

# CableFAX Daily™

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What the Industry Reads First

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## CTAM Wrap: A Little Tech Talk Ahead of SCTE Expo

It's not your average home: Each speaker at **CTAM Summit's** technology panel has 30-50 connected devices at home vs. the average 5-8 devices per household. "Not only was I CTO of **HP**, I am CTO of my family," said **CableLabs** CEO *Phil McKinney*. And the way out of being the family tech chief? Having the daughter marry a tech guy, he joked. Kidding aside, the biggest challenge in the engineers community is "true customer insight," he said. "I am not a big fan of third party consumer studies... Consumers don't really know what they are missing" so consumer surveys might not be as effective as expected. It's all about "what matters most to customers," said *Kevin Hart*, **Cox** evp/CTO. "Technology innovation can happen if there's a purpose in mind" and a real consumer product has to be simply to use and personal, he said. In terms of changes in the R&D space, a lot of MSOs that grew up in a decentralized region are transforming to a centralized and standardized process, Hart said. That allows the companies to prioritize resources and speed to deploy. A key to the R&D process is synchronizing with vendors, McKinney said. "If you miss the silicon spin, you miss the window." The panelists' prediction on **Google Fiber**? There's no way it can be profitable, said *John Pascarelli*, evp, operations, **Mediacom**. What the company is doing is "subsidizing" the project, he said. The cable industry is already doing similar initiatives, but in a cost-efficient way, said *John Schanz*, evp/chief network officer, **Comcast Cable**. Forecast for the **Consumer Electronics Show 2013**? Apps and tablets will still be important but 4K will replace the buzz on 3D, McKinney said. Connectivity will also play a key role with the creation of next generation WiFi devices, he said. A teaser to **SCTE Cable-Tec Expo's** DOCSIS 3.1 session Thurs: CableLabs is making "really good process" on the 3.1 specification, McKinney said. The team focused on not only speeds but also "quality of the pipeline" such as latency... We are bringing a lot of ecosystem players into the process." A big part of the new specification is driving the cost down, enabling better pricing, bundling and competitive advantage over telco providers, Hart said.

**Out of the Boxee:** **Boxee** unveiled Boxee TV, its device bringing together broadcast TV, DVR and Internet apps (preloaded with **Netflix**, **YouTube**, **VUDU** and more). It boasts of a "No Limits" DVR that allows users to upload recordings to the cloud, thus doing anyway with space concerns. The DVR service will rollout in big cities such as NYC, L.A. and DC. first. It runs \$14.99/mo and includes playback on any device with browser. Boxee TV retails for \$99 and will be available in Nov.

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**3DTV:** Hoping more content is the answer for 3DTV, **3net**, the JV 3Dnet from **Sony**, **Discovery** and **IMAX**, is launching **3net Studios** as a global program production and distribution division. The first slate of projects the company is producing will be announced in the coming weeks. 3net Studios also has a goal of producing a steady supply of 4K programming, saying the ultra HD offering could be here as early as '15. "With the industry now struggling to keep pace with the rapidly accelerating consumer demand for 3D programming across multiple platforms—and now with the evolution of 4K—the formation of a world class production studio to help fill both the 3D and ultra high definition content voids became a logical next step in our evolution as a global player in the entertainment arena," said 3net pres/CEO *Tom Cosgrove*.

**In the Courts:** Another setback for **DISH** in its contract dispute trial with **Voom**. On Tues, judge *Richard Lowe* banned DISH's damages expert, *Timothy Brooks*, from testifying. He was DISH's only damages expert scheduled to testify at trial, meaning it has no one to rebut Voom's \$2.4bln damages claim, says **Susquehanna Financial Group's** *Thomas Claps*. Claps said Mon saw Voom present its "most damaging evidence to date" in support of its stance that DISH was aware that overhead expenses should count toward Voom's \$100mln annual spending requirement (an '05 email exchange between former DISH employee *Michael Schwimmer* and DISH chmn and former CEO *Charlie Ergen*). "We continue to believe a settlement in this case is the most logical outcome," Claps wrote.

**At the Portals:** The **FCC** granted a 2-year waiver to **NCTA** related to compliance with some aspects of the 21st Century Communications and Video Accessibility Act. NCTA requested a waiver until July 1, '16 for set-tops leased by cable ops and manufactured before July 1 '16. NCTA said a deployment cycle of 6 years was needed for boxes, with only some set-tops today capable of accessing a "limited" number of services that may qualify as advanced communications services. The FCC granted NCTA a class waiver of the ACS rules until Oct 8, '15 for set-tops leased by cable ops to customers, saying it defined the waiver period consider the time it takes to get a product developed and initially introduced in the market, and not the period of time it is deployed. It also said limiting the waiver to 2 years was justified in light of the rapid changes in technology. NCTA can come back and request an extension of the wavier period. **CEA** also was given a 2-year waiver for Internet protocol-enabled television sets and Internet protocol-enabled digital video players. **The Entertainment Software Assoc** had sought an 8-year wavier for new models or upgrades of game consoles, game distribution and online games play services that distribute game software across a network and game software, but the FCC capped the waiver at 2 years.

**Brands Welcome:** Do people watch networks or shows? It's a question for the ages but also one that has gained in importance as over-the-top and multiplatform alters the content ecosystem. But top cable network marketers gathered at **CTAM Summit** on Tues said networks—and their marketing and brand identities—still matter as consumers seek out content destinations that match their sensibilities. **USA** svp, brand creative *Jason Holzman* said the net's "Characters Welcome" tagline "was really designed from the ground up to be a social dialog-driven brand" even though it was conceived in '05 before social media really took off. "It's sort of the big tent idea," he said. And despite USA's reputation for optimistic "blue skies" shows, he noted that the net wants to expand out to comedy, reality and more. "We're looking to broaden that tent even more and say maybe there are some clouds in the sky every now and then," he said. **AMC Nets** evp, marketing *Linda Schupack* said "these overarching [network] brands do matter," with hits like "The Walking Dead" on AMC helping to add credibility when promoting new AMC shows. "That says something about the experience that these audiences can expect," she said. "That's an incredibly powerful tool to have for a marketer." *Ron Pomerantz*, vp, marketing & creative at **Disney Channel**, said the world has changed since the net found massive success with "High School Musical" in 2006. "It was an easier landscape," he said, noting that the fast-moving nature of social media requires more creativity than ever by brand marketers—and the willingness to let go sometimes. "You have to start giving things away to be authentic and to be relevant," he said. When moderator and pres, **Participant Television** *Evan Shapiro* pointed out the viral success of the Disney Channel's "Puking Gnome" meme from its "Gravity Falls" animated series, Pomerantz said it's impossible to know what will take off these days. "We don't really know what's happening now," he said. "You have to be aware of what's going on in the world and bring it back to the brand and bring it back to your market."

**CTAM Notebook:** **AMC's** marketing of "Mad Men" beat out **Comcast's** "The Slowskys," **Disney's** "High School Musical,"

# BUSINESS & FINANCE

ESPN's "MNF" marketing and USA's "Characters Welcome" to become the '12 inductee into the CTAM Hall of Fame. It's AMC's 1st time in the HoF. "AMC had the unenviable challenge of piquing viewer interest in an unknown series with an unknown cast from a network previously known as a classic movie channel," said CTAM pres/CEO *Char Beales*. "Using bold and fearless strategies, the team built on their successes year after year, propelling the show's popularity to such heights that 'Mad Men' marketing unquestionably earned its place in the CTAM Hall of Fame." -- Summit hit its estimate of 1400-1500 attendees, with final attendance of 1407. Summit drew 1672 last year, with it helped by being in NYC. -- Congrats to **Showtime** who was the winner of Summit's "Sync to TV Competition." Session attendees determined the winner. Showtime's app will be featured on the newly redesigned CTAM.com following the conference.

**People:** **Time Warner Cable** evp, chief strategy officer *Peter Stern* is assuming the additional responsibility of Chief People Officer and leader of corp dev, meaning he'll oversee all corporate HR functions and corp development, including the company's Intelligent Home security business. TWC evp, HR *Tom Mathews* is leaving for personal reasons, the MSO said. As previously announced, Time Warner Cable Ventures evp, pres *Carl Rossetti* is retiring at year-end (*Cfax*, 8/1).

## CableFAX Daily Stockwatch

Company	10/16 Close	1-Day Ch	Company	10/16 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	50.85	0.33	CONVERGYS:	16.26	0.19
DISH:	34.26	(0.27)	CSG SYSTEMS:	22.17	0.40
DISNEY:	51.24	0.45	ECHOSTAR:	31.57	0.46
GE:	22.64	UNCH	GOOGLE:	744.70	3.72
NEWS CORP:	25.17	0.37	HARMONIC:	4.51	0.09
<b>MSOS</b>					
CABLEVISION:	17.72	(0.01)	INTEL:	22.35	0.62
CHARTER:	76.65	(0.08)	JDSU:	10.71	0.34
COMCAST:	36.67	0.24	LEVEL 3:	22.82	1.21
COMCAST SPCL:	35.72	0.30	MICROSOFT:	29.49	(0.02)
GCI:	9.46	0.03	RENTRAK:	17.08	(0.22)
LIBERTY GLOBAL:	61.07	(0.15)	SEACHANGE:	8.49	(0.14)
LIBERTY INT:	20.27	0.54	SONY:	12.00	0.31
SHAW COMM:	20.85	0.02	SPRINT NEXTEL:	5.69	UNCH
TIME WARNER CABLE:	98.66	0.29	TIVO:	10.28	0.31
VIRGIN MEDIA:	32.16	0.29	UNIVERSAL ELEC:	17.36	(0.05)
WASH POST:	361.69	2.21	VONAGE:	2.20	(0.04)
<b>PROGRAMMING</b>					
AMC NETWORKS:	43.34	0.99	YAHOO:	15.92	0.24
CBS:	34.07	0.04	<b>TELCOS</b>		
CROWN:	1.70	0.01	AT&T:	35.40	0.19
DISCOVERY:	61.87	0.34	VERIZON:	44.08	(0.42)
GRUPO TELEVISA:	23.54	(0.14)	<b>MARKET INDICES</b>		
HSN:	48.79	0.31	DOW:	13551.78	127.55
INTERACTIVE CORP:	55.00	0.13	NASDAQ:	3101.17	36.99
LIONSGATE:	15.37	0.16	S&P 500:	1454.92	14.79
LODGENET:	0.41	(0.15)			
NEW FRONTIER:	2.00	0.70			
OUTDOOR:	7.37	0.01			
SCRIPPS INT:	63.00	(0.07)			
TIME WARNER:	45.29	0.32			
VALUEVISION:	2.66	(0.04)			
VIACOM:	55.72	0.99			
WWE:	8.39	0.11			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.06	UNCH			
ALCATEL LUCENT:	0.99	0.02			
AMDOCS:	32.81	0.46			
AMPHENOL:	60.17	1.17			
AOL:	37.31	0.09			
APPLE:	649.79	15.03			
ARRIS GROUP:	13.02	0.34			
AVID TECH:	8.86	(0.02)			
BROADCOM:	34.25	1.13			
CISCO:	18.85	0.30			
CLEARWIRE:	2.23	(0.46)			
CONCURRENT:	5.26	0.11			

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