

Cablefax Daily™

WHAT THE INDUSTRY READS FIRST

AI Ads: FCC Docket Deadline Looms on Political Ad Transparency

While **NAB** and the **Motion Picture Association** have asked the **FCC** to extend the comment period for its proposed rulemaking on greater transparency regarding the use of AI-generated content in political advertising, the agency hasn't acted. It seems likely that next Wednesday's deadline for initial comments will stand.

The associations want an additional 30 days for comments, which would push the due date to Oct. 4 and reply comments to Nov. 4—Election Day eve. They argue that the 2024 election cycle is already well underway and there's no chance an item adopted could have any impact this election.

The Commission isn't seeking to ban the use of AI in political ads, instead proposing that such spots running on TV and radio should disclose whether AI is being used. While NAB and MPA may not think the proceeding has much impact on this election, interest is certainly high.

The docket is filled with hundreds of brief comments in support of the FCC proposal. Most use the line "I support the FCC's proposal to regulate deepfakes and AI, to create more clarity and understanding for listeners and viewers of content, especially when it comes to our elections," though some filings had their own unique spin, such as one from *Jody MacDonald*. She wrote: "I worry for our country, and our democratic process in the face of AI generated political ads and misinformation campaigns. It's hard to have an informed conversation with anyone, when no one can trust the infor-

mation put 'out there.' It erodes trust in our own beliefs, and serves no good purpose, but rather, pulls people apart from one another. It is a danger that, when masked as 'reality,' threatens the very fabric of our society."

Most industry stakeholders haven't commented, as they typically wait until filing deadlines to submit feedback. And NAB and MAP argue that the comment period is especially tight given that the FCC went straight into a proposed rulemaking instead of an inquiry on the subject or hosting public roundtables. "Even apart from the fact that the FCC pushed the Notice through the Federal Register process in near-record time (thereby not even leaving a typical buffer between release and publication), because the Commission remains intent on not making circulation items public, no member of the public had a chance to see even a draft version of the Notice until it was released on July 25, 2024. And even that release was delayed, as the item privately was adopted on July 10, 2024," they said.

One of the few groups to already weigh in is **NetChoice**, a trade association of e-commerce and online companies, including **Amazon, Etsy, Google** and **Netflix**. It takes the stance that new federal rules regarding AI should come from Congress, not regulatory agencies. "The proposed rules in this NPRM raise significant questions about the scope of the FCC's authority and the appropriate balance between transparency and free speech in political discourse. This unilateral action by a regulatory agency sets a dangerous precedent that could undermine the fundamental principles of separation of powers and checks


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and balances enshrined in our Constitution,” NetChoice said.

NetChoice argued that the proposed rules place a significant burden on broadcasters, cable operators and other regulated entities to inquire about and disclose AI use in ads they did not create. “This may be particularly challenging for smaller entities and could lead to overcautious disclosures,” NetChoice said. Its other concerns include that the proposed definition of AI-generated content is overly broad and could include “minor, benign” uses of AI tools.

The Future of Privacy Forum, which describes itself as a global non-profit dedicated to advancing privacy leadership, scholarship and principled data practices in support of emerging technologies, said generative AI can both benefit political outreach as well as harm the political information ecosystem. It suggested that there are legitimate questions about how effective the FCC proposal would be in practice. “The vast majority of synthetic content—political or otherwise—is found online, rather than on TV or the radio, raising questions about the level of impact the Commission’s rules would have on political disinformation and misinformation,” the group wrote. “An inconsistency in the treatment of online political ads on one hand, and TV or radio political ads on the other, may also create confusion, leading viewers to regard unlabeled online ads or other content less skeptically than labeled synthetic TV or radio ads. If the Commission proceeds with rulemaking, it should consider how to address these potential shortcomings and consequences.”

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STILL NO DIRECTV, DISNEY DEAL

Those still scarred from last year’s **Charter-Disney** blackout are warily eyeing the calendar as **DirecTV**’s contract to carry **ESPN**, **ABC** O&Os and other **Disney** networks is set to expire Sunday. The two sides were still talking Thursday, but it did not sound like an agreement was imminent. So far, there have been no public crawls alerting viewers to the potential of a channel drop, but that could change at any minute if meaningful progress isn’t made. It could be interesting if Disney were to run one during tonight’s North Dakota State-Colorado game on ESPN given that Colorado coach *Deion Sanders* is featured in DirecTV’s latest pigeon TV ads. He voices a pigeon named Coach Prime. College football wouldn’t be the only loss if channels go dark. The US Open is entering its second week, the first debate between *Kamala Harris* and *Donald Trump* is set for Sept. 10 on ABC, The Primetime Emmys are on ABC Sept. 15.

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BTN BLACKS OUT LIVE GAMES FOR XFINITY SUBS

It wouldn’t be the beginning of Week 1 college football action

without a carriage dispute, although this go around is a result of conference realignment in collegiate athletics. **Big Ten Network** is blacking out live games for Xfinity customers in the local markets of the University of Oregon, UCLA, USC and the University of Washington. The issue stems from realignment as the four schools are joining the **Big Ten** this year from the **Pac-12**, which has now been whittled down to two schools (Oregon State and Washington State). Comcast doesn’t have the rights to the four schools as the schools were previously considered in the outer market range for BTN before they made the conference move. BTN is available on the Sports & Entertainment tier of Xfinity for those in the outer market areas, and the network wants Comcast to pay in-market rates and move the network to more widely distributed tiers. Note: the blackout only pertains to live events and not studio programming or re-runs. “We’re sensitive to the impact these costs have on our customers and have been in discussions with FOX and the Big Ten Network to find a solution to make certain former Pac-12 games available to the people who want them while not forcing others to pay for content they don’t want to watch. We hope to be able to reach a fair agreement with FOX and the Big Ten Network to be able to offer these games to our customers,” a Comcast spokesperson told **CFX**. The issue only impacts a pair of games on BTN for Week 1: Idaho vs Oregon at 7:30pm and Weber State vs Washington at 11pm, both being on Saturday. Week 2 only involves two games on BTN within the impacted markets as well with Eastern Michigan vs Washington (Sept. 7 at 3:30pm) and Utah State vs. USC (11pm). “The Big Ten Network is proud to present an expanded slate of live sporting events featuring the newest members of the B1G conference, however most Comcast subscribers will not see these games,” the conference said in a statement to CFX. “As the one distribution partner that declined to expand along with us, Comcast Xfinity viewers in many areas will not have access to live broadcasts of the highly anticipated inaugural Big Ten season games for Oregon, UCLA, USC and Washington.”

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FCC GIVES 5G FUND NEW LIFE

The **FCC** unanimously adopted a Second Report and Order Thursday that opens the door for the agency to allow targeted investments in 5G broadband services in rural locations. It adds new fuel to the agency’s 5G fund, and the Commission will use a multi-round reverse auction to distribute up to \$9 billion for the delivery of voice and 5G mobile broadband to areas of the country that are unlikely to receive those services through private investment. The 5G Fund also now includes up to \$900 million in incentives for incorporating Open RAN in 5G Fund-supported networks. The Second Report and Order also changes the definition of areas eligible to receive Phase I support to ensure parts of Puerto Rico and the U.S. Virgin

Islands are part of the pool. Recipients will be required to implement cybersecurity and supply chain risk management plans. The start date of the Phase I auction will be released at a later date via a public notice.

MOODY'S DOWN ON BLOCK

Moody's downgraded its Corporate Family Rating for **Block Communications**, parent company of **Buckeye Broadband**, to B2 from B1 with an overall negative outlook. It also downgraded the senior secured first lien bank credit facilities to Ba2 from Ba1 and the senior unsecured notes to B3 from B2. The shift is in large part due to significant changes in leadership at the board level and the lawsuit from former CEO *Allan Block* alleging he was unlawfully removed from his position. But it also takes into account Block Communications' creation of a strategic review committee charged with considering opportunities to de-lever the company. There's no timeframe for when any of those messes are resolved, and they've created an overall cloud of uncertainty around the company. "The current rating and outlook also consider our estimate of the potential value of the company's assets, in particular those in the cable segment which, if realized in whole or in part, could generate a strong recovery for lenders. However, the ability and timing of an exit is highly uncertain given ongoing litigation and operational challenges at the company which are likely to negatively impact buyer interest and valuations," Moody's said in a note to clients. "Delays in executing a strategic solution to resolve the shrinking liquidity and what we view is an untenable capital structure could put further pressure on the ratings."

ACA CONNECTS APPLAUDS TEXAS

ACA Connects is speaking up once again when it comes to concerns over BEAD program project areas. The association submitted comments with the Texas Broadband Deployment Office Thursday praising the office for its proposal to solicit bids on a per-location basis to ensure providers have flexibility to design their own project areas and as many locations across the state are served with fiber. ACAC disagreed with groups that argued per-location bidding would lead to administrative inefficiencies or patchwork broadband coverage, saying the approach mirrors the one taken by many broadband service providers when they're moving into new markets. "While it is true that initial bids may partially overlap and could exclude some of the highest cost locations, there are techniques

available to address those concerns," ACAC said. "Sophisticated software exists that can handle 'deconfliction' of overlapping bids, and any 'stranded' very high-cost locations can be addressed directly through individualized negotiations with providers." If the Texas Broadband Deployment Office chooses to take another route, ACAC suggested defining project areas at the smallest recognized geographic unit and allowing applicants to customize project areas at a larger geographic level.

SLING'IN THE BALL

Sling TV is one of the many distributors gearing up to serve fans football. It's running a limited-time deal where fans can prepay for four months of Sling Orange, Blue and Sports Extra for \$199 to get channels like the **ESPN** network portfolio, **Fox Sports 1** and **Fox Sports 2**, **MLB Network** and the **Big Ten Network**. Sling will also carry select games in 4K for Week 1, starting tonight with North Carolina vs Minnesota at 8pm on Fox and finishing with four 4K games throughout Saturday.

MORE BEAD APPROVALS ROLL IN

NTIA approved the BEAD initial proposals from Michigan, Mississippi and South Dakota. That brings the grand total of eligible entities with both their Volume I and Volume II plans approved to 39. The agency is still working with 17 eligible entities including Texas, North Carolina and Georgia on the approval of their Volume II documents.

PURE FLIX ADDS PREMIUM TIER

Great American Media is adding a premium tier to its faith-and-family-focused **Pure Flix** streamer. Pure Flix Premium will run at \$14.99/month or \$149/year. Features include virtual movie premieres with live Q&A sessions with stars and GAM C-suite executives, behind-the-scenes footage of movies in productions and news involving the company. It already has a slate of talent events set as GAM President/CEO Bill Abbott will join *Carlos* and *Alexa PenaVega*, who star in "Mr. Manhattan" and "Get Him Back for Christmas," on Aug. 30. Other events include an extended cut of "God's Not Dead" on Oct. 14 and baking influencer *Emily Hutchinson* hosting a pre-taped Zoom on Nov. 21.

EDITOR'S NOTE

Cablefax Daily will not be publishing Friday, August 30. The next issue will hit your inbox on Tuesday, Sept. 3. Cablefax.com will keep you updated on any breaking news.

BASIC CABLE P2+ PRIME RANKINGS* (08/19/24-08/25/24)		
MON-SUN	MC US AA%	MC US AA (000)
MSNBC	1.066	3360
CNN	0.675	2129
FNC	0.674	2125
NFL	0.209	659
HGTV	0.202	636
HALL	0.201	633
INSP	0.169	532
ESPN	0.164	517
DISC	0.154	486
TBSC	0.149	470
FOOD	0.140	441
ID	0.138	436
HIST	0.135	425
TLC	0.123	386
TVLAND	0.115	362
HALLMYST	0.113	357
WETV	0.106	333
LIFE	0.104	327
USA	0.103	325
REELZ	0.099	311
GSN	0.098	309
TNT	0.092	291
A&E	0.090	283
FX	0.081	254
NWSMX	0.080	252
AMC	0.079	248
OXY	0.077	241
BRAVO	0.069	219
NAN	0.067	212
ADSM	0.067	212
SYFY	0.067	210
COM	0.064	203
PRMNT	0.063	199
SNDNCE	0.063	197
NATGEO	0.061	191
TRAVEL	0.060	189
FETV	0.055	174
APL	0.054	170
HLN	0.053	167
BET	0.052	164
MTV	0.051	159
FRFM	0.050	159
IFC	0.048	151
E!	0.045	142
MGNLA	0.043	137
HBO	0.043	134
FX	0.042	133

*P2+ L+SD rankers are based on national Nielsen numbers, not coverage.