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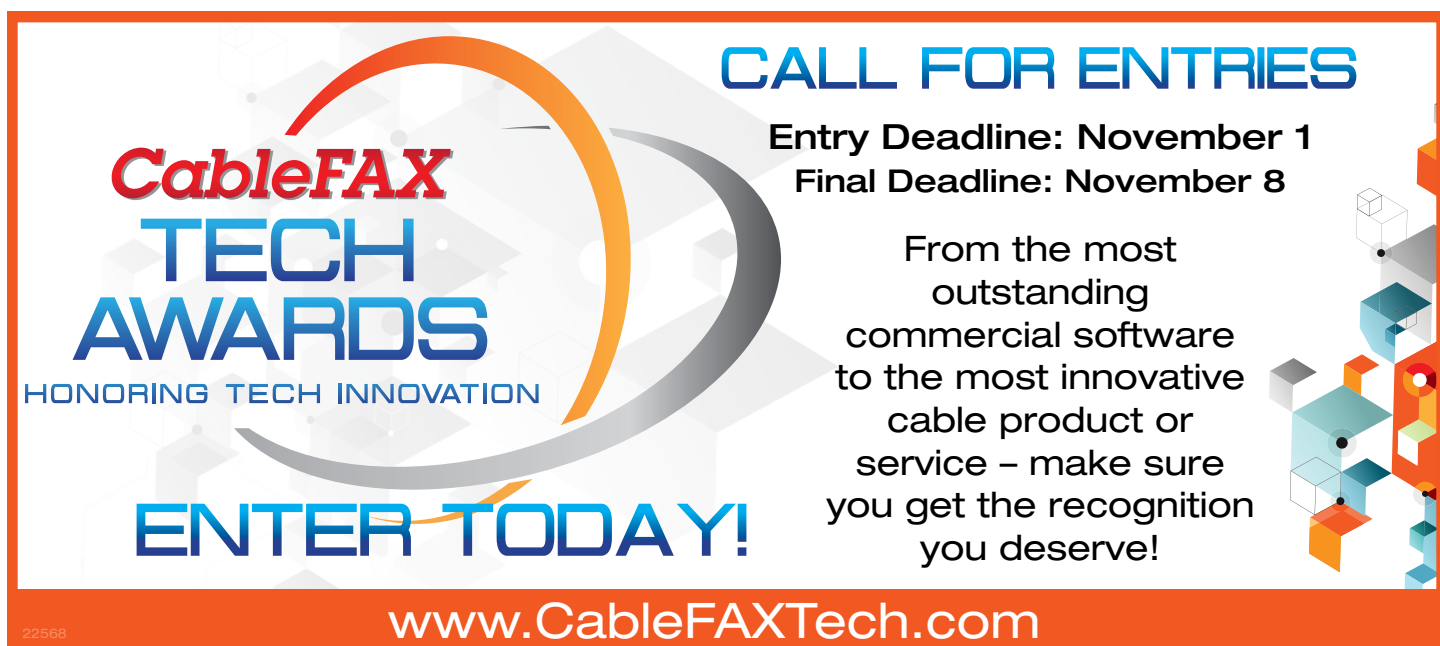
Thursday — October 17, 2013

What the Industry Reads First

Volume 24 / No. 202

Speed Battle: A Glimpse at AT&T U-Verse's Ambition

With cable, telco and **Google Fiber** all gearing up for the launch of their ultra-fast broadband services, 2014 is likely to be *the* year of gigabit speeds. **AT&T U-Verse** has thrown its hat in the ring, with some pretty ambitious plans. The telco is going head-to-head with Google in Austin as it looks to start offering an all-fiber, symmetrical 300 Mbps "U-Verse GigaPower" Internet service in Dec that will eventually hit 1 Gbps speeds in mid-'14. "Austin is the first but not the last. We plan to offer this advanced service in other markets, where there is high customer demand, where it makes sense for our shareholders, and where we can compete on equal terms with our competitors in a regulatory environment that promotes such investment," said *Bob Bickerstaff*, AT&T's vp of data product mgmt. He declined to detail other potential markets. Exactly who needs that much bandwidth? Bickerstaff expects potential customers to range from tech entrepreneurs—whose businesses depend on moving large amount of data quickly—to early-adopters "who want to download an HD movie in less than 2 minutes." Come Dec, AT&T said the GigaPower offering will feature the telco's most advanced Total Home DVR and an upgraded U-Verse TV platform with more HD, more storage and more video playback options with an extensive library of VOD programs. While no specific plans or pricing were announced, the telco is considering "special offers and service bundles," Bickerstaff said. Cable isn't ignoring the gigabit beat either, with **Time Warner Cable** looking to deploy 1G services in NC. Speed is important even when it does not hit the gigabit range. Case in point, AT&T is expanding its 45/6Mbps U-Verse Power tier to more cities to battle cable rivals' speeds of 50Mbps, 100Mbps and higher. And faster speeds could be coming, with AT&T's earnings call hinting at 75 and 100Mbps offerings later this year. Meanwhile, AT&T continues to focus on the smart home market. Its Digital Life smart home service is already in 45 markets in 31 states and DC. The primary path is wireless, sending data over the telco's 3G network, with broadband as backup. "We are entering markets where we have wireless spectrum," which covers almost the entire country, said *Kevin Petersen*, svp, AT&T Digital Life. On the video side, the U-Verse approach "has always been much broader than just TV," *GW Shaw*, vp of U-Verse & video products said. "It's always been about delivering a seamless, integrated experience across all of your



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devices.” So the telco is of course focusing on getting rights from content providers to offer live and on-demand content in and outside the home, he said. It remains to be seen how it all shakes out, but in less than a year, Austin should have two 1G networks from two separate providers, not to mention more than a thousand WiFi hotspots from Time Warner Cable. Guess the saying is true—everything’s bigger in TX!

Standing Ovation: Ovation will get carriage on **Time Warner Cable** and **Bright House** again, exactly one year after the net went dark on the MSOs. The new deal returns Ovation to their lineups on Jan 1, with the network committing to deliver 200 more hours of original programming dedicated to the arts next year. By ’15, it will offer 250 hours, growing to 300 hours for each subsequent year of the term. Recall that when the operators dropped the net, TWC pointed to poor ratings and its small amount of original arts programming. The content promises take care of one of those issues, now it just has to deliver with viewers. Ovation has been hard at work on its positioning, spending much of 2013 beefing up its programming slate, bringing in new execs, creating an in-house production unit and launching new shows such as *Jon Hamm’s Young Doctor’s Notebook*” and “James Franco Presents.” “After losing carriage on TWC, we never stopped listening to what they had to say, and responded to it. Our new ‘Art Everywhere’ branding is a reflection of that. We were intent on restoring Time Warner Cable’s belief in Ovation,” Ovation COO *Chad Gutstein* said in a statement.

Shutdown Breakdown? At our deadline, there was renewed hope that the govt shutdown was nearing an end. The stock markets certainly took it that way, with the Dow closing up more than 200 points Wed. There were reports Wed that the Senate could vote on confirming **FCC** chmn designate *Tom Wheeler* and FCC commissioner nominee *Michael O’Rielly* after votes on a deal to lift the debt ceiling and end the shutdown. The end of the shutdown would mean the **National Labor Relations Board’s** hearing over **CWA** labor law complaints against **Cablevision** could resume. The trial has been paused since the shutdown began on Oct 1.

In the Courts: A federal jury found **AXS TV** co-founder and Dallas Mavericks owner *Mark Cuban* did not commit insider trading, the *AP* reported Wed. The case dates back to the **SEC’s** accusations that Cuban avoided more than \$750K in losses in ’04 by selling shares in **Mamma.com** before the search engine announced a private investment of public equity offering.

TVE: Pivot’s authenticated TVE app PivotTV is now being offered to **DISH** customers. Pivot’s content also is available on the DISH Anywhere platform. The DBS provider is the 2nd affiliate partner to authenticate Pivot. -- *Mickey* is coming to **Google Fiber: Disney** and **ESPN** launched WatchESPN, WATCH Disney Channel, WATCH Disney Junior and WATCH Disney XD to Google Fiber subs in Kansas City (KS/MO). The TVE apps also will be available in Provo, UT, and Austin, TX.

Carriage: MAVTV signed with 4 new **NCTC** affiliates: **Beaver Valley Cable**, Rome, PA; **GTA TeleGuam**, Guam; **Baldwin Cablevision**, Baldwin, IA; and **Chatmoss Cablevision**, Danville, VA. The net has added 19 new affils since Aug 1. It is currently in 27mln HHs, and counts **DirectTV**, **Comcast**, **Cablevision** and **DISH** among its distributors. MAV is targeting 30mln+ HHs by the end of the year.

Intl: Dutch cable operator **Ziggo** confirmed it has received a preliminary proposal regarding a potential offer for the company by **Liberty Global**, but that it was considered inadequate and there is no certainty it will receive any revised offer. No details on how much *John Malone’s* company offered. Liberty Global bought Britain’s **Virgin Media** this year, and owns Germany’s 2nd largest cable operator, **UnityMedia**.

Ratings: DIY is glad *Vanilla Ice* stopped, collaborated and listened to the Amish, with the premiere ep of “Vanilla Ice Goes Amish” drawing 534K total viewers (across 7 telecasts, it attracted a total of 1.6mln).

Programming: **AMC** booked a new unscripted series, “King of Arms,” featuring the world of American arm wrestling. It also renewed “Small Town Security” for a 3rd season premiering 2Q next year. -- **Disney XD** ordered animated comedy series “Penn Zero: Part-Time Hero,” about a boy who has to juggle hero duties with school and everyday life. A fall ’14 premiere is planned.

People: Big promotion for *Maggie McLean Suniewick* of **Comcast**. She’ll now serve as svp, strategic inte-

BUSINESS & FINANCE

gration, reporting to NBCU CEO Steve Burke and Comcast Cable pres/CEO Neil Smit. She'll spearhead NBCU's key Symphony initiatives across the entire company's properties and with Comcast Corp. Suniewick most recently was vp, programming for Comcast Cable, where she managed and executed last year's "Xfinity TV Watchathon." -- **Bravo** promoted *Christy Dees* to vp, development. -- **Scripps** upped *Mark Kroeger* to evp/chief communications officer, reporting to *Joseph NeCastro*, CFO and chief administrative officer. His new responsibilities include overseeing strategic messaging to all external and internal audiences and directing media relations, employee communications, investor relations and other related communications functions. -- White label video publishing firm **thePlatform** appointed *John Frankovich* as vp, consulting services, and *Chris Drake*, as vp, business development.

Editor's Note: Don't forget to register for our Oct 29 **CableFAX** Webinar on TV Everywhere marketing. Execs, including **Scripps** evp *Tamara Franklin*, **Comcast** vp *John Young*, **Verizon** exec dir *Ben Grad* and **Cox** dir *Bob Nocera*, will share their takes on tactics to maximize the TVE message, how to drive better engagement and pitch the value of TVE as a customer retention strategy.

CableFAX Daily Stockwatch

Company	10/16 Close	1-Day Ch	Company	10/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			ECHOSTAR: 47.70 0.93		
21ST CENTURY FOX:	33.94	0.52	GOOGLE:	898.03	16.02
DIRECTV:	61.34	0.47	HARMONIC:	7.76	0.07
DISH:	48.60	0.46	INTEL:	23.70	0.30
DISNEY:	66.35	(0.09)	JDSU:	15.06	0.28
GE:	24.36	0.17	LEVEL 3:	27.20	(0.12)
MSOS			MICROSOFT:	34.64	0.15
CABLEVISION:	15.99	(0.25)	NIELSEN:	37.16	0.31
CHARTER:	139.01	1.57	RENTRAK:	36.14	(0.08)
COMCAST:	46.98	0.59	SEACHANGE:	13.40	0.15
COMCAST SPCL:	45.42	0.36	SONY:	19.76	0.06
GCI:	9.52	0.11	SPRINT NEXTEL:	6.30	0.27
LIBERTY GLOBAL:	76.88	(0.09)	TIVO:	12.51	(0.05)
LIBERTY INT:	26.09	0.62	UNIVERSAL ELEC:	36.13	0.59
SHAW COMM:	23.72	(0.02)	VONAGE:	3.59	0.09
TIME WARNER CABLE:	117.45	0.86	YAHOO:	33.09	(0.29)
WASH POST:	647.10	7.98	TELCOS		
PROGRAMMING			AT&T:	34.20	0.49
AMC NETWORKS:	70.04	0.85	VERIZON:	47.25	0.93
CBS:	57.59	0.91	MARKET INDICES		
CROWN:	3.24	0.03	DOW:	15373.83	205.82
DISCOVERY:	80.78	1.66	NASDAQ:	3839.43	45.42
GRUPO TELEVISIA:	28.95	(0.15)	S&P 500:	1721.54	23.48
HSN:	52.63	0.33	TECHNOLOGY		
INTERACTIVE CORP:	54.90	0.38	ADDVANTAGE:	2.46	UNCH
LIONSGATE:	35.73	1.11	ALCATEL LUCENT:	3.69	0.04
MADISON SQUARE GARDEN:	57.47	0.23	AMDOCS:	36.86	(0.09)
SCRIPPS INT:	78.29	0.40	AMPHENOL:	79.05	1.60
STARZ:	29.54	0.56	AOL:	33.43	0.46
TIME WARNER:	68.00	0.53	APPLE:	501.11	2.43
VALUEVISION:	4.97	0.13	ARRIS GROUP:	16.76	0.03
VIACOM:	82.61	(0.12)	AVID TECH:	6.59	0.05
WWE:	11.24	0.18	BLNDER TONGUE:	0.94	0.00
TECHNOLOGY			BROADCOM:	27.01	0.50
ADDVANTAGE:	2.46	UNCH	CISCO:	23.00	(0.18)
ALCATEL LUCENT:	3.69	0.04	CONCURRENT:	6.95	(0.2)
AMDOCS:	36.86	(0.09)	CONVERGYS:	19.15	0.33
AMPHENOL:	79.05	1.60	CSG SYSTEMS:	26.01	0.50
AOL:	33.43	0.46			
APPLE:	501.11	2.43			
ARRIS GROUP:	16.76	0.03			
AVID TECH:	6.59	0.05			
BLNDER TONGUE:	0.94	0.00			
BROADCOM:	27.01	0.50			
CISCO:	23.00	(0.18)			
CONCURRENT:	6.95	(0.2)			
CONVERGYS:	19.15	0.33			
CSG SYSTEMS:	26.01	0.50			



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Think about that for a minute...

Scared?

Commentary by Steve Effros

On PBS' "NewsHour," they're doing an ongoing series on "the future of television." Unfortunately, as usual, it's more of a platform for different points of view than it is "reporting." Host Hari Sreenivasan is certainly "interviewing" lots of folks. After all, he's had both the head of Aereo and the head of Comcast/NBCU on recently, but he's still hesitant to actually question what they're saying. Too bad.

It happened again the other night when media "guru" Ken



Auletta was on. There was the usual discussion about the "consumer getting what they want" and the assumption that everything is going to be available everywhere and will be in some form of a la carte offering. But when Hari asked the very sensible question of how that business plan would result in enough

revenue for video diversity to continue to flourish, as it is now, Auletta and his other guest, long-time New York Times media columnist David Carr, simply didn't answer. They just repeated what they had already said. No follow-up. The question was left hanging, even though the piece was titled "As TV platforms, tastes diversify, where will money come from for quality shows?" No answer was ever given. You could sort of see Hari wanting to probe the real question, but ultimately he didn't.

That's too bad, because it's a darn good question. While the "media giants" are being vilified, once again, for following a business plan that has resulted in hundreds of channels of diverse programming and the opportunity for legions of new writers, actors and producers to get their creations "on the air," the critics lament that they want a new business plan that throws the entire question of whether that diversity can continue to be paid for up in the air, rather than "on it."

Sure, it's great if everyone gets just what they want, when

they want it, and only pay for their little slice of creativity. But have you looked at the ratings? Pro wrestling and football will do fine. Will PBS or NPR survive? Their programming depends on subscribership. What happens when all channels compete for funding that way? Discovery will be OK, they've gotten to be one of the "giants." And of course the offshoots of Fox, NBC, ABC and CBS will be fine, they've got lots of cross-promotion capability to make sure folks know where and how to watch them. But what about the others? That's what I had hoped they would talk about. They didn't.

And then Ken Auletta told us all that the "big" guys, the television and cable and satellite guys, are clearly "scared" of this new world of IP and broadband and "TV Everywhere" and Netflix. "They're scared!" He proclaimed. Unfortunately, Hari never asked, "scared of what?"

Auletta is envisioning a world where customers start paying for their own devices to watch video, pay hundreds of dollars for a "smartphone" to use as a remote control, pay premium prices to watch a single episode of something or get an archived Netflix package. Somehow, this is supposed to make the folks who create the most popular programming and those who have the only efficient infrastructure to deliver it, tremble and be "scared." Scared of what? Maybe it's the consumer who should be scared.

A discussion about the future of television and telecommunications is never ending. The technology moves so fast, it never will. But to get some sense of where it's going, you have to know what questions to ask, and then not be scared to ask them.

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)

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