St. Louis Park And Developers Ready The Wires

Wed, February 03, 2016 | *Posted by Igonzalez*

Community leaders in St. Louis Park, Minnesota, are taking advantage of growth in apartment and condominium developments to "till the soil" for better residential connectivity. One of the smartest things a community can do to improve connectivity is prepare an environment that encourages high-speed connectivity infrastructure investment. As developers erect new buildings, the city is working with them to develop internal wiring standards and *conduit* installation standards for high-quality Internet access within and to their buildings.

Developers Understand The Value

The city of approximately 45,000, located immediately west of Minneapolis has not adopted any formal building code language, but has negotiated broadband readiness specifications with several new multi-dwelling unit building developers. Savvy developers realize that high-speed connectivity is now a basic utility that tenants demand.

... Read More - We Need More Building Codes Along These Lines ...

Seniors, Low-Income, Disabled Communities Pay the Price in St. Paul

Mon, February 01, 2016 | *Posted by lgonzalez*

For seniors, low-income residents, and the disabled in Saint Paul, Minnesota, a Comcast discount within the city's *franchise* agreement is not all it was cracked up to be. The Pioneer Press recently reported that, as eligible subscribers seek the ten percent discount guaranteed by the agreement, they are finding the devil is in the details - or lack of them.

This is a warning to those who attempt to negotiate with Comcast for better service. Comcast may make deals that it knows are unenforceable.

"No Discount For You!"

For years, Comcast held the only franchise agreement with the city of St. Paul. In 2015, the city entered into a new agreement with the cable provider and, as in the past, the provider agreed to offer discounts for low-income and senior subscribers. Such concessions are common because a franchise agreement gives a provider easy access to a pool of subscribers.

... Read the Full Story for Lessons on Any Deals with Comcast ...

Feb. 9, 2016

Thune Signals Return of MOBILE NOW Act

Senate Commerce Committee chairman John Thune (R-S.D.) said he is putting the finishing touches on his bill to boost development of 5G wireless broadband service at potentially multiple-gigabit speeds, in competition to cable broadband. John Eggerton has the story.

Read more>>

FCC’s Wheeler Rocks the Box World

MVPDs say plan to open up set-tops blows up the business model

2/01/2016 8:00 AM Eastern

By: **John Eggerton**

TakeAway

Pay TV providers are crying foul over FCC chairman Tom Wheeler’s plan to foster competition in the cable set-top box market.

WASHINGTON — Federal Communications Commission chairman Tom Wheeler stirred up a hornet’s nest of cable operator resentment last week with a set-top box proposal meant to spur competition that had cable operators crying “foul” and competitors already pitching new devices inside the Beltway.

The chairman’s ongoing mantra of “competition, competition, competition,” combined with the agency’s focus on access to Internet video content, is driving some of the FCC’s biggest decisions.

Wheeler said his proposal was all about open vs. closed standards and “unlocking” the set-top box, but it was also driven by the price and dominance of leased boxes.

For cable operators, one irksome tenet of the proposal is making the guts of those boxes — channel listings, video-on-demand lineups and the programming itself — available to device competitors for their own hardware, or, in the case of accessing content via tablet or phone, for no device at all.

LASHING OUT AT LEASING

Wheeler delivered his proposal with attacks on multichannel video programming distributors (MVPDs), even using a press conference to read emails from a widow complaining about the cost of her set-top and another consumer who called cable box rentals a rip-off.

He likened the proposal to open up set-top content to third parties to the FCC's Bell System-era requirement that phone companies to open their networks to non-Bell phones, and to wireless providers unlocking their mobile phones. In both cases, functionality went up and prices went down, he said.

But National Cable & Telecommunications Association president Michael Powell, himself a former FCC chairman under President George W. Bush, shot back at the plan.

"This rear-view-mirror regulation is the wrong vision for the video future, and one should be surprised and alarmed that the FCC is peddling it," Powell said.

The FCC was under orders from Congress to come up with a software successor to its CableCard security regime. But with this plan, Wheeler and the FCC took an opportunity to respond directly to critics of the cost of cable boxes, as well as the desire of technology firms — most notably Google — to wed access to traditional and online video content.

An MVPD source who asked not be identified pointed to a D.C. demonstration at Google's offices set for last Friday (Jan. 28), the day after the proposal was circulated. There, congressional staffers were invited to "Test Drive the Future" with the suggestion that "the era of being forced to rent a box from your cable company could be coming to an end" with "the ability to channel surf between traditional cable programing, broadcast channels and over-the-top streaming networks, like Netflix and Amazon, all with one device."

Wheeler hammered on the competition problem with boxes.

“Ninety-nine percent of pay TV subscribers are chained to their set-top boxes because cable and satellite operators have locked up the market,” FCC officials said in summarizing the proposal to reporters. “Lack of competition has meant few choices and high prices for consumers.”

PAY TV PUSHBACK

Anticipating they might face such a move, cable and satellite companies formed the Future of TV Coalition to push back on that characterization and try to head off the effort.

Wheeler said his plan was not the one-box proposal of the FCC’s 2010 AllVid plan, but the coalition said, “it’s clear that his proposal shares the fundamental flaws of the AllVid rule that was considered and abandoned by the commission.”

It is only a proposal, though the chairman said he planned a vote on it for the Feb. 18 FCC’s public meeting; it has already appeared on the tentative agenda. If approved — Wheeler is unlikely to have scheduled the vote without at least two other commissioners lined up — the agency must next solicit comments, then vote on a final order.
http://www.multichannel.com/fcc-s-wheeler-rocks-box-world/396970
Multichannel News

FCC: Privacy Is Quid Pro Quo for Set-Top Data

2/15/2016 8:00 AM Eastern
By: John Eggerton

WASHINGTON — Privacy issues went very public last week as Federal Communications Commission chairman Tom Wheeler talked up his set-top box proposal, sounding like the agency might be trying to apply consumer-protection regulations to technology firms and app developers.

A senior official assured *Multichannel News* the Notice of Proposed Rulemaking on "Expanding Consumers' Video Navigation Choices," as it was billed on the agenda for the planned Feb. 18 vote, did not propose new privacy regulation, but proposed making voluntary adherence to cable-like data protections a quid pro quo for getting access to set-top data.

In an interview with *The Washington Post*, Wheeler said, "The cable companies are collecting information on you today, and they have a set of rules they have to live by [Title VI CPNI regs]." For new entrants to the video-access space — which could be a box, an app, a dongle or something on the drawing board — "you have to have the same kind of rules that cable companies have,' " he added.

That had some cable operators wondering if that meant the FCC was going to try to apply new regulations to edge providers and technology companies.

Senior officials had told *MCN* last week that MVPDs have different obligations under the Cable Act than device manufacturers and that "Title VI applies to MVPDs only."

A senior official speaking on background provided more insight into the proposal, explaining that rather than proposing to extend Title VI to device manufacturers or app developers, the proposal tentatively concludes that third-party hardware and software solutions would self-certify that they are in compliance with similar privacy obligations in order to get access to MVPD set-top data. In addition, they must comply with European Union privacy regulations.
http://www.multichannel.com/fcc-privacy-quid-pro-quo-set-top-data/402566
Multichannel News

Thune: Cable Faces a 5G Cage Match

Senate Commerce panel chair warns that competition is coming — and soon

2/15/2016 8:00 AM Eastern

By: John Eggerton

TakeAway

Cable could face super-fast competition from airborne high-band broadband

WASHINGTON — Sen. John Thune (R-S.D.), chairman of the Senate Commerce Committee, has offered up some words of warning for cable operators last week: 5G is coming — fast.

Admittedly, he was preaching to and for the choir, specifically wireless broadband operators gathered at a CTIA-The Wireless Association event here dubbed “The Next Generation of Wireless: 5G Leadership in the U.S.” But he directed his comments at cable operators, too.

Thune’s underlying message, and one that cable operators would agree with, was that the marketplace for broadband competition is heating up, and does not need regulators to choose whose flame to fan, as it were.

But he also appeared genuinely high on the prospects of high-band wireless broadband to put a crimp in cable’s business, and backed that up with news that he was reintroducing his “Mobile Now” bill, which will push the FCC to study and open up millimeter wave bands for 5G wireless broadband.

Thune talked up the power of 5G wireless to fuel the Internet of Things and become embedded, literally, in the fabric or our lives. And that didn’t just sound like a commercial for cotton. He ticked off the types of things that would be connected, including socks, wheelchairs and light bulbs. But TVs and tablets are also part of that power equation, Thune suggested.

“It is quite likely that the first time many Americans subscribe to a Gigabit broadband connection will be with a 5G-based wireless service, not a with a fiber- or cablebased offering,” he said, even as cable’s DOCSIS 3.0-fueled speed upgrades multiply. For instance, just last week Comcast said it would start rolling out Gigabit service to Atlanta, Chicago, Detroit, Miami and Nashville, Tenn.; and CenturyLink is deploying a Gigabit-capable network.

He also cited testimony by University of Nebraska professor Gus Hurwitz before his committee that cable operators should be “scared to death” by millimeter wave technology, which could allow for new competitors for residential broadband at speeds equaling or exceeding cable.

Thune suggested Aereo founder Chet Kanojia’s planned Starry wireless broadband service, which uses antennas and millimeter waves combined with current-generation wireless technology to deliver high-speed residential broadband, could be the evidence that the future is now.

Thune’s main point was that the FCC should not try to engineer a competitive future that is in many respects already here.

“Some people today, many of them at the FCC, have spent a lot of time trying to convince us there is a broadband monopoly and that only government intervention can protect consumers, drive innovation, and create competition,” Thune said.

The FCC, for example, has declined to say that either the wireless or wired broadband markets are competitive. “But tell that to the dozens of wireless companies and foreign governments around the world racing to bring ultra-high-speed, Gigabit wireless Internet services to market within the next four or five years,” Thune said. “Tell that to the cable companies who realize they are already in a competitive cage match with wireless providers.”
http://www.multichannel.com/thune-cable-faces-5g-cage-match/402568
Multichannel News

Five ‘Birthday Wishes’ for the ’96 Telecom Act

2/15/2016 8:00 AM Eastern

By: Rick Boucher

My involvement in formulating the Telecom Act of 1996 began in 1988, when I joined with then-Sen. Al Gore in introducing legislation to allow telephone companies to offer cable TV service (multichannel video distribution services) in their telephone service areas. That measure became the first plank in the ’96 Act, and it was joined by a provision to enable cable companies and other competitors into the local telephone market, a provision to create greater competition in the long-distance market by setting the conditions for the entry of the regional Bell operating companies (RBOCs) into the nationwide long-distance market and a provision enabling the RBOCs to manufacture telecommunications equipment. I was active throughout the committee process in processing the ’96 Act and served as a member of the conference committee.

My “birthday wish” for the act is that Congress adopt much-needed legislation recognizing the digital and mobile era into which telecommunications has emerged. The ’96 Act was about analog services and, to a large extent, “plain old telephone services.” The following provisions will help to modernize the ’96 Act for the digital era:

1. Congress should pass legislation that declares broadband is an information service not subject to common-carrier regulation. The legislation should also give statutory permanence to strong network-neutrality guarantees along the lines of the FCC’s 2010 open Internet order. Such a bill allows both network-neutrality proponents and the proponents of light-touch regulation of broadband to achieve their major legislative objectives, and puts to rest the longest standing and most contentious telecommunications debate of the 21st century. It would also remove the uncertainty about future broadband regulation, which is restraining broadband investment.

2. Congress should recognize in legislation the advanced nature of the Internet- protocol transition and set a date, perhaps 2020, for the sunset of the old legacy copper network. Every dollar that telephone companies are required by law to expend today maintaining the copper network is a dollar not expended on fiber optics and other advanced 21st century telecommunications infrastructures.

3. Another legislative provision should create incentives for government agencies to surrender telecommunications spectrum for auction to commercial wireless carriers. Simply stated, government agencies should be offered a share of the auction proceeds in exchange for a surrender of the spectrum they hold. That approach appears to be working in the case of television broadcasters, and there's every reason to believe it would work well for government agencies. In my mind, that's the best approach to getting large allocations of spectrum onto the commercial auction block quickly to meet the growing demand for spectrum for mobile data.

4. Congress should also adopt a Bill of Rights for privacy for Internet users with jurisdiction in the Federal Trade Commission over all telecommunications privacy issues. Giving Internet users greater assurance that their privacy is protected should result in a greater willingness to use the Internet for commercial purposes.

Rick Boucher is honorary co-chairman of the Internet Innovation Alliance and was a U.S. House of Representatives member for Virginia from 1983 to 2011, serving as chairman of the Subcommittee on Communications, Technology and the Internet.
http://www.multichannel.com/five-birthday-wishes-96-telecom-act/402563
Multichannel News

Pew: Voters Find Cable News 'Most Useful'

But local TV is still viewers' top information source for election-campaign information2/08/2016 8:00 AM Eastern

By: **John Eggerton**

TakeAway

Almost a quarter of Americans say cable news has been the "most helpful" source of information about the 2016 presidential campaign, according to Pew.

WASHINGTON — Cable news tops the sources most helpful for providing the public news about the 2016 presidential campaign, according to a new Pew Research Poll, although local-TV news is the source viewers most commonly turn to.

And a quarter of those who got some of their election news from TV said it came from late-night comedy shows.

A whopping 91% of Americans said they get information about the election from at least one of 11 different sources, with 24% saying cable news is "most helpful" in supplying that information, according to the poll.

But Pew said, based on past research, that 24% were likely divided ideologically as to which network had their allegiance: Fox News Channel for conservatives, CNN for liberals.

(Cable news networks also were the place last week to see Democratic presidential candidates Hillary Clinton and Bernie Sanders square off in a Feb.

3 Town Hall event on CNN and a Feb. 4 one-on-one debate on MSNBC; the Republicans debated on ABC this past Saturday and will clash on Fox News on March 3.)

In helpfulness, cable news was well ahead of local TV and social media, which tied at 14% apiece, followed by a news website or app at 13% and radio at 11%.

Overall, television was the most common information stream for election news, with 78% of respondents getting information from at least one of four TV-based news sources: local TV news (57%), cable (54%), network nightly newscasts (49%) and late-night comedy shows (25%).

But cable news was the top source for likely primary voters, the survey found.

Somewhat surprisingly, the study found that while half (51%) got election news from social network sites, only one in five actually shared election-related information that way.

The survey queried 3,760 adults. The margin of error is plus or minus 2.3 percentage points.
http://www.multichannel.com/pew-voters-find-cable-news-most-useful/397185
Multichannel News

Action Looms on ISP Tax Ban

2/08/2016 8:00 AM Eastern

By: **John Eggerton**

WASHINGTON — The Senate is scheduled to vote Feb. 10 on the Trade Facilitation and Trade Enforcement Act of 2015, which contains a permanent version of the Internet Tax Freedom Act.

The ITFA is a temporary ban on taxing Internet access that has been in place since 1998, applying to all but a handful of states where access taxes were grandfathered in at the time.

A permanent ITFA would remove the need to renew the bill every few years and phase out those grandfathered state ISP taxes over the next five years. It has already passed the House.

The state taxes in question represent hundreds of millions of dollars in revenue to those states.

Consideration of the trade bill was deferred from late last year by Democrats who did not want the permanent ITFA to pass unless Congress also passed the Market place Fairness Act (MFA). Among the Democrats who got the bill held over was Sen. Dick Durbin (D-Ill.), whose state is one of those where the tax would be phased out.

The MFA would help offset some of that loss by permitting local sales taxes on e-commerce. But Republicans are not supportive of that bill.

While the vote is scheduled for Feb. 10, it is possible the ITFA amendment could be stripped out and dealt with separately, particularly since the nonpermanent ITFA was renewed through the end of October.

Backers of the legislation, hoping to keep the ITFA in the larger bill and achieve Senate passage, held a rally on Capitol Hill last week. Sen. Ron Wyden (D-Ore.), who co-wrote the 1998 ITFA bill, has been a strong proponent of making the moratorium permanent and was invited to the rally last week. He did not make it, it was said, because there were morning votes he did not want to miss.

One of those who did attend the rally said one speaker made the group's purpose clear: "The reason we're here is because retailers want to hold the legislation hostage over MFA."
http://www.multichannel.com/action-looms-isp-tax-ban/397186
Multichannel News

Boxed In

MVPDs Sound Off — and FCC Pushes Back — on Game-Changing New Set-Top Proposal

2/08/2016 8:00 AM Eastern

By: **John Eggerton**

FCC chairman Tom Wheeler speaks on the agency's new set-top plan

WASHINGTON — “Box” is probably the wrong fighting term to use about the current set-top fracas involving the Federal Communications Commission, multichannel video programming distributors (MVPDs) and Silicon Valley. It’s more like a bare-knuckles cage match over the future of access to video.

On one side are the MVPDs, who argue the marketplace is already opening up access to video programming without the FCC forcing providers to disaggregate their programming for reassembly by others.

The FCC — pressed by Silicon Valley giant Google, TV-maker Vizio, digital video recorder maker TiVo and others — stands on the other side, saying it’s time to break the MVPDs’ leased lockbox on programming and prices.

What’s at stake is nothing less than the future of television and how its viewers will consume it — and who can access the reams of valuable data MVPDs now use to sell to advertisers. The question of who can access that information also poses huge privacy and security issues for TV watchers.

In December, the Consumer Choice Video Coalition (CVCC) — backed by Silicon Valley giants including Google, TiVo, Vizio, Public Knowledge, the Writers Guild of America, competitive telecom carrier trade group INCOMPAS (formerly COMPTEL) and others — demonstrated a new set-top box for FCC staffers, hoping to convince the agency to crack open leased cable boxes for competing over-the-top providers. Of the 21 coalition members present, one-third were from Google.

Fast-forward to two weeks ago, and Google — which just topped Apple as the world’s most valuable company, at half a trillion dollars in valuation — hosted a similar demonstration of the coalition’s “competitive Navigation device solution" for Capitol Hill staffers. The proposal's mere existence is a game-changer for third-party devices, and a potential huge victory at the FCC that cable operators and studios say would hurt their businesses, as well as consumers.

The FCC has proposed to require cable operators to make their programming available to third parties in a way that cable operators say would force them to re-engineer their networks and strip away copyright and consumer protections.

Google and others in the coalition said the proposal creates a "virtual headend" so that an MVPD's signal can be viewed along with over-the-top offerings on a competitive device. That device could be a box, phone, tablet, smart TV, dongle or even a leased cable box.

The idea is that the device allows access not only to the MVPDs' programming, but to content from the Internet, including Netflix, Amazon Instant Video and YouTube.

More worrisome for cable operators, it could allow these third parties access to the most precious of all screen space: the first thing viewers see when they turn on the TV. Might it be an ad from Google?

Cable operators, movie studios and others have formed the Future of Television Coalition to fight the proposal. It's not that they don't want their content side by side with OTT, they said (and that's already happening in the marketplace without FCC intervention). Rather, they see the FCC's move as an unnecessary thumb on the scale for the Googles and TiVos of the world.

"It disaggregates the provider of the service from their customer, which no business is really going to like," one coalition source said. "And it gives third parties a way to come in and get revenue out of the ecosystem that devalues the content."

Coalition co-chairman Alfred Liggins, the president and CEO of cable network TV One, said, "The 'AllVid' proposal is a brazen money grab by Big Tech companies that would do severe damage to the programming ecosystem, and in particular, niche and minority-focused networks."

Cable operators argue that the proposal is essentially a revival of the AllVid proposal the FCC offered up in 2010. Wheeler and FCC officials, though, say the new plan is far from that.

Wheeler has pushed the plan with tough talk about the skyrocketing price of set-tops and the lack of competition. He went so far as to use a Public Knowledge/Consumer Federation of America chart at a press conference to illustrate why it's necessary to "unlock" the box for edge providers and consumer groups. (Gigi Sohn, a top adviser to Wheeler, is the co-founder of Public Knowledge.)

At press time, cable operators and other members of the Future of Television Coalition hadn't seen Wheeler's notice of proposed rulemaking, so all they had to go on in formulating reasons why the FCC was on the wrong track were the painful (for them) memories of AllVid and the CVCC proposal.

Multichannel News talked to senior FCC officials who have seen the NPRM to get their responses to the cable operators' key concerns — and they have a ton of them.

So, in one corner, from an NCTA filing with guidance from Future of TV Coalition sources, are the perceived blows the chairman's proposal would inflict on a video-access marketplace if it unfolds along the lines of the proposal put forth by Google et al. In the other, top FCC officials, speaking not for attribution, weigh in with their responses.

Would this turn the "opening screen" — what viewers see when they turn on their TV sets — over to a third party?
MVPDs: The first screen could be "Welcome to Google" only, with ads down the side. How would a Cox Communications or Comcast subscriber get directly to their channel lineups (on the same channels) on that opening screen as well?

FCC: "While we cannot predict the design or interface that device makers and software developers may come up with, they will be required to pass through all of the content the consumer is entitled to receive. The Notice of Proposed Rulemaking asks how that should be defined," an FCC source told *Multichannel News*. "This proposal is intended to introduce competition in devices and apps available to consumers. If a consumer does not like the interface or user experience available on one offering, they could look for an alternative offered by a competitor." In other words, what that opening screen will show is yet to be determined.

What happens to programming agreements?

MVPDs: Retail devices would have access to parts of the MVPD service from which they could create their own service offerings, without responsibility or compensation to programmers or MVPDs.

FCC: "The CableCard works the same way," an FCC source said. "It gives an independent vendor such as a TiVo access to the MVPDs' programming and guide information. And none of these things have happened.

"And on the compensation issue: If you think about this logically, if I'm a Comcast subscriber, I'm paying Comcast whether I'm using their box or whether I use a TiVo box," the agency source added. "Comcast is then passing that money on to the programmers, based on the fact that I count as one of their eyeballs. They are also able to sell advertising based on the fact that I count as one of their eyeballs. Nothing that our proposal would do would change any of that. They keep their subs; they keep their subs's money. We're just saying you should be able to get a box or view it with an app on any device you want without disrupting any agreement between the programmer and the MVPD."

Under the CableCard regime, third parties are not required to display the guide in the same manner as MVPDs, but they are required to pass through a channel lineup, and that won't change, the official said. "Any package that the consumer has paid for shall be passed through in full and displayed in full by the third party," the FCC source said.

In addition to those channels being available in order, they can also be searched by category in a similar way as can be searched today. “If an MVPD can do that today and be in compliance with a third-party programming agreement, why wouldn’t a third party be able to do that?”

Would this proposal infringe on copyrights?
MVPDs: Device manufacturers would be allowed to infringe on programmers’ copyrights by displaying and copying protected works through manufacturers’ own services without permission or compensation.

FCC: “Nothing we are doing undoes any copyright protections that exist today.

“As part of our proposal, we would require that the copy-protection information be transmitted from the MVPD to the device or app, and that the device or app must honor that copy protection mandate from the programmer.” If the device doesn’t honor copy-protection rules, programmers would have the same redress as they do under copyright, the official pointed out, though that is not the FCC’s purview.

Would consumers lose modern features offered by the box, like Time Warner Cable’s “Start Over?”
MVPDs: Consumers would be denied access to many modern MVPD service features like voice search, starting a show in progress at the beginning and other interactive enhancements, which MVPDs rely on to ensure the quality of their user experience and to provide value to their customers and stay competitive.

FCC: If viewers want such enhancements, they can keep them. “We’re not telling anyone they have to give up their cable box. All we are saying is that, as a consumer, if you want to buy somebody else’s box, you should be able to. And who’s to say that new box won’t have those features or a different feature that consumers want?”

Wouldn’t the proposal require some sort of in-home adapter, not to mention added costs for consumers?

MVPDs: MVPDs must provide customers with a government-designed in-home, leased device in order to receive MVPD service on a retail device, raising equipment and energy costs for consumers. **FCC:**Officials said that sounded like AllVid, which they said was not the chairman's proposal. "We are not designing a device. In fact, we are not even mandating a device. We are very pro-app, and software and competitive devices [in] whatever format these innovators want to develop in. We are just trying to encourage that. AllVid was two boxes. We were telling people we are going to design a box and you have to have two boxes to get your cable programming. But that's not what we are doing here.

"In fact, we would love it if our proposal resulted in no boxes. The way of the future is not the box. Wouldn't it be great if you could just hook up your MVPD service to your Smart TV and you could see everything?"

Would this complicate issues like privacy, and perhaps thwart emergency alerts?

MVPDs: Device manufacturers are not obligated to abide by Title VI consumer protection regulations such as, among others, privacy protections and emergency alert requirements.

FCC: "Our proposal specifically seeks comment on maintaining emergency alerting. The safety of the public is very important to the commission. Nothing that we do in our proposal to create a competitive marketplace will undermine emergency alerting."

As to consumer-protection regulations, the official said that MVPDs do have different obligations under the Cable Act than device manufacturers. "Title VI applies to MVPDs only." But the official said that those device manufacturers are already subject to some pretty strict privacy laws and regulations of their own, enforced by the Federal Trade Commission — citing a "ton" of consent decrees against app and device manufacturers and the fact they are subject to strict California laws on privacy, as well as strict European Union privacy regulations for any device or app sold in member countries.

Can this make it easier for hackers since there's now a single point of attack?
MVPDs: Cable operators and other providers would have to use a common content encryption technology (DTCP-IP), creating a single point of attack for hackers. DTCP-IP also does not support today's rapidly evolving video business models.

FCC: That is a reference to what CVCC is asking, said one official, and the chairman's proposal "is not that." He said the chairman's proposal "recognizes there are a wide variety of methods for protecting content from theft and misuse, and TV providers ought to use multiple systems," and so the proposal "does not prescribe any particular content-protection system" so those can evolve. But the proposal does recognize that third parties need access to those content protection systems, whatever they wind up being, so the proposal requires that a pay TV provider license at least one such system on reasonable terms. "There will be no government standard that we select, or even that we approve" and the FCC remains "tech-neutral" on hardware vs. software.

Doesn't this force MVPDs to essentially give away their guide data?
MVPDs: MVPDs would be required to provide program-guide data, which they do not own, to retail devices, thereby exceeding their licenses with guide data suppliers.

FCC: The FCC will seek comment on the "exact level" of information that is needed to pass through from an MVPD to a third party in order to maintain all of the rights the consumer has paid for.

Could this focus on box-vs.-no box stifle innovation in next-generation technologies, not to mention the growing demand for apps?
MVPDs: Providers would have to support an expensive legacy technical solution, thereby interfering with plans to deploy next-generation systems and technologies (e.g., IP cable and IPv6).

Moreover, this would force cable operators and others to implement an inflexible, one-size-fits-all technology mandate that ignores the video marketplace transition to apps and creates a drag on innovation in the highly dynamic video-device marketplace.

FCC: “That, again, sounds like AllVid. This isn’t AllVid.

“It’s very clear by everything we have put out that we are very supportive of apps. We think apps are the way of the future and what we are proposing to do is tech-neutral. It does not mandate a box. If people want to develop a box and consumers are happy with boxes, they are welcome to them. But what we are trying to do here is let people innovate, whether they want to do boxes or something that is like the Amazon Fire stick or if they want to do an app. All options are open in the proposal.”

How would technology standards be decided for this new sharing arrangement?

MVPDs: The proposal relies on standards not yet invented or implemented and would take years to develop — by which time the “solution” will likely have become outdated.

FCC: On the one hand, the official said, cable operators have consistently said they don’t want the agency setting a standard and “now they aren’t happy with us wanting to let a standards body set the standards, a body we think they should be a part of. It is tough to have it both ways.

“We are requiring the standards be set by an open standards body with participation from MVPDs, CE manufacturers, app developers and generally following the executive guidance on open standards bodies. We don’t want to be in the middle of it. It is not a government-mandated standard.”

How does this proposal change what is already happening in the marketplace, with viewers accessing cable and over-the-top side-by-side without the FCC stepping in?

MVPDs: This is a solution in search of a problem.

FCC: “It is very true that some of the larger MVPDs make apps available to certain devices where they entered into contracts with those devices.

“The problem is, today if I open up, say, a Comcast app on my Smart TV, I can’t search what is available to me through my Comcast subscription versus what is available to me from Netflix. I have to go into each app, search inside that app, get out, go to the next screen if I want to go to Hulu after that.

“The nice thing about being able to let unaffiliated vendors develop apps for devices is that we anticipate functionality very similar to what TiVo does today, allowing consumers to search across all the sources of programming that they have access to because they pay for many of these things. It will be easier for consumers to find the programming they want at the price they want to pay for it.”
http://www.multichannel.com/news/content/boxed/397188
Multichannel News

It’s a Mobile Video World, After All

Streaming, downloading poised to use 75% of wireless-data traffic by 2020, Cisco says

2/08/2016 8:00 AM Eastern

By: Jeff Baumgartner

Video already eats a small majority of the traffic that flows across mobile networks, but its appetite will become even more voracious in the next five years, per a new study from Cisco Systems.

By 2020, video will comprise more than 75% of the world’s mobile data traffic, up from 55% last year, the networking company found in the *Cisco Visual Networking Index (VNI) Global Mobile Data Traffic Forecast (2015 to 2020)*, its 10th annual study on the topic.

Cisco’s study expects there to be 5.5 billion mobile users by 2020, equal to about 70% of the world’s population.

The technology vendor also believes global mobile-data traffic will reach 30.6 Exabytes per month in 2020, up from 3.7 EB in 2015, and that annual global mobile data traffic will eclipse 366.8 EB in about five years, up from 44.2 EB last year. To put those numbers into perspective, Cisco said 366.8 Exabytes is equal to 81 trillion digital images (28 daily images per person on earth for a year), or 7 trillion video clips from sources like YouTube.

Cisco’s forecast also expects global mobile data traffic to grow two times faster than global fixed Internet-protocol traffic during the next five years.

Notably, all of that mobile traffic is continuing to rise as carriers such as T-Mobile (with Binge On) and Verizon (with FreeBee Data) start to roll out zero-rated and sponsored-data services that focus on video streaming and are exempt from monthly data-usage caps.

The continued growth of mobile phones — including smartphone-tablet hybrids often referred to as “phablets” — will ensure that by 2020, more people will have mobile phones (5.4 billion) than electricity (5.3 billion), running water (3.5 billion) and cars (2.8 billion), Cisco said.

Cisco’s study also shed more light on the expected growth of WiFi, which has become a key weapon in cable’s wireless arsenal. The study sees global WiFi hotspots, including router-based “home spots,” growing from 64 million in 2015, to 432 million in 2020.

The study also found that, for the first time, monthly WiFi offload traffic, at 3.9 EB, surged past monthly mobile and cellular traffic, at 3.7 EB. That fits in well with cable’s growing cellular backhaul business.

By 2020, WiFi offload traffic’s lead will grow to 38.1 EB of monthly WiFi offload traffic, compared to 30.6 EB for mobile/cellular.
http://www.multichannel.com/it-s-mobile-video-world-after-all/397193
Multichannel News

Mining Data to Keep Up With OTT

Digitalsmiths report urges pay TV providers to focus on personalization

2/08/2016 8:00 AM Eastern

By: Jeff Baumgartner

Consumers are still watching a lot of TV, but they way watch it continues to shift from traditional pay TV to over-the-top delivered services fueled by more intuitive interfaces that solidly bring the content consumers might want to watch to the surface, rather than keeping it hidden in the bedrock.

Pay TV providers such as Comcast, with X1, and Charter Communications, with its Spectrum Guide, are elevating their game with fancier, cloud-based user interfaces that provide recommendations that open up those video vaults. But are they doing enough?

Digitalsmiths, the TiVo-owned maker of video search-and-recommendation systems for several pay TV companies, has said it believes providers aren't using all of the tools and content available to them in a way that will swing the pendulum in their direction.

In a recent trends report, Digitalsmiths tallied responses from 3,150 consumers and found some big gaps between how OTT providers such as Netflix are perceived, compared to more traditional pay TV providers. About 92% of Netflix customers say they're satisfied with their service, while 76% of pay TV customers have expressed subscriber satisfaction.

Additionally, 78.2% of respondents said subscription OTT services make it easy to find something to watch, followed by 66% who said the same of their provider's paid video-on-demand catalogs. That figure falls to 58.2% for linear pay TV.

Pay TV operators need to pour more resources into how they manipulate and integrate their treasure trove of content and data, Digitalsmiths suggested, noting that personalized content recommendations drive about 75% of Netflix views.

"Pay TV providers have years of data similar to what Netflix is capturing, but the data seems to exist in a diverse number of silos, rather than being integrated, and the data is often difficult to access," the company said. "Until pay TV providers identify and deploy data-driven, personalized content recommendations, the market will likely see Netflix viewing continue to climb while cord-cutting and cord-cheating continue to increase."

Though Netflix has a hefty library, its tonnage is dwarfed by traditional pay TV content, which includes a mix of live channels, VOD, premium services and pay-per-view options. The typical pay TV operator has more than 26,000 content offerings available via linear TV; 13,515 free VOD content offerings; 1,551 paid VOD programs (including pay-per-view events); and 11,964 free TV offerings (primarily episodic), according to data from Gracenote.

Digitalsmiths suggests that operators can extract additional value from that content through more personalization and the use of on-screen "carousels" that can present content.

If those efforts are not sped up, pay TV providers, it argued, will face dramatic increases in churn rates or, at the very least, lower average revenue per user as customers downgrade to lower-priced packages, Digitalsmiths warned.
http://www.multichannel.com/mining-data-keep-ott/397195
Multichannel News

FCC Zeros In on New Business Model

Stakeholders Debate Toll-Free Data Plans as Regulator Drills Down

2/08/2016 8:00 AM Eastern

By: John Eggerton

People on both sides of the issue weighed in on zero-rating services at the Internet Education Foundation's 12th annual State of the Net conference in Washington in January.

TakeAway

The FCC has the power to declare sponsored data a zero or a hero.

WASHINGTON — Depending on who's doing the talking, zero-rating plans are either potentially anti-competitive violations of the Federal Communications Commission's new network-neutrality rules or an innovative business plan that could help drive broadband adoption and benefit low-income Web users.

But the key to the future of those toll-free or sponsored data plans, which are becoming increasingly attractive, is what the FCC decides they are after it completes an inquiry into the practice.

The FCC is still vetting the information it requested in December from major Internet-service providers — the mid-January deadline for data in the inquiry was pushed back by Winter Storm Jonas, which buried the nation's capital.

The inquiry appeared to be a reaction to pressure from zero-rating plan critics after FCC chairman Tom Wheeler in November praised T-Mobile's new "Binge On" offering, which allows the mobile phone provider's subscribers to access video from certain providers without it counting against subscriber data caps, as just the type of innovation the FCC's new Open Internet order would not discourage.

When Wheeler seemed to backtrack on that praise and said the agency wanted more information about Binge On, Comcast's Stream TV service and AT&T's sponsored data plans, AT&T responded, "We remain committed to innovation without permission, and hope the FCC is too."

AN INQUIRY, NOT A FIAT

Wheeler insisted two weeks ago that the FCC's inquiry was merely that, telling reporters he had not sat in on any of the meetings, nor had any of the members of his staff.

But the chairman controls the agency's bureaus, Republican commissioner Michael O'Rielly countered. "We do all know that the bureaus are at his discretion because otherwise, I would get a lot more information," O'Rielly said.

O'Rielly said he is still trying to find out more information about the inquiry, but said that he was troubled by the direction in which the FCC was heading. He said he was troubled by the "mother may I" approach of the agency's having to bless — or reject — new business models. That was concerned him about the net-neutrality rules, he said.

The new Open Internet rules do not prevent zero-rating plans, but they do prevent paid prioritization and also give the FCC some wiggle room through a general-conduct standard with which it can essentially review any business practice it thinks might have the effect of favoring some content over others for anti-competitive purposes.

"Because the Internet is always growing and changing, there must be a known standard by which to determine whether new practices are appropriate or not," Wheeler said back when he proposed the Title II-based rules.

At the Internet Education Foundation's 12th annual State of the Net conference in Washington two weeks ago, people on both sides of the issue were trying to help the FCC decide.

Roslyn Layton, a visiting fellow at the American Enterprise Institute's Center for Internet, Communications, and Technology Policy, made the case for why zero rating plans were not the threat to Internet openness that some have claimed.

She said that there is no good or service that is not subject to a differential price and said it was "strange" to her why Internet service would be singled out.

She said the one of the best things about the history of TV, radio and the Internet was that advertisers and sponsors were allowed to lower the cost to end users. That's a key difference between media industries in the U.S. and Europe, she said, saying Europe's license-fee model has meant fewer channels and less content.

The Internet also benefits from third-party subsidization, she said, pointing out that edge provider Google effectively zero-rates its search by displaying ads.

One criticism of the FCC's approach to its new Internet rules is that they target ISPs while leaving edge-provider business practices alone. ISPs aren't explicitly asking the FCC to regulate the edge, but point out that there are opportunities for edge providers to interrupt the virtuous circle that the FCC appears to gloss over in focusing on regulating ISPs. Wheeler has said edge providers are outside the scope of the rules.

On the other side is Stanford University law professor Barbara Van Schewick. The key to the issue is whether a zero rating plan has the effect of "picking winners and losers online," she said. The bright-line net neutrality rules are about doing that with technology, via slowing or blocking traffic or by buying a technical advantage for a fee, aka paid prioritization.

Zero-rating is just a different form of favoring some content over others, she argued — via business plan, rather than technical limitations or advantages.

WATCHING FOR 'COMPETITIVE ADVANTAGE'

Comcast's Stream TV, for example, was not about subsidizing access, but instead about "giving a competitive advantage to [Comcast's] own application," she said. That is a key net-neutrality concern, she said.

Kevin Martin, former FCC chairman and now an attorney for Facebook, which has its own zero-rating program to try and boost basic connectivity, said he didn't have any problem with the FCC taking a case-by-case approach to vetting business plans under its new rules, but said zero-rating can be beneficial.

Martin signaled the FCC was right to be vetting the plans, but did not throw cable operators under the bus. He said MSOs would argue their customers have already paid for the programming ISPs are zero-rating.

But unlike cable operators, which have issues with the FCC's case-by-case approach under the general conduct standard, Martin was all for it. "I think an analysis of what's actually going on with each program is appropriate, and the FCC got that component right," he said.

Layton argued zero rating plans aren't just for the big dogs. She said they benefit smaller network providers who can't compete with larger providers in terms of speed, but need another way to differentiate themselves.
http://www.multichannel.com/fcc-zeros-new-business-model/397199
Multichannel News

Who Says You Can't Watch It All?

2/08/2016 8:00 AM Eastern

By: R. Thomas Umstead

Industry observers have blamed over-the-top streaming services for contributing to what is now a cornucopia of quality programming for which there's not enough hours in the day to watch.

But when it comes to watching everything available on the small screen, viewers are giving it their best shot, according to a Horowitz Research study.

A third of over-the-top viewers say that they are watching more TV overall than they did five years ago, according to Horowitz's recent *Multiplatform Content and Services, Wave 2 2015* survey.

Services like Netflix, Hulu and Amazon Prime are fast becoming the first choice for viewers when they turn on the boob tube. One-third (31%) of viewers surveyed say they turn to Netflix when they first turn on the TV, slightly below the 34% who say live TV feeds from cable and broadcast networks are their first choice.

OTT services are the first platform of choice for more than half of 18-to-34-year-olds, further showing that streaming content from OTT services continues to dominate millenials' viewing habits.

And the OTT services are giving viewers a lot of new original content to stream. Netflix will add new series such as *Fuller House*, a reboot of 1990s sitcom *Full House*; the Judd Apatow comedy Love; a new Marvel-themed series, *Luke Cage*; and hip-hop themed drama *The Get Down* later this year to its core shows, including *Orange Is the New Black*, the fourth season of which will debut in June. Netflix has also renewed women's jailhouse dramedy *Orange* for three additional seasons.

Hulu this year will roll out the big Stephen King miniseries *11-22-63*, about the assassination of President John F. Kennedy; *The Path*, a project from Aaron Paul (*Breaking Bad*'s Jesse Pinkman); and new dramas starring Hugh Laurie and Jeffrey Donovan.

Amazon, coming off consecutive Golden Globe Award wins for comedy series *Transparent* and *Mozart in the Jungle,* will bring back sophomore shows *Bosch* and *Catastrophe* this spring.

Given the myriad quality programming choices available to viewers, it's not hard to foresee a continual increase of overall TV viewing — and, arguably, a decrease in time spent sleeping.
http://www.multichannel.com/who-says-you-can-t-watch-it-all/397201
Multichannel News

Cable Bucks Cord-Cutter Trend in Q4

Analysts: Ops Post Gains as Telco, Satellite Losses Mount

2/29/2016 8:00 AM Eastern

By: Mike Farrell

TakeAway

Cable operators appeared to withstand the cord-cutter onslaught better than their satellite and telco rivals in Q4, actually gaining subs.

It looks like cord-cutters may not have the cable sector to kick around much longer.

While overall pay TV subscriber numbers were down in the fourth quarter — typically a seasonally strong period — customer declines came from losses on the telco TV side. Cable operators, long the target of consumer consternation over high prices and poor service, reported video customer gains for the period.

Not all of the news was good. Overall pay TV subscriber numbers were down for the first time in the fourth quarter, indicating that customers are still cutting the cord. It also was the fourth consecutive quarter of overall losses in the pay TV sector.

On the bright side, though, cable outperformed the overall pay TV sector for the first time since 1994.

SECTOR DOWN OVERALL

MoffettNathanson principal and senior analyst Craig Moffett, estimated pay TV, excluding subscriber results from Dish Network's over-the-top service Sling TV (which Dish counts within its overall satellite-TV results), lost about

49,000 video subscribers in the fourth quarter. With the Sling TV results factored in, the pay TV business is pushed into the black with a gain of 80,000 video customers, although that growth is still down from previous years.

Other analysts had slightly different numbers. Pivotal Research Group CEO and senior media & communications analyst Jeff Wlodarczak estimated that pay TV added about 105,000 video customers in the period, but he also included the Sling TV results. Evercore ISI Group media analysts Vijay Jayant and David Joyce estimated a pay TV loss of about 123,000 in the period, not taking the Sling TV results into account.

Cable, long pay TV's laggard, actually ended the quarter on a positive note. MSOs added about 102,000 video customers in the period, according to Moffett, fueled by gains at Comcast (89,000), Time Warner Cable (54,000) and Charter Communications (33,000).

In contrast, the telco-TV sector, punished by heavy losses for AT&T's U-verse TV (down 240,000), lost about 224,000 video customers. Satellite-TV providers gained about 73,000 net new subscribers.

In a note to clients, Moffett said the cable growth came in a period of sluggish new household formation. While that shows that cable's growth is likely coming from its competitors, it also shows a dramatic change of fortunes among the players in the pay TV business in a very short period of time.

It wasn't long ago that cable operators were considered to be a dinosaur business heading for extinction.

Overall full-year 2015 cable losses slowed to 1% from 2.6% in 2014, while satellite subscriber losses accelerated sharply to -1.3% in Q4, compared to a 0.1% gain in the prior year, according to Moffett.

The sharpest dropoff, though, came in the telco sector. According to Moffett, telco TV reported a 1.3% video customer deficit in Q4, compared to a 9.9% gain in the previous year.

“The improvement in cable is dramatic,” Moffett wrote. “And the deterioration in telco is breathtaking.”

While a big part of that telco TV decline is probably due to AT&T’s plan to migrate its U-verse TV subscribers to satellite provider DirecTV (which AT&T purchased in July), Moffett said that isn’t the whole story. Growth in the satellite sector slowed in the fourth quarter to 73,000 subscribers, compared to 86,000 in the same period in 2014, despite DirecTV having AT&T’s marketing engine behind it.

While broadband was a big reason for cable’s Q4 gain, Moffett noted that the sector has been steadily reducing its losses since 2010. According to Moffett’s research, cable has reduced quarterly subscriber losses from a peak of 3.5% in Q2 2011 to a 1.1% decline in Q4 2015.

DATA STILL A STRENGTH

In a note to clients, Wlodarczak wrote that cable again dominated the broadband market in Q4, despite price increases implemented in some systems.

According to Wlodarczak, net new data subscribers (including dialup) increased 19% in the quarter to 850,000. Cable again had its best share result ever, taking all net new data additions (about 980,000 additions, a 31% increase), while telcos saw a negative data result for the third straight quarter, losing about 40,000 customers.

“The cable investment thesis is all about data; cable successfully managed the entrance of the RBOCs into video and they should successfully manage through changes to the pay TV model,” Wlodarczak wrote, adding that cable’s broadband dominance “provides the ultimate hedge for cable against the effects of potentially accelerated pay TV losses and slimmed-down pay TV bundles.”

CHART: Pay As You Go

Pay TV subscriber losses have increased over the past four quarters, while cable TV ended the year on a high note.

	Q1 2015	Q2 2015	Q3 2015	Q4 2015
Total Cable Adds (Losses)	(105)	(337)	(200)	102
Total Satellite Adds (Losses)	(74)	(284)	(173)	73
Total Telco Adds (Losses)	136	(3)	(53)	(224)
Total Pay TV Adds (Losses)	(44)	(624)	(426)	(49)

SOURCE: Company reports, MoffettNathanson estimates. Numbers in thousands.

http://www.multichannel.com/news/distribution/cable-bucks-cord-cutter-trend-q4/402870

Multichannel News

Primetime Endures for On-Demand

Streaming content consumption peaks between 8 and 9 p.m.

2/29/2016 8:00 AM Eastern

By: Dade Hayes

It is conventional wisdom that viewing on mobile devices and smart TVs, especially of SVOD services like Netflix or online outlets such as YouTube, has disrupted every aspect of traditional TV.

In one respect, though, that is not the case: the notion of primetime. According to a new analysis by RealityMine, a research firm recently tapped by NBCUniversal and TiVo Research to explore streaming consumption of the 2016 Summer Olympics, viewing patterns for streaming strikingly mirror those for linear content. The peak of viewing any digital offerings across any device comes between 8 and 9 p.m., just as in the linear universe, with the majority of consumption occurring between about 6 and 10.

The survey, conducted on a panel of 7,673 U.S. viewers between March and November 2015, found that 89% of younger millennials (18 to 24) who watch TV do so live. Among viewers 55 to 64, that number reaches 96%.

"New viewing options have made it easier and more flexible for consumers to choose when and what to watch instead of planning past time around favorite TV shows," the report notes. "Although online video is accessible 24/7, interestingly, viewers are still most likely to tune in during TV primetime."
http://www.multichannel.com/primetime-endures-demand/402877
Multichannel News

For Set-Top Ads, an Unclear Picture

FCC’s Proposal Suggests Marketplace Will Decide the Matter

2/29/2016 8:00 AM Eastern

By: John Eggerton

The FCC's set-top proposal has created much ado about ads.

TakeAway

Programmers are worried the FCC’s new set-top rules might give third parties the ability to delete or replace their TV advertising.

Get complete coverage of the FCC's set-top proposal.

WASHINGTON — Federal Communications Commission chairman Tom Wheeler has taken a “not to worry” approach to some of the issues that are concerning cable operators and broadcasters about his new set-top box proposal.

Wheeler dismissed concerns from both groups when asked if his proposal to give third parties access to program information in cable set-top boxes meant that those third parties could replace or delete TV-advertising content — or repackage it, for instance, with new ads on an opening screen or channel guide with search-based advertisements, a la Google.

The rules ensure that such a scenario would not happen, Wheeler said. According to sources within and outside the FCC, in meetings before the proposal was made, the chairman’s office also assured concerned broadcasters that their ad-supported content would be protected.

MARKET WILL DECIDE

But when the text of the set-top box proposal was released, the introduction talked about proposing to leave “the treatment of advertising to marketplace forces,” as is the case with the current set-top regime.

That left at least one FCC source critical of Wheeler’s plan wondering just how much leeway the marketplace would have to monetize cable and broadcast programming in new ways.

There is language in the section about what third parties — such as Internet-search giant Google or an app developer — would have to pledge to do to get access to set-top content. In addition to adhering to consumer-information privacy regulations and passing through emergency alerts, third parties would be required to “adhere to children’s programming advertising limits.” That’s in part because the FCC said it was concerned that navigation device developers “would violate advertising limits during programming for children.”

Either the FCC plans to make third parties, rather than programmers, responsible for making sure the content being repackaged through new guides and searches and devices meets children’s ad limits, or it appears to be anticipating that those third parties would be supplementing the children’s programming with advertising that might exceed those limits. The FCC source said that wording was troubling.

Broadcasters have tried to leverage the set-top proposal as another shot at cable operators, suggesting the FCC is right to look at the cost of boxes — rather than, say, retransmission-consent fees — as a driver of higher cable prices.

But one broadcaster source said station owners were also concerned about the FCC respecting their programming deals with cable operators, as well as with a company like Google having the ability to change a channel lineup or sell ads against broadcast programming without stations getting any cut of that new revenue.

The source said broadcasters had "heard all the right things" from the chairman's office.

Attorney Paul Glist, a privacy expert and counsel to the National Cable & Telecommunications Association, told reporters in a conference call that Wheeler's assurances about ad policies were not comforting. Such promises were effectively empty, he added, since they could not be monitored or enforced.

Google uses all of its access to information to monetize its ads, Glist said. In this case, he said, it would be doing so "without any compensation to the programmers."

For all of the chairman's mentions of what would not be permitted, he said, there were no restrictions on monetizing the search function.

A senior official said that the language about children's advertising was related to issues raised about the placement of pop-up ads on Smart TVs in kids programming that the cable operator or broadcasters did not authorize or get to monetize, and the possibility that could happen on third-party navigation devices. The FCC currently has no rules that would prevent, say, a car company from striking a deal to place a pop-up ad on an LG Smart TV.

POP-UP AD CONCERNS

That would mean a third party could strike a similar deal for pop-up ads on the new set-tops that, for instance, Google could monetize. The FCC official said that is indeed the case, but the agency is aware of programmer concerns that could violate agreements about the branding and feel of their content. That's why the Notice of Proposed Rulemaking asks if rules are necessary to prevent such ads and what the agency's authority would be, the official said, adding the FCC was not ignoring programmer concerns.

No one has filed a complaint about Smart TV pop-up ads yet, the source noted, but that might be because they're not yet prevalent.

The FCC's proposal is just that. It asks a lot of questions about how the FCC should achieve the overall goal of promoting competition in navigation devices. If cable operators and broadcasters want to protect their ad models, they need to make sure Wheeler's proposal explicitly backs up his assurances about protecting those models.
http://www.multichannel.com/set-top-ads-unclear-picture/402882
Multichannel News

Multichannel News - February 15, 2016

VIDEOPHILE

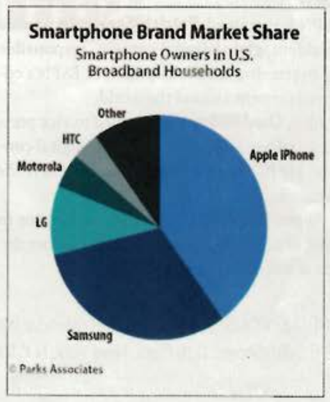
iPhone Still the Apple of Mobile's Eye

Apple sold a record 74.8 million iPhones in its fiscal first quarter, allowing it to retain its U.S. market lead on the smartphone front.

Per a new study from Parks Associates, iPhones accounted for 40% of the U.S. smartphone market in 2015, though, at 31%, Samsung, which uses the Android platform, continues to make up ground. LG, the market's No. 3, lags at 10%.

The window to get customers to switch remains fairly large, as 45% of all U.S. broadband homes wait two years to upgrade their smartphones, Parks said.

Smartphones continue to serve as a key conduit for streaming video. More than 70% of smartphone users tap the device to watch short streaming video clips, and 40% watch long streaming videos. A smaller group, 24%, use their phones to fling video to another screen, such as a TV set or PC.



BLOG: THE BAUMINATOR

What Types of VR Content Do Consumers Want?

Jeff Baumgartner

As high-, middle- and low-end virtual reality platforms continue to enter the market, there's still an ongoing debate over which types of content will resonate in these immersive environments.

Though we're still at the front edge of the market, a new study from Futuresource Consulting found that 39% of about 3,000 consumers in the U.S. and Western Europe were most interested in watching or experiencing VR movies, followed closely by games (38%), TV/music videos (27%), educational content (26%) and sports (26%). The consumer VR content market should reach $8.3 billion by 2020, Futuresource predicted.

Those results speak well to the focus of next-generation VR platforms, such as the Oculus Rift, HTC Vive and Sony's PlayStation VR, which will hook into PlayStation 4 consoles. The closeness in those results should also be good news for programmers and studios pursuing the VR angle, including Discovery Communications, Fox Sports and Syfy, as well as relative newcomers such as Baobab Studios, which is coming off a $6 million "A" round led by Comcast Ventures.

For more of this blog, please visit multichannel.com/Feb29.

TECH TWEET

"If you use VR at least 1x / weekly, what do you use it for?"

— Helen Situ (@HelenSitu), Virtual Reality Evangelist at NextVR, the virtual-reality video production startup that just signed a new five-year deal with Fox Sports. At last check, 58% of Twitter responders cast a vote for "Entertainment" followed by "Work-Related" (17%); "I'm a Developer" (22%); and "Other" (3%).

Multichannel News – February 29, 2016

Trade Journal Links – March 17, 2016 Commission Meeting

On the FCC's proposed box top rules: "Not only could it affect how you watch your TV shows, movies and videos — it could also make products such as the Apple TV, the Amazon Fire TV and others a far more integral part of your home." | Washington Post

Susan Crawford Op-Ed: Big corporations are asserting themselves into state-level politics like never before. "Net result: the public's awareness of and access to the activities of state government is vanishing, at the same time that the decisions made by state-level actors are having greater effects on American lives." | Medium

Obama's last budget seeks "seeking $19 billion for a broad new cybersecurity initiative" | N.Y. Times

Editorial: "Congress Starts to Get Serious About Online Privacy" | N.Y. Times

http://www.multichannel.com/news/congress/thune-signals-return-mobile-now-act/402438

http://www.multichannel.com/news/content/boxed/397188

The Coalition for Local Internet Choice, in partnership with the Benton Foundation, has released its new publication: "The Emerging World of Broadband Public-Private Partnerships: A Business Strategy and Legal Guide." The guide summarizes various broadband public-private partnership models and considers how each model balances the risks and benefits of a project, and manages control over the network. The paper also summarizes the legal issues that arise through all stages of planning and negotiation, including how to review authority issues, what is involved in pre-negotiation project planning, and how to negotiate the details of the final public-private partnerships.

The paper will be followed by the CLIC Webinar Series, a series of free educational webinars, on how local communities can enable development of next generation broadband networks, beginning with two webinars on broadband public-private partnerships.

Boston Globe Editorial: "The truth is that our tech infrastructure is in the same dismal shape as our roads and bridges. Boston, like a majority of American cities, pays more for slower Internet service than our international peers. If Boston is to remain a global hub of innovation — and on the "cutting edge of the common good," as Mayor Martin J. Walsh promised in his State of the City address last month — it should build a citywide fiber-optic network that allows each residence and business an onramp to the information superhighway of the future." | Boston Globe

The FCC has green lighted "steps to promote international telecommunications services between the United States and Cuba by proposing to remove nondiscrimination requirements on the U.S.-Cuba route." | FCC Press Release

"The FCC is expected to craft regulations in the coming months on how broadband providers handle sensitive customer data" | The Hill

FCC releases schedule for Open Meeting on Thursday, February 18th. Subjects include video programming, closed captions, and video navigation devices | FCC Agenda

Susan Crawford Op-Ed: Comcast's "tone-deaf" response to report about the state of broadband in Connecticut; acknowledges that some businesses would be charged exorbitant rates for broadband access, but calls them "one-off exceptions." | Medium

The FCC is "expected to vote next month on repurposing a roughly $2 billion-a-year phone subsidy program, known asLifeline, to include subsidies for broadband services in low-income homes." | N.Y. Times

"Moody's Investors Service put its two cents in regarding the recent Federal Communications Commission ruling that would "unlock" set-top boxes, adding in a report that while the regulation will present some challenges, the industry should be able to manage it." | Multichannel News

Cable lobby claimed "voluntary" solution could create cable box competition; But years later, 99% of customers still rent cable boxes from pay-TV companies. | Ars Technica

http://www.multichannel.com/news/content/tv-everywhere-continues-its-climb/402839

http://www.multichannel.com/news/distribution/fiber-battle-heats-louisville/402867

Summary of the keynote delivered at the Mobile World Congress; "Five Ways Mobile is Changing the World" | Re/Code

BTIG Research claims that cable customers may increasingly go wireless-broadband only to lower household costs. | Broadband Reports

The FCC currently investigating "whether big cable firms use special contract provisions to discourage media companies—from Walt Disney Co. to smaller firms—from running programming on the Internet." | WSJ (subscription req'd)