Twin Cities Infrastructure Beefed Up by Comcast

Thu, 05/26/2016 - 10:46amby **Laura Hamilton, Editor, @cedmagazine**

Comcast is today unveiling what it calls "an unprecedented level of investments and innovations by the company in both residential and business services" in the Minneapolis-Saint Paul area.

It is highlighting enhancements to the X1 platform, including an advanced Olympic experience. Additionally, it's touting more than 1,400 additional metro-wide Xfinity public outdoor Wi-Fi hotspots. Comcast also says it is implementing new streamlined tools and processes, and will add hundreds of jobs to the area. The operator is also reporting a $15 million investment by Twin Cities Comcast Business.

Wireless

This new live in-home streaming capability reportedly gives subscribers access to their entire video lineup and Xfinity on-demand content on any connected device in their homes. "And, later this year, Comcast will introduce the next generation of the X1 experience with the launch of Cloud DVR," the operator reports. "This means customers will have the ability to stream or download their recordings to view anytime, anywhere, on any device."

The expanded WiFi hotspots will be installed in high-traffic locations including public parks and recreation areas, retail locations and transit stops. Xfinity WiFi will be available for unlimited use by Comcast customers, and non-customers can reportedly use the service on a free- and fee-based scale. All locations are reportedly planned to be completed by the end of 2016.

Among the customer service improvements promised in the area is a promise to be on time for every tech appointment as well as plans to allow subscribers to know when a tech will arrive at a premises. Comcast says it is working toward a goal of 100 percent on-time arrival.

“But if we’re late, customers will receive $20 off their next bill, no questions asked,” the company says in a press release. “In addition, a new technology called Tech ETA will be available this year that will let customers know when their technician is 30 minutes away and includes the ability to monitor their progress.”

In the next two years, Comcast Business is reporting it will invest up to $15 million in network expansions in the area for business services.

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CED Magazine

Comcast Builds Video Momentum

X1 just one piece of the new pay TV puzzle, EVP/GM of video services Matt Strauss says

5/16/2016 8:00 AM Eastern

By: Jeff Baumgartner

Matt Strauss, Comcast Cable EVP/GM of video services

Bucking a trend amplified by a small but growing cord-cutting trend and the popularity of over-the-top video options, Comcast just came off a first quarter in which the MSO added 53,000 subscribers, its best first-quarter video result in nine years.

While a portion of the credit goes to X1, Comcast's Internet protocol-capable next-generation video offering, those results are due to a confluence of efforts and initiatives that span not just the core product but also areas such as improved customer care, according to Matt Strauss, Comcast Cable's executive vice president and general manager, video services.

Multichannel News technology editor and *Next TV* editor Jeff Baumgartner recently caught up with Strauss to discuss Comcast's new video products and strategies involving X1, TV Everywhere, its new IP-delivered "Stream" product, and future 4K plans.

Editor's Note: An expanded version of this interview will appear in Multichannel News*'s show dailies at this week's INTX show in Boston.*

MCN: As you look at the second half of the year, what are your top priorities?

Matt Strauss: We're really focused first and foremost on continuing to execute against the deployment of X1. We're seeing a lot of very positive benefits from X1, both on the churn and on the increased consumption side.

We're now at about 35% penetrated, and it's even higher if you just look at triple-play subs — about 50% of our triple-play subscribers now have X1.

What goes hand in hand with that is that we also want to finish out the deployment of our cloud infrastructure. We've been deploying cloud across our footprint — both cloud streaming and cloud DVR — and we are very close to getting 100% deployment. We want to finish that up by the middle to end of this year.

Finally, we want to continue the penetration and usage of our products and services. We've got a very ambitious deployment for our new consolidated Xfinity app. With the upcoming Olympics [in Rio] we want to use that as an opportunity to shine a light on this new application, which we think is a tremendous value to our customers.

Related: **INTX 2016: Comcast's Roberts Says No Plans to Take Pay TV Over-the-Top**

MCN: With respect to the pay TV momentum, how much credit does X1 get, even as you continue to improve other areas like customer care and customer experience?
MS: It certainly is contributing. When you look at X1, we're seeing improvements in churn. X1 customers are also consuming more video. They also have a higher attachment rate to DVRs and typically they take additional outlets in their home. There's no doubt that X1 is contributing, but I don't know if there's any one silver bullet.

When it comes to growing the video business, it's really a combination of several factors and investments that we've been making over the past few years, in how we've been improving our infrastructure, moving more to IP.

MCN: What kind of usage patterns are you seeing with the Xfinity TV app? Is the big challenge getting the message out to customers so they understand the app's full capability?
MS: I'd almost characterize it as we're in a moment in time because we have the Xfinity TV in-home app and we have our Xfinity TV Go app. We are in the

process of consolidating those into just one app, which will be the Xfinity TV app. This unification ... will provide this unprecedented access to content both in the home and out of the home. And I think those lines are going to continue to get more and more blurred.

When you look at the usage of our app in general, we have about 42% penetration of our mobile app among our double-play customers on a monthly basis. On a quarterly basis, it's almost 60% who are using one of our apps, and that's up about 16% year-over-year.

Related: CEO Roberts: Comcast, X1 Ready for Olympics

MCN: What's next for Comcast with respect to 4K? You've got the app for Samsung TVs but we've seen some recent reports that you'll really be focusing more on a strategy that puts an emphasis on High Dynamic Range (HDR)?
MS: While there's hyper-attention on 4K, when we look at the total video experience, we think 4K is part of the offering. But HDR, which is not necessarily getting the same amount of attention, is in many ways more immersive and, we think, impactful.

Instead of deploying maybe a half-baked solution, which we're starting to see a little bit of in the market, we thought it was more prudent to deliver the complete experience ... and that's what's being developed with our Xi6 box, which we'll be testing this year, but it's going to really be deployed next year.

MCN: The video market continues to be abuzz about skinny TV bundles. Comcast has been going after that segment with the Stream TV product in some select markets. What have you learned so far, and what's next on the rollout plan?
MS: In many ways X1, we think, is satisfying the demand for how many of us watch television. The average person watches about 130 hours of video every month.

But there are changes in how other segments are consuming video. When we look at skinny bundles, we believe that they are in some ways a manifestation of the economy as anything else. It’s rare that you hear someone say that they want fewer choices. What’s more likely is that you might hear someone say they want to pay less.

We have been experimenting with skinny bundles and experimenting with ensuring we’re getting the right product to the right customer at the right time in their life, whether that’s Internet Plus or the Xfinity On Campus product, or Stream.

While Stream is, at the moment, comprised of a skinny bundle, the strategies behind Stream are much more around how we’re going to transform the overall end-to-end customer experience, and Stream is just one example of how we are expanding into that terrain.
http://www.multichannel.com/comcast-builds-video-momentum/404912
Multichannel News

Powell Pushes Back

On eve of INTX, NCTA's chief makes his case against Title II, set-top rules 5/16/2016 8:00 AM Eastern

By: John Eggerton

NCTA president and CEO Michael Powell in his Washington, D.C., office. (Photo by John Eggerton)

TakeAway

John Eggerton's full-length interview with NCTA chief Michael Powell, excerpted in the May 16 issue of 'Multichannel News'

WASHINGTON — National Cable & Telecommunications Association president and CEO Michael Powell, a genial man with a ready grin, is having a hard time smiling these days.

Echoing his constituents in the field, he says the cable industry is being railroaded into regulations that will severely hamper the industry's future, and the issues are far from trivial: Title II reclassification of cable operators, broadband privacy regulations and "unlocking" the cable set-top box to allow giant rivals into the business.

The Federal Communications Commission is empowered to regulate in the public interest, convenience and necessity, but Powell — himself a former FCC member and chairman under President George W. Bush — suggests there is a problem with the way the current agency interprets the "convenience" element. The FCC, he says, is layering on new regulations when it is convenient for edge providers like Google. Powell says restraint is a regulatory tool, and one current FCC chairman Tom Wheeler appears not to be including in the tool kit at his disposal to ensure fair play in the broadband marketplace.

The issue that really gets under his skin is the FCC's set-top proposal, or what Powell labels a "nonsensical," backward-looking vision of video. Wheeler is creating a market for cable boxes at a time when many consumers would like to see set-tops eliminated completely, Powell contends.

The bigger concern surrounds network neutrality and a cable operator's right to run a broadband business — complex issues that, in Powell's view, have been hijacked by giant Internet rivals with simplistic slogans. He is looking to derail the notion that edge providers are the Internet's engine and that ISPs simply provide the railroad tracks.

As the cable industry prepared to head to Boston for this week's INTX: The Internet & Television Expo, Powell sat down with *Multichannel News* Washington bureau chief John Eggerton to talk about those issues and others. An edited excerpt follows.

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MCN: What is wrong with the way the FCC has addressed cable broadband privacy?
Michael Powell: You break the house [by reclassifying broadband Internet access as an information service under Title II of the Communications Act], and then you say you need to fix it.

Part of what is troubling is if they move forward on this — because they feel they have to, having disenfranchised the Federal Trade Commission of its authority over privacy — authority under which these companies for decades have operated without any evidentiary record of privacy violations or proof of demonstrated harms.

So, why there is a need for an old-style telecom approach to CPNI [Customer Proprietary Network Information] in this context is certainly not clear from any kind of record and practice. But that is not really the issue. ... What continues to frustrate me is a government that continues to make its regulatory judgments quite conveniently depending on who they apply to.

MCN: For example?
MP: It is a little much for me to see, in the set-top box proposal, the commission seeming to be perfectly comfortable with general state law

regulation and Federal Trade Commission regulation of third-party set-top manufacturers — and, let's be honest, that means big tech companies like Google and TiVo being able to deliver a multichannel video experience — and [those companies] not [having] to comply with the privacy requirements that all other video providers have to comply with. No matter what you believe philosophically or ideologically about these issues, we should all believe in coherence and consistency.

I can't understand why — if this is so critical to the consumer, and [it's] so essential that the consumer be protected, and, as the chairman says, the consumer owns the data — why is that logic not equally compelling when they use the products and services of companies who, by the way, have a dramatically higher demonstrated pattern of collecting, using and monetizing private data?

In fact, one would argue that's the very central core of the enormous profitability of those enterprises, and yet that's seen, dismissively, as untroubling where there is evidence of problems — and in an area that involves us, where there's no evidence of problems, somehow we need this heavy-handed regime.

My only request of the government is that you have a holistic, sensible view about these issues that apply commonly. In fact, [the Obama administration] numerous times has said the same thing. When the White House put out its privacy report, they expressly stated that the goal should be to create a harmonious privacy regime so that the consumer is not confused.

How do you expect your neighbor to sit down at a computer and decide to go look at things on Facebook and understand the difference between the ISP who might collect data subject to your opt-in requirements [in the CPNI proposal], but the activity that you are engaged in on Facebook is not?

To the consumer, I think that's a seamless, unbifurcated experience and if [consumers] are upset about their privacy, then they are upset about whoever is collecting [their data].

The last point I would make is that one of the biggest arguments made by the commission, as well as other government officials and academics now, is the amount of data collection that goes on in society today.

But for consumers, it is OK, or mostly OK, is because it's a tradeoff, right? Consumers get enormous benefit by having their experience tailored to their desires and wishes because of data.

MCN: Do you think the chairman can't similarly regulate the edge or he just won't?
MP: Let me put it this way: To some degree he can't, to some degree he won't. He doesn't seem to show any inclination. It's been a commission that has been awfully aggressive and creative with its jurisdiction when it wants to be.

It is a commission that argued that it has sweeping authority under Section 706, under some virtuous circle theory of what makes broadband hum, that arguably is broad enough to include edge providers.

So, it seems to me that given this commission's pattern of being pretty aggressive with ambiguity about its jurisdiction when it chooses to ... but remember, regulatory wisdom is not only what you do, but what you elect not to do.

MCN: Is that why you recommended using the Federal Trade Commission's regulatory model?
MP: The reason ISPs provided proposals to adopt an FTC-like regime was not to avoid the need to regulate privacy, it was to urge the commission to regulate privacy in the manner being done e
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Multichannel News

Over-the-Top: Where Access Trumps Ownership

Vimeo CEO on company's new SVOD strategy, how it will grapple with rivals like Amazon

5/16/2016 8:00 AM Eastern

By: Jeff Baumgartner

Vimeo CEO Kerry Trainor

Vimeo cut its teeth as an over-the-top video platform that enables content partners to sell and rent their handiwork, but it is now expanding more deeply into subscription-based models. The OTT market isn't getting easier for Vimeo, though, with mounting competition and Amazon's recent launch of a self-service platform. *Next TV* editor Jeff Baumgartner spoke with Vimeo CEO Kerry Trainor about plans for SVOD and 360-degree video, and how the IAC-owned company will expand on a business that supports more than 700,000 subscribing creators and a base of 280 million users worldwide. Here are edited highlights.

NTV: Vimeo just acquired an OTT platform provider called VHX. In addition to helping you support SVOD, what other gaps does this deal fill, and how does it change or expand your core business?

Kerry Trainor: The primary component is about us being able to add a really great white-label SVOD platform and combine those capabilities with the streaming marketplace we're developing as part of Vimeo's owned-and-operated, branded destination.

Today, we have this complete ecosystem for any content creator or owner who is looking to stand up their own SVOD channel or sell TVOD [TV-on-demand] content and do it on their own branded site, their own branded apps on both mobile and television, as well as through the Vimeo marketplace. We think, together, it represents one of the best, truly open, truly global platforms out there for creators.

NTV: How do you see SVOD fitting into the mix, versus your focus on individual sales and rentals?
KT: I absolutely see SVOD becoming the primary paid model from the consumer perspective over time. Like we've seen in the evolution of the audio market, where it's pretty much a full access-vs.-ownership world, video is going to evolve much the same way, where consumers will be more interested in access to content versus owning that content.

Even on the T-Box side [with Telstra], we're seeing rentals come more to the fore than purchases.

NTV: Do you have any interest in adding free, ad-supported options to the mix?
KT: We're 10-plus years into the ad-supported online video space, where YouTube is clearly the frontrunner in that, Facebook is going to be a major force in that and others are dipping their cup into the migrating stream of dollars coming from offline to online.

And you've got the major OTT services like Netflix, Hulu or Amazon. We believe that there's going to be a flourishing world of niche channels that will be reaching their audiences with premium, paid, ad-free services though open platforms, and that is the home and the platform that Vimeo is building. We want Vimeo to be the HBO phase of online video.

NTV: What kind of interest do you have in providing a virtual reality or 360 video capability to your platform?
KT: We are tracking VR and 360 [video] very closely. It is something we've worked on here in our skunkworks, where we've been testing prototype versions. For us, it's always about a balancing act of when there's early interest in something versus when we think it's really ready for primetime.

NTV: Amazon just introduced Amazon Video Direct, a self-service platform for content creators. How do you view this — as competitive or complementary to what you're doing at Vimeo?
KT: Amazon is an incredible platform and a formidable force. Seeing them opening up only demonstrates our point and our belief that creators are going to want to go direct to their audiences and they're going to want to offer premium paid experiences.

The key differences are that Amazon is still only available in five markets where Vimeo is a truly global platform. We have sales in over 200 markets and territories. Our revenue share is still much more creator-friendly. Amazon is taking 50% of revenues on the TVOD and SVOD side. We're taking just 10% on the TVOD side and we're charging just $1 per subscriber per month on the SVOD side. We think that our platform really stands apart.

NTV: We've seen a wave of virtual MVPDs enter the fold, like Sling TV and PlayStation Vue, and what Hulu is working on. Is there an opportunity there for Vimeo to look at enabling partners to offer live multichannel services?
KT: All the permutations are in play. Unbundling is happening before our eyes and we're starting to see some elements of rebundling, in a sense. Ultimately, we think it's all about reaching as many consumers as you can and building the best business that you can. Vimeo has been set up to be open and flexible, whether you're an individual or you're a major media company ... to distribute direct to your audience on a global basis with any combination of services that you wish.
http://www.multichannel.com/over-top-where-access-trumps-ownership/404916
Multichannel News

Boxed In

FCC chief's controversial 'unlock the box' proposal unleashes critics who fear a dire outcome5/09/2016 8:00 AM Eastern

By: John Eggerton

WASHINGTON — The cable industry is at war with Silicon Valley giants — and the U.S. government itself — over a small, black box.

And the stakes are high enough to jeopardize the most crucial part of the business relationship with a consumer — the point of first contact, specifically the first images a viewer sees when turning on a device — as well as the security of the signal. The prize is the vast trove of viewing data collected from MVPD-provided set-top boxes that is surely and not so slowly upending the $70 billion advertising market.

Content companies, unions and legislators have weighed in vigorously against Federal Communications Commission chairman Tom Wheeler's proposed new rules for set-tops, counterpunching with major concerns that "unlocking the box" would leave valuable cable programming vulnerable to content thieves, copyright violators or powerful edge providers such as Google, who are looking to edge out MVPDs and remonetize their content for free.

Wheeler billed the proposal as a win-win, in part because he says that such a new rule would open up the retail market for set-tops, as most cable subscribers pay rental fees for their devices. Never mind that no one likes a box, and cable operators, recognizing consumer demand, are offering set-top-free alternatives.

PUSHING BACK

But a lot of people don't see it the FCC's way, and have pushed back on various aspects of the proposal — including on matters of privacy, copyright, diversity and more.

In just the past two weeks, House Judiciary Committee leaders from both parties have told Wheeler his proposal puts copyrights at risk. Other House Democrats, apparently unsatisfied with a Wheeler explanation of the proposal's backing in a meeting with the House Democratic Caucus, said content creators are hardly applauding, even listing those who have weighed in against the plan.

RELATED: Content Commentary: Producers, Programmers and Affiliated Groups Against the Set-top Proposal | Get complete coverage of the FCC's set-top proposal.

Cable operators for years have been trying to get the FCC to drop its hardware-based CableCard solution for promoting competition in the set-top and navigation-device market. MSOs have long viewed the removable Cable-Card module as a clunky, hardware-based alternative to a software solution for set-top security.

The seeds of the current proposal are in the Satellite Television Extension and Localism Reauthorization Act (STELAR), which renews statutory licenses that allow satellite-TV providers to retransmit broadcast stations to their customers for five years. The mustpass bill was used as a vehicle for getting rid of the CableCard mandate, but it turned into something of a runaway train after an FCC advisory committee included the gateway device proposal, which calls for disaggregating cable content and data and repurposing it alongside over-the-top offerings for one-stop video shopping, among its recommendations. Wheeler climbed aboard.

But the chairman has run into bipartisan pushback from Congress and opposition from many in Hollywood, minority groups and others, all looking to put the brakes on that train.

Google has been pushing the notion of gateway devices for years, seeing an opportunity to promote OTT video alongside traditional TV fare and get access to set-top data in the process.

Cable operators have opposed what they continue to brand the “AllVid” approach — from a previous gateway effort under Julius Genachowski, the FCC’s chairman during President Obama’s first term — because they say it is an unnecessary technical mandate that opens their content and data up to piracy, as well as to edge providers eager to monetize cable programming without sharing the new wealth. Plus, they say an app-based approach to video navigation is already transforming the industry.

Wheeler has said his plan would not mean rebuilding networks or “all the other horrible things” the industry has cited.

Armed with the statistic that 99% of boxes are still leased, and the congressional mandate (or at least language) that the FCC is supposed to promote the availability of competitive video navigation devices, added “unlock the box” — the FCC’s slick, online branding of the effort to disaggregate set-top information, to the list of regulatory initiatives meant to promote competition. With the help of Democrats on the commission who voted with him, that would make cable content and data available for repackaging by third parties.

Obama is now very publicly on board, having made his support for the set-top box proposal part of a larger initiative to get federal agencies to promote competition across all sectors.

The president also came out very publicly for the FCC’s Title II reclassification. But while that was greeted with cheers from congressional Democrats, there has been plenty of pushback from his own party, likely stemming from the fact that all those advertisers and unions and studios and distributors with concerns about the propsal are constituents, too.

Why are cable operators apoplectic that the prospect of competing with devices and apps? Is cable just trying to keep others from milking its cash cow?

Cable operators say no. They say they’re moving away from set-tops themselves, partially because TV is evolving towards an app-driven environment and partially because — at least according to the American Cable Association, which represents smaller, independent MSOs — boxes don't make them much money.

Cable MSOs also fear that disaggregation of channels would mean they can no longer guarantee programmers the channel positioning for which they've negotiated, or companies the ad placement that they've paid for.

Comments by Public Knowledge fueled that fear. The Washington, D.C.-based public interest group argued that contracts shouldn't trump the FCC rules.

It has also been argued that Congress's mandate that the FCC promote the commercial availability of boxes does translate to promoting new competitive services that rearrange that disaggregated content so it can be integrated with online video competitors.

There is also the privacy issue. Cable operators are required to adhere to set-top information privacy protections, while edge providers (as the FCC chairman keeps reminding them) are not.

The Wheeler proposal, as advertised, would require third parties to self-certify their compliance with similar rules to get access to the set-top data, but cable operators fear that approach is too hard to police. They have reason to be concerned.

Both Google and Amazon have told the FCC that even such a voluntary quid pro quo is unnecessary and should be scrapped.

The set-top proposal has set minority programmer against minority programmer — in one corner, BET founder Robert Johnson; and in the other, TV One president Alfred Liggins and Revolt TV CEO Keith Clinkscales. It has also divided Democrats. A few support Wheeler's proposal as a proconsumer, pro-OTT move, but many others have big concerns and want the FCC to back off until Congress gets the results of studies of its effects on diversity.

If the FCC does not back off, cable operators — the National Cable & Telecommunications Association has filed 394 pages of documents in opposition to the proposal — have promised to sue.

While some lobbyists and FCC sources on both sides of the issue and the political spectrum argue the NCTA misplayed its hand by pushing for an end to the CableCard regime, NCTA president and CEO Michael Powell disagreed.

"Public Knowledge and [DVR manufacturer] TiVo have pressured the FCC on AllVid since 2010, and with the late arrival of Google seeking free access to content through regulation, I think this FCC was going to move forward regardless of STELAR," Powell told *Multichannel News*. "In fact, the FCC is doing this despite Congress clearly rejecting calls for the very proposals that seem to have found favor at the FCC."

Perhaps at the FCC, but not so much on Capitol Hill. Among those who worried about the new rules are prominent Democratics on the House Judiciary Committee, who've written letters expressing worries about copyright protections, and the Congressional Black Caucus, which has aired its concerns about the proposal's effects on diversity.

Wheeler declined to comment for this story, but his press secretary, Kim Hart, echoed his talking points in a statement. "Lack of competition in the set-top box market means 99% of pay TV subscribers are forced to spend hundreds of dollars a year to lease set-top boxes," she said. "This proposal aims to provide new options for consumers to access the content they've paid for, while at the same time protecting that content from illegal use.

"Chairman Wheeler appreciates all the input he has received on the proposal. He looks forward to working with all stakeholders to bring real competition and choice to consumers."

Wheeler has doubled down on the proposal, saying recently that it had to get done. And though he has also professed to being willing to adjust it to assuage concerns about copyright and ad deletion, Powell is unconvinced.

“We have heard that in almost every proceeding and it usually comes out awfully close to the way he says it is going to come out,” he said.

But Powell said he would take Wheeler at his word. “If he sincerely is going to work on an order that doesn’t just take these things into account, but actually addresses and removes them as a concern, I think everybody will be happy.”

In the meantime, unease appears the order of the day.

SIDEBAR: The Nays Seem to Have It

The FCC has collected the first round of comments on the navigation-device proposal. The heated rhetoric suggests the high stakes involved, which include privacy and copyright protections — and potentially billions in advertising dollars. Here is a sample of the yeas and nays for the proposal in its present form:

NAYS

Roku: While streaming-device maker Roku has been cited as one of the companies whose content could benefit from the “unlocked” set-top, it strongly opposes the plan. It says the market is already moving toward choice, and the proposal could slow that with a lengthy rulemaking process that creates a de facto technical standard.

Comcast: The nation’s largest cable operator says the FCC proposal is illegal, increases consumer costs, endangers content protection, jeopardizes security, facilitates piracy, weakens consumer privacy protections and creates an unworkable standards-setting process. (Other than that, how was the play Mrs. Lincoln?)

Dish Network/EchoStar: The Charlie Ergen-owned satellite provider and tech firm say the regime proposed by the FCC is unworkable for satellite, deeply flawed for all MVPDs and would “disserve the public interest and threaten competition in the video marketplace.”

Hollywood: The major movie studios, joined by the Independent Film & TV Alliance, recording industry associations, creative unions — SAGAFTRA, IATSE and the Directors Guild — and others say the proposal will allow allow third parties to scrape data, repackage channels and monetize content without notice or compensation to content creators or distributors.

Communications Workers of America: In its filing, the union says it was all for consumer choice and competition, but the proposal would force MVPDs to give away their programs and guide information to some of the wealthiest companies, like Google.

Association of National Advertisers: ANA says that under the proposal, there is great potential for overlaying or replacing ads and degrading content, leading to the draconian effects of "less content, fewer distributors of programming, higher costs to consumers, and less innovation."

Arris: The set-top powerhouse warned the FCC that to the extent it is expected to monitor the security of third-party boxes, it said security vendors "do not always have the capability to confirm that their security solutions are properly integrated on devices or apps."

YEAS

Writers Guild of America, West: The WGAW paints MVPDs as gatekeepers, so it sees the box as a platform for online distributors "not sanctioned [as in distributed] by the gatekeepers" to get noticed.

Amazon: The online retailer and OTT firm commended the FCC on the effort, pointing to the "scarcity of choices consumers have to access and locate MVPD content, and the untapped potential for significant competition in this space."

Consumer Video Choice Coalition: This group, which counts Google as a member, produced a YouTube video to make its pitch, though it says renting a box from the cable company is required, and it's isn't. The message is the simplicity and choice that is being prevented by mandated cable box rentals, but would be "unlocked" if the proposal becomes a reality.

Public Knowledge: PK president Gene Kimmelman said the FCC was aiming to end a “$15 billion per year ripoff” and challenge the “cable monopolies.” PK said the FCC has unambiguous authority to promote both app and device competition and that programmers and distributors would benefit.

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Multichannel News

Driving Big Data

Too much data has replaced the problem of too little in audience traxking, creating the need for a new vehicle to make sense of it all.

By Dennis Kneale

Reaping the upsides of Big Data in the media business will come to rely on a new kind of SUV. Not a Sport Utility Vehicle, but a Single Unified View. The Big Data revolution and the boom in TV viewing on individual, handheld screens have unleashed hoards of new data on consumer behavior, from buying to viewing to zapping to Googling.

The data sources are myriad and multiplying , covering over- lapping segments of a mobile and fragmented audience more fickle than ever before, so it becomes all but impossible for mere mortals to make sense of this growing, mou.ntainous mishmash.

What is needed to synthesize and sift insights from this data is an SUV, or a single unified view. This SUV would need to use one common currency to gather and sort through all the new ratings and measurement systems that are tracking consumers and viewers more than ever before, from Nielsen's new Digital Audio Ratings service to Viacom Vantage and beyond.

That insight emerged from an April 5th 2016 panel on the future of advertising and audience measurement, hosted by Broadcasting & *Cable* and Multichannel News in New York. (You can watch it here: https://www.youtube.com/watch?v;OFrc7z8MBus.) The moderator, Broadcasting & *Cable* editor John Lafayette, kicked off the session by asking panelists to talk about what kinds of data they wish they could get their hands on.

"If we're going to talk about new audiences, new currencies, and new ways of putting together an audience for an advertiser, a unified view of

that , across the industry would help sponsors better track their . advertising and its results ," as panel member Gabe Bevilacqua, a vice president with Viacom Vantage, put it during the onstage conversation.

His call for an SUV was all but seconded by another panelist, John Curran, director of media analytics at RSG Media, which is the sponsor of this series of columns on Big Data Insights. As Curran said on the pan- el: "We're a data-driven solutions firm, and so what we really care about is as much data as we can get our hands on, but also focusing on whats the accepted currency in the industry"

RSG Media offers one analytics engine, the Big Knowledge Platform, that combines and sifts through feeds from SO-some different data streams, from Nielsen daily ratings to Rentrak numbers, Hulu streams and more.

But the data flows are in such overabundance that machine- learning algorithms, of the proprietary kind developed by RSG Media for its Media Mantra· automated-sch eduling platform, are necessary if we humans a re to keep up. "We develop these optimization tools that utilize machine learning algorithms that are literally taking in all of this data, running hundreds of thou- sands of simulations, and we produce the optimal result. It's within minutes, literally," Curran tells the audience in NewYork.

Howard Shimmel, chief research officer at Turner Broad- casting, said "we're going to get to a point, quickly, where marketers will know not just whether an ad got watched but also whether the viewer made a purchase as a result of seeing *it.* What I would love to see happen is real-time, reoccurring, always-on audience measurement of campaign effectiveness, which would then allow me to optimize not only against audience but against response," Shimmel said.

As Big Data lets market- ers move beyond "look-alike" audiences to target "act-alike" viewers who share interests and watch the same shows, advertis- ers are more interested in not just reach but actual attention. "They're very interested in understanding the performance of their ads," said panel member Sean Muller, CEO of iSpot.tv, "things like, did people actually pay attention to the ad? Did people take a particular action7 Did people buy the product?"

The dream of a Big Data SUV is achievable from purely a tech- nological standpoint. The bigger question is whether market forces will accelerate or impede its de- velopment. For the TV networks, the adoption of one common cur- rency across all viewing platforms would let them start charging full freight for the expanding audi- ence of digital viewers.

For advertisers, it would let them assess which networks and which ads perform better at spurring purchases, so they can cut out the flops. Caught in the middle are ad agencies and online marketin g firms whose work will be assessed and quan- tified more granularly than ever before-and the data-crunching firms like RSG Media that are racing to provide rival solutions to make sense of it all. The one sure bet is, at some point, better technology always wins.

Multichannel News

Hollywood Pans Set-Top Proposal

Unions, studios, diversity groups take aim at Wheeler plan

4/25/2016 8:00 AM Eastern

By: John Eggerton

TakeAway

As the first comments deadline approached, FCC chairman Tom Wheeler's controversial set-top proposal drew fire from content creators.

Washington — Federal Communications Commission chairman Tom Wheeler has said his set-top box "unlocking" proposal will help, not hurt, content providers, but it would be hard to glean that from many of the comments filed with the FCC last week ahead of the April 22 deadline for the first round of input on the controversial plan.

National Cable & Telecommunications Association president and CEO Michael Powell signaled programmers, some of whom are also members of NCTA, were "apoplectic" over the prospect of having their content disaggregated and repackaged for use on third-party navigation devices — and potentially remonetized with no guarantee of copyright protections. He wasn't overstating the case.

"We reject the FCC's effort to relegate our work to the back of the digital bus," a group of diverse content creators calling itself Creators of Color said in a letter to the FCC.

MOUNTING OPPOSITION

Another group, comprising the Motion Picture Association of America and the major studios, joined by the Independent Film & TV Alliance, recording industry associations, SAG-AFTRA, the Directors Guild and others, said they would be filing comments after press time last Friday, but signaled in advance they were not happy. Their concerns include the lack of guarantees of copyright protections and its potential harmful impact on creators.

The Writers Guild of America, West, by contrast, supports the proposal. “For independent content creators, this translates into a great opportunity to reach our potential audiences because it will allow viewers to access the content of their choice — digital or traditional — from a single device that they own,” the union said.

The set-top issue has been heating up, and got red-hot last week with threats of lawsuits by cable operators should the FCC majority — the Republican commissioners are opposed to the proposal — approve the item

Wheeler’s promises that copyright laws will protect content providers is cold comfort, given that those providers view the proposal as a potential new and broader license to make money off their content without paying, with the content providers required to pursue court remedies for copyright violations, which can be a long and expensive process.

In its joint letter to the FCC last week, Creators of Color — which the MPAA coalition cited in its filing as well — said in no uncertain terms that the proposal threatened gains the group’s members had made to diversify the screen. Their letter, headlined “Don’t Whitewash Our TV,” was signed by minority actors and executives such as Elrick Williams, CEO of The Africa Channel, and Holly Carter, CEO of Releve Entertainment.

The group said “the forces of reaction and backsliding are fierce,” and the FCC’s “flawed” proposal was among those: “It would be a license for Silicon Valley tech giants to exploit our work for their own profit, without paying us for rights and diverting revenue away from the production of quality shows. And it would unleash a torrent of new video piracy, making it even harder for creators to earn a living off their work,” they argued.

Some diverse programmers — BET founder Robert L. Johnson, most notably — have argued that the set-top proposal benefits diverse, independent voices by giving them more prominence alongside traditional content in the new gateway navigation devices or apps the FCC envisions.

Creators of Color disagrees. The group said the public already knows how to find Web videos, but those platforms still lack the “economic and cultural” power of the traditional networks the group argues the set-top plan would “destroy.”

Actress and producer Eva Longoria, who Creators of Color cited in its letter, also weighed in at the FCC independently, saying the proposal was “stacking the deck against creators.”

FCC STAYS ON MESSAGE

In response to the incoming comments, FCC press secretary Kim Hart countered that the proposal (1) would not interfere with MVPDs’ business relationships with content providers; (2) does not favor one company, but instead favors consumer choice; (3) “enables those programmers who have been locked out of the cable and satellite systems to reach consumers in the same place they already watch traditional TV programming”; (4) maintains consumer protections; and (5) “has no effect on the existing carriage agreements between programmers and MVPDs or existing advertising agreements that programmers, advertisers and MVPDs have.”
http://www.multichannel.com/hollywood-pans-set-top-proposal/404405
Multichannel News

Heads Up!

Total audience measurement's next target — attentiveness — will change everything

4/25/2016 8:00 AM Eastern

By: Mike Farrell

TakeAway

The next phase in TV audience measurement will gauge viewer attentiveness — and that could be a game-changer.

Total audience measurement — a term that comprises viewing for TVs, tablets, PCs and phones — is finally making its debut in the next several months, with offerings from both Nielsen and the newly combined comScore-Rentrak aimed at tracking viewership across multiple devices and platforms.

While the new measurement products are expected to provide some much-needed insight into changing viewing habits, they also raise a deeper question. As viewers sit in the family room with their big-screen TVs blazing, tapping text messages on their phones and checking websites and social-media platforms on their laptops and tablets, what attracts their attention most?

The TV industry is awash in viewing data at the moment, but the real challenge for programmers — and advertisers — is to find the right data to mine from viewers.

Total audience measurement, once just a pipe dream for many advertisers and networks, is, to an extent, already here. Nielsen made its Total Audience Measurement product available to select clients in a beta-testing mode earlier this year, and is expected to make it widely available by late Q2 or early Q3.

Using a mixture of panel data, set-top and online information, Nielsen's TAM product is expected to become a widely accepted extension of its TV ratings, the de facto currency of the TV industry. The new product will offer additional insight into what has been an increasingly fragmented TV audience, tracking viewership across devices and platforms and providing advertisers, media buyers and networks with comparable data on digital, traditional TV and time-shifted TV, as well as the ability to measure ads separately from content.

ComScore, which completed its merger with set-top-box data pioneer Rentrak in January, is expected to launch its total audience product — the Total Home Panel — by the third quarter. Total Home Panel will measure the full range of connected devices: TVs, smartphones, tablets, game consoles and OTT devices, the company said.

The Total Home Panel already is in the testing phase and measuring 4,000 active devices, with 60,000 expected by summer and 300,000 by the end of the year. ComScore, a much-smaller rival to Nielsen, began sending the first batch of its cross-platform ratings data — about 15 months' worth of information — to clients last week.

Nielsen president of global products Megan Clarken has said her company's total audience product is a "framework," adding the data could lead to a rethinking of the way ads are bought or sold.

One possible change Total Audience could bring, she said at the *Multichannel News*/*B&C* Advanced Advertising and Audience Measurement Summit earlier this month, could be expanding the time frame over which ads are measured from seven days to several weeks.

"Once they see that data, that on the sixth week of a dramatic series my audience has grown 38% outside that seven-day window ... we'll be able to have a different set of conversations."

But as technology continues to move forward, accommodating for time-shifted viewing on a DVR is just the tip of the iceberg. Viewers aren't just watching at different times, they're watching different content on multiple devices, sometimes simultaneously. With all of those added distractions, finding a way to keep a viewer's attention, or diverting it from something else, has become increasingly important.

While simultaneous viewing sessions can be short, they can also present opportunities to drive viewers to other sites or programs, provide information, promote brand awareness or just offer a quick commercial burst. And as the number of devices proliferate, finding out how to draw and sometimes divert a viewer's attention become increasingly important.

COMPILING CONNECTIONS

"If you check on your router at home to check on the number of devices that are connected, it's crazy," comScore CEO Serge Matta said. "You don't realize how quickly those things add up: your smart TVs, Xbox game consoles, Apple TV, smartphones, PCs, tablets, Nests, smart locks. But there is also a lot of noise.

"It's not simply putting in the hardware, getting the data and you're good to go," he added. "There is a lot of edit rules, a lot of cleanup and QA [quality assurance] you have to do."

ComScore compiles that device data on a panel basis. Participants, who are incented by com- Score, opt in to be measured.

With the Total Home Panel, comScore can gather information on up to 20 devices off a single home router, Matta said. While it is fairly easy to determine which household members are using specific devices, the "noise" enters the data set when a neighbor comes over and accesses the home WiFi for a few hours during a visit.

"The fact that we know who's in the household and what devices they are watching, we have the ability to see the complete viewing picture of everyone at scale," Matta said. "This concurrent viewing aspect is really important, and it only becomes more of an issue [as] more devices and ... more platforms [are used] over time. That number is only going one way — it's going up."

Once simultaneous usage is determined, attentiveness can be measured in terms of time spent with the content or ads on each device, Nielsen senior vice president product leadership Kelly Abcarian said. "[That is] a critical metric that we've standardized through the delivery of our Total Audience systems," she added. “It’s important that a media owner or advertiser know how many people were engaged with the deeper content, but also how much engagement they have and for how long.”

That attentiveness data probably will be more of a customized product, Matta said, but it will be a critical tool for some clients to have in their arsenal.

“It’s a derived methodology, but it’s extremely important for advertisers,” he said. “Are they watching an ad on TV, or are they watching on their tablet? The fact that we know it’s the same person within the same household, who is in the household, and what devices they are watching, we have the ability see the complete picture of everyone at scale.”

With Total Audience not quite out of the blocks yet, adjustments and fi ne-tuning are sure to come. “The problem is, we need to get better data to drive these strategies,” ESPN senior vice president of global research and analytics Artie Bulgrin said. “We know how many people are on our digital platform at any given time, and the same for TV. The problem is we don’t know where they are.”

SEEKING BETTER DATA

ESPN is working with comScore and Nielsen on cross-platform data, Bulgrin said. “The data are getting better, but it’s hardly enough to make a big strategic decision. However, at ESPN, we’re assuming that wherever that person is, there is an opportunity to navigate them.

“Our multiplatform approach has been a big reason why we have been able to maintain audiences where audiences across most of multichannel are declining at a faster rate,” Bulgrin added.

ESPN has been at the forefront of driving the second screen, with continuous crawls during linear programs that tell viewers where they can get more information on stats and sports news and through apps like WatchESPN, and news alerts on social media and via email that drive viewers to the linear channel.

“All of that makes the overall TV experience stickier,” Bulgrin said.

The Council for Research Excellence, an independent, Nielsen-funded group of senior-level industry researchers representing cable and broadcast networks, advertisers and others, hopes to have even more detailed data from an upcoming biometric study that will be headed by Turner Broadcasting System chief research officer Howard Shimmel and Beth Rockwood, in conjunction with Nielsen.

That study will examine whether the proliferation of multiplatform devices could affect the future definition of viewing beyond the current “watching” and “listening.” It will also seek to identify how an expanded understanding of multiplatform device use in a household may increase opportunities for capturing exposure to content.

Multiscreen viewing has helped some traditional programmers because of the nature of devices other than the TV set, Telsey Advisory Group media analyst Tom Eagan said.

“The young people — millennials and younger — they don’t fast-forward [past commercials] because they’re on another device,” Eagan said. “So, the programmer doesn’t have to worry as much. From a programming perspective, they might prefer being on the second device, because at least they are looking up once in a while.”

Looking up from the second or third device is a critical piece of the puzzle and one that programmers and advertisers are struggling with as viewership continues to fragment.

Janet Gallent, senior vice president of NBC Consumer Insights and Innovation Research, oversaw a research project on second-screen engagement as part of her role within CRE’s Media Consumption & Engagement Committee. The CRE research found that audio cues and bright colors appear to be tools that can attract a younger viewer’s attention, Gallent said, something she called the “cocktail room effect.”

In general, even when a person is engaged in a deep conversation, they can have their attention diverted by something as simple as hearing their name mentioned across a crowded room, she explained.

“We’re constantly scanning for what is relevant to us,” Gallent said. “There are certain cues that people attend to. If you’re [watching] the TV screen and [you’re] on your smartphone checking your messages, the audio has the potential to get you back. It can signal to you, ‘This is something I should be paying attention to.’ ”

ESPN has been toying with the idea of creating what it calls a “cognitive bridge” in its own labs, Bulgrin said. “In other words, are there ways to navigate people to that second screen and then back to the first screen at appropriate times. Audio can be one component of that. But it’s very early days. A lot more work needs to be done.”

Part of that additional work will come from the upcoming CRE biometric study that will use physiological data from subjects like eye tracking and facial coding to gauge attention.

Bulgrin said biometrics are another key tool for ESPN and other researchers to gather more precise data. “A lot of this can’t be measured by simply asking people,” he said. “You’re relying on recall and rationalized response. A lot of times the body can tell you a lot more than the person can at a conscious level.”

EVOLVING METRICS

In the meantime, Total Audience will continue to evolve as clients use the data and find new uses for it during the trial period before the wider launch in the fall. The potential is to change not only how clients purchase advertising and through which media, but also how they construct ads, Abcarian said.

“The insights are going to help the dynamics of the market to open up,” Abcarian said. “There is tremendous potential there. A major advertiser may choose to deliver a broad branding message across traditional TV, but there would be elements of that message that would be reinforced or reimagined across digital video.

“What Total Audience allows is the ability to understand that unduplicated reach of the audience exposure to that given advertiser’s message, even as it’s recreated or reimagined, which is a really powerful tool,” she said.
http://www.multichannel.com/heads/404407
Multichannel News

Crackle Cracks Into Comcast

Sony's ad-supported video service seeking more MVPD deals

4/25/2016 8:00 AM Eastern

By: Jeff Baumgartner

Extending its first bridge to the traditional pay TV world, Crackle, the Sony-owned, ad-supported over-the-top service, landed a deal with Comcast that gives it a fresh outlet initially focused on Crackle's growing lineup of original content.

The deal, which took effect last Wednesday (April 20), gives Crackle a foothold on Comcast's set-top boxes as well as the Xfinity TV Go and Xfinity TV apps for smartphones, tablets and Web browsers. On launch day, Comcast was providing access to Crackle originals *Chosen*, *The Art of More*, *The Unknown*and *Comedians in Cars Getting Coffee*, as well as a handful of movies, including *Joe Dirt*, *Angel of Death*,*The Bannen Way*, *Held Up* and *Backwash*. That's a subset of Crackle's full library, which typically offers access to hundreds of movies and hundreds, if not thousands, of TV episodes.

Crackle's distribution via Comcast will also feature animated series *SuperMansion* (its second season will emerge in early 2017), as well as the addition of licensed and original programming that will be rolled in later. For example, *StartUp*, a scripted drama starring Martin Freeman, Adam Brody, Edi Gathegi and Otmara Marrero, is set to debut this fall.

The deal was a natural fit for Sony, which already had several "touch points" with Comcast and NBCUniversal spanning content licensing and production, Eric Berger, Sony Pictures Television executive vice president, digital networks and Crackle general manager, said.

Additionally, FreeWheel, the Comcastowned online ad company, supplies the ad-server platform for Crackle.

“We are sort of natural partners,” Berger said, although he declined to discuss the specific commercial relationship between Crackle and Comcast. He also wouldn’t say if the MSO is getting a cut of the ad revenue on Crackle content that is delivered via Comcast’s platform.

Berger believes the agreement with Comcast will enable Crackle to reach viewers who are new to the service or who don’t use OTT to supplement their video viewing. It will also complement its separate app distribution on streaming platforms such as Web browsers; iOS and Android mobile devices; smart TVs; Roku players; Apple TV; Google Chromecast, Amazon Fire TV, the PlayStation 3 and PS4, and Xbox 360 and Xbox One consoles.

“There’s still a very large number of people who are getting their television consumption and video consumption from their set-top box and from their cable company,” he said. “I think [the agreement with Comcast] will be additive. It’s definitely incremental to what we’re trying to do and it really bridges the gap between the linear world and the on-demand world.

“The next way to go get large volumes of customers was to look at the MVPD universe,” Berger said, noting that Crackle is also having distribution discussions with other traditional pay TV providers.

Comcast, Crackle’s first such partner, ended 2015 with 22.34 million video subscribers, making it the largest U.S. cable operator. Berger said Crackle content will be offered on Comcast’s IP-connected X1 set-tops as well as older set-tops that rely on QAM/MPEG technology.

Crackle’s new focus on pay TV distribution follows a trend among other major OTT video companies.

Though Netflix has not been able to get on Comcast’s platform, it has successfully been integrated on TiVo-powered platforms from MSOs such as Suddenlink Communications, RCN and Atlantic Broadband, as well as Dish

Network's Internet protocol-connected Hopper DVRs. Hulu recently launched on Cablevision Systems set-tops and has similar deals in place to do the same with Armstrong, Atlantic Broadband, Mediacom Communications, Midcontinent Communications and WideOpenWest.
http://www.multichannel.com/crackle-cracks-comcast/404409
Multichannel News

Amazon’s Streaming Bundle Targets MVPDs As It Scales

Digital video chief Paull plugs ease of use, billing, customer service as edges 4/25/2016 8:00 AM Eastern

By: Dade Hayes, Broadcasting & Cable

Amazon isn’t a company that likes to run its mouth a whole lot. So it was news when Michael Paull, the company’s vp of digital video, had been scheduled for a keynote at last week’s NAB Show.

And then, what the session covered proved equally noteworthy. Instead of talking about Prime Video, which the company said earlier this month will soon be delivered as a stand-alone, separately priced app, he instead focused on the company’s Streaming Partners Program.

Unlike Netflix, whose strategy relies on scaling a single, stand-alone TV app, Amazon’s program can pose a legitimate threat to both traditional and skinny MVPD bundles with a cable-esque portfolio of multiple streaming SVOD apps. The program, which launched last December, has quickly become a viable option because of centralized payment and more frictionless user experience, he said. NBCUniversal’s Seeso comedy app and History Vault, from A+E Networks, just came aboard, joining apps from Showtime and Starz and bringing the tally to roughly 30 SVOD channels out of the 100 or so available in the U.S. market. “Dozens more” will be added in the coming months, he added.

“We think it can go mass market with consumers,” Paull said, adding that Amazon’s “unified, simple experience, leveraging our billing, customer service and hundreds of devices we are currently supporting" are key advantages. "We have a massive number of [customers], with their credit cards on fi le." Moderator Will Richmond, founder of online video consultancy Broadband Directions, said, "We haven't seen a third-party platform try to aggregate all of these [OTT] services or give choice to consumers so they can be aggregated under one umbrella."

Another key advantage, Paull said, is that data mining enables more effective show promotion on the platform. A recent push for Starz's Outlander yielded the network's best day yet for new subscriber signups to its new app. Instead of blasting out promos for shows based on demographics, as MVPDs tend to do, Amazon's targeted, algorithmic marketing strategy taps into its e-commerce expertise. "Since I have all this consumption data and I know how to use it, I can promote the right show to the right customer," he said. "And it's working."

The Streaming Partners arm of the business is distinct from the Prime Video business, which continues to roll out a robust slate of original TV series and films. But the two are mutual beneficiaries. "The more programming that's in our ecosystem, the more time people are going to spend there and the more likely they will be to be a Prime member," Paull said.

Data on Amazon subscribers, churn rate or other key metrics that are shared by MVPDs on their quarterly earnings calls, was predictably scarce during the keynote session. But one area where numbers came into play was the market that Paull described as the "20-plus-million households that are not currently being served by pay-TV providers, 50% or 60% of which have broadband." Research suggests that population will grow by 35%-40% by 2018, he added.

The fact that this population, along with current pay-TV subscribers, is a focus means larger networks such as Showtime or Starz see more upside than risk when balancing the opportunity with Amazon with the need to preserve their status within the traditional pay-TV ecosystem. "This feels very incremental to them," Paull said.

Even so, the “unlimited capacity” on the Amazon platform to serve on-demand content could entice traditional programmers to create more brand-new SVOD services. Amid the overall content boom, which has curtailed the profit potential of all ad-supported TV, customers also expect a lot more. “The need to refresh content is much higher,” Paull said. “The bar for having great TV shows and movies is rising.”
http://www.multichannel.com/amazon-s-streaming-bundle-targets-mvpds-it-scales/404411
Multichannel News

Heated Set-Top Fight Intensifies

Petitions flood FCC as opponents of new rules level legal threats

4/25/2016 8:00 AM Eastern

By: John Eggerton

TakeAway

Cable operators are suddenly nervous that the FCC's proposed new set-top rules might get traction.

Washington — The battle over the box is getting louder.

Simply navigating the increasingly study-, petition- and press-conference infested waters surrounding the Federal Communications Commission's proposed new rules to "unlock" the cable set-top box got even tougher last week, with a flood of new input.

Taking a page — make that thousands of pages — from the public activists who often flood the FCC with filings, the Future of TV Coalition, which comprises powerhouse Internet-service providers and their trade associations, hand-delivered more than 70,000 signed petitions (72,621 to be exact) to the agency last week.

The petitions came from consumers arguing the FCC's new set-top box proposal will "hamper innovation, erode viewer privacy, set back program diversity and drive up consumer bills." They warned the proposal would:

• "Drive up our TV bills while giving us fewer choices, less privacy, and more advertisements on TV";

• "Undermine diverse voices on television";

• "Invade the privacy of our personal viewing data and deprive consumers of important protections in the Communications Act that safeguard our viewing choices"; and

• Lead to “higher bills, fewer choices, more advertisements, and less privacy on TV.”

There has been a flurry of pushback on the set-top plan in the capital over the past couple of weeks as the deadline for comment on the proposal loomed. That included a legal shot across the bow last week from the National Cable & Telecommunications Association, following President Obama’s public push for “unlocking” the boxes as a way to spur competition.

The NCTA two weeks ago demonstrated to the press the various competitive navigation devices that it argues obviated the need for the FCC to mandate disaggregating set-top content and sharing it with third parties. Comcast put an exclamation point on that, announcing an “Xfinity TV Partner Program” that will allow third-party device makers to access the MSO’s full suite of video services, with Samsung and Roku already on board as participants.

Last, week, the NCTA’s legal team of Ted Olson and Helgi Walker briefed the media on the legal vulnerabilities of the proposal, which the NCTA says violates the Constitution, copyright laws and the Administrative Procedures Act. NCTA president and CEO Michael Powell pledged to sue if the proposal is adopted.

A divided FCC in February voted to require MVPDs to provide third-party box makers and app developers with information about channel listings and available VOD programming; information about what a device may do with content, such as record it; and the video programming itself.

Cable ISPs, studios and others have argued that is an unnecessary move that threatens copyright protections and could allow those third parties to rearrange and repackage that content with impunity and remonetize it without sharing any revenue with content providers or ISPs.

FCC chairman Tom Wheeler, with the backing of Google, the president and others, said the new rules are meant to create set-top competition and more consumer-friendly access to content from all quarters.

But Wheeler has also claimed to be open to modifying the proposal to assuage those concerned about protecting copyrights and advertising and privacy and business models.
http://www.multichannel.com/heated-set-top-fight-intensifies/404414
Multichannel News

Spring Forecast: Cable Subs in Bloom

Analysts foresee a Q1 of broadband, video gains for MSOs

4/25/2016 8:00 AM Eastern

By: Mike Farrell

TakeAway

Cable operators are expected to see big gains in video and broadband subscribers during the typically strong first quarter.

As cable's earnings season kicks off this week with Comcast reporting first-quarter results on Wednesday (April 27), analysts think tallies for the typically strong period will see big broadband and video subscriber gains for operators.

Cable operators have turned the corner on basic- video subscriber losses in the past several quarters, with Charter Communications and Time Warner Cable reporting their first basic-video customer gains in nearly a decade last year. In this year's first quarter — typically a strong season for multichannel-TV subscriptions — the Big Three are expected to show video growth, while all four publicly traded cable operators (including Cablevision Systems) are expected to show gains in broadband customers.

Morgan Stanley media analyst Ben Swinburne said overall pay TV net additions should be down 50%, but that's mainly due to satellite-TV subscriber losses and declining growth at the telcos. Cable operators, he said in a research note, should see gains via the likes of Comcast, Charter Communications and Time Warner Cable.

'BIG 3' GAINS IN SIGHT

Evercore ISI Group media analysts Vijay Jayant and David Joyce also predicted that Comcast, Charter and TWC would post video-subscriber gains, but said the overall pay TV video losses would be more moderate: about 80,000 in the period, compared to a loss of 60,000 in 2015.

Jayant and Joyce in a note said Q1 2015 was the first time pay TV showed a loss of video subscribers in the first quarter, which is typically strong despite being prime rate-increase time. The trend toward overall losses is expected to continue, the analysts said, while cable companies for the most part are expected to show gains.

Swinburne expects Comcast to gain 35,000 video customers while Charter and TWC should add 1,000 and 29,000 respectively.

Cablevision, which has struggled with aggressive discounting by Verizon Communications in its footprint, is expected to shed 23,000 video customers, according to Swinburne.

Jayant and Joyce believe Cablevision will shed about 15,000 video customers in the quarter, followed by gains at Comcast (40,000), Charter (15,000) and TWC (20,000). The analysts see most of the video losses being weathered by smaller operators, with Cable One expected to lose 22,000 video customers in the period, Suddenlink Communications — purchased by Altice in December — down about 10,000 video customers and “other” operators losing a collective 100,000 video customers.

Jayant and Joyce believe Charter will get more aggressive after its $78.7 billion deal to acquire Time Warner Cable is approved, after which he predicts the company will unleash “an arsenal of marketing campaigns.”

Already during Q1, Charter has continued its strategy of targeting satellite-TV subscribers and was giving away a free DVR to new tripleplay subscribers, the analysts said in their report.

On the broadband side, growth is expected to slow because of sluggish telco additions, but cable should continue to exert its dominance in the space.

Overall, Swinburne predicts 775,000 broadband additions, down slightly from last year as AT&T’s U-verse Internet loses 5,000 subscribers and Verizon’s Fios Internet gains 6,000, down from 41,000 in Q1 2015.

Swinburne predicted cable would grab 95% of total broadband additions in the period. Leading the charge will be Comcast (373,000), Charter (123,000), and TWC (227,000).

On the telco side, broadband additions are should continue to slide, with AT&T shedding 5,000 customers, compared to an addition of 94,000 in 2015.

Verizon, which released first-quarter results last Thursday morning, surprised many analysts on the broadband front, reporting 98,000 Fios Internet additions in the period, below the 133,000 additions of last year but still above the 6,000 that Swinburne predicted. Fios TV adds were about even with last year at 36,000, compared to 35,000 in 2015.

On the satellite side, AT&T's DirecTV unit is expected to report 170,000 net new video subscribers in the quarter, fueled by its parent's efforts to migrate U-verse TV customers over to the satellite platform. Earlier this month, AT&T debuted a satellite, broadband and wireline phone triple play for $90 per month that could drive additional growth.

CABLE'S BROADBAND HEFT

At Evercore ISI Group, Jayant and Joyce estimated that broadband additions will grow by 1.1 million customers in the first quarter, with cable accounting for more than 1 million of those adds. Telcos, the two analysts estimate, will account for about 50,000 broadband additions.

At Dish Network, which reported its results April 20, net new subscriber losses were 23,000 in the period, but that includes subscriber gains from its Sling TV over-the-top product. Moffett-Nathanson media analyst Craig Moffett estimated that Dish lost about 158,000 legacy satellite TV customers in the period, its worst first quarter ever.

Sling TV, Dish's over-the-top service, grew by about 135,000 subscribers, though. Sling TV, by Moffett's reckoning, has about 658,000 video subscribers, in line with estimates. Swinburne estimated legacy satellite losses could be in the 110,000 to 160,000 range.

http://www.multichannel.com/spring-forecast-cable-subs-bloom/404416
Multichannel News

Death of a Musical Prince Prompts Networks to Let the Tributes Rain

4/25/2016 8:00 AM Eastern
By: **R. Thomas Umstead**

The death of music icon (and so much more) **Prince** on Thursday (April 21) prompted **MTV** — home to many of the artist's greatest multimedia moments, including *Video Music Awards* performances — to turn its multistage, music-themed upfront presentation purple in one of many live cable tributes.

Viacom Music and Entertainment Group president **Doug Herzog** opened the presentation, already highly anticipated due to MTV's decision under new president **Sean Atkins** to return to its music roots. Herzog recalled a conversation he and other MTV executives had with Prince in 1993, at the height of the artist's music-rights battle with his record label, **Warner Bros.**, which led to Prince changing his name and brand to an unpronounceable symbol.

When asked by MTV executives what they should call him, the artist simply said, "Call me whatever I am."

Said Herzog: "Even though we're still processing the news and remembering the enormity of his legacy, I think it's clear to remember what he was: a once-in-a-lifetime artist whose music touched all of us and will be missed dearly by everyone around the world."

On air, MTV turned its logo purple Thursday night to honor the late musical prince, and aired his videos throughout the night.

Other networks that tore up their primetime lineups and aired live specials included **TV One**, where**Roland Martin** interviewed **Aretha Franklin**, **Cedric the Entertainer** and **Earth, Wind & Fire**singer **Phillip Bailey**, among others. **MTV** sister network **BET** ventured into Times Square for a live special hosted by president of programming Stephen Hill, part of a 48-hour music marathon across **BET**,**Centric**, **BET Jams** and **BET Soul**. “Icon. Legend. Innovator. Friend. His legacy of brilliance and creativity will forever live on,” BET said. “We will remember him and miss him dearly.”

Extending into the weekend, Prince-ly programming could be found on **AXS TV, Fuse**, **VH1** and **OWN: Oprah Winfrey Network**, which aired an Oprah interview with the artist from 1996.

‘Cat-letes’ of the World Gather for ‘Kitten Summer Games’

Hallmark Channel last week taped the “Kitten Summer Games” in a New York studio. The Wire dropped by to see some of the shenanigans: tiny cats “wrestling” a feather toy dangled above a boxing ring; climbing the “stands” in an “arena” where host **Beth Stern** sat, an orange kitten wriggling in her lap.

Like the annual “Kitten Bowl,” the games will be a counter-programming (guess the opposing event) special that airs on Friday, Aug. 5. All 90 or so “cat-letes” are available for adoption from **North Shore Animal League** America and **Last Hope Animal Rescue and Rehabilitation**.

Stern — who has fostered some 235 rescue cats at home over the years, including ones with special needs — told The Wire, “Last year alone we were responsible for over 1,000 loving homes for cats and kittens nationwide, and I know the numbers are going to grow, and I’m so proud to be a part of what Hallmark Channel is doing.”

Shelter partners hold adoption events pegged to “Pet Project” events, which also include the “Paw Star Game.”

— *Kent Gibbons*

http://www.multichannel.com/death-musical-prince-prompts-networks-let-tributes-rain/404418

Multichannel News

Google Balks at Privacy Pledge

Internet giant calls cable-like rules on customer data ‘unnecessary’

5/02/2016 8:00 AM Eastern

By: John Eggerton

TakeAway

Google’s pushback on voluntary adherence to customer privacy rules has cable ops worried about the tech giant mining and monetizing their data should the FCC’s set-top proposal go through.

WASHINGTON — Federal Communications Commission chairman Tom Wheeler may want edge providers to play nice in the cable-privacy space when it gets access to MVPD content and data, but Google doesn’t want to play by rules it says aren’t warranted.

It’s not that the search giant — and prime force behind the FCC’s set-top proposal that would make that content and data available — is against protecting privacy. Rather, self-certifying that it is complying with cable-like protections for data such as viewer preferences is not to its liking.

The FCC has the authority to regulate privacy at MVPDs, but not at edge providers, Wheeler has noted and Google has repeated for emphasis.

QUID PRO QUO

Making third parties adhere to cablelike customer privacy rules in exchange for getting access to cable operator settop content was a quid pro quo proposed in Wheeler’s set-top box “unlocking” proposal.

Cable operators are worried that Google's "trust us" approach is cold comfort, and the tech company was not assuaging their concerns last week, taking aim at the proposed privacy regime in comments filed at the FCC.

"Imposing new privacy rules specifically directed to a new generation of devices and applications is unnecessary, given the comprehensive scope of the FTC Act and state privacy laws," Google said.

Despite those FTC and state options, the FCC has had separate CPNI (customer network proprietary information) rules, and still does, on cable's care and handling of customers' personal information, such as what VOD fare they are paying for.

But Google said the FTC, states and private litigants (courts) will make sure navigation devices will "honor the commitments they make in their privacy policies." The FTC is an enforcement agency, able to go after companies in court for alleged unfair and deceptive practices.

Privacy advocates have long argued that mandating privacy policies, not pursuing violations of voluntary policies, is the way to go.

But Google signaled that privacy rules are not necessary, saying, "although limitations on the FCC's jurisdiction under Section 629 of the Communications Act prevent it from applying the rules that apply to 'cable operators' and 'satellite carriers' to suppliers of devices, the FCC can work closely with the FTC to ensure that consumers are protected if device providers fail to live up to their privacy obligations."

The FCC has proposed allowing cable operators to deny access to their content and data to third parties that do not take the privacy pledge, but Wheeler has also said the proposal is a work in progress.

GOOGLE'S OPPOSITION 'OUTRAGEOUS'

Jeff Chester, executive director of the Center for Digital Democracy and one of the strongest voices for privacy rules, was not pleased with Google's pushback.

“It’s outrageous that as Google expands the data it collects for targeting video advertising, it opposes having the FCC ensure, through stronger rules, that set-top boxes [navigational devices] can actually protect consumer privacy,” Chester told *Multichannel News*.

“The FCC should reject this self-serving call for it to do nothing,” he added. “Google knows very well the FTC is unable to effectively police the Big Data-driven online video marketplace — and doesn’t have the regulatory authority to effectively do so.”

Amazon last week also told the FCC that holding third parties to cable privacy regulations in the set-top proposal was unnecessary.

Wheeler has said that if the proposal needs fixing he is open to suggestions. He is definitely getting them.
http://www.multichannel.com/google-balks-privacy-pledge/404579
Multichannel News

Consumers Can’t Afford Obama’s Set-Top

5/02/2016 8:00 AM Eastern

By: Deborah Lathen

Innovation may move at the speed of light, but the agency charged with overseeing much of that innovation, the Federal Communications Commission, simply does not.

That hasn’t changed since 1998, when I was chief of its Cable Services Bureau, charged with drafting the first cable set-top box order. At the time, the FCC voted to “unlock the box” by requiring companies to separate the security feature that protects encrypted, copyrighted content from the box itself. The hope was that separating security and the box would spur lots of different companies to build boxes consumers could buy from Circuit City, Radio Shack or Crazy Eddie.

Here’s the problem: The FCC policy never really took with consumers. Only a few thousand cable customers ever bought a box with the FCC’s fix. Finally, in 2015, Congress got rid of the integration ban. Over the years, there were various failed attempts at a better solution to making the box commercially available, but the box ceased to be a high priority on the FCC’s agenda.

Now, in an inexplicable bout of déjà vu, a lame-duck FCC chairman, Tom Wheeler, is making another run at creating a market for set-tops. Cable and Hollywood say this FCC proceeding is a giveaway to Silicon Valley. It requires programmers to allow behemoths like Google access to their proprietary content that can be streamlined, repackaged, and wrapped around new packages of advertising.

Breaking with the tradition of not commenting on pending FCC matters, President Obama made a bold televised announcement on April 15 declaring unlocking the box to be one of his core competitive priorities. The White House boldly claims the proposal now pending before the FCC "will promote innovation and lead to positive results for consumers," such as lower costs. Unfortunately, the FCC and this administration have missed an important development: innovation has already evolved beyond anything the FCC could mandate.

So what does the FCC's rulemaking actually do for consumers? In the near term, nothing. In the long term, probably nothing good. When the dust settles, the government has no ability to forcibly lower the cost of the box.

A close look at the president's pledge reveals neither the White House nor the FCC offers any real proof that anyone other than the Googles of the world will benefit from new rules.

Furthermore, the box has a hidden price. The president's intrusion into this regulatory matter threatens public confidence in the FCC. This is especially true, given this administration's close ties to the main beneficiary of the order — Google.

By highlighting this issue in an election year as a component of his core competition agenda, Obama has politicized it. It also places FCC commissioners, who are appointed by the president, in a precarious position. The three Democrats on the commission who hold the majority must decide whether to obey the White House or exercise their independent judgment and expertise that their oath of office requires. If their opinion is not in accord with the president's, do they disobey him and risk jeopardizing their careers or do they obey and violate their oath? This is a Hobson's choice that a commissioner should not have to make. The damage to the agency's reputation and resulting loss of consumer trust is too high a price to pay for a set-top box.
http://www.multichannel.com/consumers-can-t-afford-obama-s-set-top/404587
Multichannel News

Senators to grill cable industry on customer service

By Mario Trujillo and David McCabe

The cable industry is not known for its customer service, and Congress is starting to ask why.

Executives from Comcast, Time Warner Cable, Charter Communications, AT&T and Dish Network will testify in the Senate next Thursday about their billing and customer service practices.

The hearing is part of a broader investigation being performed by the Senate Homeland Security and Governmental Affairs subcommittee on Investigations, which is due out in the fall.

"The Senate panel will continue to investigate potential barriers to competition in the industry, including the difficulties faced by companies attempting to create innovative new television delivery models," according to Sen. Rob Portman (R-Ohio), who leads the subcommittee.

The industry has consistently ranked near the bottom in customer satisfaction surveys of different companies. While tech companies rank near the top of most loved companies, a recent Fortune survey found that Comcast ranked on the list of "most hated" companies.

Even the head of the industry's powerful lobbying arm said the agency's customer service is "completely unacceptable," while blaming part of it on the industry's focus on expansion.

Since billing issues are on the agenda, the hearing could also touch on TV set-top boxes, and the current debate at the Federal Communications Commission to open up the market.

Keeping Subs Happy — With Broadband

Survey shows disconnect between how cable customers feel about TV, Internet

6/06/2016 8:00 AM Eastern

By: **Mike Farrell**

Cable operators were literally the best and worst of telecommunications services providers yet again in a new customer-satisfaction survey.

The good news was that cable operators, who have pumped money, resources and personnel into improving customer service across the board, stopped their two-year slide in the pay TV portion of the survey. The bad news was they still finished last.

But the data also shows something about the mindset of the typical cable subscriber. The same customers that rate their cable provider among the worst for pay TV service see them as stellar broadband service providers.

Never mind that both services are traveling over the same network and use essentially the same customer-service personnel. It's almost as if hating your cable company is a birthright. Broadband hasn't been around long enough yet to foster that kind of hatred.

BROADBAND IS ESSENTIAL

Part of the reason also could be that customers perceive their broadband service as more important to their lives. Maybe this is further proof that customers are paying less attention to linear TV, and when they do, it's because their tablets don't work.

Another anomaly: Telco TV providers are at the top of the pay TV ranks yet have been losing customers over the past several quarters.

For the most part, cable's performance in the American Customer Satisfaction Index — an annual survey of 12,710 customers on the often-touchy subject of customer satisfaction — has been consistent. For the past five years, cable operators have mostly received scores in the high 50s to low 60s.

Cox Communications usually got the highest rating. The big exception was last year, when despite fullyear gains in basic video subscribers at Time Warner Cable (53,000) and Charter (11,000), some operators, including TWC, turned in their worst showings ever.

Mediacom Communications has been battling a PR war after being singled out by some news outlets as "The Most Hated Company in America," based on its ACSI showing. Mediacom's scores of 54 in pay TV and 57 in Internet service providers was the lowest in all of the industries ACSI tracks, including cellular, wireless and wireline telephone. TWC (up 15.7%) and Comcast (up 14.8%) bounced back this year off declines.

Mediacom has countered that the sample size of its customers was small, which could skew the results, and has pointed out that it has boosted Internet speeds and introduced night and weekend service calls and 30-minute appointment windows.

MERGERS AREN'T HELPFUL

ACSI director of research Dr. Forrest Morgeson said in an interview that cable's performance will likely decline this year and next as Charter moves to integrate TWC and Bright House.

"What we generally see is in the wake of mergers, for a year or two after, both of the companies involved tend to do a little bit worse," Morgeson said. "It's tough to say what will happen in this case, but it is fair to say that neither Charter nor Time Warner are stellar in terms of customer satisfaction. My guess is you'll see a little bit of erosion as new customers come on to the Charter brand and there are problems with accounts and expensive plans and so forth."

Charter has said it has been preparing for the integration of Bright House and TWC for about two years and plans to take a slow, steady approach to minimize disruptions. It has said it plans to hire 20,000 customer-facing employees over the years to help improve the customer experience.

Charter's intentions sound good, Morgeson said, but there is always room for unforeseen circumstances.

"It's not the things that you prepare for that go wrong," he said.
http://www.multichannel.com/keeping-subs-happy-broadband/405407
Multichannel News

Comcast promises better service, but its brand is in a deep hole

The company has said it's trying to fix its reputation, but still ranks low.

By Adam Belz

JUNE 6, 2016 — 7:27AM

The company is pledging 100 percent punctuality for at-home visits and is hiring more people for local call centers, but it ranks 97 out of 100 in firm reputation.

Al Dubiak has doubts when he hears Comcast Corp. executives say the cable giant's customer service will get better.

He's had avoidable mix-ups with its technicians, including an incident when one arrived at his vacation home in another state instead of his home in Minnesota. And last month Dubiak got a letter from the company announcing that prices for several in-home services have doubled, tripled or quintupled.

"Exorbitant," says Dubiak, a retiree in Shoreview. "When I talk about Comcast, I'm sorry, I get a little upset."

For about a year, Comcast has renewed efforts to improve its poor reputation. The firm's regional managers in St. Paul threw an event last month to draw attention to their work.

But both data and anecdotal evidence show the company is in a deep hole. Comcast ranks 97th out of 100 firms in a ranking of the reputations of the most visible companies in America by the Harris Poll. That's just ahead of oil-spilling BP, Dick Cheney-connected Halliburton and emissions-cheating Volkswagen.

Based in Philadelphia, Comcast is the largest cable television and internet service company in the U.S. and made $8.2 billion in profit last year. Comcast is the also the internet leader in the Twin Cities, with CenturyLink in second and upstart fiber optic firm US Internet in a distant third.

Complaints against the cable and internet provider are persisting despite improvement efforts.

Market dominance has been a blessing for Comcast's business and a curse for its reputation.

Complaints usually include the argument that Comcast doesn't face real competition, that its prices are too high or too variable, its bundling rules are frustrating, service technicians are tardy and calls for customer service aren't helpful.

"I don't think there is a mystery here, it is a lack of competition pure and simple," said Joshua Gans, an economist at the University of Toronto who's written about the cable and internet business. “The competition that does exist is from similarly poor firms. So there is no incentive to improve customer service.”

The reason Comcast is worried now, Gans said, is because people are starting to cut the cord entirely — abandoning cable TV for the internet.

Since it announced a year ago that improving customer service was a top priority, Comcast can point to some successes.

The firm improved its score and rose from last place in the American Consumer Satisfaction Index among large internet providers in the U.S. Now Comcast is tied for third from the bottom, ahead of only Mediacom and Frontier Communications. Among cable television providers, Comcast did better, boosting its score 15 percent and landing in the middle of the pack.

“We know that we still have work to do, but we are totally focused on making constant progress,” said Jill Hornbacher, a Minnesota-based spokeswoman for Comcast.

The company’s technicians in Minnesota now arrive on-time 98.8 percent of the time, Hornbacher said, an improvement over last year’s 97 percent. The company’s pledge now is 100 percent punctuality, or it will give the customer $20. The company also says it’s resolving “first-time calls” faster and hiring more people for local call centers.

In Dubiak’s case, Hornbacher said Comcast apologizes for inconvenience he endured in service calls. She said the price increases he cited “generally relate to service and installation charges that existing customers rarely see.” She noted Comcast has encountered some higher costs for programming, which has led to higher prices for its customers.

Sarah Schreier of Golden Valley last year signed up for Comcast’s bundle of internet, cable and home security service for $120 a month, which a representative said at the time was a promotional deal that would last for 12 months. “We had no need for home security, but he said if we added it, the total bill price would end up being less expensive than just doing cable and internet.” Schreier said.

When the promotional period ended, Schreier and her husband visited a Comcast store to drop the home security but were told they would be charged $500. She said she feels badly for Comcast’s customer service representatives but suspects they’re instructed to confuse rather than rectify a situation. And the home security system?

“Still paying for it,” she said. “And the batteries are out on it and they’re impossible to find.” Comcast’s Hornbacher said the company apologizes for the situation and did not live up to its service goals. “We want to make certain all customers are in a service package that fits their household needs,” she said. “We would like to work with this family to make it right and make certain their concerns are addressed in a satisfactory manner.”
http://www.startribune.com/as-comcast-strives-to-get-better-plenty-of-customer-complaints-remain/381843701/

Star Tribune

Court upholds net neutrality rules on equal internet access

By SAM HANANEL AND TALI ARBEL The Associated Press

JUNE 14, 2016 — 9:12PM

GLEN STUBBECable and telecom opponents claim the rules prevent them from recovering costs for connecting to broadband hogs like Netflix that generate a huge amount of internet traffic.

WASHINGTON — In a big win for the Obama administration, a federal appeals court on Tuesday upheld the government's "net neutrality" rules that require internet providers to treat all web traffic equally.

The 2-1 ruling from the U.S. Court of Appeals for the District of Columbia Circuit is a victory for consumer groups and content companies such as Netflix that want to prevent online content from being blocked or channeled into fast and slow lanes.

The rules treat broadband service like a public utility and prevent internet service providers from offering preferential treatment to sites that pay for faster service.

Consumers are not likely to see an immediate impact, since the rules have been in effect since last June. But it could make some services more expensive or limit some content, such as T-Mobile's Binge On service that allows customers to watch unlimited video for free

The Federal Communications Commission argued that the rules are crucial for allowing customers to go anywhere on the internet without a provider favoring its own service over that of other competitors. The FCC's move to reclassify broadband came after President Barack Obama publicly urged the commission to protect consumers by regulating internet service as it does other public utilities.

The agency has tried for years to enforce net neutrality, but the same appeals court had twice previously struck down similar rules.

Cable and telecom opponents claim the rules prevent them from recovering costs for connecting to broadband hogs like Netflix that generate a huge amount of internet traffic. Providers like Verizon and AT&T say the rules threaten innovation and undermine investment in broadband infrastructure.

But Judges David Tatel and Sri Srinivasan denied all challenges to the new rules, including claims that the FCC could not reclassify mobile broadband as a common carrier. That extends the reach of the new rules as more people view content on mobile devices.

The telecom industry had argued that broadband was an information service, and the FCC didn't have the authority to change in which camp it fell. But the court ruled that the FCC was justified in reclassifying broadband as a telecom utility because consumers see broadband as a pipe for internet service and a way to get online to use websites and apps.

"Given the tremendous impact third-party internet content has had on our society, it would be hard to deny its dominance in the broadband experience," the judges said in their 115-page majority opinion.

"Over the past two decades, this content has transformed nearly every aspect of our lives, from profound actions like choosing a leader, building a career, and falling in love to more quotidian ones like hailing a cab and watching a movie," the judges said. "The same assuredly cannot be said for broadband providers' own add-on applications."

In a lengthy dissent, Judge Stephen Williams said he would have struck down the rules. He said the FCC "fails to offer a reasoned basis" for its view that giving preferential treatment to customers who pay for faster service is a problem.

By regulating broadband service like "natural monopolies," Williams said the FCC provides "little economic space for new firms seeking market entry or relatively small firms seeking expansion through innovations."

FCC Chairman Tom Wheeler praised the ruling as an affirmation of the government's power to keep the internet open for all consumers.

"After a decade of debate and legal battles, today's ruling affirms the commission's ability to enforce the strongest possible internet protections —both on fixed and mobile networks — that will ensure the internet remains open, now and in the future," Wheeler said.

Christopher Yoo, a professor of law, engineering and communications at the University of Pennsylvania, said some services could become more expensive for consumers or too difficult for providers to offer.

"It may lead to the withdrawal of some tailored plans that provide enhanced access to certain types of content," Yoo said. Over the long run, he said the biggest impact will be limits on new services "that deliver video or other particular types of content in an innovative way."

Opponents of the ruling vowed to appeal.

"We have always expected this issue to be decided by the Supreme Court, and we look forward to participating in that appeal," said David McAtee, AT&T senior executive vice president and general counsel, in a statement posted on the company's website.

Berin Szoka, President of TechFreedom, a think tank opposed to net neutrality, said the court's decision gives the FCC "a blank check to regulate the Internet however it sees fit."

"The only way to end this madness is a legislative solution that gives the FCC clear but narrow authority over the core of its rules — but stops the FCC's other power grabs," Szoka said.

The Wireless Association, an industry trade group also known at CTIA, also said it would pursue legislation to restrict the reach of the rules. Meredith Attwell Baker, the head of CTIA, said mobile carriers want to promote consumer access "without subjecting the wireless industry to investment-chilling public utility regulation."

"In the interim, we urge the FCC to support innovative new services, like free data, that benefit consumers and reflect the highly competitive mobile market," she said.

http://www.startribune.com/court-upholds-net-neutrality-rules-for-internet-access/382947611/

Star Tribune

Service With a Frown: Senate Slams MVPDs

Charter, Time Warner Cable cited for overcharges at hearing6/27/2016 8:00 AM Eastern

By: John Eggerton

TakeAway

Cable operators stood what ground they had at a contentious Senate hearing while making the case for why a bad customer-service situation is already getting better.

WASHINGTON — Cable operators were marched up to Capitol Hill last week to take their punishment for what almost all conceded was less than satisfactory customer service.

It could have been worse: Sen. John McCain (R-Ariz.), a member of the subcommittee and a tough cable critic, did not make an appearance at the hearing; a couple of Republicans conceded that everybody makes mistakes and even suggested that, with a lower approval rating than cable, Congress was the pot calling the kettle black; and Democrats gave MVPDs some credit for the efforts they have already made. But it was bad enough.

The Senate Permanent Subcommittee on Investigations, which offered up two reports stemming from a year-long probe based on information supplied by MVPDs, had more ammunition in its quiver than upselling or hidden fees. One of two reports it released just prior to the hearing on cable billing and customer service found that Charter Communications and Time Warner Cable had failed to reimburse customers for millions of dollars in equipment overcharges.

“Between January and April 2016,” said the committee report, “Time Warner Cable overbilled customers nationwide an estimated $639,948.”

The report projected that if the overcharges were to continue through the end of the year — Charter said they would not — the total would be $1,919,844 in overcharges.

SET-TOP OVERCHARGES

Charter told the subcommittee it had overbilled customers by at least $442,691 per month.

The overcharges were primarily for set-top boxes that users did not have but were billed for anyway. (A former Time Warner Cable exec told the hearing audience that net-net, there were more undercharges than overcharges, but that did not assuage the concerns of committee chairman Rob Portman (R-Ohio), who said that was little comfort to those who had been overcharged.

Charter said it has been doing daily audits and would be improving its current 99.4% accuracy rate. It also said it would be applying that audit system to Time Warner Cable, which it has only owned for a few weeks, and providing credits to customers of both.

But the news was hardly all bad. The report also found that while all the MVPDs had overcharges, “other MVPDs have invested effort and resources to prevent overcharges and provide refunds or credits to customers who have overpaid.

Comcast and DirecTV provide automatic refunds or credits to overcharged customers, while Dish’s billing system is designed to prevent those types of overcharges from occurring in the first place.

Not surprisingly, the talk of charges for nonexistent set-tops fueled the forces pushing the FCC’s set-top proposal to make data and programming available to spur alternatives to monthly fees for boxes.

“Cable customers have been overbilled and held hostage by practices that can only exist in a marketplace devoid of real consumer choice and competition,” said Chip Pickering, CEO of INCOMPAS, whose members include set-top proposal backer Google.

“The admission by a cable executive in the Senate Oversight and Investigation hearing — that many customer overcharges are the result of swapping customers’ set-top boxes they force them to rent — is just the latest indication that the FCC must act to unlock the box and set consumers free.”

On the customer service side, Comcast senior vice president of customer service Tom Karshinak was the first to testify last week, setting the general tone of contrition combined with pledges to do better and explanations of how that was already happening.

“Comcast and industry have not always made customer service the priority it should have been,” Karshinak said. “I am sorry for that.”

Then he outlined the steps and investments Comcast has made and would make in the future, to improve the experience.

He said the company (1) was investing in added training for all employees; (2) had rolled out a cloud-based platform so customers don’t have to keep repeating information; (3) was reassessing policies and fees; and (4) in response to committee concerns, had reaffirmed in writing with its retention specialists that they are expected to “promptly facilitate a disconnect for a customer who isn’t interested in answering questions.”

CHANGES AT CHARTER

Charter said it, too, was investing in customer service. Kathleen Mayo, executive vice president for customer operations, suggested Charter was still working to rebuild the company out of its 2009 bankrupty — as well as get a handle on TWC’s operations. She also said that Charter had simplified its bills, and that customer service reps have conversations with customers rather than following canned scripts.

She said the company has been improving customer service over the last four years, under CEO Tom Rutledge, and that before that Charter had underinvested in the product and outsourced customer service.

Survey Says

The key takeaways from two reports on MVPDs by the Senate Permanent Subcommittee on Investigations, according to subcommittee leaders, were:

Fees: "Customers were being charged a host of fees that were not prominently displayed in advertised pricing, some of which were for programming that was previously included in a customer's video package. "

Customer Service: "Customers calling for help on their accounts faced agents whose job it was not just to solve the customer's problems, but to sell them additional services."

Overcharges and Refunds: "Time Warner Cable and Charter made no effort to trace equipment overcharges to their origin or provide notice or refunds to customers. Charter estimated it overbilled customers by at least $5.3 million annually. During the past six and a half years, Time Warner Cable overbilled its customers nearly $12.5 million."
http://www.multichannel.com/service-frown-senate-slams-mvpds/405947

Multichannel News

TV Everywhere Viewing Doubles: Study

Rise in mobile consumption highlights growing lean-back trend on smaller screens

6/27/2016 8:00 AM Eastern

By: Jeff Baumgartner

Thanks in large part to live sports and TV-show premieres, video viewing via TV everywhere platforms has doubled in the past year, according to Adobe's *Q1 2016 Digital Video Benchmark Report*.

The study, an aggregation of data across 1.2 billion TVE authentications and 300-plus TVE sites and apps, also found that authenticated viewing surged 58% over the previous quarter.

Though viewing on connected-TV platforms remained stable in Q1, mobile remains the primary platform to access TVE content, Adobe said. The trend indicates that consumers are using smartphones and tablets in "lean-back mode" at increased rates, per Adobe.

The iPhone and iPad continued to lead TVE authentications during Q1 among individual platforms, followed by Android devices, PCs, Apple TV boxes, and Roku players. The share of iOS devices is down 22% year-on-year, though, while authentications on TV-connected devices, browsers and Android mobile devices all saw gains.

Among other findings, Adobe said the vast majority of TVE viewing occurs in one location, indicating that there's minimal "on-the-go" behavior.

About 71% of all TVE viewers in the study watched from one location, while 72% of mobile TVE viewers did the same, amplifying the aforementioned lean-back trend on smartphones.

The use of disparate devices presents an opportunity for a single location-based authentication system, Adobe said.

And that sort of work is well underway. Earlier this month, the Cable & Telecommunications Association for Marketing and Adobe said they had developed a “unified” TV-authentication sign-on process for in-home and out-of-home access. A crosssection of programmers and pay TV providers have already committed to support development of the emerging standard in the next six to 12 months, including A+E Networks, AMC Networks, Comcast, Cox Communications, Disney and ESPN Media Networks, Fox Networks Group, Mediacom Communications, NBCUniversal, Scripps Networks Interactive, Turner Broadcasting System and Viacom.
http://www.multichannel.com/tv-everywhere-viewing-doubles-study/405954
Multichannel News

Trouble Looming for Set-Top Plan

Concerns by Senate leaders, top FCC Democrat threaten proposal

6/27/2016 8:00 AM Eastern

By: John Eggerton

Democratic FCC commissioner Jessica Rosenworcel

TakeAway

Mounting opposition is jeopardizing FCC chairman Tom Wheeler's plan to "unlock" set-tops and spur competition.

WASHINGTON — After weeks of heated opposition, it appears that Federal Communications Commission chairman Tom Wheeler does not have the votes to pass his set-top box reform plan — at least as originally proposed.

The proposal, which would require multichannel video programming distributors (MVPDs) to make their programming and data streams available to third-party devices and app developers, has taken shots from all sides — now including both the Senate majority and minority leader.

Wheeler, a Democrat, has said from the outset that he was willing to tweak the set-top plan if there were a better route to his goal of a competitive market in third-party video access devices — ideally a path that allows for access to both traditional video and the over-the-top video he sees as a key new competitor.

But cable operators were unconvinced, saying they feared Wheeler's words were more talk than action and the item would pass pretty much as proposed.

The proposal was approved 3-2, on a straight party line vote, and while Democratic commissioner Jessica Rosenworcel voted with the majority, from the outset she said she had issues the plan.

DEMOCRAT CALLS FOR CHANGES

Rosenworcel last week said she remains optimistic that the FCC and the pay TV industry can find a way forward on set-tops to promote a competitive marketplace for navigation devices, but signaled that the problems with Wheeler's proposal have become clear, as has the need for changes.

Rosenworcel was responding to a flurry of activity that surrounded the proposal, including efforts to block it in Congress via an appropriations bill; "ditch the box," a National Cable & Telecommunications Association-backed alternative to the chairman's "unlock the box" proposal; and the Motion Picture Association of America's support for working with the FCC to resolve copyright issues.

"Set-top boxes are clunky and costly," Rosenworcel said in a statement provided to *Multichannel News*. "Consumers don't like them and they don't like paying for them.

"Kudos to the chairman for kicking off this conversation [Rosenworcel voted along with Wheeler and Democrat Mignon Clyburn to kick off that conversation], but it has become clear the original proposal has real flaws and, as I have suggested before, is too complicated," she added. "We need to find another way forward."

Rosenworcel wasn't explicitly advocating for the cable industry's "ditch the box" effort. Rather, she was supporting efforts to find some variant of a compromise proposal that addresses the Wheeler plan's flaws.

"I am glad that efforts are underway to hash out alternatives that provide consumers with more choice and more competition at lower cost," she said.

Rosenworcel voted to approve the notice of proposed rulemaking (NPRM) proposing the set-top unbundling, but from the outset she suggested it was a work in progress that needed more work.

The set-top plan suffered another blow when Sen. Harry Reid (D-Nevada), the Senate's minority leader, wrote Wheeler last week to say he thought the proposal did not sufficiently protect programmer contracts or consumer privacy, points that MVPDs have been making pointedly.

OPEN TO 'DITCH' PITCH

Even the chairman seemed eager to seek more common ground.

In his first public statements on cable operators' proposal to "ditch" the set-top box, Wheeler said he was glad the industry offered up the compromise, but suggested it indicated that many of the problems those same parties had with the initial proposal weren't problems after all. In a Q&A following a speech at the National Press Club on 5G wireless broadband, Wheeler was asked about the cable-backed effort.

"I think it is absolutely terrific that the cable industry came forward with this proposal," he said. "I have been asking them to do this, and I think that by coming forward they indicated that a lot of the arguments that had been put up against our set-top box proposal really fell by the wayside."

But he also said that the cable proposal indicated that copyrights and privacy can be protected, that small networks can continue to thrive and that providers' networks don't have to be redesigned to do all that.

Wheeler said he wanted to now engage in "constructive" dialogue on how to write the specific regulations to achieve those ends.

Asked if the set-top proposal was in trouble, FCC press secretary Kim Hart responded: "Chairman Wheeler has repeatedly said he is interested in a constructive dialogue with his FCC colleagues and all stakeholders to reach the best result for consumers. He welcomes the feedback to his proposal to give consumers new options for accessing the content they pay for, and he looks forward to engaging in continued conversations to inform the final rules."

Internet giant Google, which pushed for the set-top proposal, echoed Wheeler in calling the cable-operator alternative "a constructive effort towards the goal of more competition and consumer choice," adding, "We hope that it sparks a dialogue between the FCC and interested parties to reach a good outcome for American viewers."

One MVPD executive said all that activity points to more than just more dialogue.

"I'll let you determine whether chairman Wheeler's proposal is dead," said the executive, who asked to speak not for attribution. "But Google is now giving up the fight, Senator Reid's letter was pretty strong and Commissioner Rosenworcel from the get-go called it too complicated and recently said it has real flaws."
http://www.multichannel.com/trouble-looming-set-top-plan/405959
Multichannel News

Clinton: Broadband in Every Pot

Presumptive Democratic nominee to continue push for affordable Internet access

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By: John Eggerton

Presumptive Democratic nominee Hillary Clinton pledged to keep alive President Obama's push for affordable broadband service.

WASHINGTON — Presumptive Democratic presidential nominee Hillary Clinton has signaled she will continue the Obama Administration's push for affordable broadband for all, including a new push for free WiFi in public spaces.

She has also pledged to fight to overturn the Supreme Court's *Citizens United* decision, including apparently a litmus test for new judges along those lines. *Citizens United*allowed for more spending on TV and radio political ads by permitting corporations and unions to directly fund electioneering communications in the run-up to federal elections.

Here are the communications-related campaign pledges Clinton has recently made part of the record:

• "Hillary will appoint Supreme Court justices who value the right to vote over the right of billionaires to buy elections," says the issues portion of her campaign site. "She'll push for a constitutional amendment to overturn *Citizens United* in order to restore the role of everyday voters in elections."

• "She will finish the job of connecting America's households to the internet with a commitment that by 2020, 100% of households in America will have access to affordable broadband."

• "She will also invest new resources in bringing free WiFi to public buildings and public transportation."

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