

Cablefax Daily™

Tuesday — December 30, 2014

What the Industry Reads First

Volume 25 / No. 249

CES Preview: The Year of 4K and Cross-platform Video

The 2015 **Consumer Electronics Show** in Las Vegas is a week away and attendees are likely to hear a lot about 4K—again. But what makes things different this time around is the price drop for large Ultra HD sets. “We’re seeing a fast ramp-up in the interest in Ultra HD as the affordability of 4K resolution Ultra HD has exceeded most forecasts for this holiday season,” **ARRIS** fellow *Sean McCarthy* told us. And now that everyone has gotten used to the eye-popping displays at CES, look for there to be more discussion on the evolution of Ultra HD beyond higher resolution to address other aspects that create dramatically improved viewing experiences. Color space expansion, higher frame rates, and most dramatically, high dynamic range (HDR) are all new technologies that will make the Ultra HD experience “a meaningful upgrade” for consumers, McCarthy said. “HDR is emerging as one of the most compelling technologies in this arena—promising a new level of realism through the use of that increased dynamic range and brightness. This is an exciting technology that continues to improve entertainment experiences,” he said, explaining that the HEVC standard that’s enabling existing networks to handle the increased resolution of Ultra HD also is facilitating these technologies. Though only a fraction of TVs purchased this year are 4K TVs, “we expect that gap between Ultra HD and HD to narrow [next year] until Ultra HDs become the prevalent TV that is purchased. The consumer upgrade cycle will be fully mobilized in the next year,” McCarthy said. But don’t take that to mean most of your neighbors will have a 4K set next year. It’ll take several years for an economically significant number of Ultra HD sets to be available. “While we’re encouraged by the acceleration in consumer Ultra HD adoption, we expect Ultra HD to be a niche service until the installed base becomes meaningful for service providers to commit the network resources required to deliver it on a wide scale,” said McCarthy. **ARRIS** will showcase a new family of video network equipment that seeks to allow content providers to distribute their programming in the highest resolution Ultra HD format and then tailor the content at the edge of the network as needed for compatibility with service provider devices. Another continued CES trend is related to application-oriented access to TV content. “It’s not a surprise that networks like **HBO** and **CBS** and many others want to drive consumers to watch TV shows in their apps, but consumer don’t want to be bothered to open up half a dozen

Who deserves to appear in Cablefax’s
annual power player list?

Nomination Deadline: January 30 | Free to Enter

100
Cablefax

The Cablefax 100 salutes the most influential cable executives whose leadership continues to take the industry to new heights. Nominate your colleagues, your boss or even yourself for a coveted spot in the Cablefax 100.

It’s free to enter – but you must submit your nominations by January 30.

Enter at www.cablefax.com/awards



CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editor-in-Chief: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Associate Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Sr Community Editor: Kaylee Hultgren, 212.621.4200, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Jr. Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,599/year ● Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

apps to search for a TV show,” said **Jeff Klugman**, **TiVo’s** evp and gm of products and revenue. “I think that a theme for this year will not just be about content consumption being freed from the TV set, but also how we can make it easier for consumers to find and decide what content they want...” The good news for the TV industry is that some of the most impressive trends coming out of CES surround TV, Klugman said. McCarthy also expects the Internet of Things to take precedence in the exhibit halls. “As more and more devices tap into the network and connect to one another, we’re seeing a greater need to improve how the devices are managed and controlled. Incidentally, it’s this infrastructure that’s not only enabling IOT to take off, but is paving the way for tomorrow’s entertainment experiences,” he said. That whole unified experience across different screens is something **Rovi** execs see as a CES trend. And we’re not just talking about smart appliances telling you that you’re out of milk. For example, some of the popular new media and entertainment technologies pertain to discovering content not only across traditional TV remotes and second screen apps, but beyond screens in the home, such as on wearable tech and smart watches.

Retrans Watch: As Dec 31 nears, expect to see a few broadcasters and distributors slugging it out. **Schurz**-owned **WDBJ**, a **CBS** affil serving Roanoke/Lynchburg, VA, is warning **Cox** customers that they could lose the station Jan 1. **Nexstar**-owned **WQRF** of Rockford, IL, says its deal with **Charter** expires Jan 1. **Satview Broadband** faces a Jan 1 deadline for Nexstar stations **KTVX** and **KUCW**, **ABC** and **CW** affils in Salt Lake City. More will inevitably pop up, as we wait to see if deals get done before the ball drops in Times Square.

DirecTV Raising Rates: **DirecTV** will raise the price of its baseline Entertainment package 3.5% to \$59.99/month, effective Feb 5. All of its programming packages will see a hike, with the Xtra package jumping 5.5% to \$77.99 monthly and the Ultimate package increasing 6% to \$86.99/month. The increases only apply to non-promotional packages. DirecTV’s RSN fee will increase up to \$2.14/month based on zip code, while its TV fee for each additional connected set jumps to \$6.50 from \$6/ month.

CTHRA Membership Roll Swells: Cable’s HR organization **CTHRA** reports that its membership nearly doubled in 2014, growing from 1600 to more than 3K. Its membership spans more than 50 companies and includes all levels of HR professionals. “Our rapid growth during the past year is a testament to cable operators’ and programmers’ thirst for industry-specific HR data, benchmarks and trend analysis,” said CTHRA’s exec dir, **Pamela Williams**, CAE.

Programming: The first 3 eps of **Epix’s** “Epix Presents Road to the NHL Winter Classic” will be available in a 3-hour block Wed on **NBCSN**, the 1st time the exclusive series will be carried on the net. The final installment of the series will premiere exclusively on Epix Jan 6, 10pm. -- **Outdoor Channel’s** winter/spring lineup includes 3 new series, “Flying Wild Alaska,” “The Reluctant Outdoorsman” and “Major League Fishing GEICO Selects.” For the first time ever, Outdoor will be airing classic and modern-day outdoor-themed and Western movies, including “High Plains Drifter” and “127 Hours.” -- **MLB Net** and **MLB.com** will air the results of the National Baseball Hall of Fame ballot live Jan 6 at 2pm ET as part of a 3-hour announcement show that begins at 11am. -- **MAVTV** debuts reality series “Recourse,” which features off-road racers behind the scenes, Jan 4, 6pm. -- **Destination America** is adding “**TNA Wrestling’s Greatest Matches**” to its weekend lineup of wrestling programming, beginning with a 3-ep marathon Jan 10 at 10am ET. It moves to its regular timeslot (Saturdays at noon) on Jan 17.

Charter Proxy: **UBS** remains positive on **Charter** following its filing of an updated proxy, giving 2014-19 estimates after the proposed **Comcast** transactions. Charter reduced the expected consideration for the assets being acquired plus transaction expenses to \$7.2bln from \$8bln. The MSO now expects to issue approx. 9.5mln shares for its 33.2% GreatLand stake vs. 11.3mln previously. “As the company invests to convert acquired properties to all-digital in 2016-17, we expect triple-play penetration and ARPU to increase as they did at legacy Charter,” UBS said. “These benefits should start becoming evident ~18 months after the transition begins—i.e., by mid-2017.”

Mediacom Aids Telemedicine: Cable MSOs’ business units have been working with healthcare providers to offer telemedicine services using their broadband and video infrastructure. Under a deal with **Mediacom**, **Southern Illinois Healthcare** (SIH), a nonprofit system serving the Carbondale area, has interconnected 3 hospitals

BUSINESS & FINANCE

and 21 clinics across 16 countries over the MSO's enterprise fiber network. The connection seeks to allow SIH's 3,400 employees and medical professionals to share patient data and electronic medical records with facilities outside of their main location. Prior to the deal with Mediacom, sharing data was limited to just text-based, said SIH manager of infrastructure systems *Nathan Phoneix*. **Time Warner Cable** is also active in the telemedicine space, having started a "Virtual Visit" telemedicine trial with Cleveland Clinic last year to enable healthcare providers to engage and interact with patients remotely.

Malones' Record Gift: Liberty Media chmn *John Malone* and his wife *Leslie Malone* have committed a record \$42.5mln to **Colorado State Univ** to develop regenerative medical therapies for animals and people. The donation will launch the CSU Institute for Biologic Translational Therapies to investigate next-generation remedies based on living cells and their products, including patient-derived stem cells, to treat musculoskeletal disease and other ailments. It marks the largest cash gift in university history. The couple said the gift was inspired by stem-cell treatments the couple's world-class dressage horses have received to help repair stressed and injured joints.

CableFAX Daily Stockwatch

Company	12/29 Close	1-Day Ch	Company	12/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/.....			CONVERGYS:.....	20.70	0.28
DIRECTV:.....	86.73	(0.32)	CSG SYSTEMS:.....	25.42	(0.08)
DISH:.....	73.07	0.36	ECHOSTAR:.....	52.55	0.55
ENTRAVISION:.....	6.65	(0.12)	GOOGLE:.....	530.33	(3.7)
GRAY TELEVISION:.....	11.51	0.06	HARMONIC:.....	7.22	(0.1)
MEDIA GENERAL:.....	17.40	0.08	INTEL:.....	37.18	(0.37)
NEXSTAR:.....	53.08	0.52	INTERACTIVE CORP:.....	61.91	(0.46)
SINCLAIR:.....	27.92	(0.03)	JDSU:.....	13.81	(0.11)
MSOS					
CABLEVISION:.....	20.87	0.15	LEVEL 3:.....	49.91	0.16
CHARTER:.....	169.21	1.04	MICROSOFT:.....	47.45	(0.43)
COMCAST:.....	58.88	0.49	NETFLIX:.....	341.93	1.88
COMCAST SPCL:.....	58.53	0.44	NIELSEN:.....	45.49	(0.24)
GCI:.....	13.81	0.11	RENTRAK:.....	74.76	(2.27)
GRAHAM HOLDING:.....	881.36	(1.83)	SEACHANGE:.....	6.52	(0.06)
LIBERTY BROADBAND:.....	50.37	(0.44)	SONY:.....	21.17	(0.1)
LIBERTY GLOBAL:.....	51.07	0.17	SPRINT NEXTEL:.....	4.22	(0.12)
SHAW COMM:.....	27.07	(0.23)	TIVO:.....	12.06	0.01
TIME WARNER CABLE:.....	154.53	1.70	UNIVERSAL ELEC:.....	64.97	0.15
PROGRAMMING					
21ST CENTURY FOX:.....	39.01	0.12	VONAGE:.....	3.84	(0.08)
AMC NETWORKS:.....	64.40	0.02	YAHOO:.....	50.53	(0.33)
CBS:.....	56.45	0.47	TELCOS		
CROWN:.....	3.57	(0.03)	AT&T:.....	34.11	(0.06)
DISCOVERY:.....	35.46	0.59	CENTURYLINK:.....	40.53	0.05
DISNEY:.....	95.50	0.47	TDS:.....	26.01	1.34
GRUPO TELEVISIA:.....	33.71	(0.33)	VERIZON:.....	47.55	(0.31)
HSN:.....	76.87	0.88	MARKET INDICES		
LIONSGATE:.....	32.48	0.08	DOW:.....	18038.23	(15.48)
MSG:.....	76.07	0.80	NASDAQ:.....	4806.91	0.05
SCRIPPS INT:.....	77.37	(0.47)	S&P 500:.....	2090.57	1.80
STARZ:.....	29.83	(0.07)			
TIME WARNER:.....	86.32	(0.39)			
VIACOM:.....	76.81	(0.13)			
WWE:.....	12.62	0.09			
TECHNOLOGY					
ADVANTAGE:.....	2.42	(0.05)			
AMDOCS:.....	47.08	(0.08)			
AMPHENOL:.....	54.98	(0.24)			
AOL:.....	46.73	0.18			
APPLE:.....	113.91	(0.08)			
ARRIS GROUP:.....	30.44	(0.02)			
AVID TECH:.....	14.39	0.01			
BLNDER TONGUE:.....	2.55	0.14			
BROADCOM:.....	43.42	0.10			
CISCO:.....	28.46	0.11			
COMMSCOPE:.....	25.49	0.16			
CONCURRENT:.....	7.05	(0.05)			

CableJobs

Post your job openings on Cablefax's Job Board today!

- Reach the most qualified candidates.
- Check out resumes for free, and only pay for the ones that interest you!
- Job posting packages allow you to post multiple jobs at your convenience at a discounted rate.

Cablefax has a recruitment product to fit your budget and business needs.

Visit us at www.cablefax.com/jobs

