

CableFAX Daily™

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What the Industry Reads First

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Independent POV: Show Talk Tackles Consolidation, Gigabit Speeds, Video

As smaller operators keep a wary eye on distributor consolidation, **WaveDivision's** *Steve Weed* offered some comfort. A couple weeks ago, a **Comcast** customer service call went viral when a customer tried to cancel his service to switch to WaveDivision's Astound. "To some extent, Comcast and **Time Warner Cable**—the bigger they get, the more consumers dislike them," he told the crowd gathered for Mon's opening general session of **NCTC** and **ACA's** Independent Show. As Comcast creates its own walled garden of content—**Streampix** instead of **Netflix** and its own **Youtube**-like service—Weed doubts that's what consumers want. **Carmel Group's** *Jimmy Schaeffler* said that Comcast can't expect to follow an **Apple** business model. "They don't have that cult following," he said. Consumers want choice, Weed said. For his company, he wants to step away from video and be a broadband provider that enables customers to get content directly online from content owners. "We're working on that now. The reason we stay in the traditional video business is consumer behavior takes a long time to change," Weed said. Wave launched **Roku** boxes 3 years ago, then the **Arris** Media Gateways and now is using the **TiVo** platform to bring customers Netflix. On the flip side of the consolidation coin is content cost. "That's clearly a bad deal for us," he said, citing concerns over price and forced bundling. However, if that content is made available to his broadband customers directly (instead of Wave offering it through video subscriptions), that could be a good relationship, Weed said. How fast that's really feasible remains to be seen, with **Imagine Comm's** *Steve Reynolds* pointing to the importance of live sporting events and other content that is best supported through the existing business model. "I think consolidation is inevitable... I don't know that it's bad for the consumer. I think a lot of that depends on the folks in this room," Reynolds said. "Their role can either be opening up the pipe and making sure the customer has access to all that content... I think there may still be packaging options that smaller operators can bring together that make a lot of sense for customers." Cloud DVRs could be a great example, he said. Do small cable operators need to be offering 1 Gig Internet? "People love that product. I was quoted 2 years ago as saying people didn't need that product. Theoretically, if you're streaming... you still won't need 100-megs," Weed said. "But there are things people do when they get gigabyte Internet we hadn't thought of." For example, down-

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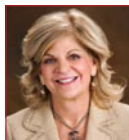
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loading a movie in a few minutes instead of 15-20 so they can take it with them to watch on a plane. Schaeffler urged operators to jump on board and leapfrog the competition. "There's an opportunity for you to start off with those speeds, realizing that it's inevitable," he said. "That pipe is going to be more valuable."

Indy Show Notebook: NCTC unveiled a new logo at its annual members meeting at the Independent Show. The co-op is celebrating its 30th anniversary this year. Its description of the new logo: "The truly American spirited red, white, and blue brand encompasses the monogram with a circle of cooperation leading to a representation of a consumer broadband connection." -- **Weather Channel** CEO *David Kenny* has heard independent operators price concerns so he has a deal for them... how about free? Weather will begin deploying its new HD box, called the XD in 4Q. It will be free to all affiliates, he said at an Indy Show lunch, sponsored by Weather. -Fun to see **NCTC's Doug Hull** take the stage decked out in yellow fisherman's pants to interview *Sig Hansen* of **Discovery's "Deadliest Catch."** The captain's response? "You look like a jackass."

New ACA Leaders Elected: *Robert Gessner*, pres of **MCTA**, was elected chmn of the **ACA**, succeeding **WOW!** chief *Colleen Abdoulah*, and **BOYCOM** vp *Patty Boyers* was elected vice chairwoman, succeeding Gessner. Both will serve 2-year terms. Others newly elected to the ACA board include *Bill Beaty*, evp of cable TV operations at **Comporium**; *Leslie Brown*, svp and general counsel at **Atlantic Broadband**; *Cathy Kuo*, COO at **WOW!**; and *Drew Petersen*, vp of external affairs and corporate communications at **TDS**.

On the Hill: Several CA Democratic House members asked the **FCC** to get involved in the **LA Dodgers** net dispute between **Time Warner Cable** and several distributors. "The ongoing stalemate between Time Warner Cable and other pay-TV providers has reached a point where mediation by the FCC is necessary. We have concerns that the current dispute may set a precedent for vertically integrated companies to hold the consumer hostage to assert unfair market dominance. The FCC must ensure that we have a competitive market and no one company has an unfair advantage at the expense of consumers," reps *Tony Cárdenas*, *Lucille Roybal-Allard*, *Alan Lowenthal*, *Brad Sherman*, *Linda Sánchez Julia Brown*, *Janice Hanh* and *Judy Chu* said in a letter to chmn *Tom Wheeler*. TWC launched the **SportsNet LA** in Feb but was unable to score carriage deals with other distributors serving the market.

CableOne Launches Netflix: Add **Cable One** to the roster of US operators launching **Netflix** on **TiVo's** platform. As with previous Netflix/TiVo integrations, the Netflix App has been added to Cable One-distributed TiVo services. The MSO was recently ranked by the streaming player as one of the top ISPs for streaming Netflix content.

TWC Warns off Delay: An overwhelmed **FCC** might mean delayed closing of the **Comcast** and **Time Warner Cable** merger, according to a memo by TWC CEO *Rob Marcus* obtained by *Capital New York*. Since the deal was announced, a few other telecom transactions were also proposed, potentially putting a strain on the resources of the FCC, which already has its hands full with the net neutrality proceeding and spectrum auctions, the memo said. "While it's possible that all this noise could impact the review of our deal, we continue to work closely with Comcast on planning for a closing around year-end, understanding that it could take longer." The agency already started its 180-day clock on vetting the deal. Comments are due Aug 25.

GigaPower in Nashville: **AT&T** continued to execute its plan to expand GigaPower to up to 100 additional cities across 25 markets. The latest market getting the fiber-based broadband offering speeds up to 1 Gbps is Nashville, a **Comcast** market. **Google Fiber** is also considering expansion to Nashville. Google will also go head-to-head with the telco in Austin, TX when it launches its gigabit service later this year. Other TN areas AT&T is considering for GigaPower deployment are Clarksville, Franklin, Murfreesboro, Smyrna and Spring Hill .

Advertising: TV ad firm **BlackArrow** scored a deal with **Bright House** to manage the execution of dynamic ad insertion in on-demand and multiscreen TV products. Integration of the BlackArrow Advanced Advertising System aims to enable the MSO to unify campaign management, ad reports and ad execution across all video platforms. In addition, the op will use the new platform to increase the availability of ad inventory for local and regional markets in the future. -- **Viamedia** scored a deal with **CenturyLink** to provide ad services in 3 additional CenturyLink TV markets, including Phoenix, Omaha and Colorado Springs. Viamedia has already been the telecom op's ad sales service provider since 2011 in 7 markets.

BUSINESS & FINANCE

Programming: El Rey inked a 5-year programming deal with **Celestial Pictures**, providing the net with access to 255 martial arts titles from the **Shaw Brothers** vault. The companies are also in talks about new original programming ideas based on the Shaw Brothers' films. New titles available to El Rey through the deal include "The Five Deadly Venoms," "Mad Monkey Kung Fu," "The Brave Archer Trilogy" and "Have Sword Will Travel," which will air throughout the schedule as well as during the net's monthly Kung Fu marathons. All films come with English subtitles and/or English dubbed tracks.

People: Cablevision exec **Stephanie Mitchko-Beale** joined **Cross MediaWorks** as CTO, leading data-enhanced ad solutions efforts, including addressable and advanced ads. Beale worked at Cablevision for 15 years and was most recently svp of video infrastructure software. She received **Cablefax**, **SCTE** and **WICT's** Women in Technology award in 2013.

Editor's Note: We're not kidding. The early bird rate for **Cablefax's** TV Innovation Summit on Sept 18 is fast approaching. Register by Aug 8 to secure your discount for what promises to be an enlightening discussion and debate, conveniently occurring the day after the Kaitz Dinner in NYC. Go to www.cablefax.com to find out more details.

CableFAX Daily Stockwatch

Company	07/28 Close	1-Day Ch	Company	07/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	86.16	(0.14)	CONCURRENT:	7.50	0.09
DISH:	62.92	(0.1)	CONVERGYS:	20.16	(0.02)
ENTRAVISION:	5.81	(0.09)	CSG SYSTEMS:	26.89	0.18
GRAY TELEVISION:	12.37	(0.18)	ECHOSTAR:	50.47	(0.53)
MEDIA GENERAL:	20.20	(0.01)	GOOGLE:	590.60	1.58
NEXSTAR:	48.05	0.40	HARMONIC:	6.23	(0.07)
SINCLAIR:	33.35	(0.26)	INTEL:	34.23	(0.02)
MSOS					
CABLEVISION:	19.10	0.15	INTERACTIVE CORP:	66.55	0.05
CHARTER:	161.48	(0.87)	JDSU:	11.80	(0.05)
COMCAST:	54.73	0.34	LEVEL 3:	44.91	(0.75)
COMCAST SPCL:	54.52	0.28	MICROSOFT:	43.97	(0.53)
GCI:	10.91	0.08	NIELSEN:	48.77	0.56
GRAHAM HOLDING:	692.97	3.41	RENTRAK:	50.55	0.20
LIBERTY GLOBAL:	42.49	(0.04)	SEACHANGE:	7.62	(0.07)
LIBERTY INT:	28.71	(0.21)	SONY:	17.71	0.03
SHAW COMM:	25.31	(0.05)	SPRINT NEXTEL:	7.64	(0.08)
TIME WARNER CABLE:	149.01	0.65	TIVO:	13.39	(0.08)
PROGRAMMING					
21ST CENTURY FOX:	32.46	(0.35)	UNIVERSAL ELEC:	48.78	0.01
AMC NETWORKS:	61.51	(0.15)	VONAGE:	3.56	(0.04)
CBS:	57.71	(0.02)	YAHOO:	35.90	(0.22)
CROWN:	3.44	0.04	TELCOS		
DISCOVERY:	83.14	0.26	AT&T:	35.65	0.11
DISNEY:	87.15	0.92	CENTURYLINK:	37.71	0.13
GRUPO TELEVISIA:	35.22	0.31	TDS:	24.65	0.18
HSN:	56.29	0.22	VERIZON:	51.58	0.30
LIONSGATE:	31.90	(0.2)	MARKET INDICES		
MADISON SQUARE GARDEN:	60.13	(0.13)	DOW:	16982.59	22.02
SCRIPPS INT:	83.40	(0.25)	NASDAQ:	4444.91	(4.66)
STARZ:	29.51	0.05	S&P 500:	1978.91	0.57
TIME WARNER:	85.24	0.25	TECHNOLOGY		
VALUEVISION:	4.53	(0.07)	ADDVANTAGE:	2.53	0.01
VIACOM:	86.17	0.02	ALCATEL LUCENT:	3.74	(0.03)
WWE:	12.33	(0.06)	AMDOCS:	48.12	0.31
MARKET INDICES					
DOW:	16982.59	22.02	AMPHENOL:	97.61	0.01
NASDAQ:	4444.91	(4.66)	AOL:	38.94	0.12
S&P 500:	1978.91	0.57	APPLE:	99.02	1.35
TECHNOLOGY					
ADDVANTAGE:	2.53	0.01	ARRIS GROUP:	34.59	0.68
ALCATEL LUCENT:	3.74	(0.03)	AVID TECH:	7.45	(0.17)
AMDOCS:	48.12	0.31	BLNDER TONGUE:	0.92	(0.03)
AMPHENOL:	97.61	0.01	BROADCOM:	37.72	0.37
AOL:	38.94	0.12	CISCO:	25.92	(0.05)
APPLE:	99.02	1.35			
ARRIS GROUP:	34.59	0.68			
AVID TECH:	7.45	(0.17)			
BLNDER TONGUE:	0.92	(0.03)			
BROADCOM:	37.72	0.37			
CISCO:	25.92	(0.05)			

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What the Industry Reads First

CableFAX TECH

by Joyce Wang

Arris Works with Small Firm for 'Content Forward' OTT Platform

Arris has teamed up with 4-year-old firm Wurl to launch Arris Market, an open platform aimed to enable MSOs to integrate OTT video with linear services. "We expect to see streaming services from premium web app content providers, as well as select options for OTT VOD services," Arris engineering svp *Debbie Stackis* told us. The Wurl platform seeks to allow cable ops using the Arris Whole Home Solution to offer streaming services without additional 3rd-party devices or smart TV sets. The browser is based on Webkit (a layout software component for rendering web pages in browsers), HTML5 and Arris' Whole Home Solution. A Software Development Kit aims to expand capabilities for developers, said Stackis. The new platform is focused on "driving a content forward environment" instead of just a list of apps, she said. That means faster and seamless content discovery and fewer "clicks" to content consumption. The key is to "blend" the experience for viewers across pay-TV and OTT, according to Stackis, ultimately expanding monetization opportunities "across the value chain by surfacing a cross-view of content for the subscriber." What made Arris, a major communications vendor with more than 2K employees worldwide, decide to work with Wurl, which provides online video programming, metadata and cloud-based services? Arris interviewed many of the world's largest players, as well as several smaller companies to "find a fit that would give Arris something more than just another 'App Store,' but deliver a comprehensive platform, and a dynamic, content forward environment that is flexible and customizable for our Web app content providers, and our operator customers," Stackis said. Wurl demonstrated a platform that can serve the traditional and future web app experience, and will "allow Arris to evolve our Whole Home Solution to a next generation," she

said. In addition to tier-1 ops, Arris could also make a play for the small and mid-sized op market, **TiVo's** sweet spot. It will demonstrate the platform during the Indie Show this week.

Comcast Renews Deal with NCTC: Comcast's wholesale division and **NCTC** renewed their multi-year agreement for the Headend in the Sky (HITS) National Authorization Service (NAS), providing NCTC members with centrally managed platforms. The deal is expected to reduce the costs for offering digital video and IP services including HD channels, VOD and broadband Internet access. The agreement is also expected to enable NCTC members to purchase uDTAs, STBs and CableCard devices from a range of manufacturers.

Envivio Demos at NCTC: Second-screen service provider **Envivio** is looking to score some indie operators with its cloud-based multi-screen services. The vendor will demonstrate its end-to-end, any-screen video software service at the Indie Show. The platform features virtualized encoding, packaging, digital rights management, ad mediation, content delivery network, app creation and billing.

NVerizon Targets Cable: **NVerizon**, which provides tools for digital broadcasting and television station automation, has its eyes on cable with its newly launched Component Level Automation System Solutions (CLASS). The platform aims to speed up file-based workflow, reducing capital and operating expenses. In addition, the service integrates legacy hardware and software systems into a unified platform, enabling cable MSOs to leverage their existing infrastructure. The platform is also expected to be scaled-up to accommodate hundreds of channels.

Got tech news? Reach out to Cablefax Tech editor *Joyce Wang* at jwang@accessintel.com

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