

# CableFAX Daily™

Thursday — October 18, 2012

What the Industry Reads First

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## Cable Invention: Dean Kamen Challenges Industry to Go Stirling

With thousands of gas-powered generators in use across cable systems, inventor *Dean Kamen* showed up at **SCTE Cable-Tec Expo** to pitch operators a new twist on an old idea: The Stirling engine, which uses heat energy instead of combustion. "Power is going to be the 800-pound gorilla soon, and this box is something that can help solve the problem," he told **Time Warner Cable** CTO *Mike LaJoie* during an onstage Q&A. Kamen's prototype "box" basically operates as a 10-kilowatt generator, albeit one that currently costs about \$250K per unit. But his goal is to sell enough to the cable/telecom and power industries to bring the per-unit cost down to \$10K. In a press conference after the session, Kamen acknowledged that the devices, which he described as "nothing more than a refrigerator running backwards," will never be as cheap as traditional motor-operated generators. But he said they would be more reliable, longer lasting and potentially even create new industry revenue streams—such as selling back excess power to electric utilities. LaJoie said he isn't sure whether the economics will ultimately work out but added that he's intrigued—especially because Kamen's goal is to make the devices affordable enough to power small villages in 3rd-world countries. "That gives me goose bumps," said LaJoie, noting that he could see a number of business uses as well: Beyond power backup, LaJoie noted that "this kind of thing would be ideal at the bottom of cell towers." Kamen also had other motives for being at SCTE, including a pitch for the industry help publicize his fast-growing **FIRST** initiative (For Inspiration and Recognition of Science and Technology). LaJoie announced Wed that SCTE has signed a memorandum of understanding with Kamen to bring **FIRST's** robotics competition to the next Expo. "What we need is you guys," Kamen told the cable exec in attendance, explaining that 250K kids now participate in the competitions across the country, with \$14mln in scholarships handed out. Kamen also showed attendees a video on the program narrated by *Morgan Freeman*. "Maybe we can get the cable companies to get it out there," he said. VOD channel, anyone?

**Election 2012:** **CNN's** *Candy Crowley* may have been the moderator, but **NBC** was the winner for the night. The broadcast net delivered 13.8mln total viewers from 9-10:39pm, according to **Nielsen** broadcast fast nationals.

**ABC** was 2nd (12.5mln), followed by **Fox News** (11.1mln). Bringing up the rear were **CBS** (8.9mln), **CNN** (5.8mln) and **MSNBC** (4.9mln). Not only was Fox tops among the cable news nets, but its ratings are on par with the net's

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highest-rated telecast ever (the '08 VP debate). As for Crowley, she faced criticism from some (particularly from *Mitt Romney* supporters). On ABC's "The View" Wed, she said she wasn't trying to fact check during the Libya "terror" debate, but move past a "semantic thing." "People are going to look at this through the prism they look at this through. I get that," she said. -- Did people start rewinding because "binders" started trending on Twitter? We don't know, but **TiVo Research Analytics** said the most-watched moment (based on what its anonymous panel of TiVo users replayed) was the question about inequalities in the workplace, specifically regarding women. Top moment replayed for those watching Fox was the inequality for women question, while for ABC it was Romney's statement on middle income tax payers not paying taxes on dividends, interest or capital gains. For CNN viewers, TiVo said the top moment was when Crowley said, "he did call it an act of terror."

**Women in Tech:** In a panel featuring some of cable's most powerful female techies, execs agreed that cable must be more nimble to meet consumers' ever-rising tech expectations. "We've got to be much quicker in the development cycle than we ever have been in the past," said *Charlotte Field*, **Comcast Cable** svp, infrastructure and operations, noting that the industry is "moving toward a much more agile development process that allows you to make quick changes... We want to be like the next **Apple**. We want to make everything highly intuitive so you can get to any device anywhere you are." **Time Warner Cable** evp *Carol Hevey* said the industry needs to be willing to invest in its "fabulous network asset... We've got to get really good at that" while also being smart. "We've got to invest in a way that maximizes our return," she said, noting that eliminating waste has been key. "One of our mantras these days is efficiency, efficiency, efficiency," she said. DOCSIS 3.1 is also opening new doors, said **Bright House Networks** pres *Nomi Bergman*. "We're excited about the flexibility," she said, noting new modulation techniques that will particularly aid upstream management. But while broadband continues to drive growth, she said customers also expect stellar quality across all services. "We have very lofty goals for service and reliability," she said, noting that the industry is still "catching up" on tech for its core video product. *Yvette Kanouff*, **Cablevision** evp, engineering & technology, reminded the industry that "the cloud" is really a "hierarchy" of clouds that require much coordination throughout the network. She said "geo-diversity" becomes even more important in a cloud-based world in which consumers are relying on remote storage.

**At the Portals:** The **FCC** adopted revised rules Wed that should resolve interference issues between **AT&T** and **Sirius XM** and allow AT&T to deploy mobile broadband on its WCS band spectrum. The revised rules allow Wireless Communications Service licensees' to use 30Mhz of underutilized spectrum in the 2.3GHz band for wireless broadband, while protecting Sirius XM against interference. -- The Commission also opened the docket for the **T-Mobile** and **MetroPCS**' merger (docket # 12-301).

**Marketing:** **Univision** showed off a new brand logo Wed that's evocative of a human heart and 3-dimensional in appearance. Univision's prior logo represented the company for nearly 50 years, since the company launched as 1 station in San Antonio. "The launch of our new brand logo kicks-off a new era at Univision that speaks to who we are as a company and that we are a direct reflection of the Hispanic community we serve— multidimensional, dynamic, modern and bold," said **Randy Falco**, pres/CEO, Univision. The updated logo and new brand identity was developed in collaboration with Wolff Olins. -- **TBS** is launching "Occupy Conan," challenging fans to recreate an entire ep of the late-night talk show through crowdsourcing. The campaign begins in early Nov with the fan-sourced ep to air on TBS in Jan. Fans will be able to sign

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on as members of the movement and watch the selected episode through Team Coco's "Occupy CONAN" website at <http://teamcoco.com/occupyconan/>. They can then begin taping exact replicas of everything from Conan's opening monologue to skits to celebrity interviews. Fans can work on segments by themselves or together with other fans.

**In the Courts:** The jury was dismissed Wed in the **Voom-DISH** trial, with the judge saying the parties have to deal with various legal matters, according to one trial watcher. The trial, which got more dramatic Tues (see *NY Post's* "Circus Maximus"), resumes Mon with DISH chmn *Charlie Ergen* expected to take the stand.

**Training Ground:** A hot topic at **SCTE** Cable-Tec Expo this year is workforce training. **NCTA**, **SCTE** and **CableLabs** are working to align their programs to improve training, education and technology innovation, execs said Wed. SCTE was able to close some "corporate alliance deals," said SCTE chief *Mark Dzuban*. Expect some significant changes in the group's training programs next year. Companies need to sustain their networks in a more efficient way, and a skilled workforce is critical, Dzuban said. A challenge is improving critical thinking in the education system because the high and middle schools don't encourage among students, the panel concluded. The education system needs to teach students how things work and how to think beyond that point, CableLabs' *Phil McKinney* said. Going forward, CableLabs will continue to expand its Silicon Valley presence, looking to bring the Valley's heritage of technology innovation to the cable industry, he said. The consortium opened its San Fran office in late '11. As cable evolves from cable-specific technologies to open and software-based platforms, the industry has increasing synergy with initiatives that aren't normally associated with cable so it's about aligning with industries and communities that "we don't traditionally deal with," McKinney said. The goal is to make cable the innovation platform of choice, he said. "It will take some time." Another step is to bring more women into the industry, said *Dane Snowden*, chief of staff, **NCTA**. Innovation and public policy go hand-in-hand. That's why NCTA's science and technology team communicates with tech groups like SCTE on a daily basis to support NCTA's legislative and regulatory advocacy efforts and coordinate the industry's interests in techno-policy, technical quality standards and guidelines, according to Snowden. Going forward, the user interface is key, he said. Next-generation customers are used to a desktop interface so developers might think about that when they work on cable programs and apps. On the other end of the spectrum is the older generation, a huge market for the cable industry if it can leverage its network capacity and relationship with customers to offer services that improve the quality of life, McKinney said.

**SCTE Notebook:** **Cox** CTO *Kevin Hart* will serve as program cmte chmn for Expo '13, which takes place in N'awlins, Sept 18-20. -- **WICT** and **SCTE** announced the mentees selected to participate in Women's TechConnect Initiative, a year-long, formal mentoring program pairing Women in Technology honorees as mentors to less tenured women in tech fields. The mentees, which were selected through a competitive application process, include: **Time Warner Cable's** *Misty Duckworth, Janet Glenn and Ingrid Simunic*; **Integrated Broadband Services'** *Shelly Farmer*; **TWC Media's** *Deanna Griffith, and Jonica Hartman*; **Cox's** *Patricia Martin*; **Integra's** *Sarah McCune*; **Bright House's** *Tina Morris and Elaine Yeo* and **Comcast's** *Carol Ann Sweeney and Brenda Wilson*. Women in Technology winners include Bright House's *Nomi Bergman*, **Cablevision's** *Yvette Kanouff* and Comcast's *Jennifer Yohe Wagner*. -- **SCTE's** board re-elected **Time Warner Cable** CTO *Mike LaJoie* as chmn for '12-'13. Other officers elected on the eve of SCTE Expo are **Suddenlink** CTO *Terry Cordova* as vice chmn, **CommScope's** *Jim Hughes* as sec, and **Comcast's** *Ed Marchetti* as treas. The board also added **Mediacom's** *Tommy Hill* to its exec committee. -- Kudos to **Cable One's** *Bradford Chatterjee*, the winner of the 2nd annual SCTE IP Challenge. He competed against 5 others Tues night in a blended-style Jeopardy match that included traditional questions, router and CMTS configuration, and hands-on activities. Among Chatterjee's prizes: 1 full-conference pass to Cisco Live 2013 and 1 full-conference pass to SCTE Cable-Tec Expo 2013.

**Programming:** **TNT** greenlit a new series based on the book "L.A. Noir: The Struggle for the Soul of America's Most Seductive City," chronicling the battle between LAPD chief William Parker and mobster Mickey Cohen. -- **TV One** will bring "Find Our Missing" back for a sophomore season in Jan.

**Press Clippings:** *Forbes* ranks the top 40 most valuable sports brands in the world. **ESPN** is the 2nd most valuable sports business brand behind **Nike**, with an estimated worth of \$11.5bln. **YES** ranked 7th and is the top RSN on the list. **NESN** and **MLBAM** are 9th and 10th, respectively.

**CT Platinum:** Among key decision points on deploying metro Ethernet is determining whether the ROI works out, said *Jennifer Yohe Wagner*, **Comcast** vp, strategic business procurement at **CableFAX** sister pub **Communications' Technology** Platinum Awards breakfast at **SCTE** on Wed. "Does the work outweigh the benefits?," Yohe Wagner asked, noting that cost and reliability remain the main factors that Comcast considers when planning deployments. Said **Juniper** client dir *Wayne Ebel*: "We know it's a challenge for operators. There are many layers in there that have to be considered when

# BUSINESS & FINANCE

rolling things out. There's a lot of cost." But he predicted a "hockey stick curve" for metro Ethernet in the future. "It's evolving wonderfully," he said. "It's drawing the cost down." Meanwhile, CT handed out several awards, including the System of the Year award to **Massillon Cable**. Congrats to all the winners and Hall of Fame inductees!

**People: Cablevision 2.0**—uh, we mean **Charter** —announced that *Jim Blackley* was named evp, engineering and IT. Blackley left Cablevision in Mar along with several other execs (many of whom are now at Charter alongside CEO *Tom Rutledge*). -- **Ex-Moto** exec *Sam Ganesan* joined **SeaChange** as chief architect. Also new is vp, strategic marketing *Alan Hoff*, who rejoined the company from **Avid Technology**. -- **Starz** promoted *Megan Reeder-Holman* to vp, affil sales. -- *Neil Grace* moves from **FCC** chmn *Julius Genachowski's* press sec to sr communications adviser to the FCC. *Justin Cole*, previously of **Tata Comm**, joins the Office of the Chmn as press sec.

**Honors: NAMIC Mid-Atlantic** bestows **FCC** commish *Mignon Clyburn* with its '12 Diversity Championship Award Nov 7 at the Newseum in DC. For information & tickets, contact *Pamela Ford*, pford@ncta.com or 202-222-2356.

**Business/Finance: Morgan Stanley** upped **DirectTV's** target price to \$56 from \$53, pointing to current multiples and expectations of 5.5% EBITDA growth for the year.

## CableFAX Daily Stockwatch

Company	10/17 Close	1-Day Ch	Company	10/17 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	51.68	0.83	CONVERGYS:	16.35	0.09
DISH:	34.12	(0.14)	CSG SYSTEMS:	22.47	0.30
DISNEY:	52.29	1.05	ECHOSTAR:	31.66	0.09
GE:	22.91	0.27	GOOGLE:	755.49	10.79
NEWS CORP:	25.64	0.47	HARMONIC:	4.50	(0.01)
<b>MSOS</b>					
CABLEVISION:	17.75	0.03	INTEL:	21.79	(0.56)
CHARTER:	77.69	1.04	JDSU:	10.82	0.11
COMCAST:	37.12	0.45	LEVEL 3:	23.22	0.40
COMCAST SPCL:	36.12	0.40	MICROSOFT:	29.59	0.10
GCI:	9.65	0.19	RENTRAK:	17.10	0.02
LIBERTY GLOBAL:	61.66	0.59	SEACHANGE:	8.57	0.08
LIBERTY INT:	20.29	0.01	SONY:	12.23	0.23
SHAW COMM:	21.08	0.23	SPRINT NEXTEL:	5.73	0.04
TIME WARNER CABLE:	99.72	1.06	TIVO:	10.18	(0.1)
VIRGIN MEDIA:	32.51	0.35	UNIVERSAL ELEC:	17.69	0.33
WASH POST:	352.98	(8.71)	VONAGE:	2.17	(0.03)
<b>PROGRAMMING</b>					
AMC NETWORKS:	43.56	0.22	YAHOO:	16.09	0.17
CBS:	34.42	0.35	<b>TELCOS</b>		
CROWN:	1.72	0.02	AT&T:	35.72	0.32
DISCOVERY:	61.24	(0.63)	VERIZON:	44.72	0.64
GRUPO TELEVISA:	23.56	0.02	<b>MARKET INDICES</b>		
HSN:	49.26	0.47	DOW:	13557.00	5.22
INTERACTIVE CORP:	54.66	(0.34)	NASDAQ:	3104.12	2.95
LIONSGATE:	15.64	0.27	S&P 500:	1460.91	5.99
LODGENET:	0.38	(0.03)	<b>TECHNOLOGY</b>		
NEW FRONTIER:	1.99	(0.01)	ADVANTAGE:	2.16	0.10
OUTDOOR:	7.44	0.07	ALCATEL LUCENT:	1.07	0.08
SCRIPPS INT:	62.56	(0.44)	AMDOCS:	32.51	(0.3)
TIME WARNER:	45.66	0.37	AMPHENOL:	61.53	1.36
VALUEVISION:	2.70	0.04	AOL:	37.07	(0.24)
VIACOM:	55.97	0.25	APPLE:	644.61	(5.18)
WWE:	8.36	(0.03)	ARRIS GROUP:	13.16	0.14
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.16	0.10	AVID TECH:	8.82	(0.04)
ALCATEL LUCENT:	1.07	0.08	BROADCOM:	34.59	0.34
AMDOCS:	32.51	(0.3)	CISCO:	18.70	(0.15)
AMPHENOL:	61.53	1.36	CLEARWIRE:	2.26	0.03
AOL:	37.07	(0.24)	CONCURRENT:	5.48	0.22
APPLE:	644.61	(5.18)			
ARRIS GROUP:	13.16	0.14			
AVID TECH:	8.82	(0.04)			
BROADCOM:	34.59	0.34			
CISCO:	18.70	(0.15)			
CLEARWIRE:	2.26	0.03			
CONCURRENT:	5.48	0.22			

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## Think about that for a minute...

### Apple Television

Commentary by Steve Effros

What if the long rumored, much discussed, never seen "Apple Television" wasn't a television at all? What if it's a new way to navigate? I'm not here talking about "AppleTV," which allows broadband streaming to your television screen, like Roku and Boxee. No, I'm talking about the oft-speculated appearance of something from Apple that Steve Jobs, before his death, was quoted as saying would have the "...simplest user interface you could imagine. I finally cracked it."



Jobs also said this all would be synced through Apple's iCloud, and we now know at least that part of the plan seems to have been put on the back burner because the structure of the industry and the business plans that have developed over the years simply

are not conducive to a sudden shift to something like a complete "a la carte" world over night. That may have worked for music and iTunes, although there's still lots of debate about that, but with video it's clear that the costs of both production and promotion are such that aggregation and packaging are likely to be around for some time to come.

Being able to pick the programming you want to see and when you want to see it is not inconsistent with the idea that aggregated program packagers will be dominant players for the foreseeable future. The DVR, or the "Remote DVR," or even "cloud-based" storage or availability of product, is more than likely to become a more accepted and indeed maybe even a preferred way for lots of folks to watch video. That, after all, is what YouTube is all about for "short" videos, and they are now bulking up. Hulu, Vudu, Netflix and Amazon Instant Video are all hot on the trail. Roku and Boxee, along with AppleTV are just some of the technical devices

available to watch the video, and there are more on the way. To suggest that this is a hotly competitive developing area right now would be an understatement.

So what could Jobs have meant when he said he had "cracked it?" Certainly it wasn't the "television set" itself. That's just a screen, and there are lots of elegant, very well built ones on the market right now. No, the real challenge is to present all the programming that is available to any given customer and have it easily appear on whatever screen they have. That's a design and programming uber-challenge, and I suspect that's the thing that will reap major rewards to whomever "cracks it."

There are certainly lots of folks trying. Of course it takes not only great visual design of masses of data (names and times of live programming, availability of archived programming, pricing, descriptions, etc.) but also the skill to be able to reach agreements to incorporate that information from different providers (TV, cable, Internet) and then port the selected program, with proper authentication or payment, to a screen. That takes a lot of processing power, too. It's going to be one heck of a device (mini iPad?). Doing all that easily and elegantly is the trick. There are some interesting efforts already underway (take a look at NextGuide working on the iPad for one.) Whoever "cracks it" will have a unique new relationship with viewers that can be monetized, and it doesn't need to be the one who makes the set or makes or delivers the content. One thing's for sure: it's going to happen, and it's something we should encourage. "Cracking" navigation will benefit everyone in the long run.

*Steve*

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