

Cable, Satellite and the Future of Media

FCC Future of Media Workshop

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March 4, 2010



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Cable Developed as Both Local, National Service

- Programming Content of Cable Operators Pre 1984 Act
 - Earliest cable systems had “slave camera” weather, primitive crawl services for local information
 - Some operators experimented with local origination, access services (fun fact: Dale City TV 1968, 1st access channel)
 - Early efforts at access, local origination by FCC rules, local franchises
 - FCC’s 1972 program origination rule replaced with access channels req’t. S. Court rules this as beyond FCC’s authority in *Midwest Video II* (1979).
- 1984 Act
 - Permits PEG in a franchise
 - Requires Leased Access capacity for 36+ channel systems
 - No program origination requirement

National News Channels

- Once satellite receive dishes in place at headends, national services could proliferate – and did
- CNN 1980
- Financial News Network -1981, becomes CNBC 1989
- CNN2, now HLN, 1982
- Bloomberg Television 1994
- MSNBC 1996
- Fox News Channel –1996
- ESPNNews 1996
- CBS News on Logo, BET Nightly News 2005
- Al Jazeera English, BBC World News (limited) 2006

Cable News, Public Affairs Developed as Both Local, National Service

- C-SPAN, statewide C-SPAN channels
 - C-SPAN 1979, by cable operators as a public service. C-SPAN receives no government funding; operations are funded by fees paid by cable and satellite affiliates
 - 97 million households. Estimated 39 million Americans watch C-SPAN regularly -- at least once or twice a week
 - unparalleled access to government processes
 - New way of covering political rallies, book tours, policy debates
- Statewide versions, e.g., The California Channel

Regional News Channels

- New England Cable News – launches in 1992
- Many regions follow (NY1, News Channel 8)
- Cable operators own and operate at least 40 local news channels.
- Cable-owned local news channels: in more than 50 million households, more than 43% of all U.S. households
- Spanish language local news programming available from at least five local news stations, Bay 9 News in Tampa Bay, FL, NY1 Noticias in New York City, Central Florida News en Espanol in Orlando, News 8 Austin in Austin, TX, and News14 Carolina
- Variety of ownership models
- Innovative ways of economically covering the news (reporter/producer/videographer)
- Use of news wheel approach

Other Local Origination Channels

- Coverage of local sports, local home shopping, broader non-news coverage that is not PEG
 - Early efforts like Z Channel in Los Angeles (pay service), local sports channels, entertainment services
- Migration of video to web portals – true for national and local cable content providers

Cable Internet Service Changed Idea of Local News, Who Is a Journalist

- Cable pioneered residential broadband, all-you-can-eat models
- Early efforts were unsure of how Internet information would coalesce
 - CompuServe/Prodigy Walled gardens
 - @Home
 - AOL (e.g., Dr.Koop)
 - Search engines
 - Alta Vista.... To
 - Google/Yahoo!/Bing
- Viewed in this light, the “information service” classification helped to characterize the service vs. telecommunications service: focus was on Internet’s content creation, also encouraging content from companies (Roadrunner, Fancast)

DBS—Sec. 335 Obligations

- Congress wanted to consider how the “principle of localism” applied (Sec. 335(a)) to DBS
- 4-7 % of channel capacity reserved for noncommercial programming of an educational or information nature [335(b)(1)]
- “national educational programming suppliers” that are part of the capacity are also entitled to FCC-rate-regulated access [335(b)((3)-(4)].
- DBS offers “local into local” broadcasting

Issues Regarding Future

- Satellite news channels can be profitable in themselves – national broadcast news channels not always viewed as profit centers (although that's changing)
- Local news channels are not necessarily profitable in themselves but provide a way to increase consumer value
 - FiOS has launched competing local news channels in some markets against incumbents
- Cable's ability to develop as first amendment speaker:
 - future of must carry on video
 - Title I classification of broadband service

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