T U-verse, NBCUniversal, CBS, Discovery Communications, Fox, A+E Television Networks, and Showtime Networks.

- See more at: <http://www.multichannel.com/x1-lets-comcast-subs-shop-ce-accessories/387026#sthash.CY3SJZ30.dpuf>

Multichannel News

# FCC expected to propose regulating the Internet as a utility

Article by: STEVE LOHR , New York Times

Updated: February 2, 2015 - 10:44 PM

---

The FCC chairman is expected to make a proposal this week.

The chairman of the Federal Communications Commission this week is widely expected to propose regulating Internet service like a public utility, a move certain to unleash another round of debate and lobbying about how to ensure so-called net neutrality, or an open Internet.

It is expected the proposal will reclassify high-speed Internet service as a telecommunications service, instead of an information service, under Title II of the Communications Act, according to industry experts.

The change, the analysts and others say, which has been pushed by President Obama, would give the commission strong legal authority to ensure no content is blocked and no so-called pay-to-play fast lanes exist — prohibitions that are hallmarks of the net neutrality concept.

But Tom Wheeler, the FCC chairman, will advocate a light-touch approach to Title II, they say, shunning the more intrusive aspects of utility-style regulation, like meddling in pricing decisions. He may also suggest putting wireless data services under Title II and adding regulations for firms that manage the Internet's backbone.

The proposal is expected to be submitted to the agency's commissioners by Thursday. A vote on the proposal by the full commission is planned for Feb. 26.

The maneuvering in Washington over the proposal has already started. Congressional Republicans have proposed net neutrality legislation that bans content blocking and fast and slow lanes but also prevents the FCC from issuing regulations to achieve either.

The FCC proposal is Wheeler's latest attempt to find a way to write open Internet rules that are politically palatable and that will stand up to legal scrutiny.

Wheeler had initially proposed net neutrality rules that would not have classified Internet service providers as common carriers under Title II and would have allowed the cable and telecommunications companies to strike deals with content companies and online services as long as they were "commercially reasonable."

That approach brought a flood of critical comments into the FCC last summer, saying it would open the door to fast lanes on the Internet for deep-pocketed companies and slow lanes for everyone else.

Then, in November, Obama took the unusual step of weighing in. He called on the FCC to adopt the "strongest possible rules" on net neutrality and specifically to classify high-speed broadband service as a utility under Title II. His rationale: "For most Americans, the Internet has become an essential part of everyday communication and everyday life."

The industry response to Obama's declaration was swift and divided along predictable lines. The Internet Association, whose members include Amazon, Facebook, Google and Netflix, applauded Obama and urged the FCC to follow his lead to "ensure a free and open Internet."

The major Internet service providers, like Comcast and AT&T, protested and said utility-style regulation would threaten their



investment in faster broadband service, ultimately harming consumers.

Most of the focus of net neutrality has been on the broadband gateway into households. But Wheeler, according to industry experts and lobbyists, will probably also take up the issue of handling Internet traffic before it makes its way to consumer devices.

These Internet backbone companies that shuttle data, voice and video across the country are unseen by consumers. But the behavior and treatment of companies that operate in the so-called interconnect market do affect the user's experience.

How smoothly a Netflix video streams on a subscriber's screen, for example, reflects the work of all the network operators that have transported the digital bits.

These networks hand off their data payloads to the Internet service providers that serve households. The handoff arrangements are private business deals. But industry experts and lobbyists say the FCC wants to deter content blocking or discrimination in this market as well.

"If you prohibit paid fast lanes by the Internet service providers themselves, you want to make sure fast lanes aren't just moving up and being created in the interconnect market," said Tim Wu, a professor at Columbia Law School.

# Investor Concern Mounting Over Time Warner Cable-Comcast Deal

By MAUREEN FARRELL

Investors have become increasingly concerned that [Comcast Corp.](#)'s [CMCSA +2.97%](#) [\\$45 billion deal](#) for [Time Warner Cable Inc](#) [TWC +3.70%](#) won't make it to the finish line.

Time Warner Cable's stock has dropped precipitously in recent weeks, falling more than 10% since the end of 2014. At \$136.56 per share, its stock is also trading more than 10% below the value of Comcast's offer, which gives Time Warner Cable shareholders 2.875 shares of Comcast for each share they own.

Concerns are mounting that the Federal Communications Commission or the Justice Department could block the merger outright or that the FCC could try to get major concessions out of Comcast to approve it. If it does the latter, some analysts think that Comcast might simply walk away.

Last Thursday, the FCC redefined how it calculates broadband Internet providers' market shares. Under the old definition, the two companies controlled roughly 35% to 40% of the market. But under

its new definition, [a combined Comcast-Time Warner](#) would control 57% of the market. On a conference call after the announcement Thursday, Time Warner's Chief Executive Rob Marcus said the new definitions shouldn't have any effect on how the Justice Department views the deal.

Still, analysts have been rushing to rework their valuations of Time Warner Cable to adjust for the possibility that it remains an independent company. Analyst Craig Moffett wrote in a research note last week that the deal has lost "its air of inevitability."

Executive at both companies say they remain optimistic that the deal will close. Time Warner Cable and Comcast recently extended their deadline by six months to August 12, 2015, for a so-called "end date," which is the date upon which either company can terminate the merger if it hasn't closed.

Liberty Media Corp. Chairman [John Malone](#) has said that the cable operator he backs, [Charter Communications](#) Inc. [CHTR](#) [+2.58%](#), [would try to acquire Time Warner Cable](#) if Comcast's deal falls through. Charter had been seeking to buy Time Warner Cable before Comcast convinced them to sell to their company. Analysts think that if Charter would try to ratchet down the price tag for Time Warner Cable to get a deal done because there would be no other clear buyers.

Yet, for the first time in a long time, analysts actually see some potential in Time Warner Cable on its own.

Time Warner Cable reported its [best quarter for customer growth](#) in at least seven years during the fourth quarter of 2014. Even though elevated expenses hit the company's profits, some analysts say they are finally seeing reasons to be optimistic on the company as an independent entity. Matthew Harrigan, an analysts at

Wunderlich Securities, said the stock looks “compelling to us even in the absence of a Comcast deal.”

[http://blogs.wsj.com/moneybeat/2015/02/02/investors-concern-mounting-over-time-warner-cable-comcast-deal/#?mod=wsj\\_valettop\\_email](http://blogs.wsj.com/moneybeat/2015/02/02/investors-concern-mounting-over-time-warner-cable-comcast-deal/#?mod=wsj_valettop_email)

Wall Street Journal

# FCC expected to propose regulating the Internet as a utility

- Article by: STEVE LOHR , New York Times
  - Updated: February 2, 2015 - 10:44 PM
- 

The FCC chairman is expected to make a proposal this week.

The chairman of the Federal Communications Commission this week is widely expected to propose regulating Internet service like a public utility, a move certain to unleash another round of debate and lobbying about how to ensure so-called net neutrality, or an open Internet.

It is expected the proposal will reclassify high-speed Internet service as a telecommunications service, instead of an information service, under Title II of the Communications Act, according to industry experts.

The change, the analysts and others say, which has been pushed by President Obama, would give the commission strong legal authority to ensure no content is blocked and no so-called pay-to-play fast lanes exist — prohibitions that are hallmarks of the net neutrality concept.

But Tom Wheeler, the FCC chairman, will advocate a light-touch approach to Title II, they say, shunning the more intrusive aspects of utility-style regulation, like meddling in pricing decisions. He may also suggest putting wireless data services under Title II and adding regulations for firms that manage the Internet's backbone.

The proposal is expected to be submitted to the agency's commissioners by Thursday. A vote on the proposal by the full commission is planned for Feb. 26.

The maneuvering in Washington over the proposal has already started. Congressional Republicans have proposed net neutrality legislation that bans content blocking and fast and slow lanes but also prevents the FCC from issuing regulations to achieve either.

The FCC proposal is Wheeler's latest attempt to find a way to write open Internet rules that are politically palatable and that will stand up to legal scrutiny.

Wheeler had initially proposed net neutrality rules that would not have classified Internet service providers as common carriers under Title II and would have allowed the cable and telecommunications companies to strike deals with content companies and online services as long as they were "commercially reasonable."

That approach brought a flood of critical comments into the FCC last summer, saying it would open the door to fast lanes on the Internet for deep-pocketed companies and slow lanes for everyone else.

Then, in November, Obama took the unusual step of weighing in. He called on the FCC to adopt the "strongest possible rules" on net neutrality and specifically to classify high-speed broadband service as a utility under Title II. His rationale: "For most Americans, the Internet has become an essential part of everyday communication and everyday life."

The industry response to Obama's declaration was swift and divided along predictable lines. The Internet Association, whose members include Amazon, Facebook, Google and Netflix, applauded Obama and urged the FCC to follow his lead to "ensure a free and open Internet."

The major Internet service providers, like Comcast and AT&T, protested and said utility-style regulation would threaten their

investment in faster broadband service, ultimately harming consumers.

Most of the focus of net neutrality has been on the broadband gateway into households. But Wheeler, according to industry experts and lobbyists, will probably also take up the issue of handling Internet traffic before it makes its way to consumer devices.

These Internet backbone companies that shuttle data, voice and video across the country are unseen by consumers. But the behavior and treatment of companies that operate in the so-called interconnect market do affect the user's experience.

How smoothly a Netflix video streams on a subscriber's screen, for example, reflects the work of all the network operators that have transported the digital bits.

These networks hand off their data payloads to the Internet service providers that serve households. The handoff arrangements are private business deals. But industry experts and lobbyists say the FCC wants to deter content blocking or discrimination in this market as well.

"If you prohibit paid fast lanes by the Internet service providers themselves, you want to make sure fast lanes aren't just moving up and being created in the interconnect market," said Tim Wu, a professor at Columbia Law School.

<http://www.startribune.com/business/290606761.html>

Star Tribune

# **My Net Neutrality Explainer in Fusion**

by [Marvin Ammori](#)



## Trade Journal Links

AT&T, Verizon, and Comcast should be worried about dark fiber. Why? Because "all the unused fiber-optic lines out there [are] just waiting to be leased by go-getting entrepreneurs so they can light up boutique broadband systems and compete with the big boys."

[L.A. Times](#)

Broadband will be one of the 'bread and butter' issues in tonight's State of the Union

[The Hill](#)

"Broadband: The Electricity of the 21st Century"

[White House Press Release](#)

"The FCC will vote next month [expected to vote on February 26] on whether to help cities build their own Internet"

[Washington Post](#)

"FCC commissioners remain divided on municipal broadband issue"

[FierceTelecom](#)

"Cable industry speaks out against Obama's call to repeal anti-municipal broadband laws"

[FierceTelecom](#)

"Comcast's Juggling Act: Cable Giant Proposed Structure Reflects Scope, Span of New Company"

[Multichannel News](#)

On Obama's State of the Union, "Lumping the country's Internet onramps with roads and bridges is a significant rhetorical move....It helps justify Obama's...proposal that federal regulators have a role to play in helping cities build and sell their own Internet service."

[Washington Post](#)

Irv Thomaes of ECFiber, a community broadband network operating in Vermont, speaks about the President's proposals and how to improve Internet access in rural Vermont.

[Vermont Public Radio](#)

"Netflix CEO: 25 Mbps Should Be New 'Baseline'"

[Multichannel News](#)

"GVTC and the city of Boerne have announced a partnership to expand GVTC's fiber network throughout the city limits to an added 1,590 homes."

[GVTC Press Release](#)

[FierceTelecom](#)

Harold Feld on Net Neutrality, Muni-broadband and how Obama's SOTU Shout Out Packed a Punch

[Tales of the Sausage Factory](#)

"AT&T is going to shut down certain copper assets as it moves forward with its ongoing IP network transition, according to an SEC filing."

[FierceTelecom](#)

"Anti-Muni Network Groups Respond to Obama's Advocacy"

[Telecompetitor](#)

"Overcoming State Barriers to Public Broadband"

[Government Technology](#)

... WSJ, Jan. 2015: "Overstock.com Plans Streaming-Video Service"

[WSJ Blog](#)

The FCC is fining ESPN and Viacom \$1.4 million for airing 'Olympus Has Fallen' trailers which uses the Emergency Alert System along with warnings that "This is not a test." to promote the movie.

[Washington Post](#)

Google & Fidelity Invest \$1Billion in SpaceX, "Investment will "support its plan to deliver hundreds or thousands of micro satellites into a low orbit around the globe to serve Internet to rural and developing areas of the world."

[Ars Technica](#)

"Obama Announces Moves to Encourage Expansion of Public Broadband Networks"

[N.Y. Times](#)

Obama Administration submits letter to the FCC urging it to "utilize its authority to address barriers inhibiting local communities from responding to the broadband needs of their citizens."

[FCC](#)

Barack Obama broadband moves stoke tension with GOP angers the Cable Industry.

[Politico](#)

[Light Reading](#)

[Ars Technica](#)

FCC Chairman Wheeler's Statement after President Obama's Speech on Community Broadband

[FCC Press Release](#)

"Comcast Customers Sue Cable Giant For Making Their Home Routers Into Wifi Hotspots"

[Consumerist](#)

"The Media Revolution That Isn't Being Televised": The transformation of the paid video market

[Washington Post](#)

Minnesota awards \$19.4 million to help improve broadband connections in 17 areas around the state.

| [MinnPost](#)

"Rivals launch 'Don't Comcast the Internet' to oppose TWC merger" | [GigaOm](#)

"Comcast Pretends That Cord Cutters Aren't Cord Cutters If They Cut Cord Because Of The Economy" | [Tech Dirt](#)

"Sling TV is an Internet Television Revolution in a Post-Cable World" | [Paste](#)

"FCC Launches Downloadable Security Push"; FCC committee crafting "recommendations for an industry-wide downloadable security system geared toward creating retail competition for cable set-tops and other pay-TV-compatible devices" | [Light Reading](#)

N.Y. Times Editorial Board: ""Courage and Good Sense at the FCC: Net Neutrality's Wise New Rules" | [N.Y. Times](#)

The FCC isn't afraid of AT&T's legal threats over net neutrality; Dissecting AT&T's claim that broadband can't be a common carrier service. | [Ars Technica](#)

Fact Sheet: Chairman Wheeler Proposes New Rules for Protecting the Open Internet | [FCC Press Release](#)

Mystery of the day: "Why cable stocks surged after the FCC's net neutrality proposal" | [Washington Post](#)

"Why the ex-cable lobbyist running the FCC turned against his old clients: FCC Chair Tom Wheeler promises "strongest ever" Internet rules, for mobile too." | [Ars Technica](#)

"FCC Proposes Strong Net Neutrality Rules, But Don't Call the Internet a Utility" | [VICE Motherboard](#)

FCC issues 2015 report on the Commission's inquiry regarding the availability of "advanced

telecommunications capability" to all Americans and finds U.S. broadband deployment not keeping pace. | [FCC Press Release and Report](#)

According to an industry analyst: Broadband dominance will be the determining factor for why Comcast-TWC merger won't get approved. | [Multichannel News](#)

"Sports and Cord Cutting" | [POTs and PANs](#)

Another Comcastic (or is it Comtastic?) headline:

Reporter Has to Call Comcast CEO's Mom To Get Decent Service

Apparently if you want Comcast to do something right, you need to call Comcast CEO Brian Roberts' mom. One intrepid Philadelphia-area reporter wanted to help a couple that was in the middle of a fairly typical six-week Comcast support hellscape. Instead of the usual route of calling the company and getting them to accelerate the resolution just because of bad press, Philadelphia Daily News columnist Ronnie Polaneczky called 92-year old Suzanne Roberts to complain about her son's company's awful customer service..

<http://www.dslreports.com/shownews/Reporter-Has-to-Call-Comcast-CEOs-Mom-To-Get-Decent-Service-132600>