‘Local Choice’ Tabled, but Retrans Reforms Remain

9/15/2014 8:00 AM Eastern

By: John Eggerton

WASHINGTON — The “Local Choice” retransmission consent remake being pushed by cable operators was dropped from must-pass satellite legislation by Senate Commerce Committee leaders last week, but broadcasters were hardly out of the woods.

The Satellite Television Access and Viewer Rights Act (STAVRA) is the committee’s version of a satellite bill that must pass by the year-end to survive. Committee chairman Jay Rockefeller (D-W.Va.) and ranking member John Thune (R-S.D.) had proposed Local Choice to address concerns about blackouts and cable pricing, but the committee last week said the proposal would be pulled in the interest of getting a bill that would pass.

The Local Choice plan would have started in September of 2017 to allow subscribers to select which local stations they want in their pay TV packages, taking MSOs out of TV-station carriage-fee negotiations. Backers of the plan had always conceded the radical proposal was a long shot.

But while broadcasters signaled a partial victory, plenty remained in the bill to keep them hammering at cable operators. At press time, the draft still contained a number of retrans-reform provisions. Broadcasters were also worried that a provision requiring cable operators to carry retrans stations on the must-buy tier could be added. A similar provision was in a draft of the House bill before eventually being removed.

National Association of Broadcasters president Gordon Smith said the NAB is “seriously concerned” with the following provisions remaining in the Commerce Committee bill:

• Barring joint retrans negotiations by independently-owned TV stations;

• Not allowing retrans agreements to limit operators' ability to carry significantly viewed out-of- market stations;

• Allowing the FCC, in the case of retrans blackouts, to seek information from MVPDs and broadcasters about possible per se violations of good-faith negotiations; and

• Directing the FCC to conduct a rulemaking on whether certain practices, like blocking online video, are a violation of good faith.

The American Cable Association, a member of the American Television Alliance that backed Local Choice, said it would be working hard to make sure those provisions get in the bill, which is scheduled for a Sept. 17 markup in the Senate Commerce Committee.

Rockefeller said he wants the bill voted out by next week, which is one of the reasons he struck the flag on Local Choice. The bill still must be reconciled with a Senate Judiciary Committee version and a House-passed version.

If the bill does not pass by year's end, the compulsory license that allows satellite operators to import distant network-affiliated signals would sunset, as would the FCC's authority to mandate good-faith retrans negotiations.

- See more at: http://www.multichannel.com/local-choice-tabled-retrans-reforms-remain/383815#sthash.abAoXehZ.dpuf

Multichannel News – September 15, 2014

Cable WiFi Starts Its Global March

Comcast-LGI Roaming Deal Covers Millions Of Hotspots

9/15/2014 8:00 AM Eastern

By: Jeff Baumgartner

TakeAway

A new partnership between Comcast and Liberty Global will have hotspots spanning both sides of the Atlantic.

Showcasing cable's potential to create and power a global wireless-broadband network, Comcast and Liberty Global last week became the first operators to carve out a roaming agreement that covers hot spot s deployed in the U.S. and several parts of Europe.

Early on the deal is poised to give the MSOs' broadband customers free access to more than 10 million hotspots. Comcast plans to have 8 million "Xfinity WiFi" hotspots up by year's end, while Liberty Global expects to have 2.5 million of their own nailed up by that time in several European countries, including Belgium, the Netherlands, Ireland, Poland and Switzerland.

Comcast and Liberty Global, which uses a client-based WiFi authentication and security system, expect to trial the shared WiFi service later this year and to offer it broadly in 2015.

The roaming deal between Comcast and Liberty Global currently uses a settlement-free model, meaning no money changes hands regardless of how much WiFi data cable subscribers consume while they are roaming, according to Tom Nagel, Comcast's senior vice president of strategic initiatives.

"Our expectation is that it [traffic] will be fairly balanced," Nagel said, noting that the MSOs will give the arrangement time to operate on a settlement-free basis before visiting whether a compensation- based model should be applied.

Hotspots tied into the roaming agreement include those deployed in outdoor venues, in select business locations and, increasingly, in wireless gateways deployed in customer homes that emit a separate signal accessible to those credentialed broadband customers who encounter them. That latter setup, sometimes referred to as a “community hotspot,” has been popular in Europe for years. It is now starting to make inroads in the U.S. with operators such as Comcast and Cablevision Systems, which has already deployed more than 1 million “Optimum WiFi ” hotspots.

Cable operators have historically used their WiFi networks as a free perk for their broadband customers, billing them as an alternative to cellular services that are usually encumbered with small data caps. Some believe the industry has the potential to create a “WiFi-first” voice service that uses cellular connectivity as a fallback.

Last week’s agreement spotlights a region that is popular among U.S. citizens. According to the U.S. International Trade Administration’s Office of Travel & Tourism Industries, 11.4 million Americans traveled to Europe in 2013.

Balan Nair, Liberty Global’s executive vice president and chief technology officer, said in a statement that the MSO hoped the Comcast deal would “create interest from other cable operators to join us.”

So far, none of the other MSOs that are part of the “Cable WiFi” roaming alliance in the U.S. — Cablevision, Cox Communications, Time Warner Cable and Bright House Networks — have hopped on board. That group, which includes Comcast, has deployed more than 250,000 quasi-public hotspots that are part of the roaming pact.

While the agreement with Liberty Global provides free access to Comcast’s WiFi network, Comcast has also been testing a paid model with two Asian carriers — Japan’s KDDI and Taiwan Mobile. In those trials, customers of those providers pay a negotiated per-minute rate when they tap into Comcast’s U.S. WiFi network.

TAGS:
- See more at: http://www.multichannel.com/cable-wifi-starts-its-global-march/383816#sthash.5GuHLvIT.dpuf

Multichannel News – September 15, 2014

V’s Business Model Feels the Squeeze

9/15/2014 8:00 AM Eastern

By: George Winslow

SANTA CLARA, Calif. — Two major former U.S. network and studio executives opened the *Broadcasting & Cable* and *Multichannel News* Next TV Summit here last week by arguing the biggest investment opportunities are in international markets and that the U.S. cable and broadcast business face serious challenges to their business models.

“We are at an inflection point [where cable and TV companies] are valued higher than they have ever been but if you look at the underlying dynamics, it is really not a pretty picture,” Jeff Sagansky the co-founder of Global Eagle Entertainment and Silver Eagle Acquisition, said during the Summit’s opening keynote Q&A session. Sagansky is former president of CBS Entertainment and Sony Pictures Entertainment.

Harry Sloan, Sagansky’s partner, argued that “major media companies are terrible at digital investment,” adding “in general their investments in new media have been a total wipeout.” Sloan is former chairman and CEO of MGM and founder of SBS Broadcasting.

For more from the Next TV Summit, visit ***multichannel.com/Sept15***.

- See more at: http://www.multichannel.com/tv-s-business-model-feels-squeeze/383818#sthash.hCZl5Ej8.dpuf

Multichannel News – September 15, 2014

Wheeler Speaks Out

FCC Chief Lays Out Telecom's 21st-Century Table Stakes

9/15/2014 8:00 AM Eastern

By: John Eggerton

Federal Communications Commission chairman Tom Wheeler has been making some news over the past few weeks, outlining an agency agenda for ensuring broadband speeds keep up with what he says are the table stakes in the 21st century, taking aim at sports-blackout rules that prevent cable operators from importing games during home-team broadcast blackouts, and more. Wheeler has also been facing pushback on his network-neutrality proposal from Web activists, though he says such back and forth is the "beauty" of the Internet. He has also strongly defended the need to pre-empt state laws that limit municipal broadband networks.

He spoke with *Multichannel News* Washington bureau chief John Eggerton from an undisclosed underground command center — actually the basement of the Sands Expo Center in Las Vegas, following his keynote speech to the CTIA-The Wireless Association convention there — weighing in on those issues and much more, including his management philosophy, which he says is to eschew homogenized proposals for "knock-down, drag-out" arguments in his office.

An edited transcript follows.

MCN: Were you surprised by the blowback online to the proposal for recrafting net-neutrality rules under Section 706 of the Telecommunications Act?

Tom Wheeler: We have put ideas out there, and we are looking at all the feedback on that now, and we are obviously looking forward to the roundtables that are going to take place in the next couple of weeks. We'll be seeing where things go after that.

MCN: But were you surprised that there was so much opposition to it, particularly since the court signaled that was a way for you to go?

TW: Well, this is the nature of the Internet. This is why we want the Internet to be open and free, because it allows for this kind of discourse and dialogue. I think this just proves the value of an open Internet.

MCN: Are you still targeting the end of the year for a new Open Internet order?

TW: I don't want to be held to a specific date. We want to make a decision based upon the record and based upon the work that has been done in the interim. And we'll let the decision set its own timing. I don't want to [say], "it's got to be done by Christmas," or that sort of thing.

MCN: Some online advocacy groups have called for field hearings on net neutrality. Will you hold some outside of Washington, D.C.?

TW: We are going to have these roundtables and they are going to be open to people to participate in via the Internet. We're going to have a whole and complete record. I don't think it's necessary to have to do a road show for that, because the Internet itself is connecting us all. If somebody in Minneapolis wants to see an ongoing discussion and debate and be able to ask questions, we are going to facilitate that using the technology itself.

MCN: Do you ever worry that the substance of your position is getting lost on people who are being pitched slick ads saying essentially, "Free the 'Net," as though somehow you are imprisoning them?

TW: [Laughs.] I'm for "free beer." Look, there is nothing more important than protecting free speech and innovation online. This is a complicated issue, so it's not surprising that it can be misconstrued. Right now, there are no rules in place to protect the open Internet and I am focused on finding the right approach that will pass legal muster.

MCN: You have said that you don't think fast and slow lanes would meet the commercially reasonable standard proposed in the new anti-unreasonable-discrimination network-neutrality rule. But your critics say that the next chairman might not make the same judgment call.

TW: I have been real clear in saying that the court said we have authority over anything that interferes with the virtuous cycle. And I think that fast lanes do that. I think prioritization does that. I think blocking does that. I think that degrading and slowing down service does that. And that is what the court said. That's not what Tom said. That's the authority of the commission. Period.

MCN: But critics ask, What if the next chairman disagrees, and has the flexibility of a "commercially reasonable" standard?

TW: That's what the courts are for.

MCN: Reed Hastings [the CEO of Netflix] in *Wired* magazine said that, "If net neutrality rules don't apply to peering, it would be better to have no rules." I assume you disagree.

TW: I know Reed's position.

MCN: What is your position?

TW: We are in the process of working through everything that we have [received], and we're going to come out with our thoughts and we will share that with you at that point in time.

MCN: The NCTA said in its comments on the Section 706 report that the commission should not change the baseline broadband speed threshold from 4 Megabits per second downstream and 1 Mbps upstream because that is sufficient for high-quality voice, video and data. What's your take?

TW: That's funny, because I've been on the floor at the show here and I have been looking at new applications with cellphones and heads-up devices and things like this, all of which have 4, 5 6 or 7 Mbps at least. And then when they go to 4K [ultra-high-definition video], that increases even more in the need for throughput.

So, I disagree. As I said the other day, I think we are looking at table stakes for the 21st century being 25 [Mbps]. And I hope that they are actually talking about at least 100 Meg and going to a [Gigabit per second] as much as possible. I had people this morning talking to me about how they needed 2 [Gbps] of throughput to do some of things they are talking about doing with technology.

MCN: Would that mean changing the 706 report's definition of advanced telecommunications services to 10 Mbps, or maybe 25 Mbps?

TW: That is what the whole notice of inquiry is about. I have said we should be increasing it at least to 10 for Universal Service Fund activities because shame on us if our subsidy program for hard-to-serve areas creates a second-class area of service because we didn't set our sights high enough. That would be a failure on our part.

MCN: Do you have any plans to act on the open retransmission-consent docket, or are you going to leave that to Congress?

TW: I'm going to be really interested in seeing what Congress does. Obviously, we have a great interest in the whole retrans issue, but I think Congress is in the process of considering some game-changing concepts.

MCN: Former FCC chairman Reed Hundt, who is leading an effort to get Washington Redskins owner Daniel Snyder to change the name of the [National Football League] team, has asked FCC commissioners to speak out. Will you?

TW: Yes. I don't use the term personally and I think it is an offensive and derogatory tone. I am a Civil War buff, and there were a lot of terms that were appropriate at that time that aren't appropriate anymore. I think it would be great if the Washington football team would recognize those kinds of changes itself.

MCN: Does the FCC have any role in that beyond the bully pulpit?

TW: I hope that this is something that if enough people express themselves, that Dan Snyder can see which way things are going.

MCN: The Republican commissioners have complained about not being sufficiently included in the process. Are there grounds for that complaint?

TW: Oh, golly. We have had far more unanimous votes than we have had 3-2 votes. The Republican commissioners get the information on white-copy day — items for the next meeting — the same as the Democratic commissioners do. They may have differences of opinion, but the process is operating as the process has always operated.

MCN: Why should the FCC be pre-empting broadband-related laws passed by duly elected state legislatures?

TW: Section 706 gives us a responsibility to encourage the growth of broadband and I am for faster, cheaper, better broadband. And I am for competitive broadband. We are going to look at the petitions that have come in with serious analysis because the question is, how do we get faster, better, cheaper broadband?

At least what I have seen in the Wilson, N.C., and Chattanooga [Tenn.] situation, and again I am not making up my mind here, but what we have seen in some of the submissions, is that outside of the area they're getting an un-faster, they're getting an un-better, they're getting an un-cheaper kind of a service, and when people want to extend them faster, cheaper service, if the local representatives of the people, and elected by the people to resolve the local issues, say they want to do that, I think we should be for faster, better, cheaper broadband.

MCN: You came out strongly against the NFL blackout rules last week and scheduled a vote for the end of this month.

TW: This was put into the rules 40 years ago when we had an entire different reality. The [FCC rule] has been an excuse people pointed to to defend why consumers couldn't watch TV. That's wrong. We deal with communications policy. And using communications policy for something that gets in the way of consumer's ability to see the home team is an idea whose time has come and gone, if it ever existed.

MCN: Speaking of the ability of the fans to watch the home team, what is the status of your vetting of documents in the Time Warner Cable regional sports-network carriage impasse [regarding the Los Angeles Dodgers-owned SportsNet LA network], and what role does the FCC have?

TW: We looked at all the documents. We are going to send out a request for additional information. But we have three weeks to go in the season. The Dodgers are in a pennant race. I mean, come on folks, for three weeks let's put down the gloves and let consumers see the games.

It's three weeks. We are going to continue our process, but that is not going to be done in the next three weeks because no kind of an enforcement process like this is ever done in that short period of time. But, my goodness, you would think that Time Warner Cable and the MVPDs could say, "Hey, we will forget about it. Let's just carry it. Let's just get it done so that people can see the games."

MCN: On your management style, I have talked to a bunch of folks and their read is that your style is primarily top-down, almost like a cabinet secretary, and that when you are convinced of the rightness of something, it is hard to move you from that position. Does that sound right?

TW: I have two management philosophies. One is that I think you ought to delegate responsibility and authority, and so I have been trying to push responsibility and authority down in the agency to the bureau chiefs and asking the bureau chiefs to delegate it out further. And as you know, delegated authority is a huge political issue at the commission, so that gets challenging.

The other is that what I learned in the first few months in the job is that people would bring in homogenized presentations that said, "here's what we think the answer is," and it would be a homogenization of multiple positions. And I kept saying, "No, what I want to see is knockdown, drag-out arguments right here in my office, and I want to participate in them."

And that is, I think, the way you make good policy. You don't just say, "OK, we are going to agree amongst ourselves and I'll give you this," or whatever the case may be, and you come up with a homogenized policy, because these are important, multifaceted issues. So I have been encouraging folks to come in and argue it out. Let's hear all sides of the issues; let's not just hear what the conclusions are.

MCN: Does it help to have been a lobbyist because you know how people are going to be making those arguments?

TW: No. I think that is management. I don't think it has anything to do with being a lobbyist. The nature of an institution is to arrive at commonality, and what I am trying to say is that by the time it gets to the [commissioners on the] eighth floor, I hope that there is still an ability for people to debate. Obviously, we will make decisions when it is necessary to make decisions, but let's hear all sides out. Let's not kick ideas out just because we've got to get something up to the eighth floor.

MCN: Will the FCC weigh in with a definition of an MVPD [multichannel video programming distributor], which would seem to be an important answer in the over-the-top world we are moving toward?

TW: I think it is a question we've got to look at. I am not ready today to plant a flag in the ground one way or the other. But I don't disagree with your point that it is worthy of looking at, particularly as we go to an all-IP environment and as cable systems evolved from QAM to DOCSIS [3.0], does that have any policy implications. I don't have an answer to that, but I think it is an interesting question.

MCN: At CTIA, you said, "If mobile operators don't put their money where their mouth is, then the future of spectrum policy will look a lot different." What did you mean?

TW: What I was saying was that there are two things that are the promise of the future of spectrum. One is sharing — and not just broadcast sharing, but all kinds of sharing, like the mobile operators are now having to do with DOD [the Defense Department] and other federal users — and the fact that digital allows for sharing. And the other is that the auction creates a way in which both parties' economic realities can be dealt with. And we can say: "OK, is it possible to find an economic model that works for both [broadcasters and mobile operators] in an incentive auction?"

If this first incentive auction doesn't work, then I think the whole concept of incentive auctions going forward will have a tougher hill to climb.

MCN: Can you understand why some broadcasters feel the FCC is pushing them toward the auction with its crackdown/scrutiny of sharing arrangements?

TW: That is an entirely specious argument. That the sharing arrangements have anything to do with the auction is a concocted fiction.

Sharing had to do with the fact that there was a cottage industry in Washington, D.C., of lawyers who were cooking up fancy ways to cook ownership to get around the rules. I mean, hey, people can characterize it any way they want, but it is a totally specious argument to say there is any connection between the two.

TAGS:

FCC Tom Wheeler Net Neutrality wireless sports blackout Section 706 Open Internet

- See more at: http://www.multichannel.com/news/technology/wheeler-speaks-out/383822#sthash.tdkcnpXH.dpuf

Multichannel News – September 15, 2014

Retrans Fees Could Cross the Pond

U.K. Regulators Revenue Could Help Fund Original Content

9/15/2014 8:00 AM Eastern

By: Mike Farrell

TakeAway

U.K. regulators may bring the concept of pay-for-retransmission consent across the pond.

The United Kingdom could be the next nation to open the Pandora's box that is retransmission consent, once the sole bane of U.S. distributors, based in part on a recent report commissioned by that country's largest commercial public broadcaster, ITV.

After years of lobbying by broadcasters like the BBC, ITV and Channel 4, U.K. regulators seem open to the idea, with U.K. culture secretary Sajid Javid stating recently that the government is set to review whether more of a free-market approach to the U.K. television system, including retransmission payments, should be taken to encourage further investment in programming.

"I will be taking a long, hard look at the balance of payments between broadcasters and platforms," Javid said at the recent Royal Television Society Conference in London, according to U.K. newspaper *The Guardian*.

Javid's Department for Culture, Media and Sport intends to launch the retrans review by the end of the year.

Estimates are that U.K broadcasters — who until recently were paying satellite distributors like British Sky Broadcasting as much as $40 million annually for the right to be carried on the service — could take in up to $400 million per year in retransmission fees.

That is still a fraction of what U.S. broadcasters rake in from retransmission consent. According to the study written by NERA Economic Consulting — *Delivering for Television Viewers: Retransmission Consent and the U.S.*

Market for Video Content — U.S. free-toair broadcasters received about $3.3 billion in retrans payments in 2013, accounting for less than 3% of cable operator revenue, but making up about 15% of total broadcast revenue — and "having little or no impact on pay TV prices."

U.S. retransmission fees are expected to more than double by 2019, the study added.

That last quote will likely be argued to the contrary by U.S. distributors, who have said retrans payments are increasingly being passed on to consumers and have pressed U.S. government agencies to turn back the retrans clock.

Most recently, MVPD lobbying groups have proposed a "Local Choice" initiative that would require broadcasters sell their channels directly to consumers, who would have the right not to purchase the service. The Local Choice push, though, seems to have faded under pressure from broadcasters.

Across the pond, though, the pressure is high to help fund original programming, which is becoming increasingly more expensive to produce.

ITV, which is 6.4%-owned by U.S.-based international cable operator Liberty Global (which also owns Virgin Media, the largest U.K. cable company), estimates that U.K. public-service broadcasters invest about $4.8 billion per year on programming, most of it pumped back into original content.

ITV chief executive Adam Crozier said introducing retransmission fees would have clear benefits to the U.K. creative industries and the wider economy by enabling PSBs to continue to invest in original programming.

"The majority of viewing on these pay TV U.K. distributors, sounding a lot like their U.S. counterparts, warned that cherry-picking regulations from another country's television system could provide unintended consequences.

BSkyB CEO Jeremy Darroch, speaking at the RTS conference, was supportive of deregulation but said it had to work both ways, according to The Guardian. And he added that current benefits to U.S. broadcasters — like platform access and prominent positioning on electronic programming guides — could be lost in a retrans regime.

“Be careful what you wish for,” Darroch said at the conference, according to *The Guardian*.

At Virgin Media, which never charged content providers for carriage in the past, CEO Tom Mockridge likened retrans to an additional tax on viewers to watch programming they’ve already paid for.

“There is a careful balance to strike,” Mockridge said, according to reports.

- See more at: http://www.multichannel.com/retrans-fees-could-cross-pond/383826#sthash.La9rYCgI.dpuf

Multichannel News – September 15 ,2014

Recent Stories from [MuniNetworks.org] - a project of the Institute for Local Self-Reliance. Instructions for unsubscribing appear at bottom. Send feedback. Forward Widely.

Big Announcements This Week!

Next Century Cities Official Launch

We're proud to announce the official launch of Next Century Cities. Next Century Cities is a new, city-to-city collaboration that supports community leaders across the country as they seek to ensure that all have access to fast, affordable, and reliable Internet. Founding Partners represent dozens of cities from across the United States.

On October 20, we will be officially launching at Cross Campus in Santa Monica, CA. Our event will bring together mayors from communities across the country, as well as successful technologists who have helped to implement and run some of the nation's most impressive broadband networks. We're proud to host mayors and leaders from across the country for a series of thought-provoking discussions about how high-quality broadband Internet has begun to empower American communities.

... More Details on the Event and Register for the Webcast Here ...

New Report Details Local Government Efforts to Improve Minnesota Connectivity

Tue, September 30, 2014 | Posted by lgonzalez

In our latest report, ***All Hands On Deck: Minnesota Local Government Models for Expanding Fiber Internet Access***, we analyze how local governments in 12 Minnesota communities are expanding 21st century Internet access to their citizens.

In 2010, the Minnesota legislature set a goal for 2015 - universal access to high speed broadband throughout the state. Even though we have the technology to make that vision a reality, large swaths of the state will not meet that goal. Nevertheless, local folks who have chosen to take control of their connectivity are finding a way to exceed expectations, surpassing the choices in many metropolitan regions.

Some of the communities we cover include:

- Windom, which is one of the most advanced networks in the state, built their own network after their telephone company refused to invest in their community.
- Dakota County showed how a coordinated excavation policy can reduce by more than 90 percent the cost of installing fiber.
- Lac qui Parle County partnered with a telephone cooperative to bring high speed broadband to its most sparsely population communities.

... A Massive New Report from ILSR (that's us) with 12 Local MN Gov Case Studies ...

Three New Companies Move to the Silicon Bayou

Mon, September 22, 2014 | Posted by lgonzalez

In the past few months, Lafayette has drawn in three high tech companies that will create approximately 1,300 well-paying positions. In addition to the community's commitment to boost its high-tech workforce, better connectivity offered by LUS Fiber helped attract the new businesses.

According to a Daily World article, the most recent addition is Perficient, Inc. The information technology and management consulting company is based in St. Louis. Perficient will add 50 new positions by the end of 2015 and another 245 over the next 6 years; average annual salary will be $60,000. The area should also see 248 additional indirect jobs. Perficient leadership intends to recruit from South Louisiana Community College and University of Louisiana at Lafayette.

... Lots of Tech Jobs Heading to Lafayette ...

Dakota County is Fiber Rich Thanks to Dig Once Approach - Community Broadband Bits Podcast 117

Tue, September 23, 2014 | Posted by christopher

Calls for "dig once" policies have resonated for years. The general idea is that we can more fiber and *conduit* in the ground at lower prices if we coordinate to include them in various projects that already disturb the ground. In the south Twin Cities metro in Minnesota, Dakota County has been tweaking its dig once approach for more than a decade.

This week, Network Collaboration Engineer David Asp and .Net Systems Analyst Rosalee McCready join us to discuss their approach to maximizing all opportunities to get fiber and conduit in the ground. They work in a county that ranges from rural farms in the south to urban cities in the north, offering lessons for any local government.

We discuss the award-winning software they developed to coordinate projects and the many benefits of the network that have already produced millions of dollars in savings. And now the county is examining how it can use its fiber to spur economic development and investment in better Internet access for area residents.

... Listen to the Show Here ...

Local Businesses Suffer in Tennessee as State Prevents Chattanooga Expansion

Tue, September 23, 2014 | Posted by lgonzalez

As our readers know, the FCC is currently considering petitions submitted byChattanooga and Wilson, North Carolina. Both communities want the ability to expand their ability to offer advanced telecommunications services, contrary toexisting state anti-muni laws. As we glance through the comments, we notice that ISPs, advocacy groups, and local governments are not the only commenters with a vested interest in the outcome.

There are also compelling stories from individuals, local businesses, and organizations that are looking for better options. In some cases they have one provider but are unhappy with the service so support municipal network expansion. In other cases, they have dial-up (or no service at all) and are maddeningly close to an EPB or Greenlight connection but state restrictions forbid service to them.

... Fortunately, the FCC May Soon Restore Local Authority to Area Communities ...

Nonprofit ISP Offers "Big Gig Challenge" To Connect Northeast Ohio

Wed, September 24, 2014 | Posted by tanderson

OneCommunity, a nonprofit ISP and data services provider in northeast Ohio, recently announced an interesting initiative to spur the expansion of fiber optic connectivity in the region - it will help pay the costs. For municipalities (or organizations with municipal support) that build "community-wide" networks with gigabit speed, OneCommunity is offering grant funds to cover 25% of project costs, up to $2 million. According totheir website, the ISP hopes to make it's "Big Gig Challenge" a recurring yearly program.

OneCommunity, which has network operations in 24 counties and 2,500 miles of fiber assets throughout northeast Ohio, offers services to a wide variety of anchor institutions, businesses, schools, and local governments. The 11 year old nonprofit does not offer residential services, but does serve over 2,300 public facilities.

... Get the Full Story Here ...

Lexington Plans RFI for Gigabit Network in Kentucky

Wed, September 24, 2014 | Posted by tanderson

Lexington, Kentucky, the second biggest city in the state with the second slowest broadband speeds in the nation, has announced plans to issue a request for information for a gigabit network within the next six months. The idea is to gauge interest from private providers in forming a public private partnership and get at least a rough estimate of the costs and benefits of a city-wide fiber optic network.

The Lexington area currently has average *download* speeds of 16.2 *Mbps*, which puts it 38th among cities in Kentucky alone. While many in Lexington have been unhappy with slow speeds, poor reliability, and high prices provided by the incumbent Time Warner for years, the local governmentappeared divided last spring over the potential Comcast-Time Warner merger. Some felt, inexplicably, that service would improve after the second most hated company in America was acquired by the most hated. But others realized the need for competition, and during the course of renegotiating Time Warner's expiring cable franchise over the last year, city staff have been meeting with private providers to determine how to improve access.

... Lexington Needs Something Better - More on Those Options Here ...

Community-Owned Dark Fiber Expands in Vermont

Thu, September 25, 2014 | Posted by tanderson

ECFiber

Last week, we criticized the draft version of the Vermont Telecommunications Plan for its conflicting goals, misplaced priorities, and all-around lack of vision. Fortunately for Vermonters, there are good things happening in the state as well: the Vermont Telecommunications Authority (VTA) and EC Fiber are partnering on a new 51 mile run of dark fiber that will bring new connection options to over 1,000 businesses and residences.

VTA will be building the central fiber lien, which runs North-South along the I-91/I-89 corridor, and will be open to any carrier. EC Fiber, a nonprofit, community-owned *open access* network, will be an anchor tenant on the new fiber optic line, and will contribute $200,000 to project costs and be responsible for making *last mile* connections to the premises of homes and businesses that purchase them.

... Very Excited to See ECFiber Expanding ...

Senate Staves Off STAVRA Amendments

‘LOCAL CHOICE,’ MORE GOVERNMENT OVERSIGHT OF CABLE, JETTISONED

9/22/2014 8:00 AM Eastern

By: John Eggerton

TakeAway

After much sound and fury over the Senate’s version of STAVRA, most of the cabletargeted amendments were removed from the bill to reauthorize the satellite compulsory license.

WASHINGTON — After all the sound and fury over the Senate version of reauthorizing the satellite compulsory license, the STAVRA (Satellite Television Access and Viewer Rights Act) bill that emerged last week by unanimous voice vote was shorn of most of its entangling amendments, giving both cable operators and broadcasters room to declare various victories.

By the midweek markup of the bill, gone were cable-targeted amendments that would have boosted government oversight of customer service; sicced the FCC on the migration of sports programming from broadcast to cable and the effect of sports-programming costs on cable bills; and delayed the sunset of the set-top integration ban that had forced cable operators to deploy energy-inefficient devices for what they saw as little upside.

Remaining in the bill was an amendment that would prevent broadcasters from coordinating retransmission- consent negotiations among non-commonly owned stations in a market, though the language had been softened from the tougher prohibition in the initial draft.

All of that was to the good for cable operators.

Broadcasters were mostly breathing a sigh of relief that the “local choice” proposal from the Senate Commerce Committee’s chair and ranking member, Sen. Jay Rockefeller (D- W. Va.), had been jettisoned. That would have required broadcasters to deal directly with MVPD subscribers over whether their customers wanted to pay for TV channels in their programming packages, essentially doing away with the cable must-buy tier for broadcast TV.

Broadcasters were also suggesting that while those cable-targeted amendments were gone, the issues would continue to be raised and pushed by the various legislative champions.

Rockefeller, who will retire at the end of this session, said he sympathized with efforts to rein in cable bills — that was part of the impetus behind 'Local Choice,' as well as improving customer service and looking into sports programming. He promised a hearing on customer service, to ask the GAO to report back on the impact of sports fees and migration, and promised others who dropped their amendments that the issues would get attention elsewhere.

But that is, in some sense, the legislative-courtesy boilerplate when amendments are dropped in order not to hold up a bill — in this case, a must-pass measure.

It didn't take long for some of those legislators to issue press releases pointing out they had introduced the amendments and promising to stay on the trail, but Congress is exiting in only days to campaign for reelection, leaving a lame duck session where the focus will be to get STAVRA out the door.

The satellite compulsory license must be reauthorized by the end of the year, Rockefeller pointed out, or 1.5 million mostly rural satellite customers, like those in his home state of West Virginia, could lose access to network TV-station signals.

- See more at: http://www.multichannel.com/senate-staves-stavra-amendments/384015#sthash.g1TBrb7i.dpuf

Multichannel News – September 22, 2014

FCC Gets 3.7M Comments on Net Neutrality Rules

9/22/2014 8:00 AM Eastern

By: **John Eggerton**

WASHINGTON — With more than 3.7 million comments in hand on network neutrality, the Federal Communications Commission last week closed the official comment period on new rules and now gets down to the task of deciding how to justify them.

That 3.7 million reported by the FCC is a record number, reflecting the divide over whether to use its regulatory authority under Section 706 or Title II of the Telecommunications Act, as well as the ability of network-neutrality activists to get their faithful to flood the FCC with, appropriately, online submissions.

The commission's website was swamped by the flood, but the FCC's managing director, Jon Wilkins, told Congress last week he was confident the FCC had not lost any submissions.

It is hard to tell just where the FCC will wind up on new rules. FCC chairman Tom Wheeler insisted last week, also to Congress, that Title II definitely remained on the table — politically, he could hardly have said otherwise — but he also warned that the FCC did not want to discourage the billions of dollars of innovation-driving capital that telecom companies have been investing in broadband.

The FCC's Section 706 proposal, and the wiggle room it has allowed for commercially- reasonable paid priority, prompted a big blowback from edge providers, but unless Wheeler was going to reclassifym broadband service as a common-carrier service under Title II — still the nuclear option among ISPs — it is a federal court that suggested he could not simply ban discrimination.

Wheeler has set no timetable for new rules and, as he pointed out last week, most ISPs have pledged to adhere to the old rules and have terms-of-service and network- management pledges on the books to that effect.

Applying the rules to mobile broadband will also play a bigger role in the decision, given the growth of that sector since 2010. Paid priority continues to be raised in the context of the debate, but Wheeler has signaled that, while important, it is an issue for another day and docket.

The last time these issues came around, in 2010, then- FCC chairman Julius Genachowski brought both sides to the table to come up with the compromise rules the court eventually eviscerated. At press time, multiple sources said they had not yet heard of the FCC mounting a similar meeting-of-the-minds effort to come up with a compromise, but one suggested it was only a matter of time.

Activists not wanting a repeat of that legal smack-down will likely be harder to move away from a Title II position.

The FCC had no comment on the possibility of table talks this time around, but it is holding a series of roundtables with stakeholders, including public-access groups, and ex parte meetings that will continue until the rules are hammered out.

- See more at: http://www.multichannel.com/fcc-gets-37m-comments-net-neutrality-rules/384016#sthash.QU3NkzXJ.dpuf

Multichannel News – September 22, 2014

More Dial in to Smartphone Video

Consumers are increasingly using multiple media platforms for their entertainment pleasure, according to a recent Nielsen Cross-Platform Report for second-quarter 2014. While live TV continues to be consumers' first choice, mobile platforms like smartphone use generated the biggest quarter-to-quarter gains.

	Q2 2014	Q2 2013
Live TV	4:36	4:48
Listening to radio	2:45	2:48
Using a smartphone	1:25	1:04
Using Internet via computer	1:07	1:01
Watching time-shifted TV	0:31	0:27
Game console	0:11	0:09

SOURCE: Nielsen

Wheeler Wants Broadband to Speed Up

CABLE PUSHES BACK ON FCC CHAIR'S NEW INTERNET 'TABLE STAKES'

9/22/2014 8:00 AM Eastern

By: John Eggerton

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TakeAway

FCC chairman Tom Wheeler and the cable industry appear to be on a collision course to clashing over how fast high-speed Internet speeds should be.

WASHINGTON — Federal Communications Commission chairman Tom Wheeler appears to be on a collision course with cable operators over broadband speeds, flexing the agency's muscle under Section 706 of the Telecommunications Act to make it so.

In a speech earlier this month, Wheeler made clear that for his FCC, at least, broadband speeds and Internet-access competition are inextricably entwined. And forget the current definition of broadband as 4 Megabits per second downstream, or even the 10 Mbps the FCC is likely to make its new baseline definition for high-speed Internet.

Speeds of 25 Mbps are the new "table stakes" for a new century, Wheeler said. The city of Boston, which weighed in at the FCC in support of boosting minimum downstream speeds to at least 10 Mbps, has suggested that keeping the current speed is like "fixing an insect in amber."

Cable operators are pushing back.

On the same day Wheeler was laying down the law on speed, the National Cable & Telecommunications Association was filing comments with the FCC arguing that it should keep the 4 Mbps baseline for "advanced telecommunications." The agency is required to regularly report on the state of advanced telecommunications under Section 706.

The NCTA isn't saying speed is not of the essence, but instead that the FCC should take a more nuanced view, maintaining a baseline which can still deliver high-quality voice video and data.

Asked about that assertion in last week's exclusive interview with *Multichannel News*, Wheeler said he disagreed, and suggested the new minimum might need to be as fast as 25 Mbps.

The FCC's Section 706 authority is getting quite a workout lately.

It is being used to justify the potential pre-emption of state laws limiting municipal broadband, which cable operators are not happy with, and as a basis for new Internet-neutrality rules, which cable operators support — at least as an alternative to regulation as a commoncarrier service under Title II of the Telecom Act.

Cable's concerns with pre-emption and speed boosts are similar. Both could allow for government-funded competition to existing commercial providers via a speed or price overbuild, rather than subsidizing service to entirely unserved homes, which cable companies do not oppose.

As long as the FCC concludes that broadband is not being supplied to all Americans in a reasonable and timely manner, it has what the agency had been reading under former chairman Julius Genachowski as a broad mandate to regulate it into that condition.

- See more at: http://www.multichannel.com/wheeler-wants-broadband-speed/384026#sthash.exCQp3L7.dpuf

Multichannel News – September 22, 2014

Turning Hotspots Into Dollars

MSOs Set Goal Of Cashing In On WiFi Buildouts

9/22/2014 8:00 AM Eastern

By: Mike Farrell
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TakeAway

Executives at Comcast and Cablevision say monetizing their WiFi infrastructure will be a key focus in the next three to five years.

Cable operators are beginning to look to their WiFi networks as a source of future revenue growth, with two top executives in the space recently saying that monetizing those assets will be a key focus over the next three to five years.

WiFi, the cheap-to-build wireless data conduit that most cable operators deploy as a free add-on to their wired broadband service, has been a key retention tool for many cable operators over the past several years.

But as those networks are built out more extensively, operators are beginning to see them as a potential profit center.

Comcast chairman and CEO Brian Roberts recently compared the WiFi space to cable telephone service in its infancy. Comcast, he said, faced stiff criticism for not immediately deploying a circuit-switched telephone product as did some of its peers. It held back, he said, waiting for better economics and technology.

PHONE LESSON

The same might hold true for WiFi, he said. The economics might be coming soon, in the form of a dual-use phone (which utilizes both WiFi and cellular networks) or a standalone product.

“Those are things that clearly others are looking at, [and] we’re looking at,” Roberts said. “I think [this] is a place we should develop.”

Comcast has stepped up its WiFi footprint recently, and plans to have 8 million hotspots (including in-home customer routers) available in its service area by year-end.

Comcast also has a new partnership with Liberty Global that will let customers of both companies access their respective WiFi networks at home and abroad by 2015.

Pending acquisition target Time Warner Cable, which Comcast hopes to officially acquire early next year, also has been rapidly building out WiFi hotspots in such major cities as New York and Los Angeles.

At the end of the second quarter, TWC had about 46,000 WiFi hotspots in its 11 million-subscriber footprint.

Comcast also belongs to the CableWiFi roaming alliance — along with Bright House Networks, Cox Communications, Cablevision Systems and Time Warner Cable — which lets customers of member companies switch seamlessly between the member wireless networks. That alliance could become even more important as data traffic gets heavier and spectrum requirements increase.

While there has been some speculation that cable operators would need more spectrum to boost WiFi offerings significantly, most analysts believe cable operations are sufficient to meet near-term needs.

In March, the Federal Communications Commission doubled the amount of unlicensed spectrum in the 5-Gigahertz band available to cable for WiFi service.

Cablevision Systems was an early believer in Wifi, committing n 2008 to a $300 million buildout. Operating in the New York metropolitan area, Cablevision expects to end the year with 1 million WiFi hotspots, including in-home customer routers.

Cablevision vice chairman and chief financial officer Gregg Seibert has identified WiFi as the company's "next big leg of growth," and said Cablevision customers save as much as $30 per month on their cell phone bills by being able to access data over the WiFi network.

RAISING AWARENESS

"The challenge now is making sure our customers are aware of the great value that provides to them and ultimately we can get additional revenue out of that business in addition to just getting the benefit from a customer-retention standpoint," Seibert said.

Pivotal Research Group principal and senior media & communications analyst Jeff Wlodarczak said monetizing the WiFi network makes sense, but that it is still probably a few years off.

He said cable operators could start the process by charging a nominal fee for WiFi access — say $5 to $10 per month, in lieu of modem-fee increases — and later expand offerings to include a dual-mode phone.

"If you could add a $40 phone product as an add-on — something that most of the time is over the WiFi network and outside that network utilizes their Verizon wholesale agreement — that's not that far-fetched," Wlodarczak said.

- See more at: http://www.multichannel.com/news/technology/turning-hotspots-dollars/384029#sthash.b7tRwA0e.dpuf

Multichannel News – September 22, 2014

Comcast Lashes Out at 'Extortionists'

MSO SLAMS PROGRAMMERS, NETFLIX FOR SEEKING TWC MERGER CONCESSIONS9/29/2014 8:00 AM Eastern

By: John Eggerton

TakeAway

In merger comments to the FCC last week, Comcast fired back vigorously at some companies that filed comments critical of its proposed acquisition of Time Warner Cable.

WASHINGTON — It was like *Godzilla vs. King Kong vs. Mothra* last week, with Comcast, the biggest cable operator and Internet service provider, battling back against the attacks of cable programming giant Discovery Communications and over-the-top video behemoth Netflix.

The venue was the Federal Communications Commission's vetting of Comcast's proposed merger with Time Warner Cable, specifically Comcast's nearly 1,000 pages of reply comments.

The kinder, gentler side of big media companies is often the one they show Washington while trying to make the case that they should be able to get bigger. Witness AT&T's decision to carry rural-interest network RFD-TV on U-verse TV, which pleased rural legislators and converted a noisy critic, RFD-TV founder and chairman Patrick Gottsch, into a fan.

But like Peter Finch's character in the 1976 film *Network*, Comcast signaled it was sick and tired of many of its critics' charges and was not going to take it anymore.

NETS HAVE HAND OUT

Comcast branded a number of its programmer critics as extortionists in public-interest clothing, while dismissing some public-advocacy groups as Chicken Littles parroting shopworn arguments or raising issues that had nothing to do with the transaction at hand.

Some Comcast deal critics were suggesting the Philadelphia- based MSO had taken off the gloves because of fears that the pendulum might be swinging toward more conditions on the deal, particularly those related to broadband Internet service.

"Its defensive reaction to the thorough evidence that has been put before the FCC show that it's a company that realizes this merger is far from a done deal," Public Knowledge senior staff attorney John Bergmayer said of Comcast's response to the FCC.

Comcast executive vice president David Cohen, who is responsible for getting the deal done, said he was not expecting any onerous conditions.

Last week, he said he wasn't surprised programmers and others were trying to extort business advantages out of the deal.

He said, though, that deal opponents should not pretend they are really concerned about competition and consumers, because they had signaled that if Comcast did give into their demands, they would support — or at least not oppose — the merger of the No. 1 and No. 2 U.S. cable operators, which would create a 30 million- subscriber pay TV powerhouse. The $69 billion merger is expected to close early next year.

Cohen told reporters on a conference call last week that Comcast wasn't picking on Discovery Communications, saying he was even a fan of the programming. But that didn't stop him from hammering the programmer.

He called Discovery, the Silver Spring, Md.-based parent of such networks as Discovery Channel, TLC and Animal Planet, the "poster child" for inappropriate complaints being made by programmers. Cohen said Discovery sought to renew its carriage deal now, even though the deal does not expire until the middle of 2015, and said it asked for additional carriage for a number of channels and higher rates.

Comcast has an old-fashioned view that a contract is a contract, Cohen said, and that deals should be renewed as they are about to expire. "Just because we have announced we are engaging in a transaction, that doesn't mean it is open season on renegotiating our contracts," Cohen said.

He conceded that demands such as those made by Discovery in its deal comments are common, but said it did not make them transaction-specific arguments. Cohen also pointed to Discovery's $25 billion market capitalization, 47 cable networks and big-name board members and investors. "Discovery does not need additional regulatory help to succeed in the marketplace," Cohen said.

David Leavy, Discovery's chief communications officer, said that as one of the few remaining independent programmers — Cohen disputed the characterization — it was a fair and reasonable actor and was "always talking to our distribution partners about realizing fair value for our content across all consumer platforms."

Leavy said Comcast was trying to divert attention from the real issue, which was what Comcast might do to programmers after the merger: demand "extreme" program discounts or attempt to block the launch of new networks.

"Comcast's silence on the details of key issues like program discounts, and instead, its continued strategy of intimidating voices that are not fully supportive of its position, is troubling," he said.

Netflix was another critic that Comcast said didn't need the government's help to run its business.

Cohen was just as clear on where he thought Netflix was coming from in criticizing the deal and the issue of online traffic exchanges over Internet backbone. Netflix has complained about a paid-peering deal it struck with Comcast. Comcast has branded that criticism as an attempt to dump traffic and slow its users' online experience to shift interconnection costs from itself to customers.

"This was a business dispute," Cohen said last week. "This was part of a strategy by Netflix, and maybe by Netflix and Cogent, to create a problem in the backbone in order to make a broader point that had nothing to do with the consumer interest."

The point? "[I]t was better for them to have free interconnection," Cohen said.

NETFLIX WANTS SPEED

Netflix framed its response in terms of promised broadband speeds, something FCC chairman Tom Wheeler has made an issue of with Internet-service providers.

“It is not extortion to demand that Comcast provide its own customers the broadband speeds they’ve paid for so they can enjoy Netflix,” a spokesperson for the Los Gatos, Calif.-based company said last week. “It is extortion when Comcast fails to provide its own customers the broadband speed they’ve paid for unless Netflix also pays a ransom.”

At press time last Friday (Sept. 26), Comcast was still hearing it from critics.

“If this is how Comcast acts before receiving merger approval, just think how the company will act in the market if the merger with Time Warner Cable is approved without adequate remedies and its market power is allowed to grow even larger,” Matthew Polka, president of the American Cable Association, the trade group representing smaller, independent cable operators, said.

Common Cause, the Washington, D.C.-based nonprofit liberal advocacy organization, demanded an apology for being called an extortionist, but a Comcast spokesperson said it was not including the group in that characterization, which it was reserving for companies “with their hand out.”

- See more at: http://www.multichannel.com/comcast-lashes-out-extortionists/384224#sthash.m4v4gQxQ.dpuf

Multichannel News - September 29,2014

Comcast’s Werner: ‘Shifts Happen’

INDUSTRY MUST CONTINUE TO EVOLVE AMID COMPETITIVE PRESSURES9/29/2014 8:00 AM Eastern

By: Jeff Baumgartner
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TakeAway

In his Cable-Tec Expo keynote, a Comcast exec said new products, improved customer service and leveraging scale and technology are key to the cable industry’s future survival.

DENVER — The cable industry must be ready to change and evolve its development models and accelerate its pace of innovation if it is to fend off heated competition coming from multiple fronts, including from Web- and cloudfocused online video rivals.

That was a key theme presented during last Tuesday’s (Sept. 23) SCTE Cable-Tec Expo opening general session, which featured keynote presentations and a panel on how cable is evolving to a more cloud-centric, agile model of engineering and product development.

Tony Werner, Comcast Cable’s executive vice president and chief technology officer and the program chairman of this year’s show, summed it all up with this terse phrase: “Shifts happen.”

“We are at a time of great change,” said Werner, who gave some credit to Mike LaJoie, the retiring chief technology officer of Time Warner Cable, for coming up with a term to help put everything into perspective. “We are facing a new wave of competition.”

The good news is that the cable industry “has been built on change,” Werner said. For example, he noted how channel counts have climbed from the single digits to the hundreds and that the industry is already moving toward an IP-, cloud-based service development and delivery approach.

To handle the competition and ensure the industry can pivot quickly, he said, cable must focus on three key areas: products, improving customer service and leveraging scale and technology.

On the product side, cable must start to sweat the details and not rely on off-the-shelf offerings but on products that tie in impressive industrial design and packaging. If content is king, rich navigation with content curation and recommendation engines are now “queen,” he said.

And cable can no longer lean solely on triple-play bundles, but must continue to introduce new growth-stoking services. As an example, Werner noted Xfinity Home, Comcast’s home automation and security service, “has shown promise.” Almost half of those customers are new to Comcast, and about 54% now take four services.

Werner acknowledged that cable has a long way to go when it comes to maintaining customer loyalty as competition grows more heated and consumers now expect the kind of bar-raising experience delivered by companies such as Amazon, Zappos and Uber. “We haven’t lived up to the old bar,” he said.

On the scale front, he said it’s “critical” for cable to continue to leverage industry organizations such as Cable- Labs, the Cable & Telecommunications Association for Marketing, the National Cable & Telecommunications Association and the Society of Cable Telecommunications Engineers.

Werner also said the industry should embrace platforms such as the Reference Design Kit (RDK), plugging the open, pre-integrated software stack being managed by Comcast, TWC and Liberty Global.

Werner and a follow-up panel took it all a step further by diving into cable’s increased use of the proverbial cloud, open architectures, and the adoption of the “agile” software development model and “DevOps” — ensuring that development and operations teams are working together.

Agile development, Werner said, “takes years out of the process.”

Cloud technologies, when linked to agile and DevOps modeling, are disrupting the way the industry operates, but in a good way, executives said in a follow-up panel.

At the app level, the development models allow operators to deploy services and try out new things at a more rapid pace.

“What we need is decision-making that can keep up with the technology,” Geoff Arnold, cloud architect at Cisco Systems, said.

The cloud “is not the tool itself, but the process it enables,” Nick Barcet, vice president of products and presales for eNovance/Red Hat, added.

Shifting operations into the cloud and putting the development and operations teams on the same page “removes a lot of friction from the process,” Mark Muehl, Comcast’s senior vice president of platform technologies, said.

Rob Lloyd, president of development and sales at Cisco, amplified those points in his cloud-focused keynote.

“We need to pick up the pace of innovation,” Lloyd said.

One way cable can quicken its gait is by continuing to put more service smarts in the cloud that can manage and optimize millions of client devices.

That doesn’t mean the client device will disappear. Devices in the home will continue to serve as the model for innovation, Lloyd said, but “home devices [are becoming] a little thinner.”

- See more at: http://www.multichannel.com/comcast-s-werner-shifts-happen/384232#sthash.uZpRPJED.dpuf

Multichannel News – September 29, 2014

Charter In the Fast Lane

Operator Of The Year Builds New Products, Faster Speed Off Revamped Network

9/29/2014 8:00 AM Eastern

By: Mike Farrell
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In June 2013 Charter Communications single-handedly touched off what is expected to be an industry-wide consolidation wave with its pursuit of Time Warner Cable. While Charter didn't win the ultimate prize — Comcast and TWC agreed to a $69 billion merger in February that will create a 30-million subscriber behemoth — Charter negotiated with the combined companies a series of swaps, sales and spins that will double its footprint, strengthen clusters in key areas in the Midwest and South, and give it a 33% stake in a soon-to-be publicly traded company dubbed GreatLand Connections that could serve as an acquisitions vehicle down the road.

But overlooked in all the merger mania surrounding the Charter story is the company's operational expertise. Charter CEO Tom Rutledge and his management team, including chief operating officer John Bickham, have been growing the company steadily while moving forward with plans to upgrade its network to all-digital by the end of this year. In the meantime, Rutledge and his team have boosted minimum data speeds from 15 Megabits per second to 60 Mbps, doubled HD channel offerings from 100 to more than 200, and increased triple-play penetration from about 30% in 2012 to nearly 33% in the second quarter of this year.

Charter has also managed to grow expanded basic-video subscribers by 51,000 in the past 12 months and expects, eventually, to show overall videosubscriber growth, while high-speed data penetration has risen to nearly 40%. For those reasons and others, Charter has been named *Multichannel News*' 2014 Operator of the Year.

Rutledge and Bickham recently spoke with *Multichannel News* senior finance editor Mike Farrell about the past and how they see the future. An edited transcript follows.

MCN: Since you came to Charter in 2011, pretty much all the metrics have improved. When you came over, was it simply a matter of applying lessons from Cablevision on a broader scale or did it involve coming up with an entirely new strategy?

Tom Rutledge: To some extent, our history at Cablevision and Time Warner Cable is just not that relevant. Charter had gone through a rough patch, it went bankrupt, and in the process of doing that, the company went through the ringer in the sense that it didn't have cash available to do normal things. It was a great cable company with great employees and great potential and great plant.

And after it was restructured, the opportunity presented itself to do things in a normal fashion — provide good, quality service and good products — and it required spending money and coordinating or fixing things that hadn't been fixed in the past. So we did that. And we got good results as a result of it.

MCN: So was it just simply providing better service and better customer service and fixing the plant? Easier said than done.

John Bickham: I think one of the first things that Tom did, because it was before I got here, was he put in place a new product pricing and packaging set, and it emphasized high-value products and high-value packages, and it emphasized simplicity.

The employees could get their heads around it really quickly. It's not a big menu; it's a fairly short menu, it's easy to understand and it's selling your best products at great prices. And I think that was the catalyst for getting employees to sit up and take notice that there was something new happening.

The other thing we did early on was, we restructured the way the company was organized and we aligned authority and responsibility within the company, and we turned it into what some people call a modern cable company. That took a lot of energy and wasn't easy to communicate with employees, but once they understood what it was we were trying to accomplish with the restructuring, they got behind it. And within six or eight months, the organizational structure was no longer an issue, and some of the clumsy things that might have existed inside the company before that went away, and we made progress more rapidly after that.

MCN: Did you decentralize? Is there more power, more decision making out in the field now than there was before you guys came in?

TR: People have accountability in the field, and they know it's actually what is expected of them and they have the ability to meet those objectives successfully. Assigning clear responsibility and lines of clear responsibility to everybody is what we did. Those responsibilities were designed around service, the ability to perform and be responsible for that performance across the entire company, and uniformly across the entire company in every state and every location.

So when we look at how we're doing, we look at how we're doing everywhere simultaneously. And we put the same practices in place everywhere simultaneously.

JB: I would add that there's not a customer-facing decision that can be made — whether it's pricing or packaging or product definition — without either Tom or I agreeing to make that change.

And, in a way, what it pointed out to our entire organization was how important good customer service is and how important decisions are that affect that service. I think people took that to heart and realized how important great customer service is.

TR: By changing the product, we did that in a way that was designed to free up the capacity of our network, which was our biggest physical asset. It's the thing that most of the money that was invested in the company was spent on, the upgrading of the twoway interactive cable platform. As a result of that, we were able to take our data speeds up very high, and take our video product up to be superior to all of our competitors, and to fully feature our voice service and extend its reach throughout our footprint. All of that means that everywhere we operate now, essentially, our product is better than our competitors. That helps when you're trying to compete.

MCN: You had a year where you were pursuing Time Warner Cable. Although you didn't win that prize, you were able to engineer a deal that looks like you made the best out of a potentially bad situation.

TR: I think so.

MCN: Looking back, did the whole Time Warner Cable pursuit distract you at all from the core mission?

TR: I don't think it distracted us at all. Look, if we hadn't pursued it, we wouldn't have what we have. Our pursuit was successful, and we got that asset into play and we got a big hunk of it.

MCN: How much of your efforts are aimed at changing perceptions for customers and employees? If you look at Charter's history, there have been a lot of promises made over the years that couldn't be fulfilled for various reasons.

TR: Well, that's a good question. Fundamentally, how do you change perception? Well, the best way is to change reality. So if you want to be perceived as a good operator, you need to be one. And if you want to be perceived as a good employer, you need to be one.

So that is our fundamental notion about what we do at Charter. We don't want to say we're good; we want to be good. And the way you do that is by organizing yourself to provide good service and to know who's accountable for that service in the organization, and then measure yourself and see if you're actually doing it. And if you do it, perceptions ultimately change.

So one of our branding strategies now is to change the way we call our products or to change the sub brand [for] products into Spectrum. We didn't do that right away because we wanted to actually perform. And now that we are performing, we are free to rebrand ourselves.

MCN: You realized pretty early on that the Internet was going to drive sales. Was that market research, or did you see that as the direction the industry was going?

TR: Both. I'm an Internet user. Everybody loves speed and devices and has more and more of them every day. And how do you tell the world you're better? You need to be better. We have the best speed; we're 10 times faster than U-verse and 20 times faster than our average DSL customer competitor.

MCN: Your video competition — DirecTV — is going to get bigger soon, and it's going to have access to a data product. Do you see a combined DirecTV-AT&T as a big threat?

TR: Should that deal be approved, we think that we'll be effective competitors.

MCN: In the past DirecTV concentrated solely on video, which at the time was clearly superior. When you came on board, Tom, one of the first things you did was to try to close that gap — increasing the number of HD channels and, at about the same time, boosting Internet speeds significantly.

TR: That's right. So we could do everything in one fell swoop. But our fundamental objective was to use our plant to be effective and to do that as quickly as we could. So when we joined Charter, it had a lot of analog signals and 50 channels of HD and data speeds of 15 megabits and below. And we wanted to go to a space where we could use the whole plant and make a set of products that were vastly superior to our competitors as quickly as we could, but getting there meant we had to do a bunch of things.

We had to go walk the whole infrastructure, and find all the deferred maintenance that wasn't done as a result of the process of leading up to bankruptcy, and go do all that maintenance. And in order to improve the customer service, we needed to in-source our employees.

In this last two-and-a-half years since John and I have been at Charter, we've hired 6,000 people; we've built new call centers, we've expanded the capabilities of the call centers we have, and we've hired people into them and improved our ability to take phone traffic. We've improved our websites; we've had to buy trucks, tools and test equipment, and train people to hire people in the field to replace external contractors. And we believe that by being Charter employees, our long-term ability to provide quality service will be improved.

JB: And we'd like to think we have a culture of continuous improvement. And I think that's baked in right now. It's a nice place to be.

Going all digital — just to put this into perspective — for our company meant installing a stack of converters that's about 240 miles tall if you stacked them one on top of another. That's a lot of iron. It's a lot of customers that you have to touch; it's a lot of drops that you have to connect in the home; it's a lot of signal quality that has to be improved and wiring that wasn't of good quality. It's a tremendous accomplishment, and our employees — to say they rose to the challenge is an understatement because we did this in one year. And the train hasn't come off the tracks.

MCN: Early on, Charter was one of the first MSOs to sell a data-only or a data-plus-phone package, mainly to satellite customers. Now that you've improved video quality and you have much faster Internet speeds, is it time to go back and make those non-video customers video customers again?

TR: It's an opportunity. And it [offering non-video packages] was a strategy that I didn't agree with, and we changed it. You know, we're cable operators through and through.

We are actually having success upgrading those customers. Obviously when you cede your video business, you make a statement to the market and, in my view, it's not a good one. You have to reverse that through improving product and your branding and your marketing and all the things we're doing. We are growing market share in video.

And that’s been a tough thing, a tough road to go down because of where we went previously. But we have fixed it and we have a better video product everywhere we operate than our competitors do. And so now we have to let that better video product improve our reputation and improve our ability to penetrate the market.

MCN: So you’ve had a couple of quarters where you added customers, and when you’ve lost subscribers, you’ve lost fewer than you previously did. Is the goal to get to a point where you consistently add video subscribers and, if so, how long is it going to take to get there?

TR: It is the goal. And we’re improving daily. From a video market-share perspective, we are positive and have been positive for a year. If you look at our expanded basic-subscriber growth, it’s positive for all of last year. We expect it to be positive this year.

So we have been selling what cable is, the full package, for some time now. We have high expectations for our video products.

MCN: What kind of role, if any, is M&A going to play in those efforts?

TR: M&A is an opportunity but it has nothing to do with our core strategy. Charter’s strategy against Charter’s footprint is how we create value. If there are M&A opportunities to expand the footprint and do value creation the same way — using the quality workforce to create quality products — and that opportunity exists for us, we are open to it. But we don’t need it. We’re very pleased with the deals we’ve done and the opportunities we have before us.

MCN: Minimum data speeds of 60 Mbps would seem attractive to the millennial demo everyone is chasing, but it also could encourage them to watch a lot of online video and access over-the-top services from Sony and Dish and Verizon and others. Does that scare you?

TR: That's the point. [If] you want a good broadband network and you want to watch lots of video, you should buy ours. And if that changes the competitive landscape with regard to television, we can enter that world and be successful however it evolves. We have a service delivery platform that we think is superior to others and we intend to keep it that way.

So we don't know how all of television will evolve or unfold from the business-model perspective, but whatever that is, we want our customers to have the best services possible.

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Over the past two years, Charter has significantly beefed up its customer service workforce, hiring techs, call center employees and bringing the entire service function in-house. At the same time, Charter has spent substantial amounts of money in upgrading its network to all digital, which in addition to allowing the cable operator to more than double its HD channel capacity and more than quadruple its high-speed Internet speeds, also allows the company to pinpoint network outages and detect potential problems before they occur.

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“When a technician leaves a home, we want to make sure that the home is pristine and that the signals are in great shape and that there are no wiring issues and no CPE issues in that home,” Bickham said, adding that Charter’s ongoing plant upgrade will also help the company identify potential problems — like bottlenecks and service outages — before they happen.

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So far, those efforts are having an impact. About 51% of Charter customers surveyed by Leichtman Research Group — which rates customer satisfaction on a 1-10 scale (10 being most satisfied) — placed the cable operator in the top three categories in the fourth quarter of 2011. That improved to 56% of customers a year later and to 63% by the end of 2013.

That commitment to customer service also extends to Charter’s own policies and procedures.

“Any time a customer complains, we pay particular attention to it because we usually find, at the core of the complaint, something that is systemic in nature and may be impacting other customers,” Bickham said. “We spend a lot of time paying a lot of attention to anything of that nature because it pays big dividends for us. It points out weaknesses in the way we manage the business and the things that we can fix that systemically create a better experience for the customer.”

— *Mike Farrell*
- See more at: http://www.multichannel.com/charter-fast-lane/384233#sthash.X9yoQo6p.dpuf

Multichannel News – September 29, 2014

Comcast on TWC: ISP Competition Won't Be Altered

9/29/2014 8:00 AM Eastern

By: John Eggerton

WASHINGTON — In a 200-page-plus answer to the Federal Communications Commission on the proposed Time Warner Cable merger, Comcast used the agency's own figures to argue that the deal would do nothing to alter ISP competition.

Opponents of the merger have been focusing on how many broadband Internet subscribers the new company would have, but Comcast has been pointing out that since the two MSOs are not directly competing for subscribers in all those markets, the deal would not reduce competition.

The cable company also said the deal would expand low-cost broadband to more potential users via Internet Essentials.

Comcast cited the FCC's most recent (June 2013) accounting of the number of U.S. broadband service providers that are offering at least 10-Mbps downstream service.

- See more at: http://www.multichannel.com/comcast-twc-isp-competition-won-t-be-altered/384246#sthash.ideA5rbi.dpuf

Multichannel News – September 29, 2014

Cable Stocks Lose That Consolidation Feeling

Regulation, Competition Help Sector Dip In Q3 9/29/2014 10:00 AM Eastern

By: Mike Farrell

TakeAway

As the consolidation euphoria wanes, analysts think the market might be too down on TV ad sales.

Cable stocks, fueled by a consolidation frenzy over the past few years, are beginning to run out of gas.

The euphoria associated with the expected deal bonanza in the wake of the Comcast-Time Warner Cable merger has been increasingly overshadowed by fears of onerous regulation and increased compet it ion from over-the-top video service providers.

Cable operator stocks were down slightly for the third quarter — 0.5% — as investors found out they had to wait a bit longer for the Comcast-TWC closing (now expected in early 2015 instead of by the end of the year) and learned that over-the-top video offerings from Sony, Dish and Verizon are coming closer to reality.

OTT LINEUPS TAKE SHAPE

Sony signed up Viacom's 22 cable networks — including MTV, Comedy Central, Nickelodeon and VH1 — in August for its over-the-top service, and more are expected to join the list.

Dish Network has already signed The Walt Disney Co. and A+E Networks to its OTT offering — which could be called nuTV — slated for an early 2015 release, and Verizon Communication is readying its own over-the-top service, expected by mid-2015, based on Intel Media's former OnCue service.

Although distribution stocks are still up by about 8% year-to-date, it seems like a slowdown compared to the 35% gain the stocks enjoyed in the first nine months of 2013 and the 50% gain they experienced in the full year.

For the most part, cable distribution stocks were fairly stable — the highs weren't too high and the lows weren't too low.

In the third quarter, Comcast and Cablevision Systems showed slight gains — Comcast was up 2% to $54.86 per share, and Cablevision was up 2.3% to $18.05 each.

Charter, Time Warner Cable and Liberty Global all fell slightly during the period, but the declines were well under 1%.

MoffettNathanson principal and senior analyst Craig Moffett said in an interview that cable stock performance in the quarter wasn't the result of one factor but a series of them. And though the sector is still in positive territory for the first nine months of the year, he said he fears investors may not be taking the larger picture into account.

"I think the bigger issue is that the level of regulatory uncertainty has just ratcheted higher," Moffett said. "It's hard to make a big new commitment to the sector when you're waiting to find out what's going to happen with Title II and merger conditions and a laundry list of regulatory items."

Moffett said investors are keeping an eye on regulatory possibilities, but are not as wary of other issues.

"What people are worried about is regulation," Moffett said. "They're not worried about OTT. I don't think OTT is very top-of-mind, and arguably it should be. It's easy to imagine a scenario where [cable operators'] ability to respond through usage-based pricing or higher interconnection charges are limited by regulation."

Moffett also wasn't sure whether the stocks would rebound in the fourth quarter. He said he doesn't expect to see any strong positive signs until the early part of 2015.

"Eventually it all comes down to how much cash fl ow you can generate," Moffett said. The cash-fl ow picture for these guys is pretty good."

While distributors were stable, their programmer counterparts as a whole were down about 1.7% in the quarter and are down 4.5% for the year.

Although the sector got an early lift in the quarter when 21st Century Fox revealed it had made an $80 billion unsolicited off er for Time Warner Inc. (whose shares rose 23% on the news), it retreated just as quickly when Fox withdrew that off er in August, adding that there were no other merger targets on its radar.

The content consolidation wave, which was supposed to happen in response to Comcast-TWC and DirecTVAT& T, doesn't look like it's going to happen — at least in the near term.

That leaves investors to worry about an increasingly competitive advertising market, and possible regulatory backlash from retransmission consent and high programming costs.

Pivotal Research Group media analyst Brian Wieser said negative sentiment comes partly from a sluggish upfront and a fear that advertisers are shifting dollars away from television and into digital.

That showed in the performance of some top companies in the sector — CBS dropped 11.7% ($7.29 per share) in the quarter and Viacom, which has been at the center of affiliate fee controversies over the years, dipped 9.9% ($8.60 per share).

'LAST YEAR WAS TOO STRONG'

Some bright spots emerged: Time Warner Inc. was up about 8.5% in the quarter ($5.95 each) and 13.8% for the year. But most of those gains were residual effects from the aborted Fox takeover attempt.

Disney also maintained a healthy growth clip — up 4.3% for the quarter and 17% for the year — while Starz, Liberty Media and Discovery Communications remained relatively stable.

Wieser said he believes fears that the TV ad market is drying up are mostly unfounded and that the problem lies in comparisons with last year.

"The problem is that last year was too strong," he said. The sector outperformed his estimates by about 2 percentage points in 2013.

This year the ad market is on track, and Internet ad spending is actually declining.

While Wieser conceded that the upfront was sluggish and that most advertisers overestimated the strength of this year, he said he sees signs of a rebound.

He pointed to recent reports that automotive ad spending is expected to increase next year and that videogame maker Activision will spend about $500 million to develop, market and promote its latest game release, "Destiny."

"What drives total market growth is the creation, introduction and execution of spending by new brands and new marketers," Wieser said. "If the economy fails to produce new marketers, then you should worry."

- See more at: http://www.multichannel.com/news/stocksearning/cable-stocks-lose-consolidation-feeling/384249#sthash.OdyWgepX.dpuf

Multichannel News – September 29, 2014

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Charter's network upgrades have allowed it to boost HD channel capacity and Internet speeds.

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— Mike Farrell

Charter by the Numbers

Steady As She Goes

Charter has managed to keep revenue and cash flow growing at a steady clip over the past several quarters ...

Revenue and Cash Flow by Quarter

QUARTER	REVENUE	EBITDA
Q2 2013	$2,105	$737
Q3 2013	$2,118	$732
Q4 2013	$2,148	$764
Q1 2014	$2,202	$767
Q2 2014	$2,259	$795

SOURCE: Charter Communications; $ in millions

Primary Colors

... In part a factor of its ability to keep Primary Service Units (PSUs) on a positive trajectory.

Primary Service Units by Quarter

QUARTER	VIDEO	INTERNET	VOICE	TOTAL PSUS
Q2 2013	4,206	4,204	2,176	10,586
Q3 2013	4,179	4,290	2,217	10,686
Q4 2013	4,177	4,383	2,273	10,833
Q1 2014	4,195	4,519	2,325	11,039
Q2 2014	4,166	4,568	2,360	11,094

SOURCE: Charter Communications; primary service unts in 000s

Slicing the Video Pie

While Charter has reduced overall basic-video losses over recent quarters, it has shown the most promise in cable's popular expanded-basic tier.

Net Video Additions (Losses)

QUARTER	EXPANDED BASIC	LIMITED BASIC
Q2 2013	18,000	(73,000)
Q3 2013	6,000	(21,000)
Q4 2013	(14,000)	12,000
Q1 2014	34,000	(16,000)
Q2 2014	37,000	(66,000)
LTM	51,000	(91,000)

SOURCE: Charter Communications

No Place Like Home

Residential revenue growth has ticked up significantly as Charter has improved product packages and data speeds.

Residential Revenue Growth

Q4 2012	3.8%
Q1 2013	5.5%
Q2 2013	5.6%
Q3 2013	6.4%
Q4 2013	6.2%
Q1 2014	7.5%
Q2 2014	7.4%

SOURCE: Charter Communications; figures exclude advertising

Penetration Potential

With some of the lowest product-penetration rates, Charter is noted as having the most upside potential of any other publicly traded MSO. As those rates have inched up in high-speed data and phone tiers, that potential is being realized ...

Penetration by Segment

QUARTER	VIDEO	INTERNET	VOICE
Q4 2012	35%	34.4%	18.6%
Q1 2013	34.7%	35.2%	19.1%
Q2 2013	34.2%	35.6%	19.6%
Q3 2013	34%	36.4%	19.9%
Q4 2013	33.9%	37.2%	20.3%
Q1 2014	34%	38.4%	20.7%
Q2 2014	33.7%	38.9%	21.1%

SOURCE: Charter Communications

Revenue Segment Breakdown

... Which is evidenced by continued quarterly revenue-growth in its video and data segments.

Revenue by Segment

QUARTER	VIDEO	INTERNET	VOICE	TOTAL
Q4 2012	$930	$482	$186	$1,598
Q1 2013	$958	$501	$171	$1,630
Q2 2013	$986	$520	$158	$1,664
Q3 2013	$1,047	$575	$161	$1,783
Q4 2013	$1,049	$590	$154	$1,793
Q1 2014	$1,090	$616	$150	$1,856
Q2 2014	$1,110	$638	$145	$1,893

SOURCE: Charter Communications; $ in millions

Charting a Tech Transformation

Charter Rolling With All-Digital, 'World Box' And Big Metro WiFi Play

9/29/2014 8:00 AM Eastern

By: Jeff Baumgartner

Charter Communications' metamorphosis from a mid-sized bankrupt company to an industry leader has direct links to a technology strategy that promises to future-proof the operator's platform and give it huge flexibility in the years ahead.

Much of Charter's strategy hinges upon an aggressive all-digital transition that is freeing up valuable bandwidth and reapplying it toward a massive HDTV lineup and faster broadband speeds; it's also laying the groundwork for a new cloud-based interface that will be offered uniformly on set-tops old and new.

Charter is already 60% of the way there and expects to complete its all-digital transition by the end of 2014. As Charter has polished off those analog-reclamation projects, it has celebrated them by launching its new "Charter Spectrum" brand, which comprises an expanded lineup of more than 200 HD channels that outpaces its video competitors and minimum downstream broadband speeds of 60 Megabits per second (except in St. Louis, where the entry-level tier is now a lofty 100 Mbps).

Also in the works is a completely revamped, rewritten Charter.net Web portal. In testing now, and set to launch in the fourth quarter, the portal will feature a new front end and backend that enable customers to manage their email, voice mail (including a new "visual voice mail" component) and their Charter accounts (including bill payments). It will also support a new set of TV Everywhere authentications with programmers that will enable the MSO to serve up more than 150 channels of live-TV streaming in the home, with more out-ofhome support on the near-term roadmap.

Rich DiGeronimo, Charter's senior vice president, product and strategy, estimated that Charter is reclaiming about 60 analog channels upon completion of the all-digital transition. On the high-speed data end, that gives

Charter plenty of headroom to exceed 100% of the advertised peak speeds with its new baselevel broadband tiers.

“For us, the most important thing is to have a superior product set in the market,” DiGeronimo said, holding that it is now giving Charter an edge over its broadband competitors. In many cases, he noted, “Our minimum is faster than their fastest.”

Tuned to the Cloud

Charter is also developing a next-gen video product featuring its new cloud-based Spectrum Guide that will be offered on all set-top boxes — including those that don’t speak IP — using ActiveVideo’s network-based processing platform.

“Our intent is to have a state-of- the-art interface on all set-top boxes,” DiGeronimo said.

The operator has introduced the Spectrum Guide to a subset of customers in Fort Worth, Texas, initially on HD boxes . Di- Geronimo said Charter “identified and quickly fixed some initial deployment glitches,” but now feels confident the approach will work on a broad basis as Charter aims for a big rollout in 2015.

For older QAM-locked boxes, the approach with ActiveVideo essentially stitches the UI to the video content and sends both to the set-top as an MPEG stream.

“It’s technically performing very well, and as intended,” Di- Geronimo said. “We’ve had no issues with scalability [and] we’ve had no concerns over concurrent use.”

While older boxes factor into that plan, Charter is also developing a “World Box” that will support a new downloadable security system. But what makes the World Box so … worldly?

"'World' means we can source the set-top box from any vendor across the globe … because it's not tied to any proprietary or legacy conditional-access system," Di Geronimo said.

Charter hasn't unveiled the device or revealed its initial manufaturers, but the Charter exec said he thinks it will blow away customers. The box will have "state-of-the-art industrial design … a beautiful UI and very competitive pricing," he said.

Testing of the World Box is underway, and Charter intends to roll it out commercially next year. Di Geronimo said the box will support multiple video tuners and pack a "very competitively-sized [DVR] hard drive."

Waxing Wireless

When it comes to metro WiFi, Charter has been watching from the sidelines as MSO members of the "Cable- WiFi" roaming alliance — Comcast, Time Warner Cable, Cox Communications and Bright House Networks — deploy hotspots at an impressive rate.

Charter is getting into the game as well, testing a system that will allow it to launch and control a metro WiFi service to be deployed wide in 2015. That will start with hotspot deployments in small- and mid-sized businesses that broadcast the MSO's new "SpectrumWiFi" SSID.

"WiFi is absolutely core to our long-term strategy," DiGeronimo said, confirming that Charter plans to contribute its deployment and join the cross-MSO Cable WiFi roaming alliance.

- See more at: http://www.multichannel.com/news/cable-operators/charting-tech-transformation/384234#sthash.z6u9WSQm.dpuf

Multichannel News – September 29, 2014

Trade Journal Links:

http://www.multichannel.com/news/tv-everywhere/xfinity-campus-reaches-midwest/383648

http://www.washingtonpost.com/blogs/the-switch/wp/2014/09/08/why-tv-broadcasters-are-suddenly-sounding-a-lot-like-cable-companies/

http://www.nationaljournal.com/tech/how-a-la-carte-tv-legislation-died-in-the-senate-20140910

http://blogs.wsj.com/digits/2014/09/09/fcc-chairman-broadband-rules-could-cover-wireless-networks/?

http://www.fiercetelecom.com/story/members-congress-seek-flexibility-fccs-rural-broadband-requirements/2014-09-10

http://www.washingtonpost.com/blogs/the-switch/wp/2014/09/10/googles-studied-silence-on-net-neutrality-has-finally-broken/

http://blogs.wsj.com/washwire/2014/09/09/two-top-democrats-push-back-against-fccs-net-neutrality-plan/?mod=WSJBlog

Cable TV

http://www.washingtonpost.com/blogs/the-switch/wp/2014/09/10/heres-one-reason-for-why-the-cable-bundle-offers-so-many-channels-you-dont-want/

http://www.multichannel.com/blog/i-was-saying/more-hints-hbo-showtime-are-moving-closer-direct-streaming/383806

http://www.broadcastingcable.com/news/washington/broadcast-friendlier-stavra-bill-circulated/134012

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Subject: [Members] HuffPost: Bruce Kushnick Blog: The Book of Broken Promises: $400 Billion Broadband Scandal and Free the Net

All: Bruce Kushnich just published a very nice summary of his new book. Check it out!

http://www.huffingtonpost.com/bruce-kushnick/the-book-of-broken-promis_b_5839394.html

Broadband

http://www.dslreports.com/shownews/Wheeler-Minimum-Broadband-Definition-Should-be-10-to-25-Mbps-130459

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http://www.telecompetitor.com/paul-bunyan-gigabit-service-launch-early-2015/

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http://potsandpansbyccg.com/2014/09/19/the-growth-of-mobile-video/

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BROADBAND

The Internet Association submits comments to the FCC urging it to "promote competition and remove barriers in the broadband marketplace"

The Internet Association (Blog)

The Internet Association (Full Comment)

"Google, Yahoo Fighting on Both Sides of Municipal Broadband Debate"

Network World

"A Digital Desert: The Internet Debate Pits Local Communities Against Broadband Giants"

Truth-out

"Comments to the FCC on Data Speeds"

POTs and PANs

"Albuquerque looks to create broadband network"

KOAT ABC Local News

"Minnesota Gets Giant-Sized Gigabit Rollout"

Light Reading

"Cox will face off with CenturyLink with 1 Gbps service in Phoenix, other markets"

FierceTelecom

"AT&T Offers $40 HBO, Broadband Bundle With Amazon Prime"

Broadband Reports

WIRELESS

"Turning Hotspots Into Dollars: MSOs Set Goal Of Cashing In On WiFi Buildouts"

Multichannel News

"ABI Research: LTE 'reinvigorates broadband wireless access marketplace'"

Financial News

VIDEO

Critic of the AT&T and DirecTV merger says "it would reduce subscription television competition ... and put upward pressure on pricing."

Radio + Television Business Report

"Verizon Wants You to Pay Less for Cable"

The Motley Fool

http://muninetworks.org/content/ilsr-submits-comments-fcc-support-restoring-local-authority

BROADBAND

"Comcast to FCC: We already face enough competition, so let us buy TWC" cites "new entrants like Google fiber, municipal providers, fixed wireless providers, and satellite broadband providers" as its competitors.

Ars Technica

"Telcos on Universal Service Reform: Contribution Base Must Be Addressed"

Telecompetitor

"Where in the World is the Fastest Broadband?"

Read Write

WIRELESS

"CTIA's Baker To FCC: Don't Hamstring Disruptive Competitors: Wireless under Wired Net Neutrality May Jeopardize Industry"

Multichannel News

VIDEO

"Cable Keeps Eye Fixed On 'Carrier-Grade' WiFi: CableLabs, Partners Developing Building Blocks Amid Expected Data Traffic Surge"

Multichannel News

"Time Warner focuses on its growth strategy for HBO"

LA Times

OTHER

"Wolff: Nobody's neutral in net neutrality debate"

USA Today

Subject: [Members] NetworkWorld.com: Comcast's latest comments on TWC merger show near-total divorce from reality

http://www.networkworld.com/article/2687994/lan-wan/comcasts-latest-comments-on-twc-merger-show-near-total-divorce-from-reality.html?source=NWWNLE_nlt_afterdark_2014-09-25#tk.rss_all

BROADBAND

Comcast-TWC deal could end Internet Essentials program in some areas

Redistributing the Future

"New Report Details Local Government Efforts to Improve Minnesota Connectivity"

Community Broadband Networks

"FCC's Wheeler: Focus of Further E-Rate Changes Need to Be 'Closing the Rural Fiber Gap'"

Roll Call

"Comcast/TWC merger vote delayed after NY regulators find 'deficiencies': Consumer protection agency points to companies' 'substandard customer service.'"

Ars Technica

VIDEO

FCC Said to Consider Rules to Help Internet TV Get Shows

Bloomberg

"AT&T's bid to buy DirecTV draws muted criticism"

Politico

"Verizon Starts Pushing Massive New Update For FiOS TV"

Broadband Reports

BROADBAND

"FCC's Wheeler tells towns to fight for faster internet"

[GigaOm]

"AT&T's Top 13 Broken Promises. DIRECTV Merger? 'Giga'-Me-a-Break!"

[Huffington Post]

"Comcast to Follow 1 Million Who've Fled Bankrupt Detroit"

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"FCC supports more unlicensed use of TV, 600 MHz bands"

[FierceWireless]

VIDEO

"Programming Costs Have Small Cable Operators Giving Up on TV" . . .

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[Wall Street Journal]

. . . "'The TV model is broken,' say ISP that stopped offering pay TV"

[Ars Technica]

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"I went to a Comcast pizza party and lived to tell the tale"

[Ars Technica]

http://www.fcc.gov/document/remarks-fcc-chairman-tom-wheeler-natoa-annual-conference

VIDEO

FCC may redefine MVPD to include linear OTT providers . . .

National Journal

. . . "[T]he FCC is working on an item that would define an online video provider (OVD) that delivers a linear stream of programming as an MVPD, similar to a cable or satellite operator. That means it would have access to content through the FCC's program access rules, but also have to negotiate retransmission-consent with broadcasters. ... The NPRM tentatively concludes that the entity would not need to own the transmission path to be an MVPD as long as it provides a continuous linear stream of prescheduled programming--not like a Netflix or other on-demand video programmer without a linear lineup."

Multichannel News

Broadband Reports

"FCC to Send Broadcasters Economic Pitch For Auction"

Broadcasting & Cable

OTHER NEWS

"How Should We Fund Universal Service?"

POTs and PANs

"The City of Seattle realizes there is a need for increased broadband throughout the city and Mayor Murray has outlined his path forward in the Broadband Initiative, including the potential for a municipal broadband option."

http://cttab.seattle.gov/2014/10/01/exploring-municipal-broadband-in-seattle-with-chris-mitchell/