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Wednesday — June 12, 2013

What the Industry Reads First

Volume 24 / No. 113

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X-Man: Comcast's Roberts Touts Next Big Thing... Again

It has only been a year since **Comcast** debuted X1, its cloud-based architecture designed to take TV to the next level. But before the MSO has even finished rolling it out to its entire footprint, Comcast chmn/CEO *Brian Roberts* on Tues once again took the main stage at the Cable Show to show off the next version called X2. "The cloud is a game changer," said Roberts. "There's a vibe at Comcast that I haven't seen in many, many years." During an earlier on-stage interview, Roberts acknowledged that making all content available across devices is never easy as all sides wrangle. And he said that dynamic even takes place within Comcast as it manages its content and distribution units. "We're like a family," he said. "Sometimes it looks messy." Industry wide, he said all sides must create win-wins—or risk watching customers go elsewhere. "I continue to believe that we work together, and both sides can come out great," he said. "If you don't have your products on every platform, you're missing a generation." He also admitted TV Everywhere stumbles, arguing that "we haven't made it as easy as we need to... We're looking at all these problems. It's very fixable." He said TVE triumphs include **NBCU's** well-received multiplatform coverage of the Olympics in London last year as well as plans to expand access for the upcoming games in Socc. And he noted Comcast's recent "Watchathon," which opened up the TVE floodgates on massive amounts of TV content for a week. "For each of us, the answer is not the same," he said. "And we as distributors and content need to embrace that." Enter X2, which Roberts hopes will start to tip the balance. Comcast has already tweaked its X1 platform a whopping 1200 times in the last year, but Roberts framed the X2 migration as a more substantial shift to an even slicker, more integrated platform that includes myriad new features including Web video integration, parental protections, more social media fun, "tablet-like" navigation (that ports more easily to those 2nd-screen devices) and even enhanced features for people with disabilities. It's also a more personal, customizable interface. A 4X faster and 3X smaller set-top that uses 50% less energy also will roll out in lockstep with the upgrades—although X2 will run on many legacy boxes. A smaller and simpler remote also will launch with the box. "I think we're just scratching the surface," Roberts told attendees. Later at a press conference at Comcast's booth, Roberts seemed even more excited about X2, calling it a "quantum leap forward" and an opportunity to exploit an "inflection point" between consumer behavior and technology. "I think we're going to have the best television service available," he said, adding that X2 will ensure



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that all customers get “one experience across the entire Comcast footprint” no matter what generation set-top box is in use. So is X3 already in the works? Comcast CTO *Tony Werner* said Comcast will look at major upgrades of both software and boxes approx every 12 to 18 months—keeping a close eye on changing consumer behavior and expectations. -- Yes, it's still all about the speed. Before Roberts launched into his X2 pitch (and as **Google** continues to announce 1-gig plans in various cities), he demoed the real-world capabilities of Comcast's broadband network, downloading in only a few seconds a 4K/UltraHD-quality video clip that weighed in at 4 gigabytes. The speedtest showed 3.282Gbps.

Patents: Netflix does not infringe on Rovi patents for IPGs, according to a preliminary decision from an **International Trade Commission** admin law judge. The full ITC is slated to issue a final decision later this year. The ALJ found 3 of the 4 Rovi patents involved in the action are valid, even though it found no infringement. “While we are disappointed in the initial determination of no infringement and expect to exercise our right to petition the full Commission of the ITC for a review of this decision, we are pleased that the majority of the patents involved were confirmed valid,” said *Samir Armaly*, evp, worldwide intellectual property and licensing for Rovi.

Global Content: As **Discovery Comm** pres/CEO *David Zaslav* and **Viacom** pres/CEO *Philippe Dauman* trumpeted the value and health of the cable content biz overseas in Tues' general session, **Liberty Global** pres/CEO *Michael Fries* did have one complaint about US content owners: “Work with us in Europe... the same way you work with distributors here.” Fries said European broadcasters have been better partners than US content firms on issues such as VOD and TV Everywhere rights—although he did acknowledge Europe's more fragmented environment and economic landscape. Dauman said better multiplatform measurement will eventually free up more content, helping both distributors and programmers. “Measurement is going to improve over the next year,” he said, “and that will unleash a lot of content to consumers—especially outside the home.” Citing the need to keep pushing for wider TVE availability, Zaslav said “I hope that we're not talking about the fact that TV Everywhere is still in test mode” at next year's Cable Show.

RSNs: It ain't easy creating a regional sports network, panelists on an RSN-themed discussion agreed. “A lot of people forget how hard these are to get off the ground,” said **Fox Sports Nets** evp *Jeff Krolik*, citing Houston's difficulty and the Yankees going off the air on **Cablevision** systems as examples. Group pres **NBC Sports Group** *Jon Litner* agreed: “It's a tough business, but a good business,” he said. “It's not for folks who don't think long term... It takes time,” he said, with each market having its own intricacies. *David Rone*, **Time Warner Cable** pres, sports, news and local programming, added that those who complain about the high sports rights costs are “really propagandizing their own position.” It comes down to the negotiations between distributors and content providers. “And there's no disconnect there.” “There's a rhetoric out there that's not accurate,” said Litner. “The networks] are appropriately priced... These are not easy negotiations, but it's all about the value proposition.” Rone pointed to the fact that creating RSNs puts Time Warner Cable in a costly position. “We take a serious risk... The relationship with the teams is not an inexpensive one.” But ultimately it should be left to the parties within negotiations. “A la carte means, to me, the government is going to come into our business,” and that's not a good thing, added Rone. Panelists stressed that it's crucial for RSNs to be accessed via TVE, particularly to accommodate younger generations. “It is incumbent on us that we are servicing them on an authenticated basis,” said Krolik. Litner sees a real opportunity for RSNs to sit down with major leagues like MLB and NBA and secure TVE rights locally so that it remains within the ecosystem. “TV Everywhere on a national basis is here,” he said. The industry has “crossed the Grand Canyon” with national TVE rights, and his hope is that fans in local markets—to him, the most passionate—will gain that access as well. “If we don't, we're going to miss out” on the younger generations,” added Rone.

Hall of Fame: The **Cable Center's** Hall of Fame dinner at the Cable Show welcomed 6 new inductees and honored *Brian Lamb* as the recipient of the *Bill Bresnan* Ethics in Business Award. “The best thing about getting this award is the name on it,” said Lamb, noting that “you're only as good as those you're surrounded with.” **Evolution Digital's** *John Egan* took a moment to reflect on his pro football past (which he referred to as “lackluster”), saying that “no company succeeded by slowing down or playing defense.” *Louise Mooney*, wife of the late *James P. Mooney IV*, and his son accepted on the honoree's behalf. She advised cablers not to take the industry for granted. “And don't get too straight-laced,” she said, because taking risks is how cowboys get things done. Mooney's son said he was glad to finally match faces to stories told by his father. **Pilot House Associates' Tim Neher** thanked colleagues but his wife above all, saying “I still think there isn't anything I want to do without her,” which prompted the event's emcee *Andrea Mitchell* to induct him into the “husband

Hall of Fame.” **Providence Equity’s Dick Parsons** called **Time Warner Cable** chmn *Glenn Britt* “my Yoda” and, referring to the achievements of cable guys, said that he’d gladly “quibble” with *Tom Brokaw* on whom should be given the moniker “The Greatest Generation.” *Josh Sapan* was introduced with a video of “Breaking Bad’s” *Bryan Cranston* playing an Ace Hardware salesman “somewhere in Rhode Island.” He referred to the **AMC Nets** exec “Sappy,” “because he was always writing those sappy poems.” Sapan himself thanked *Brian Lamb* for his achievements, *Jim and Chuck Dolan* and his team at AMC “occupying the 19 tables on the left.” Lastly, **BendBroadband’s Amy Tykeson** took the opportunity to pitch improvement in the industry, namely continued gender diversity, working together on achieving scale and harnessing “the message that our technology is the catalyst for massive innovation... We need to shout that from the rooftops.”

On the Hill: Sen Commerce will hold a hearing Tues on the nomination of *Tom Wheeler* as FCC chmn. Wheeler, a former head of **CTIA** and **NCTA**, was nominated for the Commission by the president last month.

Cable Show Notebook: **Nielsen** is gearing up for tablet and other forms of mobile measurement, with the first bits of data analytics expected to be available this fall. By spring, Nielsen hopes to have “preview data,” what the data will look like once it’s accredited and currency level metrics by fall ’14, according to *Brian Fuhrer*, Nielsen’s svp, product leadership. Working on tablet measuring and other mobile measurement requires a great deal of collaboration with the industry. “It’s probably the most evasive measurement approach ever undertaken from us having to be into your apps,” he said. Testing already has taken place with both MVPDs and content companies. -- Congrats to the winners of the 4th annual CiO.IT competition: Cloud Computing Session: *Mike Horwitz*, svp, engineering, **the Platform**; Big Data session: *Mark Cusack*, Chief Architect. **Rainstor**. -- As cable operators look for new revenue streams, the connected home could be the next area poised for massive growth, argued cable strategists at a panel Tues. “We can literally change how people live in their homes with products like this,” said **Comcast** svp/gm, new businesses *Mitch Bowling*. “This is a long-term game. We’re in this for the long haul, and there’s no turning back.” **Mediacom** svp, business *Dan Templin* said ops should also think big. “It is a compelling proposition,” he said. “It’s not a matter of being an alarm company. It’s a matter of begin a connected home company.” Going beyond security and home automation, panelists noted that healthcare—especially with the emphasis on preventive care that stems from the new healthcare law—could be a huge opportunity. “I do think that will be the future,” said *Craig Cowden*, **Bright House** svp, networking engineering, operations & enterprise. Bowling added that it goes beyond what’s usually considered healthcare and could include “a couple other categories within that umbrella” including wellness or “aging in place” monitoring in which adults can monitor aging parents who live on their own.

FCC Views: At Tues’ general session, **FCC** acting chmn *Mignon Clyburn* said she’s still concerned that millions don’t have broadband, citing digital literacy, affordability and awareness issues. “We have people who don’t see what’s in it for them,” she said, adding that public-private partnerships are especially important. She commended cable for its WiFi efforts, which can help increase broadband availability “where there are more cows than people” and noted the importance of focusing on both licensed and unlicensed spectrum.

Deals: **Mediacom** has joined **TiVo’s** MSO party and has started rolling out its multi-room DVR offering. The MSO ex-

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pects to continue the rollout throughout the remainder of the year. It's deploying the Premiere Q 4-tuner gateway DVR, TiVo Mini IP set-top box client and companion applications for iOS and Android devices. TiVo was able to bring its whole-home, multi-screen suite of products to Mediacom subs just 9 months after the 2 signed an agreement. As part of its broader rollout plan, Mediacom intends to offer the 6-tuner, DOCSIS 3.0 capable Pace Xg1 gateway with TiVo.

Carriage: NUVOTv's VOD content launches nationally on Comcast July 15. It will be available to authenticated subs on multiple platforms. AT&T U-verse also will roll out NUVOTv HD nationally on June 28.

Technology: Time Warner Cable's TWC TV app launches on compatible Samsung Smart TVs this summer, giving subs instant access to 5 VOD titles from nearly 100 nets. Customers can download the app for free on the Smart TVs without a set-top. -- Mediacom joined the Comporium Security, Monitoring and Automation Dealer program, which allows it to offer home management with a security alarm system, communications gateway and home automation platform. Comporium operates the iControl OpenHome platform.

People: YES exec Ed Delaney is joining Fox Sports Media Group as evp, ops, a newly created post. He'll report to Fox Sports co-presidents and COOs, Randy Freer and Eric Shanks.

CableFAX Daily Stockwatch

Company	06/11 Close	1-Day Ch	Company	06/11 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
DIRECTV:	61.39	(0.7)	GOOGLE:	879.81	(10.41)			
DISH:	39.17	0.31	HARMONIC:	6.18	(0.08)			
DISNEY:	63.80	(0.03)	INTEL:	24.71	(0.3)			
GE:	23.58	(0.2)	JDSU:	14.53	(0.22)			
NEWS CORP:	31.78	(0.3)	LEVEL 3:	21.55	(0.84)			
MSOS								
CABLEVISION:	14.14	(0.17)	MICROSOFT:	34.84	(0.63)			
CHARTER:	112.46	(0.07)	RENTRAK:	23.51	0.11			
COMCAST:	40.16	(0.51)	SEACHANGE:	11.09	UNCH			
COMCAST SPCL:	38.94	(0.45)	SONY:	20.30	0.19			
GCI:	8.58	(0.21)	SPRINT NEXTEL:	7.35	0.17			
LIBERTY GLOBAL:	73.15	(1.03)	TIVO:	10.79	(0.23)			
LIBERTY INT:	22.62	(0.31)	UNIVERSAL ELEC:	26.78	(0.03)			
SHAW COMM:	22.58	0.12	VONAGE:	2.86	(0.07)			
TIME WARNER CABLE:	95.98	0.24	YAHOO:	26.40	(0.34)			
WASH POST:	466.98	3.57	TELCOS					
PROGRAMMING								
AMC NETWORKS:	64.72	(0.67)	AT&T:	35.76	(0.23)			
CBS:	47.09	(0.7)	VERIZON:	50.18	(0.35)			
CROWN:	1.94	0.01	MARKET INDICES					
DISCOVERY:	73.87	(0.48)	DOW:	15122.02	(116.57)			
GRUPO TELEVISIA:	23.85	0.18	NASDAQ:	3436.95	(36.82)			
HSN:	56.49	0.39	S&P 500:	1626.13	(16.68)			
INTERACTIVE CORP:	49.78	(0.4)	TECHNOLOGY					
LIONSGATE:	28.41	(0.64)	ADDVANTAGE:	2.23	UNCH			
SCRIPPS INT:	65.83	(0.3)	ALCATEL LUCENT:	1.76	(0.06)			
STARZ:	22.08	(0.32)	AMDOCS:	35.27	(0.62)			
TIME WARNER:	56.89	(0.81)	AMPHENOL:	76.75	(1.07)			
VALUEVISION:	4.89	(0.01)	AOL:	35.16	(0.45)			
VIACOM:	67.64	(0.58)	APPLE:	437.60	(1.29)			
WWE:	9.79	(0.14)	ARRIS GROUP:	14.50	(0.21)			
TECHNOLOGY								
ADDVANTAGE:	2.23	UNCH	AVID TECH:	6.33	(0.32)			
ALCATEL LUCENT:	1.76	(0.06)	BROADCOM:	34.14	(0.75)			
AMDOCS:	35.27	(0.62)	CISCO:	24.07	(0.29)			
AMPHENOL:	76.75	(1.07)	CLEARWIRE:	4.35	0.08			
AOL:	35.16	(0.45)	CONCURRENT:	8.04	0.09			
APPLE:	437.60	(1.29)	CONVERGYS:	17.74	(0.13)			
ARRIS GROUP:	14.50	(0.21)	CSG SYSTEMS:	20.87	(0.24)			
AVID TECH:	6.33	(0.32)	ECHOSTAR:	40.00	(0.78)			
BROADCOM:	34.14	(0.75)						
CISCO:	24.07	(0.29)						
CLEARWIRE:	4.35	0.08						
CONCURRENT:	8.04	0.09						
CONVERGYS:	17.74	(0.13)						
CSG SYSTEMS:	20.87	(0.24)						
ECHOSTAR:	40.00	(0.78)						

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