

FROM THE EDITOR-IN-CHIEF

Interesting Times



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“May you live in interesting times,” goes the old Chinese proverb. For FCC Chairman Tom Wheeler, the events of the past month give that phrase a whole new meaning. Cable consolidation, net neutrality, spectrum availability, take your pick... all these and more will make for a hectic 2014 and beyond for the new chairman.

Let’s start with cable consolidation. Although it was no surprise that Time Warner Cable, the country’s second-largest cable provider, was looking for a merger partner, most observers expected it to be Charter, a deal that would most likely have been approved with few objections. But when Comcast announced its \$45 billion acquisition of TWC, the scenario suddenly changed. The merger of the nation’s two largest cable companies would result in a cable and broadband giant serving more than 30 million customers over 42 states, making it more than seven times larger than its closest competitor (Cox).

Opponents to the merger reacted swiftly, mostly over how it would affect competition in the market. “If Comcast takes over Time Warner Cable, it would yield unprecedented gatekeeper power in several important markets,” said Public Knowledge. “It is already the nation’s largest ISP, the nation’s largest video provider, and the nation’s largest home phone provider. It

also controls a movie studio, broadcast network, and many popular cable channels. An enlarged Comcast would be the bully in the schoolyard, able to dictate terms to content creators, Internet companies, other communications networks that must interconnect with it and distributors who must access its content.”

Nonsense, replied Comcast, which touts that neither company overlaps in its coverage (not too surprising, given the traditional franchise setups in most communities), and that other broadband/pay-TV providers such as DirecTV and Verizon have become much more competitive in recent years. “Previous antitrust concerns are truly antiquated in light of today’s marketplace realities,” a Comcast executive said in response to the criticism.

While cable programming is certainly a concern, the proposed merger also highlights the notion that broadband access has overtaken video as a primary service for cable companies. A combined Comcast-Time Warner would serve more than 33 million broadband customers; in 2013, the two companies logged more than \$18 billion in broadband revenues. And while that is still less than 2013 video revenues of \$31 billion for both companies in 2013, the rate of revenue growth is in broadband’s favor, which is expected to increase 25 percent over the next several years, compared to a less than 10 percent growth rate for video.

As if this isn’t enough to keep the FCC busy, along comes a court decision striking

down net neutrality, a topic that Chairman Wheeler has indicated will be one of the core issues of his term. Less than a week after the merger announcement, Wheeler proposed net neutrality rules that would enforce and enhance transparency, prevent broadband providers from blocking content and enforce non-discrimination. And just days later, Comcast and Netflix announced a “landmark” agreement to guarantee streaming bandwidth, a move that is more likely to *increase* calls for net neutrality action from the FCC, not less.

And of course no tech drama in 2014 would be complete without a cameo role by Google, which that same week announced that it was “exploring” the possibility of expanding its 1 Gig fiber-optic broadband service to nine metro markets and up to 34 cities by the end of the year, bringing Internet speeds of up to 1 Gbps to millions of new customers. Google Fiber (which also offers a TV service), is not regulated by the FCC and its speeds dwarf those of existing providers, so the only obstacles appear to be the speed and cost of deployment and community cooperation.

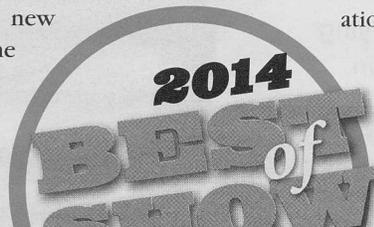
How all of these fast-moving events will affect the future of net neutrality, cord-cutting, retrans, revision of the Communications Act, as well as one of the industry’s largest ever mergers is yet to be seen, but they are all intertwined.

“Today we find ourselves at a crossroads,” Wheeler told an audience at Ohio University last fall. How prescient he was.

NewBay Launches ‘Best of Show’ Awards for NAB Show

NEW YORK—TV Technology is launching a new awards program for products introduced at the NAB Show. The NewBay Media Best of Show Award will replace several award programs including the TV Technology STAR Awards and Mario Awards.

“Awards will be given by NewBay Media



ation by one or more of these publications, and may submit multiple products.” Companies pay a fee to nominate a product.

The program recognizes outstanding products exhibited at the spring show and new since the prior NAB Show, according to the announcement. “Winners are se-

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