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April 24, 2018

USA Today
Net-neutrality is over. Now California, Oregon are stepping in

Philadelphia Inquirer
Comcast bumps NFL Network up a tier, adding $10 for the network

Bloomberg
Amazon Leads Stampede of Smaller-Budget Studios at Theater Show

A Facebook-Apple spat is just one sign of the rift developing in Silicon Valley as much of the tech industry seeks to escape Washington's ire over internet companies' data privacy problems.

Sniping between Facebook CEO Mark Zuckerberg and Apple CEO Tim Cook was one of the sideshows of Zuckerberg's congressional testimony earlier this month about the Cambridge Analytica data scandals: Cook said publicly that Facebook's entire business model is based on a "violation of privacy," prompting Zuckerberg to respond that at least Facebook doesn't make its money catering to "rich people" — a not-so-subtle shot at Apple products like the $1,000-plus iPhone X.

But that's just a symptom of a wider divide taking hold in the often-unified tech world, industry experts say: Online companies like Facebook and Google that make their money from ad revenue are facing increasing scrutiny — and threats of regulation — on the tons of data they collect from their users. And companies like Apple that profit by selling gadgets and software want to avoid the blowback. "It's an effort by the broader technology community to avoid guilt by

Polygon
YouTube networks drop thousands of creators as YouTube policy shifts

New York Times
How Looming Privacy Regulations May Strengthen Facebook and Google

Reuters
Facebook releases long-secret rules on how it polices the service

Beaver County Times
Scott Wagner says business, government background make him 'ready to go' if elected governor

Harrisburg Patriot-News
Pa. House investigators say lawmaker violated policy against retaliation. So why wasn't he punished?

Pittsburgh Post-Gazette
Democrats react angrily to Daryl Metcalfe's 'lying homosexual' Facebook tirade

association with the Facebook business model, which is somewhat unique to Facebook, and often inconsistent with the values of the broader technology ecosystem," said Bruce Mehlman, a longtime Republican lobbyist who held a top technology policy post in George W. Bush's Commerce Department.

"There is a feeling that tech needs to take some hits," said one industry lobbyist, who declined to be named to speak more candidly. "If that is true, there are a whole lot of companies out there that want to make sure they're explaining they're not the companies [lawmakers] have concerns about." Lawmakers from both parties raised the specter of regulation during the two days of hearings with Zuckerberg, an indication that the tech-bashing rhetoric of the past year could lead to more government oversight of the internet. That has spurred tech trade groups and companies to try to contain the fallout — or at least focus it on Facebook and its ilk.

Even before the hearings, Cook lambasted the data-centric advertising model that social media companies like Facebook use to profit from their users' data, calling it a "violation of privacy" and not how his own business operates. "I wouldn't be in this situation," Cook said on MSNBC in late March, adding: "We can make a ton of money if customers were our product. We have elected not to do that." Zuckerberg responded with a swipe at Apple's pricey phones, tablets and computers, telling Vox that "if you want to build a service which is not just serving rich people, then you need to have something that people can afford." And Facebook, he noted, offers a "free service that everyone can use."

Zuckerberg was prepared to go on in that vein during his two days of congressional testimony — his written notes, which The Associated Press photographed, included "Lots of stories about apps misusing Apple data. Never seen Apple notify people." But no House members or senators asked him about Cook's remarks, and instead Zuckerberg used the hearings to express contrition for the leaking of data on 87 million Facebook users to the Trump-linked firm Cambridge Analytica. Sens. Ed Markey (D-Mass.) and Richard Blumenthal (D-Conn.) came to the Facebook hearings armed with a new bill that would give consumers the power to "opt in" to having their data collected. Sens. Amy Klobuchar (D-Minn.) and John Kennedy (R-La.) announced shortly thereafter they are also crafting legislation to make privacy terms easier to understand and give users more control over their settings.

Those initiatives face tough odds, especially in an election year. But the Cambridge data scandal has fueled a growing sense that Washington won't be dropping the matter, and that broad regulation written by lawmakers with limited technical knowledge could come with collateral damage. "Where the worry comes from is the recognition that members of Congress are not immersed in the different types of businesses and that legislation will be a blunt instrument," said a tech association official, who also declined to be named.

The prospect of new, wide-ranging regulation comes at a precarious time for the tech sector. While the industry may broadly share liberal-leaning stances on issues like immigration reform and climate change, its varying business models mean that companies' competitive and regulatory interests are not always so aligned. Cook and Zuckerberg

are hardly the only industry players taking aim at each other as pressure from Washington grows.

Ken Glueck, Oracle's senior vice president for government affairs, distinguished Google and Facebook as advertising companies whose way of doing business differs from that of Oracle, a purveyor of cloud computing services and enterprise software to business and government. “At some point there has to be a reconciliation between privacy and advertising, because those two concepts are in conflict with one another," Glueck said.

The divide displayed itself in recent months as Oracle, IBM and Hewlett-Packard Enterprise backed legislation to thwart online sex trafficking despite **staunch opposition** from companies like Google, Twitter and Pinterest, which called it a threat to the openness of the internet. Facebook, too, supported the bill after initial opposition. That legislation ultimately passed Congress and cleared President Donald Trump's desk — and companies like IBM took that outcome to mean the internet industry is no longer trusted to fully police its platforms. “If other companies are not acting responsibly in our industry, it affects us because we all swim in the same pool," Christopher Padilla, IBM’s vice president of government and regulatory affairs, told POLITICO in February.

Salesforce CEO Marc Benioff also took shots at companies like Facebook and Twitter during a **CNBC interview** in January, when he said technology has "addictive qualities" and the government needs to "rein that back." He especially rankled the social media set when he said the potential health effects of their networks warrant the same kind of regulation as tobacco. "I think that you do it exactly the same way that you regulated the cigarette industry," Benioff said. "Here's a product: Cigarettes. They're addictive, they're not good for you."

That sort of friendly fire has only emboldened outside critics, such as cable providers and other telecommunications companies, that have battled the internet firms for years over net neutrality, online privacy, copyright and other issues. Prior to Zuckerberg's testimony, Charter Communications CEO Tom Rutledge called on Congress to pass uniform privacy and security rules that apply to internet service providers and websites alike, including "opt-in" permission to collect and share user data. ISPs have long bemoaned being subjected to separate regulations than companies, like Facebook and Google, that operate on the so-called edge of the internet.

Industry observers are keen to see how different factions within the tech industry respond to such pressure — and the extent to which their ties continue to fray. "You have near-term concern about brands and people managing them in different ways," the industry lobbyist said, "but should the industry stay unified or not is the question.” – ***Politico***

Viacom and Comcast have struck a mutually beneficial deal. Viacom can now use Comcast’s anonymized set-top-box data from cable subscribers and technology from Comcast Freewheel's video ad management unit. In turn, Comcast will share Viacom’s targeted advertising tools. Key to the deal for Viacom is the addressable advertising targeting of Comcast subscribers, which includes dynamic

ad insertion into video on demand content. The agreement also covers linear programming.

Comcast's sharing of its subscriber data started in earnest last year. Comcast and Fox Network Group are selling advertising in the video-on-demand content on Fox's channels. Additionally, Comcast Cable already has a similar arrangement with sister company, NBCUniversal. Recently, Comcast joined with Charter and Cox Communications -- members of the NCC Media, the local cable TV ad selling unit -- to start a new advanced advertising unit.

Viacom is partners -- along with Turner, Fox and most recently NBCUniversal -- in OpenAP, a TV consortium that standardizes new audience segments and creates a new media-buying currency. Comcast's set-top box data provides custom segments for OpenAP. FreeWheel was bought by Comcast in 2014. It began as a broadcast ad server, but is now part of Comcast's advanced advertising business. – ***MediaPost***

Netflix priced a junk-bond offering of $1.9 billion — the streamer's biggest round of debt financing to date — as it looks to fuel its continued content binge-spending. The $1.9 billion debt offering, announced Monday evening, was increased from Netflix's plan announced earlier in the day to **issue $1.5 billion in debt**. Shares of Netflix had closed down 2.8% Monday, to $318.69 per share, as investors reacted to the company's plan to take on additional debt.

Netflix has been routinely turning to debt for financing its massive content spending instead of raising that through equity markets, because "we believe the debt is lower cost of capital compared to equity," as the company said in its April 16 letter to shareholders. The latest proposed debt offering is the fifth time in a little more than three years that Netflix is raising $1 billion or more through bonds. As of March 31, Netflix had $6.54 billion in long-term debt and $17.9 billion in streaming content payment obligations (of which $3.44 billion are long-term content payment obligations). The company had $2.6 billion in cash and equivalents on hand as of the end of the first quarter of 2018.

Netflix's interest expenses have risen as it assumes a bigger debt load. In Q1 2018, interest expense was $81.2 million, up 74% from $46.7 million in the year-earlier period. But as a percentage of operating income, its interest expense was the same — 18.2% — for both quarters. Netflix said the latest debt offering of 5.875% senior notes, set to mature Nov. 15, 2028, is expected to close on April 26. The company will begin paying interest on the notes in cash semi-annually beginning Nov. 15, 2018. – ***Variety***

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