IMLA
PRESENTATION
ORLANDO, FLORIDA

SEPTEMBER 27, 2024
2:45-3:45

MICHAEL J. WATZA

Kitch Attorneys & Counselors
1 Woodward Ave
Detroit Mi 48226
www.kitch.com
313.965.7983
248.921.3888
Mike.watza@kitch.com

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www.protec-mi.org

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HISTORY

- $3BILLION IN CABLE/VIDEO REVENUE NATIONALLY
- FRANCHISE FEES FALLING – 25-30%
- WHY?
- CORD CUTTING/ISP/CABLE MODEM BASED STREAMING IP VIDEO

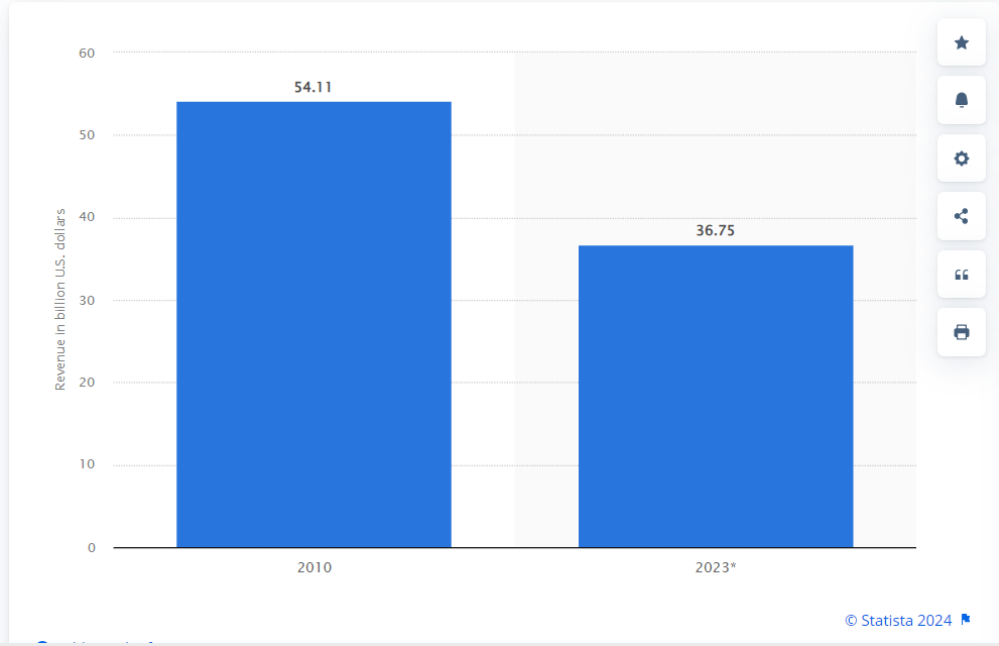
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Cable Revenue Still Significant – But Declining

Cable TV revenue in the United States in 2010 and 2023

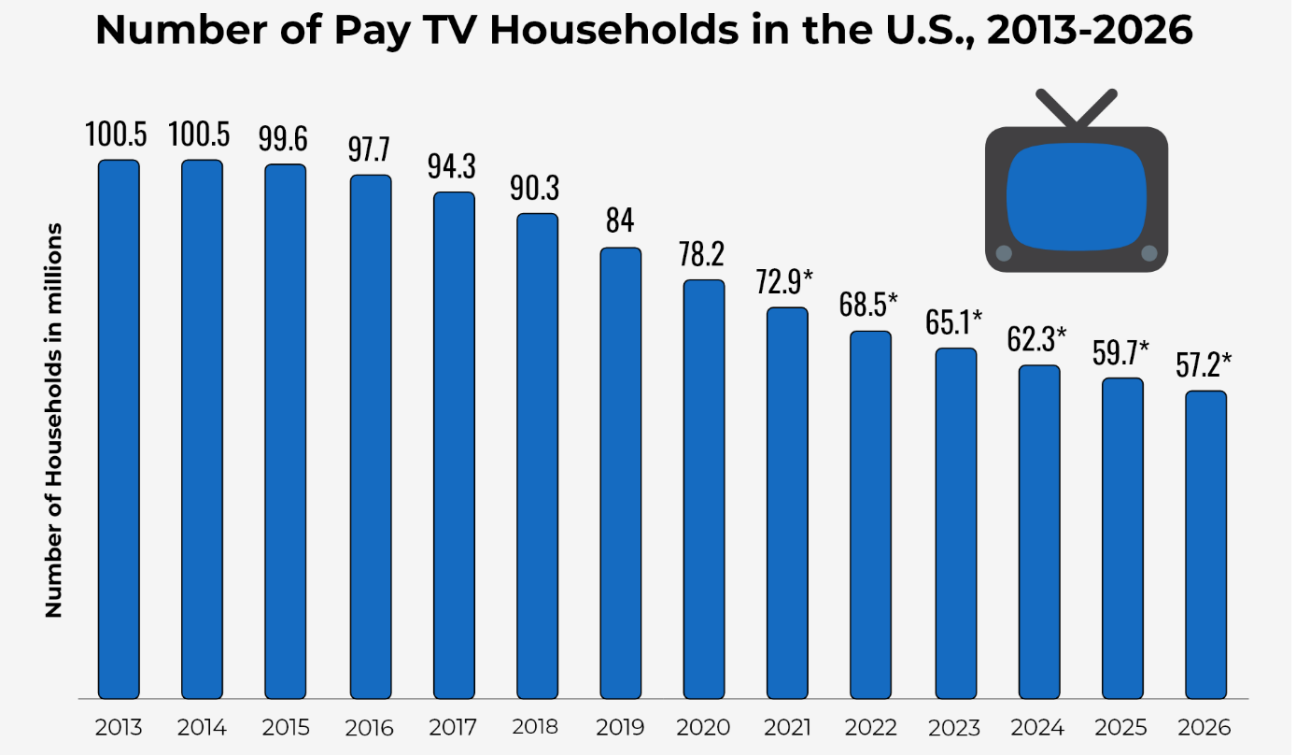
(in billion U.S. dollars)



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Attorneys at Law

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Cable Subscriptions Still Significant – But Declining

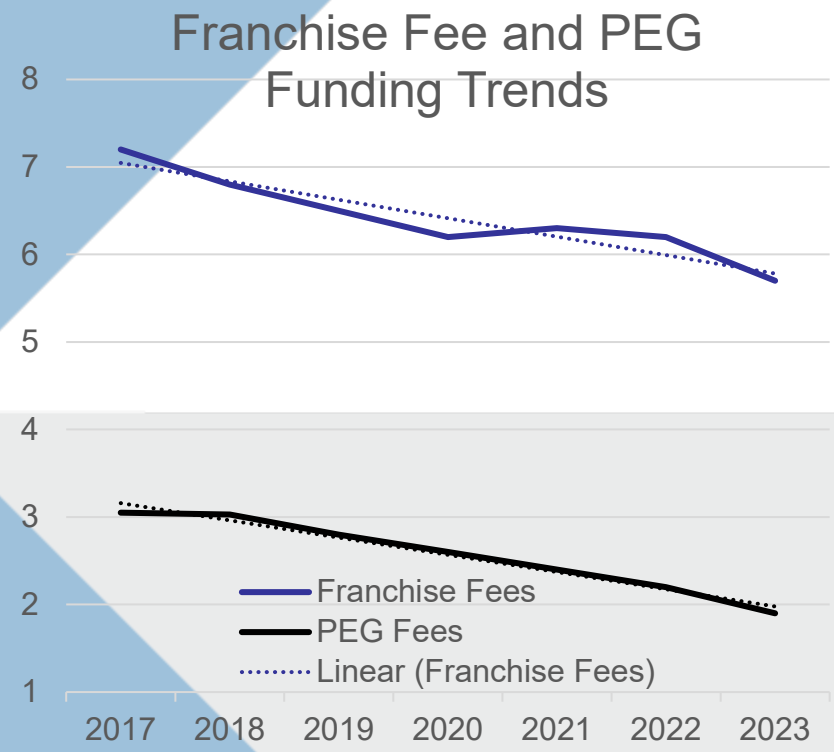


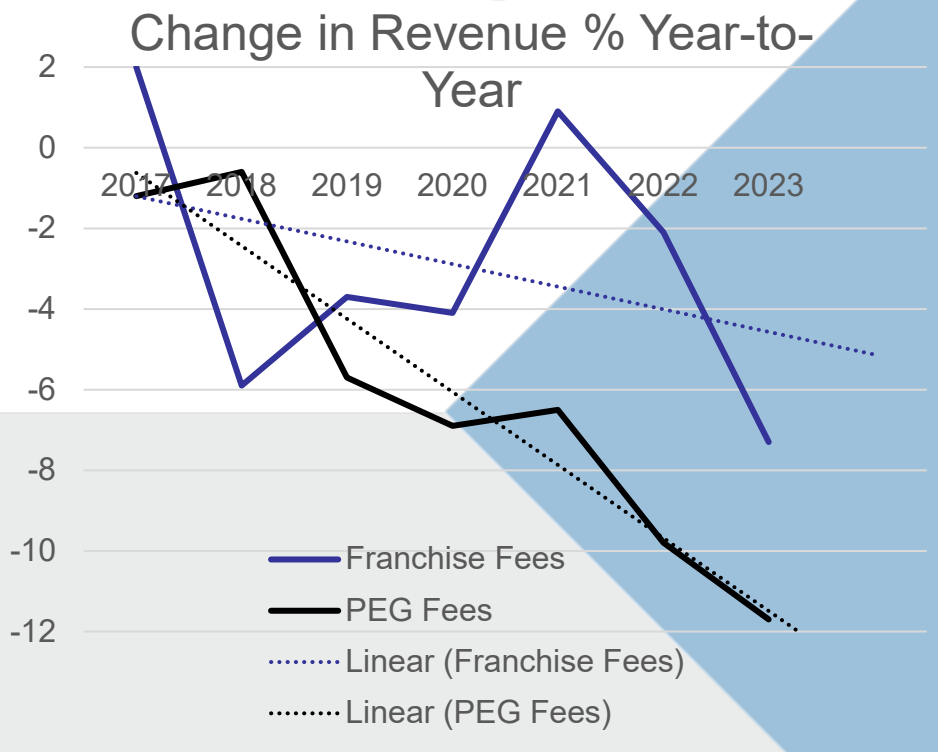
https://www.cablecompare.com/blog/us-cable-subscriber-statistics

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Franchise Fee Revenue is Declining



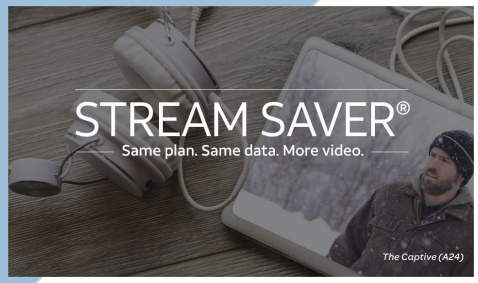


Per sub PEG Funding

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New Video Programming – Different Technology



peacock



xumoTV

xfinity flex

Spectrum

DIRECTV NOW

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New Video Programming Revenue – Rising Sharply

*"In the short period of time since we launched in 2020, we've seen strong momentum, ending the year at **31 million paid subscribers** at a **$10 ARPU**, supported by healthy trends in both engagement and churn, and I'm excited for 2024."*

- Comcast president Mike Cavanagh discussing Peacock subscribers and revenues
- https://www.tvtechnology.com/news/peacock-subs-jump-nearly-50-yoy-to-31m
- ARPU means Average Revenue Per Unit. Unit means subscriber.

SOLUTIONS

- ENGAGE:
  - WE WIN AT LEAST SOMETHING WHEN WE FIGHT
  - WE LOSE 100% WHEN WE DON'T.
- PLUG THE LEAK
- CAPTURE STREAMERS/OTT VIA:
  - AUDIT
  - LEGISLATION
  - LITIGATION

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LEGISLATION

- OMNIBUS COMMUNICATONS/ENTERTAINMENT TAX/ROW USE FEE
  - CANADA
  - FLORIDA – NETFLIX IS PAYING IT
  - CHICAGO
  - OTHER STATES

- PRESERVE PEG AS AN IMPORTANT COMPONENT OF LOCAL PROGRAMMING
- PRESERVE LOCAL CONTROL IN STATE OR FEDERAL LEGISLATION

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LITIGATION

- MISSOURI MUNICIPAL CLASS ACTION

- These slides are heavy redacted due to current dispute and potential litigation. Details available to clients only.

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PARTNERS/ALLIES

- BROADCASTERS
  - FCC FILINGS TO TREAT STREAMING LIKE CABLE RE MUST CARRY
    - https://www.nab.org/advocacy/issue.asp?id=6760&issueid=1081
- PRINT PRESS
  - GOOGLE TO UNDERWRITE Ca.PRESS
    - https://apnews.com/article/california-journalism-google-tax-pay-b3d1ca996202366f41b6dcfc340ad965
    - https://apnews.com/article/california-google-news-funding-87d423a8a8bfe2730b27ee3e59f4f454
- OTHERS?

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CHALLENGES

- NO SHORTAGE HERE
- NOVEMBER 5? (FED AND STATE)
- FCC INTERNET ORDER?
  - US 6TH CIR STAY?
- US SUPREMES GUTTING FCC?
  - MAJOR Q (W.Va v EPA)
  - CHEVRON REVERSAL (LOPER BRIGHT)
- ITFA
- POWERFUL INDUSTRY

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Michael J. Watza Biography

Martindale Hubbell AV Rating/Super Lawyer Designation/Detroit Business Top Lawyer

Michael J. Watza is Chair of the Governmental Regulatory Practice Group at Kitch, a full service Law firm based in Detroit, with offices in Lansing, Mt. Clemens, Chicago, Ill. and Toledo, OH

Mr. Watza's practice provides litigated, legislative and regulatory solutions on behalf of municipal, health care and private sector clients, concerning Legislation, Complex Litigation, Governance Issues, Telecommunications including Cable and Cell Towers, Pipelines, Energy, Insurance and Gaming. He is a Michigan registered lobbyist.

Michael also serves as Outside General Counsel to PROTEC, a consortium of over 100 Michigan Municipalities. He is also Outside General Counsel to Merit Network, a Michigan University Affiliate engaged in developing the Internet and hi-speed low cost access to it since 1966. He also Chairs the Novi EDC, Michigan Attorney Grievance Commission Grievance Panel #9, and the International Municipal Lawyers Telecommunications Committee.

He was twice appointed by Governor Granholm and Snyder, to the Michigan Gaming Control Board, serving there for 8 years.

Mike has also served as Special Projects Counsel to the Michigan Municipal Risk Management Authority.

Michael has served as an adjunct faculty member at Michigan State University College of Law teaching Communications Law & Policy and Ethics and the Practice of Law and the Michigan State University Institute for Public Utilities.

In 2008, Michael successfully opposed Comcast's effort to move PEG channels to the 900 digital channel range resulting in, among other things, an apology by Comcast to Congress.
In 2013 he lawyered the 1st Michigan Municipal Broadband Network in Sebewaing, Mi and has assisted on many subsequent projects since then.
He is presently leading PROTEC's effort to take back local public ROW by a series of legislative initiatives before the new 2023/24 Michigan Legislature.

Michael J. Watza
Kitch Drutchas Wagner Valitutti & Sherbrook
1 Woodward 24th Floor
Detroit, MI 48226
E Mail: Mike.Watza@Kitch.Com
O: (313) 965-7983 C: (248) 921-3888

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