This Week's Stories

The FCC Just Repealed Net Neutrality. What Happens Next?

December 14, 2017

The FCC voted this morning to nullify 2015's Open Internet Order and its strong net neutrality rules, substituting a flimsy replacement with a deeply (and deliberately) incorrect technical justification. The battle is lost. What of the war? Here's what happens next, and what you can do to help.

First, Very Little

As rushed as this vote was, it doesn't make the rest of the government move any faster. Voting to adopt the order doesn't magically and instantly eliminate net neutrality. First, the new rules have to be entered into the federal register — and that won't happen for a little while, perhaps a couple of months.

In the meantime, you're going to get a whole lot of blog posts, opinion pieces in newspapers, speeches, statements, notices of intent and anything else that will keep the topic alive in the public eye.

During this time the FCC will point out that despite having voted in new regulations, the internet has not devolved into a corporate free-for-all. Of course it hasn't, because the rules haven't taken effect yet. They will point out that companies could start changing policies or making announcements ahead of that event, but for reasons we'll go into later, that's extremely unlikely, even if said companies do have evil intent. At any rate, don't be fooled.

Do, however, continue engaging with your elected officials. They are only engaged in this fight — if they are at all — because their constituents have expressed that it is important to them. If they think they can get away with not paying attention for a few months, or that voters have moved on to another hot-button issue, they'll gladly spend their time and money pursuing other things. Don't let that happen. Make sure they are aware (and aware that we're aware) that this problem isn't going away.

Early Next Year: Lawsuits Aplenty

When the rules get entered in the federal register, the floodgates open. Right off the bat I can think of a number of different lawsuits or challenges that could be filed, though the details are unfortunately beyond my sight.

1. States take issue with preemption. The new order includes considerable provisions preventing states and municipalities from creating rules or regulations that contradict the federal ones. So did the 2015 order, of course — but there's a big difference. The authority granted to the FCC by Title II made it a force to be reckoned with; it could reach in and quash incompatible state laws or practices. The new rules, however, reduce the FCC's reach considerably by restoring it to Title I, under which it repeatedly failed to establish or enforce broadband rules. Without Title II, states may ask under what authority do you presume to preempt our laws?

2. Arbitrary and capricious. From its first draft, Restoring Internet Freedom has been predicated on a massive misrepresentation of how the internet works. The details you can find here, but suffice it to

say that when the people who actually created the web, internet, encryption, networking layers and all that say you've got it wrong, you've probably got it wrong.

Now, what you'll hear about this one is a bit technical: that the Supreme Court in 2005 made a major decision known as "Brand X" establishing the precedent that, in case of ambiguity in the law (like how broadband companies should be defined), the courts would defer to any reasonable interpretation made by an expert agency like the FCC.

In 2005, that was one way; in 2015 they went another way; and in 2017 they're going back to the first way. But how it's technically justified in the order now is so demonstrably wrong that it could very well be open to a lawsuit alleging that these rules could very credibly be challenged under the Administrative Procedure Act, which prohibits regulations that are "arbitrary and capricious."

3. Fraudulent comments and procedural shenanigans. This is a little more hazy, but the cloud hanging over the FCC relating to its handling of the millions of fake comments in its system is a real thing. Congress has repeatedly asked for information on the cybersecurity aspect of this, and New York's attorney general has gone public with his office's frustration at being stonewalled by the agency when it comes to identity theft.

Congress could request an independent investigation (and has, actually) and pending the results of that investigation ask that the rule not be enforced. Similarly, the NY AG could sue (in fact he just announced he will) saying the FCC failed to fulfill the requirement of allowing fair and open commentary on its process — even if the FCC is itself not obligated to consult that commentary in its decision.

In some of these lawsuits, the plaintiffs may ask that the new rules be suspended while the court case goes on; this type of "stay" worked with Trump's travel ban, but it likely won't work here. That's because in the latter case, there was evidence of immediate and irreparable harm: people in Iran or Syria might lose their jobs or come to harm because of the rule being challenged. Net neutrality is a serious issue, but the harm it may cause is more subtle. Judges probably won't be convinced that the new rules need to be stayed for any period of time.

These are just basic ideas (I am not a lawyer, thankfully), but they show the variety of ways in which the new rules could be legally challenged. The 2015 order was also subject to lawsuits, but none made a dent; in fact, having the courts repeatedly uphold the order is something that has been key to the arguments of net neutrality proponents.

There's a risk that the same will happen here, but you can't win if you don't play. As for the Supreme Court, the appointment of Gorsuch could be considered a hazard for a progressive verdict, but interestingly it is the famously conservative late Justice Scalia who put forth the most famous argument in favor of classifying broadband as telecommunications. So political alignment may not play as much of a role as some would think in these proceedings.

It will, however, play a major part in others.

Congressional Action

Ultimately, as many commentators and the FCC on occasion have pointed out, the question may have to be settled by legislation. Ultimately the FCC derives its authority from laws written by Congress, and if those laws are amended or others appended, it could moot the arguments of the past decade or two.

2018 is, of course, an election year, and a particularly important one for a number of reasons. The majority role in the Senate hangs in the balance, and the House as always is up for grabs, though the Republicans have a more commanding lead there.

Political actions will naturally be divided into two sections: the lead-up to the election and what comes after. I hesitate to speculate on what might happen after the election, as the balance of power may shift considerably.

In the lead-up, however, there will be strong Democratic leadership on the topic of net neutrality, since their constituencies have been particularly vocal about it (and must remain so!).

There are two tacks they might take. First is the possibility of using the Congressional Review Act, which allows Congress to undo recently instituted regulations, to nix the FCC's plan; Representative Mike Doyle (D-PA) just announced he will do this. This is the most straightforward solution, and one the Republican Congress recently deployed in order to kill several Obama-era regulations, including the Broadband Privacy Rule. That action was particularly unpopular, and Republicans aiming to look progressive may hop on board a Democratic bill. Bipartisan talks will have to take place — this can't be done without work on both sides of the aisle.

A CRA repeal of Restoring Internet Freedom would be devastating to the FCC's plans, but likely would leave intact the legislative ambiguities that gave rise to today's issues.

A true solution would involve amending the 1996 Telecommunications Act. The critical part of all this is the classification of broadband under Title II of the act, and if that could be accomplished by legislation — it would only take a few words — it would put an end to these questions once and for all. However, to amend a major bill is not something a minority party is likely to attempt. And with the threat of a veto hanging over them, it's very unlikely that this will come to pass until a Democratic president is elected.

Following the vote, I talked with Senator Brian Schatz (D-HI). His advice for the present is simple: "We want every Member of Congress to have to go on the record and say whether or not they agree with what the Commission just did."

Having everyone take a side makes it a clear issue for debate in the 2018 midterms — and the 2020 Presidential election as well. "We have to take all the outrage and enthusiasm around this issue and turn it into a real electoral force in 2018," he said, echoing what he told me earlier this year. "2018 has to be the first year of the net neutrality voter."

ISPs Will Bide Their Time

The net neutrality rules may be effectively dead, but there are several reasons why broadband providers won't make any overt efforts to take advantage of the fact.

For one thing, everyone is watching them like hawks. ISPs are under extreme scrutiny right now, both from regulators like the FTC (which will be put back in charge of them) to grassroots activists watching for any unseemly network practices. For them to immediately change their practices right after the regulations change would be hypocritical in the context of their repeated arguments that they already respect the no blocking, no throttling, no paid prioritization rules.

Not that major companies generally shy away from a little hypocrisy now and then, but in this case it would be risky; anything they do could and would be used against them in a court of law in one of the cases listed above. Instead, it's in their interest to appear totally unaffected by all this.

That said, they may try to pull a fast one here and there. You can help here by reporting any changes you do see. TechCrunch will be watching its tip line.

Next, there's really no guarantee these regulations are here to stay. ISPs have strongly supported Chairman Pai's plan, but anyone with a brain can see how flimsy the technical justification for re-reclassifying broadband is.

There's a very real chance that a lawsuit, administrative challenge or bipartisan legislation could reverse these incredibly unpopular new rules. It's just bad business to use anything so unstable as the foundation for any major practices, and ISPs are plenty aware of that. Imagine the time and money they'd have to invest to institute some fast-lane plan, throttling scheme not considered anti-competitive or what have you — only to have to turn it off a few months later.

No: until the rules are cemented in place or removed, the ISPs will continue just as they have done for the last few years — with a few exceptions.

You can expect them to resume a few programs that have been considered borderline in the past. Zero rating schemes, you can bet, will flourish. And situations where companies are mixing services — Comcast's Stream TV, for instance, which essentially zero-rated all its own TV traffic — will also get a green light.

You'll be targeted for these practices, and the details of how they work will be interesting to scrutinize. Ordinary users will be the ones who see these things first in test markets and targeted advertising, so if you see something suspicious, bring it to the attention of your friendly neighborhood tech site.

The ISPs will also make some highly visible investments and expansions in rural areas and chalk them up to the freedom afforded them by the new regulatory scheme. Of course, it will turn out these investments were planned years ahead of time or totally unaffected by Title II. But all the same the companies will act as if a great weight has been lifted from their shoulders.
Basically you can expect broadband providers (including mobile ones) to play it safe while keeping a very close eye on the courts, Congress, and all the rest.

Hang Tight

This sucks, to be sure. But the reality is that the effects of net neutrality being nullified won't be felt for some time, and even then its precarious position means that for the foreseeable future, ISPs won't go hog-wild.

Your role now is to be the eyes and ears of the attorneys general, members of Congress and advocacy organizations that are fighting on your behalf. The next few months will be spent in preparation, and the months after that in fierce litigation — and if we're lucky, a few months after that, legislation.

This vote was as good as set in stone a year ago, a foregone conclusion given the fierce partisan divide, but we didn't stop talking about it or holding companies and officials responsible. Don't stop now.

techcrunch.com

Disney Has Acquired 21st Century Fox's Film And TV Studios In A Landmark Deal

December 14, 2017

Disney has acquired 21st Century Fox's film and TV studios in a landmark deal worth over $52 billion. The arrangement covers the movie studio 20th Century Fox, the company's TV production arm 20th Century Fox Television, Fox-owned cable networks (including FX and National Geographic), and the company's stakes in international networks like Star TV and Sky (which Fox is planning to acquire full ownership of before the sale is completed).

Disney also will gain a majority control of Hulu in the deal, with Fox's 30 percent stake giving Disney a controlling interest of 60 percent. Comcast and Time Warner will be reduced to minority stakeholders, with 30 percent and 10 percent stakes, respectively.

As reported earlier, Fox is looking to shed what it views as deadweight in its entertainment divisions in order to focus on the far more profitable news and sports sides of its business. As such, the company is keeping control of the Fox broadcast network, Fox Sports, and the Fox News and Fox Business brands.

As part of the deal, Disney CEO Bob Iger is extending his time as CEO of the Walt Disney Company through 2021, although no word has been announced as to who his successor may be when he does step down in four years. Iger was originally planning to leave in 2019 before the deal went through. The purchase was originally rumored back in early November, but talks were said to have fallen through. The Wall Street Journal reported that discussions were back on at the beginning of December. Comcast was at one point considered to be a contender for the rights as well.

Along with 21st Century Fox's various production companies and distribution networks, Disney also is taking ownership of the company's vast catalog of intellectual property. That means that comic book characters like the X-Men and Fantastic Four are now back under the stewardship of Marvel Studios — a status quo that Disney notes in its press release as allowing the company to "create richer, more complex worlds of inter-related characters and stories." Or, in other words, it opens the door for characters like Wolverine or Deadpool to cross over into the Marvel Cinematic Universe.

The Fox acquisition also means that Disney finally controls the rights to the original Star Wars film (also known as Star Wars Episode IV: A New Hope), which Fox has previously owned full distribution rights to in perpetuity, along with the home video distribution rights for Episodes II through IV (which were originally supposed to revert to Disney in 2020).

It also means that Disney — which is looking to open its own streaming service in competition to Netflix — now has an even larger back catalog of shows and TV series that it could feasibly offer exclusively on its service. Other franchises that now belong to the House of Mouse include the Avatar series (which makes Disney's Pandora theme park a whole lot more sensible), the Aliens movies, Ice Age, the rebooted Planet of the Apes, The Simpsons, Buffy the Vampire Slayer, How I Met Your Mother, Futurama, Firefly, and The X-Files, to name just a few, all of which would be a massive boon for Disney's upcoming service.

theverge.com

Microsoft Bing Taps Reddit To Answer Your Debatable Questions

December 13, 2017

Microsoft's Bing search engine is partnering with Reddit to bring more detailed answers to your queries.

Questions like "Why won't my water boil?" or "How accurate is the TV show Band of Brothers" will return with snippets of Reddit conversations that Microsoft is betting can offer more insight over typical search results.

When it comes to famous figures, Bing will show you Ask My Anything Q&As the person ever did over Reddit. It'll also display any upcoming AMAs for that person too.

"Microsoft tapped Reddit, which has a huge library of content produced from 330 million users -- many of whom are constantly debating various topics."

The features, which go live on Wednesday, are part of the search engine's efforts to address more obscure questions that don't have clear black and white answers.

Microsoft tapped Reddit, which has a huge library of content produced from 330 million users -- many of whom are constantly debating various topics.

Although search engines are built to find content, that mission gets trickier when a question has multiple answers, said Reddit co-founder Alexis Ohanian.

Fortunately, when it comes to debatable questions, Reddit users are routinely upvoting the best comments and downvoting the worst ones, he said. Now the site wants to bring that content to more internet users through Bing. For instance when users search for "Why won't my water boil?" they'll get expert comments made on Reddit from a chemist and a chef.

"We can make both our platforms better," said Ohanian, who acknowledged Reddit's user interface isn't the prettiest. He's hoping Bing will introduce more internet users to Reddit's various online communities.

The enhancements to Bing don't stop there. The search engine is also flexing its AI-powered computer muscle to pull from additional expert sources to answer other complicated questions. For example, when you query "Is cholesterol bad?" Bing will show you two perspectives taken from reputable medical websites with the goal of telling you the benefits and drawbacks to cholesterol intake.

To find the appropriate perspectives, Bing is using neural networks —AI-driven computer systems based on human brains— to search for possible answers across multiple authoritative sources.

To prevent spammers from abusing Bing, Microsoft declined to reveal how Bing identifies an authoritative source. But it can include factors like how long the website has been around, and if the website uses proper grammar.

Bing also wants to break down its search results in user-friendly ways. It'll do so with easy-to-read tables that, for instance, can compare Pilates versus Yoga. Or it'll tell you that Pakistan is about twice the size of California, as opposed to simply saying it covers an area of 307,000 square miles.

"Often people are seeking answers that go beyond something that is a mathematical equation," said Jordi Ribas, Microsoft's vice president for AI products in a statement. "We want to be able to frame those opinions and articulate them in a way that's also balanced and objective."

Microsoft showed off the new features at a San Francisco event revolving around AI advancements, some of which are also coming to other products including virtual digital assistant Cortana.

Starting next month, Cortana will be able to sort emails across Outlook and Gmail, and offer voice-spoken summaries of the most important ones. In addition, Microsoft has included a new feature in Cortana called "skills chaining," which will trigger other functions the virtual assistant can perform for certain requests.

For example, if you buy tickets for an event through Cortana, it will suggest that you also place a reminder about the event in your digital calendar.

pcmag.com

Products & Services

Juniper Security Platform Adds Automation, One-Touch Mitigation

December 12, 2017

Juniper Networks announced updates to its security platform that automate policy management and include one-touch mitigation to respond to threats.

"The current security model needs to change, and we're working at Juniper on a strategy that has a few important elements where we think security has to go," said Kevin Hutchins, SVP of strategy and product line management at Juniper, during a keynote at the company's NXTWORK 2017 user's conference. "Security that's pervasive and dynamic, adaptive and open, and automated and simple."

He admitted that it is still a work in progress. "We're not there yet." But he said the new machine learning and automation capabilities of Juniper's Software-Defined Secure Networks (SDSN) platform are a step in the right direction.

Specifically, the company announced three updates.

First, it is adding automated policy management to Security Director — this is the software that provides network security policy management. The new dynamic policy actions capability reduced time to create remediation policies "from 30-plus hours down to a few minutes," said Mihir Maniar, Juniper's VP of security business and strategy, in an earlier interview.

Security Director also now allows teams to define enforcement policies based on metadata that are auto-provisioned across environments. This can reduce time spent on firewall rule management by more than 80 percent, the company claims.

The second piece of Juniper's security announcement centers on one-touch mitigation. It is an on-premises appliance that uses technology acquired from Cyphort, a security startup Juniper bought in August. At the time, Juniper said it would integrate Cyphort's software into its Sky ATP platform to provide both on-premises and cloud support.

The new device announced today is the on-premises counterpart to the cloud-delivered Sky ATP product. Both use Cyphort's analytics and remediation technology to provide built-in threat behavior visibility and one-touch mitigation.

"This gives CISOs the ability to correlate this threat information with visualization," Maniar said. It also aims to accelerate incident response. The on-premises device is geared toward organizations with strict data sovereignty requirements.

Finally, Juniper announced its latest SRX next-generation firewall. It's built for private cloud environments and integrates with Security Director. This feature provides a single pane of glass view of enterprise security environments. The security announcements come as Juniper's security business revenue has been falling since 2016.

Speaking at the 2017 Instinet Media and Telecom Conference, Hutchins said he expects Juniper's security business to recover by the end of the year. In an interview with SDxCentral at NXTWORK, Juniper CTO Bikash Koley said the company's security strategy is "very well prepared for where the world is going. I'm personally super bullish about what Juniper can do in this space."

sdxcentral.com

IBM Launches Bot Asset Exchange For Enterprise Developers
December 11, 2017

IBM today announced two new ways for developers to quickly get things done, with the launch of code patterns and IBM Bot Asset Exchange.

Code patterns were made for quickly launching projects in areas like AI, blockchain, and cloud computing. Each package comes with a one-click GitHub repository, documentation, and a collection of resources to get the job done. More than 120 code patterns are available at launch.

The IBM Bot Asset Exchange is a place for third-party developers to share and build upon bots powered by IBM Watson Conversation Service. The exchange launches with more than 60 conversational interfaces in categories like banking and finance, health and fitness, enterprise, retail, and productivity. It makes it possible to quickly deploy the backend logic necessary to create conversational interfaces, like chatbots for popular messaging apps or voice apps for Amazon's Alexa.

IBM Watson product manager Anamita Guha created the Bot Asset Exchange. More ways for developers to communicate directly with one another to discuss their enterprise bots may be added soon.

"We got a lot of feedback [in private beta] that users are interested in speaking to users that have uploaded a bot to provide feedback and build on something someone else has uploaded. So one of the things that I'm considering and really hoping to amplify post-launch is to really increase the community effort and then build a lot of users."

Also launching today is the IBM Coder Community, a free resource for anyone to get guidance and instructions on how to carry out projects and build things. IBM Bot Asset Exchange activity will be encouraged through IBM Coder Community rewards. Users may see a bit of crossover between the asset exchange and code patterns.

"A lot of the stuff that we see in patterns have been ported over and brought to the exchange," Guha said.

venturebeat.com

Emerging Technology
Microsoft's Seeing AI App For The Blind Now Reads Handwriting
December 14, 2017

Artificial intelligence took center stage at Microsoft's AI Summit in San Francisco on Wednesday. Aside from announcing AI smarts for a range of software -- from Bing to Office 365 -- the tech titan is also ramping up its Seeing AI app for iOS, which uses computer vision to audibly help blind and visually impaired people to see the world around them. According to Microsoft, it's nabbed 100,000 downloads since its launch in the US earlier this year, which convinced the tech titan to bring it to 35 countries in total, including the EU.

It's also getting a bunch of new features. The app now boasts more currency recognition, adding British pounds, US dollars, Canadian dollars, and Euros to its tally. Going beyond the color in a scene, it can also spot the color of specific objects, like clothes. Plus, it's no longer restricted to just short printed text, with handwriting recognition now part of its skill set. You can also customize the voice that it uses to speak its observations out loud, and set how fast it talks.

Finally, a musical light detector alerts you to the light in an environment with an audible tone -- Microsoft claims the tool will save users from having to touch a hot bulb or LED battery to check if it's on. Despite the big update, there's still no word on an Android launch.
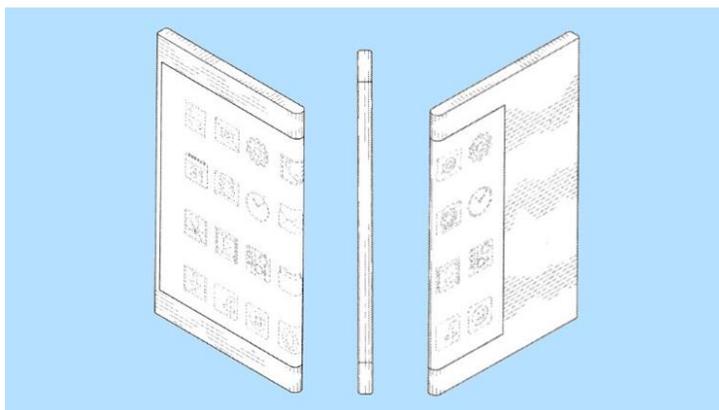
engadget.com

Samsung Patent Tips Phone With Wraparound Display
December 13, 2017

"By doing so, it creates a dual screen handset, but only requires one display panel, which will keep costs down and the component count low."

It used to be the case that is was quite hard to differentiate Samsung and Apple smartphones, but Samsung made things a lot clearer when it incorporated a curved edge display into the Galaxy range $720.00 at Verizon Wireless. However, future Galaxy-branded handsets could become even more visually distinct if a new Samsung Display patent turns into a real product.

As The Verge reports, the patent is for a "display device" and there is little detail beyond that, but the diagrams reveal all we need to know.

As you can see in the image above, Samsung Display figured out how to wrap the display not just around the edge of the phone, but extend it on to the back, too. By doing so, it creates a dual screen handset, but only requires one display panel, which will keep costs down and the component count low.

A phone using this new display would continue to work like a standard handset using the front display. However, the half-size display wrapped around to the rear of the phone could be put to good use showing your most used app icons, or combined with a case that allows it to easily show notifications. Owners would soon learn where the icons are on the rear display allowing them to tap without even looking to load content on the front display.

If Samsung so wished, it could also incorporate Synaptics' new Clear ID fingerprint sensor under the front or rear display. Or why stop at just one? Samsung could use Clear ID twice and require thumb and fingerprint for access!

Whether we see this wraparound panel make it into a Galaxy smartphone will depend on a number of factors such as power use, display resolution, cost, manufacturing complexity, and ultimately the answer to the question: is it actually useful?

pcmag.com

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Mergers and Acquisitions

Siemens Partners With Amazon As It Ramps Up Industrial Software Platform

December 15, 2017

Siemens is partnering with Amazon as it accelerates the rollout of its MindSphere industrial software platform, the core of its bid to dominate the market in digital factory automation.

The German group's next version of MindSphere, to be launched in January, will run on Amazon Web Services (AWS) - the most popular cloud system with industrial software developers.
Sponsored

"Many customers appreciate it very much," Siemens Chief Technology Officer Roland Busch told reporters and analysts at a company presentation in Munich on Friday. "You have to really scale up in order to justify your money."

So far, MindSphere has run on the SAP cloud, and from April it will also run on Microsoft's Azure.

MindSphere gathers data from devices, analyses the information and uses it to help customers optimize processes. Attracting a critical mass of developers to work on the platform is crucial to improving the quality of software applications.

MindSphere is one of a number of so-called Internet-of-Things platforms being developed by industrial companies racing to help their manufacturing customers improve productivity, where growth has been slowing in developed countries.

The technology was thrown into sharp focus in August by Emerson Electric's failed $29 billion bid to buy Rockwell Automation.

The area is still in its infancy, with companies pursuing different strategies, although Siemens is generally considered to be leading the pack, helped by more than $5 billion of acquisitions in the past two years and by arch-rival General Electric's partial retreat as it narrows focus.

Siemens said it was targeting 1.25 million connected devices and systems by the end of its fiscal year in September, up from 1 million currently, as it expands its offering - previously focused on autos and aerospace - to cover all sectors.

It is increasing research and development spending to over 5.6 billion euros ($6.6 billion) this fiscal year from 5.2 billion last year, the lion's share of which will go to its Digital Factory division.

Siemens says it made 5.2 billion euros in digital revenues in the year to September. It has 23,000 in-house software developers, rivalling some of the world's biggest pure-play software companies.

General Electric is reducing investment in its Predix industrial software platform by about $400 million this coming year to $1.2 billion, and focusing solely on its own installed base of customers for the rollout.

Under new Chief Executive John Flannery, GE as a whole is narrowing its focus and shedding businesses with around $20 billion in revenue. [LINK]
GE aims to double Predix revenues to $1 billion in 2018.

reuters.com

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T-Mobile Looks To Join Pay-TV Market By Buying Cord-Cutting Service Layer3

December 13, 2017

"The cord-cutting movement has taken off due to consumers' frustration with high cable bills and bundles that prevent à la carte choices."

Scrappy wireless carrier T-Mobile is looking to take on the pay-TV market.

No. 3 carrier T-Mobile said it will acquire Layer3 TV, which has launched an Internet-based pay-TV service in a handful of markets and plans to go national in 2018. The move will help T-Mobile compete with rival AT&T, which owns DirecTV and markets the satellite-based pay TV service to its customers in bundles for lower cellphone rates.

"People love their TV, but they hate their TV providers," said T-Mobile CEO John Legere. "And worse, they have no real choice but to simply take it – the crappy customer service, clunky technology and outrageous bills loaded with fees!"

Legere vowed to change the way consumers look at pay TV, with fewer pain points and more choices. Layer3's current offering is in Los Angeles, Chicago, Denver and Washington DC.

In L.A., it offers 275 channels and a DVR box for $75 monthly, which isn't that competitive with cable. Traditional cable service Spectrum, for instance, charges $70 monthly for 200 channels, and unlike Layer3, Spectrum customers don't need to already have an Internet connection, which adds to the monthly bill.

"We're going to ditch everything you hate about cable TV, and make everything you love about it better," said Jeff Binder, CEO of Layer3 TV.

Binder said Layer3's national service will be "inspired by how mobile works now." He promises 250 channels of cable, along with Internet entertainment services like Netflix and Hulu. T-Mobile currently offers some of its customers free Netflix service, which costs $7.99 to $13.99 monthly.

The cord-cutting movement has taken off due to consumers' frustration with high cable bills and bundles that prevent à la carte choices.
Others have come out in 2017 with similar cord-cutting services that offer traditional TV fare but allow viewers to cut tie with cable companies. YouTube TV, which offers around 50 TV channels, sells for $35 monthly on top of a monthly Internet charge, while Hulu's offering of 50 channels is $39.99 monthly plus Internet.

T-Mobile's move into streaming television brings yet another dimension to its long-running rivalry with AT&T, who owns DirecTV and offers a streaming option of its own in DirecTV Now.

The two services are similar, though Layer3 offers more 4K streaming options. DirecTV Now is currently available on more platforms and is already nationwide.

Beyond DirecTV, T-Mobile will also have to compete with a variety of other streaming options including Sling TV, Hulu and YouTube TV.

On a conference call with analysts, T-Mobile execs said it has a competitive advantage in marketing Layer3 because the carrier has 71 million customers and 16,000 retail stores to reach customers.

usatoday.com

Apple Has Acquired Shazam

December 11, 2017

Apple confirmed today in statements to several media outlets that it will buy Shazam, pending approval. This news had previously been reported by TechCrunch, which had one source claiming the sale price was around $400 million—far less than Shazam's $1 billion valuation at its last round of funding.

Shazam is arguably best known for its music recognition technology; tap the "Shazam" button in the app for smartphones and it will usually identify whatever song it hears after just a few seconds. Shazam has become so popular that there's even a network TV game show called Beat Shazam hosted by Oscar-winner Jamie Foxx. In it, contestants must guess songs faster than Shazam can.

But Shazam has also invested in second-screen TV viewing features, image recognition, and augmented reality services and products. Shazam's talent and technology could be used in several of Apple's products and initiatives, including Apple Music, Siri, and augmented reality.

Shazam already integrates with Siri. You can ask Siri "what song is this?" while a song is playing externally, and, after a long pause, it will provide you with the name and artist, along with a "buy" button for Apple Music/iTunes gussied up with the Shazam logo. Currently, the Shazam app allows you to add a song to your Spotify playlist after identifying it, regardless of whether you're using an Apple or Android phone. We don't know yet what, if anything, will happen to that feature because of the Apple purchase.

That said, the acquisition is probably about much more than the widely known music recognition feature. Shazam has been developing augmented reality features that allow brands to serve up customized ads and transaction opportunities to users who use the app on visual or aural cues around them. Apple's Tim Cook has made it abundantly clear that he expects augmented reality to be one of Apple's biggest areas of growth and investment. Much of the iPhone 8 and iPhone X's hardware and software is built with AR specifically in mind, and Apple is even rumored to be working on a pair of AR goggles, though it will likely be a while before we see those in the market, if we do at all.

Shazam could help Apple further monetize these AR features, among other things.

arstechnica.com

Industry Reports

Altice, Charter, Comcast Form New Interconnect Advertising Platform For New York Area

December 13, 2017

Altice USA, Charter Communications and Comcast Cable have signed a preliminary agreement to form a new Interconnect for the New York market, with the aim of supplying a one-stop advertising platform for the more than 6.2 million households across the New York Designated Market Area, or the Tri-State Area. The new Interconnect platform will allow marketers, agencies and advertisers to strategically reach audiences across TV and digital platforms. It is expected to launch early in the

second quarter of next year, headed by Ed Renicker, the current head of the New York Interconnect and President of Altice Media Solutions.

The new Interconnect will provide advertising clients with access to households served by Altice USA, Charter Communications and Comcast as well as other multichannel video programming distributors (MVPDs) serving the area. It will manage all non-local advertising sales on both News 12 Networks and Spectrum News NY1, two of the top hyperlocal news stations in the New York tri-state area. With the platform, advertisers will be able to provide a range of products and services, including the ability to place their commercial ads on up to 85 hit cable networks with the most popular television programming. They will also be able to deliver linear and digital planning tools and campaign measurement.

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Google, Looking To Tiptoe Back Into China, Announces A.I. Center

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"Google said the center would have a team of experts in Beijing, where the company has hundreds of employees in research and development, as well as other roles."

Google pulled some of its core businesses out of China seven years ago, after concluding that government controls and surveillance ran counter to its commitment to a free and open internet.

Since then, as China's online scene has grown and prospered, the American search giant has been looking for ways to tiptoe back in.

On Wednesday, it unveiled a small but symbolically significant move toward that end: a China-based center devoted to artificial intelligence. The move nods to the country's growing strength in A.I., thanks to substantial government funding prompted by Beijing's ambition of having a say in the technologies of the future.

Google said the center would have a team of experts in Beijing, where the company has hundreds of employees in research and development, as well as other roles. The center will be led by Fei-Fei Li, who runs Stanford University's Artificial Intelligence Lab and leads the artificial intelligence arm of Google's Cloud business, and Jia Li, the head of research and development for the A.I. division of Google Cloud.
The Silicon Valley company, which announced the center's opening at a software developer conference in Shanghai, cited China's growing academic and technical contributions to the A.I. field, and said the new center would be "working closely with the vibrant Chinese A.I. research community."

"The science of A.I. has no borders," Fei-Fei Li said in a post on Google's website, and "neither do its benefits."

Google did not disclose financial details.

The company is only the latest big technology name to set up an A.I. shop in China to capitalize on growing skills and lavish state support. Microsoft, IBM and other Western and domestic stalwarts are busy hiring Chinese staff members in a field with a wide variety of potential applications.
China's A.I. push is part of a government-driven effort to upgrade the country's technological abilities and to wean itself off foreign-made software and advanced equipment. The push has prompted Western corporate executives, and increasingly the Trump administration, to complain that Beijing unfairly nurtures their potential rivals.

The new Google A.I. center could deepen the company's fraught but complicated relationship with China, now home to the world's biggest population of online users.

Google closed its search business in China in 2010, saying it would no longer tolerate Beijing's censorship requirements and government-linked efforts to hack the Gmail accounts of human rights activists and others. Google's services were subsequently blocked in the country, and China's internet developed its own answers to the company's products, from email and search to video-sharing and chat.

Still, Google never left China entirely. It has an active business distributing online ads for desktop computers and mobile applications, and Chinese makers of smartphones use its Android mobile device software.

The two sides have shown signs of warming. Last week, Sundar Pichai, Google's chief executive, spoke at China's annual internet conference in the city of Wuzhen, saying the company did robust business helping Chinese firms seeking customers abroad. And this year, Google began offering its translation software in China.

"We have 600-plus employees in China, and we had a similar number in 2010," said Taj Meadows, a Google spokesman. "Roughly half of them are engineers working on global products. Work on A.I. will be in a similar vein."

Tech figures inside and outside the country are watching whether Google opens a mobile app store there, but there has been little indication of progress on that front.

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