

# CableFAX Daily™

Thursday — June 21, 2012

What the Industry Reads First

Volume 23 / No. 119

## Getting Smarter: TV Makers Unite to Create Single Smart TV Platform

Non-traditional TV is in the spotlight, with **LG Electronics** and **TP Vision** (for **Philips** TVs) forming the **Smart TV Alliance** to create a non-proprietary environment for app developers. That follows the recent creation of **The Connected TV Marketing Assn**, which just announced its US board. "We are absolutely going to look into collaboration opportunities with the Smart TV Alliance," said Connected TV co-founder **Zack Weiner**. On Connected TV's board are a couple of cable network execs (**AETN** vp, digital media & investments **Dietrich Von Behren** and former **HBO** dir, tech **Jamyn Edis**), but no cable operators—yet. Weiner said the group is talking to more cable nets as well as operators. The association just started to approach a large swath of players for membership, but "board/committee appointments are also still on the table as well," he said. That dynamic could be interesting since smart TVs could make it easier for viewers to bypass MVPDs and watch content over-the-top. On the other hand, smart TV sets are an opportunity for cable ops to ditch expensive set-top boxes (and CableCards), reducing hardware costs. Cable's own marketing group, **CTAM**, has the **Advanced Cable Solutions Consortium**, which is looking at things like multi-platform services and interactive TV. The Connected TV Assn is seeing the most interest for membership from device makers like **Samsung** and **LG**, advertisers, TV nets and developers, according to Weiner. Other US board members include reps from **Ogilvy Ent** and **Dijit Media**. Connected TV plans to launch white papers, Webinars, events and research initiatives to better educate the public about the converging industries that smart TVs bring to the table. The group's working on creating several committees focusing on areas such as innovations and disruptions, public policy, education and accreditation as well as standards and best practices. The #1 task for the Smart TV Alliance? Helping to define technical specifications that would enable developers to create apps once and run them on multiple TVs regardless of the platform. To do that, the alliance will make the 1st version of its SDK (based on open web technologies) available on its website for free. The Smart TV industry has been a difficult market for both app developers and TV makers because TVs from different vendors used different platforms and technologies, said **Bong-seok Kwon** of **LG**, head of the Alliance. **Alain Perrot**, a Smart TV Alliance board member from **TP Vision**, is convinced that reduced app development time and costs would benefit all: Instead of spending time on porting and testing, "now we can really make it interesting and fun for everybody."

**On the Hill:** Cable's often unhappy about the **RUS** broadband program, but on Wed it had something to smile about. The Senate approved an amendment to the Farm Bill that is aimed at better targeting funding to broadband projects in unserved areas. The amendment from **Sen Mark Warner** (D-VA) requires that at least 25% of HHs in a proposed project areas qualify as unserved or underserved. The Sec of Agriculture will have discretion to reduce the percentage to not less than 18% for project areas covering 7500 or fewer people, and 15% for areas covering 5000 or fewer. The amendment also requires all funding recipients and **RUS** to report specific metrics about the number of residences and businesses receiving new service and calls for enhanced broadband mapping. Final passage of the



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Farm Bill was expected Wed. -- Over in the House, the Commerce cmte unanimously approved a resolution urging the administration to fight any efforts by the UN's **Intl Telecom Union** to exert more control over the Internet. **NCTA**, the US Chamber of Commerce, ITI and many other industry groups have praised the move ahead of fears that some countries may try to use an upcoming Dec meeting to increase the UN's role in Internet governance.

**Marketing:** **MAVtv** is relaunching July 4 with an "American Real" rebrand. "MAVTV is entertainment for real people featuring real life, in all its sweaty, gritty, unapologetic blue jean and t-shirt glory," said *Forrest Lucas*, pres of **Lucas Oil**, which bought the cable net in Sept. New programming will include high action adventure series, movies, concerts and "white knuckle" sports. -- **TV One** is introducing its 1st new brand identity since its launch more than 8 years ago, debuting a new logo and tagline ("Where Black Life Unfolds") over the summer. The initiative complements the net's plans to double its original programming, with the new lineup to bow in 3Q. One of the 1st new series is "R&B Divas" (Aug 20), which features R&B stars fighting to put their careers and lives back on track. -- **Style Media** just got more stylish. Under a rebranding initiative starting Mon, the Style circle logo will be replaced with the midnight blue typeface word Style accented by a splash of light blue. The new tagline will be "Work It. Love It. Style It." Meanwhile, myStyle.com's relaunch will include improved social interactions and insights from Style talent. Style Digital will re-launch on June 25, integrating the changes seen on-air.

**Day 8: DirecTV and Diversified** still haven't worked out their retrans differences, and now the DBS provider is complaining that the broadcaster made the spat a public discussion. "Our customers simply want their local stations and not a blow-by-blow account of what should have always remained private business discussions," DirecTV said in a statement. "Diversified's most recent proposal indicates they've stopped discussions in favor of a 'take it or leave it' proposition." Diversified has said DirecTV hasn't responded to its most recent proposal, calling negotiations a "slow and frustrating process."

**Online:** **NBCU's USA, Syfy**, and **Oxygen** opted in for **thePlatform**, which is owned by NBCU overseer **Comcast**. Under a multi-year contract, thePlatform will be the back-end video management system for the nets.

**15-to-Watch:** At our *Digital Breakfast at the Cable Show*, CableFAX honored our 2012 Digital Hot List and 15-to-Watch list. We continue to feature those honorees in our pages as we share some of their answers to our wide-ranging questionnaires. **BJ Elias, vp, Advanced Services, Fox Networks, Distribution Sales & Marketing:** **What personal qualities have helped you get to your current position?** Hard work, dedication, perspective, curiosity, and a sense of humor are the personal qualities that got me to this point in my career and I believe will be the ones to get me to the next level. **What digital trend will be the biggest game changer in the next 1-3 years?** The growth of 4G networks, frictionless sharing, near-field communications, TV everywhere, cloud computing, and HTML5 along with faster low-power processors, more tablets and a generation willing to share everything will make mobile devices the center of people's digital lives and be the biggest digital game changer in the next few years.

**On the Circuit:** The 29th annual Kaitz Dinner is set for Sept 12 at the Hilton NY during Diversity Week. **Showtime's Matt Blank** and **Bright House's Steve Miron** will chair the fundraiser. Ticket sales are underway: [www.walterkaitz.org](http://www.walterkaitz.org). -- **NAMIC** is partnering with the Univ of VA Darden School of Business to facilitate its Executive Leadership Development Program. It starts with ELDP Class XII, spanning 7 months starting in Oct. Candidate nominations forms for Class XII are due Aug 3.

**Party Circuit:** *Byron Allen's* kind of like "the most interesting man in the world" from the Dos Equis commercials: He



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# BUSINESS & FINANCE

doesn't always throw parties, but when he does—they rock mightily. His Tues night blowout at the Four Seasons in Beverly Hills included a bevy of talent, who munched on mushroom risotto in the courtyard and later swayed to the stylings of *Mary J. Blige* in the ballroom to celebrate **Entertainment Studios'** "content factory," as Allen so eloquently put it. In fact, Allen's time on stage was nothing if not inspirational, as he recounted his early days repeatedly calling 1,300 TV stations from his kitchen to sell his first low-budget show and then going in and out of foreclosure several times as he struggled to pay for it. What a difference a few years makes, as ES now produces more than 30 shows, and just took home its first Emmy for cable net **Cars.TV** over the weekend.

-- **Showtime's** *Matt LeBlanc*-starrer "Episodes" will be back for a 2nd season on July 1, and the net threw an intimate soiree at The London in West Hollywood Tues night to celebrate. The highlight: Seeing LeBlanc posing on the red carpet with his former "Friends" co-star *Lisa Kudrow*, who of course has her own Showtime show called "Web Therapy" about a clueless shrink who counsels people over the Internet. Crossover episode in the works? We'll keep pushing for it...

**People:** *Lynn Stepanian*, most recently of **TV Guide Net**, joined **ABC Family** as svp, acquisitions and scheduling. -- **Current TV** tapped **Oxygen Media** alum *Ashok Sinha* as vp, corp comm.

## CableFAX Daily Stockwatch

Company	06/20 Close	1-Day Ch	Company	06/20 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	47.30	1.55	CONCURRENT:	3.96	0.11
DISH:	28.45	0.42	CONVERGYS:	14.38	0.03
DISNEY:	47.73	0.22	CSG SYSTEMS:	16.60	UNCH
GE:	20.10	0.10	ECHOSTAR:	27.92	0.24
NEWS CORP:	20.72	0.21	GOOGLE:	577.51	(4.02)
<b>MSOS</b>					
CABLEVISION:	12.61	0.08	HARMONIC:	4.28	0.07
CHARTER:	69.40	0.42	INTEL:	27.64	0.13
COMCAST:	31.19	(0.12)	JDSU:	10.85	0.34
COMCAST SPCL:	30.69	(0.09)	LEVEL 3:	21.94	0.09
GCI:	8.04	(0.21)	MICROSOFT:	30.93	0.23
KNOLGY:	19.67	0.04	RENTRAK:	19.31	(0.19)
LIBERTY GLOBAL:	48.50	UNCH	SEACHANGE:	8.20	(0.08)
LIBERTY INT:	17.06	0.37	SONY:	13.97	0.41
SHAW COMM:	19.31	0.22	SPRINT NEXTEL:	3.13	(0.02)
TIME WARNER CABLE:	79.46	(0.19)	TIVO:	8.10	(0.13)
VIRGIN MEDIA:	23.63	0.02	UNIVERSAL ELEC:	12.10	0.13
WASH POST:	375.39	(1.53)	VONAGE:	1.96	0.04
<b>PROGRAMMING</b>					
AMC NETWORKS:	39.62	1.02	YAHOO:	15.74	0.09
CBS:	32.02	0.07	<b>TELCOS</b>		
CROWN:	1.63	0.01	AT&T:	35.41	(0.06)
DISCOVERY:	52.52	0.68	VERIZON:	43.30	(0.43)
GRUPO TELEVISA:	20.33	0.37	<b>MARKET INDICES</b>		
HSN:	40.04	(0.86)	DOW:	12824.39	(12.94)
INTERACTIVE CORP:	45.19	(0.53)	NASDAQ:	2930.45	0.69
LIONSGATE:	14.78	0.35	S&P 500:	1355.69	(2.29)
LODGENET:	1.53	0.04	<b>TECHNOLOGY</b>		
NEW FRONTIER:	1.70	0.02	ALCATEL LUCENT:	1.69	0.02
OUTDOOR:	7.17	UNCH	AMDOCS:	29.65	0.01
SCRIPPS INT:	56.82	0.10	AMPHENOL:	56.73	(0.6)
TIME WARNER:	37.13	(0.2)	AOL:	26.51	(0.21)
VALUEVISION:	2.01	0.30	APPLE:	585.74	(1.67)
VIACOM:	53.34	0.43	ARRIS GROUP:	13.44	(0.07)
WWE:	7.75	UNCH	AVID TECH:	7.04	0.15
<b>TECHNOLOGY</b>					
ALCATEL LUCENT:	1.69	0.02	BLNDER TONGUE:	1.26	0.04
AMDOCS:	29.65	0.01	BROADCOM:	35.27	0.29
AMPHENOL:	56.73	(0.6)	CISCO:	17.51	0.33
AOL:	26.51	(0.21)	CLEARWIRE:	1.21	0.06
APPLE:	585.74	(1.67)			
ARRIS GROUP:	13.44	(0.07)			
AVID TECH:	7.04	0.15			
BLNDER TONGUE:	1.26	0.04			
BROADCOM:	35.27	0.29			
CISCO:	17.51	0.33			
CLEARWIRE:	1.21	0.06			

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## Think about that for a minute...

### 67 Million

#### Commentary by Steve Effros

Well, that number was up to April. Apple has sold sixty-seven million iPads in the two years since it was introduced! That's more than the total number of cable subscribers in the United States.

The cable industry, meanwhile, in an effort to deal with the foreseeable explosion of use of data on its infrastructure, has spent \$186 billion since 1996 to make sure folks like Apple and Google could innovate and compete with new consumer devices and services using our systems for delivery. We, however, have been seriously limited by rules and regulations as to how we compete. Those restrictions are making less sense all the time.



Why mention all this? Well, something happened while I was using my iPad the other day that got the consumer in me annoyed. I was trying to download something from a Website, and my iPad (which I still do love) balked. A notice went up on the screen saying "sorry" but what I was trying to view was in the Adobe Flash format, and Apple doesn't like the Adobe Flash format, so even though it's common all over the web, you just can't view it on an Apple iPad! I knew that when I bought it.

Apple engineers say that Adobe Flash is inelegant and uses too much power and might "degrade" the consumer experience of the iPad, but could you imagine if we said that about something coming over our systems, like, for instance, BitTorrent? We know it puts too much of a demand on our systems, just like Flash does to the Apple, and it certainly has the potential to degrade the experience of other users of our system. And if we tried to block it the way Apple refuses to allow Flash to work on its machines (again, in more homes than cable!), someone would make a federal case out of it... in fact they did!

So how does all this work? How is it that it allegedly "promotes competition" to have all sorts of regulations restricting cable's ability to customize and control its own equipment, decide what channels will be on what tiers, and to choose on our own what channels of broadcasting we will carry, but the exact opposite is the case for other, more dominant companies in the field?

Microsoft announced the other day that it was going to get into the tablet market. As was explained in a piece in *The New York Times*: "...the response to Apple's iPad has considerably raised consumers' expectations of how well hardware and software work together. That has put pressure on Microsoft to create a tighter marriage of hardware and software if it is to compete seriously with Apple's products."

A tighter marriage between hardware and software. That's what they've decided is needed to compete. Yet at the same time cable has been prohibited from marrying hardware and software and is required to standardize it so anyone can sell it, and possibly in the future even alter the entire "look and feel" of our service at retail!

If this new trend in tablets and smartphones, which everyone applauds for providing all sorts of new options and competition benefitting consumers is right, then the regulatory drag of not allowing cable to do the same by competing with unique, proprietary services and equipment is obsolete.

It makes little sense today to say "competition" is helped by forcing standardization. The iPad, Android and all the fierce competition they have spawned with different philosophies and different business plans proves that point.

*Steve*

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*(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)*

## CableFAX's Customer Experience Management Guidebook

### Lessons and Insights for the Cable Industry

CableFAX and The Cable Center collaborated to publish this 150-page guidebook on customer experience management for the cable industry. The guidebook includes case studies, tips and articles on understanding the foundations of customer experience management and gaining insight to use it to improve your business. You also will learn about the latest measurement strategies, research insights, personnel and compensation strategies, social media tactics and communications techniques for implementing customer experience management in your company.



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