BCAP 60th Anniversary NewsClips

December 14, 2017

Fierce Cable
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Los Angeles Times
FCC chairman jokes about being a Verizon shill, days before forcing an FCC vote that would be a boon for Verizon

New York Times
Rupert Murdoch Is Having His King Lear Moment

Current
How 'Sesame Street' persuaded public

The Federal Communications Commission on Thursday is set to roll back far-reaching rules governing how internet-service providers treat traffic on their networks, a move expected to empower cable and wireless providers and transform consumers' online experience.

The 2015 "net neutrality" rules were one of the signature regulatory actions of the Obama administration, requiring broadband providers to treat all traffic equally, without blocking or slowing content, or providing fast lanes for favored sites and services. Republicans say the shift will unwind what they consider to be a regulatory overreach, restoring vitality to the broadband economy and benefiting consumers with more choices as well as lower prices. The FCC's five commissioners are scheduled to vote on the rules Thursday morning, and the three Republicans on the board are widely expected to back the change.

The dismantling of the Obama-era rules isn't expected to change the delivery of web content to consumers overnight. But internet-service providers such as Comcast Corp. or Verizon Communications Inc. would be free to begin offering new packages with pricing schemes that deliver some kinds of content but not others. One type of service that could proliferate in the new regime is **zero-rating deals**, where specific websites or services are exempted from a mobile carrier's data caps.

The architect of the new rules, Republican FCC Chairman Ajit Pai, has said that the key to their success will be transparency—the idea that consumers will know exactly what they are getting. For instance, a buyer of a monthly cellphone plan would be able to find out if access to a particular streaming-movie service is prioritized over other traffic from a rival service. His plan envisions enforcement of that transparency by both the FCC and **the Federal Trade Commission**, whose mission is consumer protection against anticompetitive and deceptive behaviors.

But the issue, which has been the subject of public policy debates for more than a decade, has stirred activists who view a tightly regulated open internet as a powerful force for democracy and opportunity. Those groups have stepped up their activity ahead of the commission's Thursday vote, which is expected to fall along party lines. They argue that the change threatens to hit consumers with higher prices and Balkanize the internet.

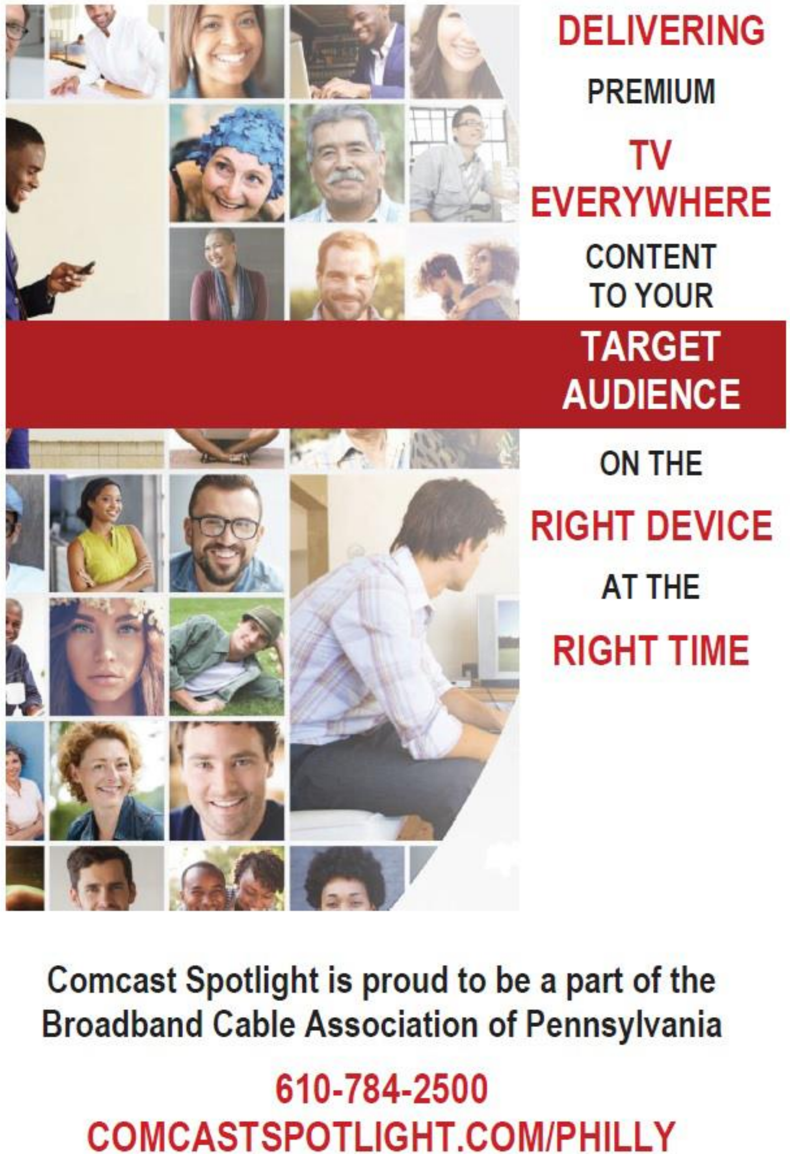
television to act like a network

Home Media
Redbox Launches Digital Service

Zap2It
Cable Top 25 for Week Ending December 10

Allentown Morning Call
Lawmaker calls for Wolf to release report about Lt. Gov. Stack's treatment of state workers

Harrisburg Patriot-News
Op-ed by Rep. Ryan Bizzarro (D-Erie): Support this plan that puts Pennsylvanians first



In addition, a number of Democrats have called on the commission to delay the vote in light of the fact that millions of comments submitted to the agency about the change have been found to be fake. A Wall Street Journal investigation has uncovered thousands of fraudulent comments on the FCC's online commenting site. The FCC last week said it "strongly" opposes the submission of fake comments, but Mr. Pai has rejected delaying the vote over the matter.

Groups backing the change have argued that it would be in the best interest of consumers and would help small businesses by allowing small internet providers to compete with the big ones. Advocates of the current regime say the open internet is critical to the development of small content upstarts that wouldn't otherwise be able to compete with big content companies like Facebook or Netflix when it comes to prioritizing their content.

Although both side have argued their approach would help small businesses, the battle all along has been a classic political clash of corporate titans. But the issue, which has been the subject of public policy debates for more than a decade, has stirred activists who view a tightly regulated open internet as a powerful force for democracy and opportunity. Those groups have stepped up their activity ahead of the commission's Thursday vote, which is expected to fall along party lines. They argue that the change threatens to hit consumers with higher prices and Balkanize the internet.

Big winners include cable and wireless firms such as Comcast Corp., AT&T Inc. and Verizon Communications Inc. that provide internet access to most consumers. Those firms have felt hobbled by the 2015 rules, which restricted their ability to leverage their power over the internet's pipes. They also feared that the government would begin to regulate their pricing.

Losers in Thursday's move were major internet firms such as Alphabet Inc.'s Google unit, Netflix Inc., Amazon.com Inc. and Facebook Inc. They have worried for years that internet providers would use their outsize influence to extract unfair fees or promote their own content. The new rules could allow novel alliances between broadband providers and major entertainment, shopping, search and social-media platforms. They also open the door to new online ventures by the providers themselves.

Providers also could create fast lanes for favored services, including their own. One that could benefit, for example, is AT&T's DirecTV Now, a streaming product that already is exempt from AT&T wireless data caps. The company could now also provide a fast lane for it, although there is no indication yet that it will. Proponents of change, including Mr. Pai, contend that fears over the open internet's demise have been exaggerated. They note that actual complaints of net neutrality violations have been few and far between. Mr. Pai in particular expects public pressure—aided by FCC transparency rules requiring the providers to disclose their practices in detail—to prevent unreasonable behavior. – ***Wall Street Journal*****; from the *Philadelphia Inquirer*, Josh Shapiro (D), PA's AG, joins 17 Dem counterparts calling for a delay on the vote**

Netflix Inc. helped spark the debate over net neutrality three years ago by raising concerns about how its internet traffic was being handled. But as the U.S. government prepares to repeal the rules on Thursday, the video giant has been less vocal on a key issue.

That is because its concerns over so-called interconnections—the places where web traffic is passed from one company to the other—have largely been addressed by commercial deals. And some telecom and other companies that were calling for more government oversight of these links have stepped back from the discussion. The arcane issue **gained attention in early 2014**, when Netflix complained that broadband providers like Comcast Corp. and Verizon Communications Inc. were creating virtual traffic jams to punish the streaming video service.

The internet-service providers argued Netflix was responsible and needed to compensate them for the massive amounts of data that it was putting on their networks. Netflix, after serving as the standard-bearer for the FCC's stronger rules to protect web companies from unfair treatment by carriers, says it is less at risk now that it is big enough to strike favorable deals with telecom companies. The company did just that, reaching several deals in recent years to pay broadband providers for ample bandwidth into their networks. "Where net neutrality is really important is the Netflix of 10 years ago," Chief Executive Reed Hastings **said at tech website Recode's conference in May**. "It's not our primary battle at this point."

Netflix has since eclipsed many of the broadband providers it once battled. Its domestic subscriber based has doubled over the past four years to 53 million, while its market value quadrupled to about $80 billion. It is a far cry from 2014, when the company **launched a public-relations blitz** that included messages on subscribers' screens blaming broadband providers for poor video quality. A Netflix spokesman said the company still supports net-neutrality protections, including oversight of traffic-sharing arrangements, and remains "part of a united front with other tech companies" through trade groups. CenturyLink Inc. earlier this year bought Level 3 Communications Inc., a business-focused telecom company service that had aligned itself with web companies. CenturyLink adopted Level 3's position and **last week asked the FCC** to keep its authority over traffic-sharing agreements. A CenturyLink spokeswoman declined to comment.

Consolidation has altered other telecom companies' stance. Charter Communications Inc. opted to make its links to other internet companies available free of charge, a commitment that helped win approval for its roughly $60 billion takeover of Time Warner Cable. New York Attorney General Eric Schneiderman still **sued Time Warner Cable's new owner** in February 2017 for allegedly promising internet speeds it knew it couldn't deliver, citing past evidence of congested links with Netflix and a videogame company. Charter disputed the allegations. The case is ongoing. Mr. Schneiderman warned in July of more problems if the FCC's net-neutrality rules were removed.

Public fights over interconnection have died down, a fact supporters of the 2015 rules say is proof that the government's authority worked. The rules didn't dictate companies' traffic-sharing arrangements but allowed them to file complaints of unfair behavior. No major companies filed a complaint since the rules were established. "It was a classic example of us not doing anything except saying, 'Hey we're going to watch. We have a regulatory backstop,'" said former FCC Chairman Tom Wheeler, adding that the rules had a healthy effect.

The new chairman, Ajit Pai, said it addressed a hard-to-prove problem that other agencies were already well-equipped to police. Market prices for the bandwidth at issue were falling even before the commission adopted the 2015 rules. "Once again allowing market forces to discipline this emerging market is the right course," an FCC spokesman said. – ***Wall Street Journal***

Walt Disney Co. said Thursday it would buy select assets of 21st Century Fox for $52.4 billion in stock as Disney moves to increase its footprint in video streaming and television amid a changing media landscape. Disney's acquisition includes the company's Twentieth Century Fox film and television studio and its international and cable TV businesses. In the deal Disney will also assume about $13.7 billion of debt of 21st Century Fox. The deal is valued at $66.1 billion, Disney said Shares of Fox closed at $32.75 a share Wednesday. The Wall Street Journal reported Wednesday that Disney was finalizing the deal.

Fox Broadcasting Network and its stations, Fox News Channel, Fox Business Network, Fox Sports 1 and 2 and the Big Ten Network will be listed in a separate company for shareholders, Disney

	said. The new company will also include Fox's Roku investment and a Los Angeles studio lot, while Disney will get Fox's Hulu interests and Fox Sports Regional Networks. Fox shareholders will get 0.2745 shares in Disney for each Fox share owned in the deal. Both companies' boards have approved the deal. Disney will also get Fox's Hulu interests and Fox Sports Regional Networks. News Corp, The Wall Street Journal's parent company, and 21st Century Fox share common ownership. Shares in Disney rose 0.8% in premarket trading, while 21st Century Fox shares rose 2.6%. – ***Wall Street Journal***; **more from *CNN***

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