

CableFAX Daily™

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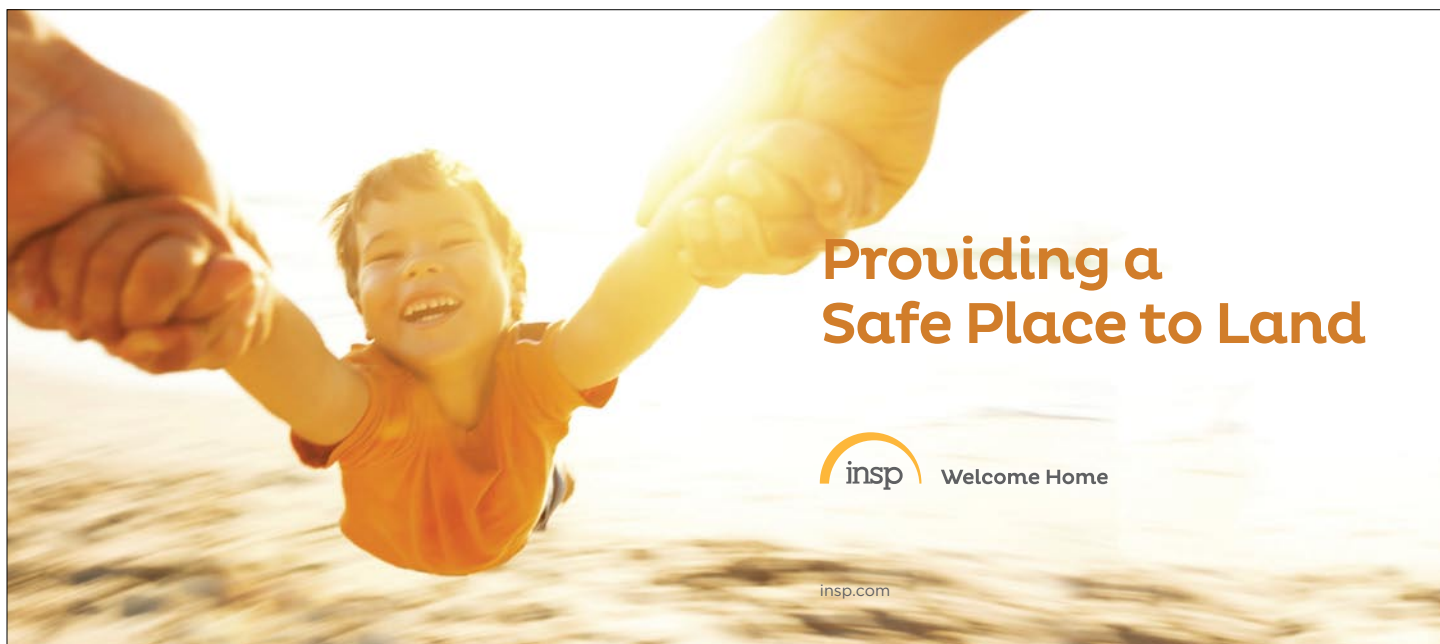
What the Industry Reads First

Volume 24 / No. 205

Gettin' Techie: DOCSIS 3.1 Dominates Day 1 of Cable-Tec Expo

SCTE's 30th Cable-Tec Expo conference kicked off in Atlanta Mon, with DOCSIS 3.1 top of mind. The amount of news for the latest generation of DOCSIS at the conference is just further evidence of the unprecedented relationship between SCTE and **CableLabs**, with the 2 announcing Mon an expansion of their partnership to accelerate the development and deployment of new cable network technologies. "This announcement is about CableLabs commitment to SCTE and the cable industry through the support of SCTE's professional development and training activities by providing SCTE technical information to aid in the development of SCTE's training materials," CableLabs CTO *Ralph Brown* told us. "It also describes the closer alignment of the two organizations to speed the deployment of technology developed through CableLabs. This is best shown through our collaboration on DOCSIS 3.1 technology to make sure that the field technicians are aware of the coming technology and are prepared for its rapid deployment." During a DOCSIS Symposium at Expo Mon, CableLabs shared details of the DOCSIS 3.1 specs, which are expected to be published by the end of the month. DOCSIS 3.1 changes the specification process to allow both silicon and product vendors to accelerate development and testing. As soon as prototypes are available, CableLabs will facilitate interoperability testing of products at its Labs to help equipment manufacturers prepare for certification and qualification. DOCSIS 3.1 supports speeds of 10 Gbps downstream and 2 Gbps upstream, along with reduced network latency, better responsiveness for sophisticated apps (such as gaming) and a cost per bit reduction relative to DOCSIS 3.0.

Netflix Earnings: Netflix beat 3Q expectations, with 1.3mln domestic net additions in the quarter (11% higher than the prior year 3Q). That puts total domestic members at 31mln vs 25mln a year ago. Domestic rev climbed to \$701mln from \$556mln in 3Q12, with overall rev at \$1.1bln for the Q. The company credited buzz over series "Orange is the New Black" and Emmy nominations with aiding sub growth. The company expects Q4 net additions to approx match the prior year. While Netflix has launched with **Virgin Media** and a *WSJ* report of talks with US MSOs got a lot of attention, a letter to shareholders threw some water on the idea of Netflix across all set-tops. "We are open to more of these integrations with cable set-tops around the world, but given the fragmented technology foot-



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prints, we think it will be many years before cable set-top boxes match Internet set-top boxes for Netflix streaming volume,” the letter from CEO *Reed Hastings* and CFO *David Wells* said. “As a general rule, we’re happy to support devices from other video providers as long as we get application placement commensurate with our popularity.”

Distribution: With *Mike Hopkins* taking the CEO post at **Hulu**, *Mike Biard* was upped to pres, distribution for **Fox Nets**. He oversees all distribution strategy and sales and marketing for Fox’s 45 national and regional domestic TV nets and their non-linear extensions, including VOD. He also oversees network distribution for **Fox Broadcasting**.

Winter Olympics: The Peacock is ramping up its Winter Olympics promotion across screens. **NBCU**, the exclusive rights holder, launched a 100-day countdown to the Sochi Olympics with a 20-channel promotional “roadblock” starting Tues. Parent **Comcast** will play a big role, distributing Olympic-related promotional materials through direct mailings, video guides and VOD features to its subs. A campaign on digital streaming will show how subs can access Olympic content in- and out-of-home on multiple platforms. Leading up to the Games, Olympic promotion will be featured in 14 out-of-home nets across 18 outlets, increasing viewer reach by 50% vs. the ’12 London Summer Games. In the final 3 and a half weeks, NBCU will prioritize its Olympic ads across its 18 cable channels, airing spots to push viewers to the 1st primetime broadcast in Feb and the Opening Ceremony on Feb 7.

On the Hill: Sen Commerce chmn *Jay Rockefeller’s* (D-WV) chief of staff *Kerry Ates* will depart in mid-Dec to assume the role of vp, chief of staff at **Johns Hopkins U**. Adviser *James Reid* will assume the role of chief of staff, having served since ’09 as deputy staff dir for the Senator in his capacity as chmn.

Launch Pad: **Univision’s** “Wake Up America” and **ABC’s** “Good Morning America” will “fuse” for a day on Oct 28 to celebrate the launch of their joint venture English-language net **Fusion**. The morning shows in English and Spanish will simulcast parts of their broadcasts to both nets (a combined 6mln+ viewers). -- *Sean Combs’ Revolt TV* was set to launch Mon night to some **Comcast** and **Time Warner Cable** homes. How many homes does it have at launch? A rep declined to comment, saying “given that we are multi-platform and already reach millions of individuals through social media, we track our success based on people we touch, not screens in the living room alone.” Time Warner Cable is carrying the net on digital basic across its footprint nationwide. Comcast is launching the channel in various markets, including Chicago.

TVE: **NCTC** added **Music Choice** to its TVE authentication solution known as WatchTVEverywhere. NCTC members that carry Music Choice will be able to offer customers more than 46 streaming music channels on Music-Choice.com and through iPhone, iPad and Android Apps. -- **AT&T U-Verse** expanded its live TV offering to include Android devices and Uverse.com, following its recent move to add more than 100 live TV channels to its TVE app. The new channels are available to U-verse TV subs as part of their U-family or higher U-verse TV package.

Expo Notebook: **Suddenlink** evp, CTO *Terry Cordova* as elected to chmn of **SCTE’s** board for the upcoming ’13-’14 term. **Comcast Cable** CTO *Tony Werner* is vice chmn, **Time Warner Cable** VP of Learning Delivery, HR *Chris Whitaker* is treas and **CommScope’s** *Jim Hughes* is sec. The board accepted the resignation of *Pat Crull*, group vp and CLO for **Time Warner Cable** and elected Whitaker to the board.

Research: A **Time Warner Cable-Charter** combination could provide a formidable #2 and eventually close the gap to **Comcast**, in an increasingly fragmented cable MSO market, **Macquarie Securities** analysts wrote in a research note. *John Malone* has pushed for such a merger for a while. Meanwhile, “if there’s a willingness to engage with emerging players like **Hulu**, this could expedite market share gains and leverage cable’s broadband advantage,” they said. Owners of Hulu called off a potential sale of the streaming service provider just a few months ago.

Programming: **Turner Sports** kicks off the ’13-’14 **NBA** season with doubleheader coverage across **TNT** and **NBA TV**. The hoops action starts Oct 29 at 7pm ET on TNT with a 1-hour pregame show, followed by the Heat-Bull and Clippers-Lakers. On Oct 30, NBA TV will feature the Cavaliers-Nets followed by the Lakers-Warriors. -- **Syfy** booked a 6th season of its reality competition series “Face Off,” which debuts in Jan. -- On Thurs, **MTV** is debuting “Scrubbing In,” a new 60-min, 10-ep docu-series following a group of young travel nurses working at 2 CA hospitals for 3 months. -- *Tom Holland’s* “Twisted Tales,” a 10-ep anthology series will be available on FEARnet.com and VOD starting Nov 4.

BUSINESS & FINANCE

People: **AMC Nets** expanded the size of its board to 14 dirs from 13 and appointed *Jonathan Miller* as a director. Miller is a partner in private investment firm **Advancit Capital**, former chmn/CEO of **News Corp's** digital media group and News' chief digital officer from Apr '09 to Oct '12. -- The newly launched **Esquire Network** named *Dave Serwatka* as vp, current programming, *Jamie French* as vp, communications, and *Marta Harmon* as vp, marketing. -- **Charter** hired *Paul Cancienne*, most recently general counsel for Sen *John McCain* (R-AZ), as vp, legislative affairs, effective Mon. -- **Comcast Business** named *Jeff Allen West* Division vp. -- The Board of Governors of **EWTN Global Catholic Network** named current network pres/CEO *Michael Warsaw* to chmn of the board and CEO. Current evp/COO *Doug Keck* was named pres/COO.

On the Circuit: **NAMIC Mid-Atlantic** will present **Time Warner Cable** chmn/CEO *Glenn Britt* with its 3rd Annual Diversity Champion Award on Nov 14. Citing "the unprecedented loyalty and support" that Time Warner Cable's Herndon Corporate Office has provided to the chapter over many years, chapter pres *Joelle Patience* said the top cable exec has been "an active and effective champion of diversity and inclusion at Time Warner Cable and in the communications ecosystem."

CableFAX Daily Stockwatch

Company	10/21 Close	1-Day Ch	Company	10/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	34.40	0.14	ECHOSTAR:	47.95	(0.02)
DIRECTV:	61.76	0.11	GOOGLE:	1003.30	(8.11)
DISH:	49.22	0.09	HARMONIC:	8.10	0.15
DISNEY:	67.61	0.46	INTEL:	24.14	0.26
GE:	26.14	0.59	JDSU:	16.27	0.72
MSOS					
CABLEVISION:	15.54	(0.12)	LEVEL 3:	27.10	(0.95)
CHARTER:	137.10	(0.21)	MICROSOFT:	34.99	0.03
COMCAST:	47.09	0.06	NIELSEN:	38.68	0.24
COMCAST SPCL:	45.72	0.14	RENTRAK:	35.65	(0.19)
GCI:	9.79	(0.01)	SEACHANGE:	13.56	(0.16)
LIBERTY GLOBAL:	77.71	0.36	SONY:	19.68	0.07
LIBERTY INT:	26.65	(0.45)	SPRINT NEXTEL:	6.35	(0.05)
SHAW COMM:	24.34	0.09	TIVO:	13.16	0.48
TIME WARNER CABLE:	118.35	0.15	UNIVERSAL ELEC:	38.50	0.04
WASH POST:	651.62	4.42	VONAGE:	3.60	(0.04)
PROGRAMMING					
AMC NETWORKS:	70.76	0.77	YAHOO:	34.06	0.63
CBS:	59.17	(0.03)	TELCOS		
CROWN:	3.25	UNCH	AT&T:	35.22	0.61
DISCOVERY:	82.81	0.34	VERIZON:	50.58	0.57
GRUPO TELEVISIA:	30.07	(0.1)	MARKET INDICES		
HSN:	53.02	0.01	DOW:	15392.20	(7.45)
INTERACTIVE CORP:	55.08	0.75	NASDAQ:	3920.05	5.77
LIONSGATE:	37.33	(0.13)	S&P 500:	1744.66	0.16
MADISON SQUARE GARDEN:	58.30	0.43			
SCRIPPS INT:	79.14	(0.01)			
STARZ:	29.55	(0.38)			
TIME WARNER:	68.91	0.18			
VALUEVISION:	5.11	0.09			
VIACOM:	84.09	0.46			
WWE:	11.42	(0.11)			
TECHNOLOGY					
ADDVANTAGE:	2.49	0.02			
ALCATEL LUCENT:	3.60	(0.05)			
AMDOCS:	37.79	0.40			
AMPHENOL:	82.34	0.01			
AOL:	35.01	1.06			
APPLE:	521.36	12.47			
ARRIS GROUP:	16.78	0.07			
AVID TECH:	6.65	(0.02)			
BLNDER TONGUE:	0.93	(0.01)			
BROADCOM:	27.32	0.16			
CISCO:	22.93	(0.03)			
CONCURRENT:	7.28	UNCH			
CONVERGYS:	19.62	0.12			
CSG SYSTEMS:	26.75	0.21			

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Rovi: HEVC Here Faster Than You Think

The adoption of High Efficiency Video Coding (HEVC), a video compression format that can substantially improve video quality and support Ultra-HD, is “happening much faster than we think,” *Eric Grab*, technology vp for **Rovi**, told us. The company is showcasing its range of content guide, HEVC and DivX solutions at **SCTE Cable-Tec Expo** this week. “It’s been 10 years since the last quantum leap in compression,” and with 4K on the horizon, cable companies might be feeling the pressure to start offering more services to compete with OTT players like **Netflix** and **Hulu** that “are in a position to adapt more quickly,” the exec said. Tests from Rovi and others showed 15-40% compression over Advanced Video Coding at the current stage, which is why HEVC is being deployed faster than previous generations, he said. The variation in the comparison depends on the encoder and content. For example, low noise content tends to be better with HEVC as it has a special processing block for that type of content. “Encoders are catching up and we’re seeing faster start-up times, less bandwidth consumption, and the ability to handle 4K,” according to Grab. The wireless industry, in particular, might see HEVC very soon. “We have a congested mobile network that makes it hard to upload video, but with HEVC, it creates less of a burden on the network and content is transferred much more easily,” Grab said. Despite the acceleration, gaining more momentum is a challenge. As Grab put it, “HEVC is currently facing a classic chicken-and-egg dilemma.” The adoption has been slowed by the lack of content and the lack of players, he said. The good news for Rovi is its DivX 10 technology, a consumer app that seeks to enable the creation and playback of DivX video in the HEVC standard, is expected to drive HEVC content and “we’re already seeing traction with new developments in 4K,” such as 4K-capable cameras, Grab said. The company recently launched the latest update to the MainConcept HEVC SDK, a software solution for professionals to integrate HEVC into video applications. The

enhancements are expected to reduce delivery costs and significantly decrease content conversion times. Moving forward, Rovi is aiming to offer HEVC solutions “across the entire ecosystem, from consumers with DivX 10 and professionals with MainConcept, to working with chip manufacturers,” according to Grab.

CCAP: Looking to provide more bandwidth for Internet service delivery, **Time Warner Cable** has started deploying Converged Cable Access Platforms, a set of requirements and architecture developed through **CableLabs**. **Casa Systems** and **Arris** are equipment providers. The new system combines the DOCSIS 3.0 features with video broadcast and narrowcast quadrature amplitude modulators (QAMs) into one platform.

Cable-Tec Expo: Vendors including **ZCorum**, **Hiltron** and **MaxLinear** are collaborating to demonstrate remote monitoring and spectrum analysis tools for cable MSOs at the **SCTE Cable-Tec Expo** this week. The tools are expected to allow ops to remotely view and analyze all channels passing through the cable modem, which will potentially improve troubleshooting capabilities for both data and video subs. The services from ZCorum, based on MaxLinear and **Intel** receiver chips, gathers and presents data from Hitron cable modems that use the Intel Puma 5 DOCSIS 3.0 processor and the MaxLinear MxL261 8-channel DOCSIS 3.0 front-end receiver.

Recommendations: **ThinkAnalytics** is teaming with software firm **UXP Systems** to offer a pre-integrated service that provides personalized recommendations for next-gen video providers. Specifically, UXP Systems’ MINT User Lifecycle Management module and ThinkAnalytics’ Search and Recommendations Engine have been integrated to deliver real-time content recommendations with a single sign on for each individual user profile.

People: **Comcast** unit **thePlatform** appointed *John Frankovich* as vp, pres of consulting service, leading the white-label video firm’s international consulting team. It also upped *Chris Drake* to vp, business development.



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