

# Cablefax Daily™

Tuesday — April 14, 2015

What the Industry Reads First

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## NAB Tackles OTT: It's Not Just for Millennials and Cord-Cutters

More signs that this isn't your grandfather's **NAB Show**... Mon's Super Session is Las Vegas focused on OTT—and it wasn't about how it's going to kill the cable company. "Why does one thing have to completely die for something else to succeed?" panelist *Marc DeBevoise*, **CBS Interactive's** evp/gm of entertainment, news & sports, mused after he was asked how disruptive OTT would be to pay TV. "I don't think there's going to be this tectonic shift... That bundle is very valuable to a lot of people." On the other hand, don't look for pay TV to remain status quo, with **NeuLion** CEO *Kanaan Jemili* noting that it can't survive with a 1-2% growth rate for traditional video. "Pay TV has to decide if they jump in," said Jemili, whose company provides Internet video streaming services to the **NFL** and other leagues and media companies. "I think it is happening with certain innovative pay TV properties. Some will probably not do anything and suffer, but others, like **Comcast** and **BSkyB**, will actually get these OTT services on their set-top boxes." **Vubiquity** CEO *Darcy Antonellis* cautioned that the projected 1-2% growth rate is a "snapshot in time if nothing changes." She doesn't think that will happen, with experimentation in skinny bundles, fat bundles, vertical integration across a consumer's life with connected devices, etc all in the works. Even smaller operators are part of the game. "We're excited because those smaller players are trying to figure out how do I make this work as part of my overall broadband strategy, and that's a shift over the last 24 months," said Antonellis, whose company inked a deal with **NCTC** earlier this year for its LiveVU linear TV platform. As for the recent barrage of OTT launches, **Parks Associates** dir *Brett Sappington* said it's just the beginning, predicting many more over the next few months. He likened it to when **Netflix** and **Hulu** first gained momentum, and everyone jumped in with their own video offerings, including **Walmart** and **Target**. A year from now, he said the NAB panel will be talking "about all the OTT services that failed." With the launch of CBS All Access, **HBO Now** and others, "everyone realized if I don't get in now, there may not be a market for me to get into," Sappington said. "I think that's why right after those announcements you saw everyone jump into the pool." The panel offered a warning not to dismiss OTT as something primarily for millennials. Yes, CBS All Access is skewing younger—like a whole decade younger—but DeBevoise said digital video is growing quickly in all age segments. "18-45 vs 25-54—it's the same growth rate in terms of video consumption. We

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look at it as great news. We can find people who have some money, not just people who have no money or are just getting into the workplace,” he said. “It is a broad phenomenon.”

**Net Neutrality:** The FCC’s net neutrality order was published in the Federal Register Mon, which could lead to more legal battles. The rules are set to go into effect on June 12, 60 days after their publication. **USTelecom**, which filed a petition to review the order last month, filed its official lawsuit Mon in the **DC Circuit**. The group said the initial petition was submitted to meet the 10-day period provided for an appeal just in case the rules are final. Meanwhile, a group of House Republicans led by *Doug Collins* (GA) launched a Resolution of Disapproval to block the net neutrality rules. The approach would require “only a simple Senate majority to pass under special procedural rules of the Congressional Review Act.” Collins said his resolution would be the quickest way to stop the rules. Co-sponsors of the Resolution of Disapprovals include *Bob Goodlatte* (MA), *Steve Chabot* (OH), *Lynn Westmoreland* (GA), *Glenn Grothman* (WI), *Bob Latta* (OH), *Bill Posey* (FL), *Rick Allen* (GA), *Ryan Zinke* (MT), *Barry Loudermilk* (GA), *Sam Johnson* (TX), *Dennis Ross* (FL), *Buddy Carter* (GA) and *Vern Buchanan* (FL). House Commerce leaders *Fred Upton* (MI) and *Greg Walden* (OR), who are still pushing their own net neutrality alternative, aren’t sponsors of the resolution yet. **Public Knowledge** claimed the resolution would be a huge setback. “Even some Republican leaders who don’t like Title II reclassification have put forward a bill to create net neutrality rules. The consensus is clear: The American public wants strong rules, and it would be a shame to lose the hard-fought rules we just won after spending a year without any protections,” said PK govt affairs vp Chris Lewis.

**A+E Nets Launches Asterisk:** A+E Networks revealed new web brand **Asterisk** (theasterisktoday.com), which it describes as telling “the whole story by exploring culture through the lens of history.” Examples include House of Cards’ fictional Frank Underwood vs *Lyndon Baines Johnson* (stories even give you an estimate of how much time they’ll take to read). Asterisk, developed and managed by RED Interactive Agency, uses video, photos, articles, lists, GIFs, Vines and other content to tell stories in the categories of life skills, sports, food & drink, people, ideas, arts & entertainment, work, style, travel and tech.

**NAB Smith Keynote:** NAB CEO *Gordon Smith* used his opening keynote at the **NAB Show** Mon to hoist broadcasters up for local programming, while slamming cable. “In a time when cable news media is becoming incredibly polarized and partisan, Sen. [Chuck] Schumer (D-NY) rightly pointed out that local news has become even more valuable,” Smith said, referring to comments the senator made at a past NAB State Leadership Conference. Local broadcast is “where Americans turn when they want ‘just the facts’ with no yelling, screaming and finger pointing,” the NAB chief said in prepared remarks. He also highlighted the show’s look at next generation broadcasting, from 4K Ultra HDTV to NextRadio (a hybrid FM experience for smartphones). Of course, he also touched on the FCC’s incentive auction: “The FCC must simplify its rules and stay out of the price-determining business, and instead allow the market to determine the price of each 6 MHz channel. If the Commission can stay out of the way, I believe we can have a successful incentive auction.”

**Mickey Moves to Cloud:** Disney/ABC Television Group is transitioning its linear broadcast operations to the cloud with **Imagine Communications**, a video solutions provider. The transition will allow the company to “automate and deliver workflow processes and technologies to a more agile and scalable environment,” *Vince Roberts*, evp of global operations and CTO, said in a release. The company is deploying VersioCloud, Imagine’s IP-enabled, integrated playout in the cloud platform. Designed for a network origination ecosystem, the geo-dispersed platform aims to aggregate national operations into a cohesive, resilient and unified entertainment delivery solution.

**Ratings:** AMC’s Season 1 finale of “Better Call Saul” on April 6 drew 5.1mIn viewers, 3.1mIn 18-49 and 3.3mIn 25-54 in live+3 ratings. During the 10-ep first season, the series averaged 5.9mIn viewers, 3.7mIn 18-49 and 3.6mIn 25-54 in live+3. Digitally, the series generated more than 4.4mIn TVE streams on AMC.com and around 11.5mIn VOD transactions. It joined the net’s “The Walking Dead” and “Talking Dead” as the 3rd AMC series this season to rank in the top 5 cable programs among viewers, 18-49 and 25-54 in live+3.

**Programming:** VH1 booked “She’s Got Game,” a 1-hour weekly series starring rap artist “The Game” as he kicks off his tour this summer ready to find love—with help from his celeb friends. The 10-ep series is slated to premiere

# BUSINESS & FINANCE

summer 2015. -- **HBO** renewed "Veep" and "Silicon Valley" for a 5th and 3rd season, respectively. The move comes a day after the shows' season premieres. -- **NBCU** inked an extensive cross-platform promotional deal with *Reba* to celebrate her upcoming album, "Love Somebody." Set for release Tues, the project marks Reba's 1st music in more than 5 years. She will appear across NBCU's brands with interviews and performances on cable and broadcast shows.

**Charter Notes:** Charter will offer \$1.5bln in senior unsecured notes that will be due in 2023 and 2025. Proceeds from the sale will be used to finance a tender offer for \$1bln in outstanding senior notes due 2017 and for general corporate purposes. The offer commenced at 5:01pm ET Mon.

**People:** Nielsen named former **Salesforce.com** exec *Harish Peri* svp, product marketing across its ratings and planning products.

**Editor's Note:** Join us on April 20 for a free webinar that looks at migrating to IP video. We'll explore how cable operators of all sizes can migrate to the cloud and IPTV without overspending, examine real-word case studies and delve into IP video strategies. Speakers include **Edgware's** *Margit Tritt*, **CableLabs'** *Matt White* and **SNL Kagan's** *Mike Paxton*. Register at [Cablefax.com/webinars](http://Cablefax.com/webinars). It's free!

## Cablefax Daily Stockwatch

Company	04/13 Close	1-Day Ch	Company	04/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	87.50	0.18	COMMScope:	26.49	0.04
DISH:	70.45	(1.38)	CONCURRENT:	5.99	(0.08)
ENTRAVISION:	6.33	(0.04)	CONVERGYS:	23.14	0.02
GRAY TELEVISION:	14.02	(0.13)	CSG SYSTEMS:	30.72	0.09
MEDIA GENERAL:	16.42	(0.23)	ECHOSTAR:	51.49	(0.37)
NEXSTAR:	58.01	(0.37)	GOOGLE:	539.17	(0.84)
SINCLAIR:	31.56	(0.06)	HARMONIC:	7.50	(0.07)
<b>MSOS</b>			INTEL:	31.73	(0.2)
CABLEVISION:	18.36	0.05	INTERACTIVE CORP:	72.55	0.01
CHARTER:	189.02	(2.79)	JDSU:	13.07	UNCH
COMCAST:	58.78	(1.03)	LEVEL 3:	53.00	(0.68)
COMCAST SPCL:	58.55	(0.98)	MICROSOFT:	41.76	0.04
GCI:	16.44	0.03	NETFLIX:	474.68	20.11
GRAHAM HOLDING:	1048.16	(7.27)	NIELSEN:	45.50	(0.51)
LIBERTY BROADBAND:	55.72	(0.31)	RENTRAK:	51.61	(1.7)
LIBERTY GLOBAL:	52.11	(0.44)	SEACHANGE:	6.48	0.10
SHAW COMM:	22.96	(0.26)	SONY:	30.37	(0.19)
SHENTEL:	34.68	0.44	SPRINT NEXTEL:	4.98	0.01
SHENTEL:	34.68	0.44	TIVO:	11.13	0.10
TIME WARNER CABLE:	157.06	(3.75)	UNIVERSAL ELEC:	58.05	0.49
<b>PROGRAMMING</b>			VONAGE:	4.87	(0.07)
21ST CENTURY FOX:	34.06	(0.28)	YAHOO:	44.77	(0.41)
AMC NETWORKS:	76.99	0.15	<b>TELCOS</b>		
CBS:	61.32	(0.28)	AT&T:	32.88	0.11
CROWN:	3.90	(0.03)	CENTURYLINK:	35.58	(0.24)
DISCOVERY:	33.03	(0.01)	TDS:	26.65	(0.16)
DISNEY:	106.51	(0.44)	VERIZON:	49.04	(0.18)
GRUPO TELEvisa:	35.08	(0.29)	<b>MARKET INDICES</b>		
HSN:	65.95	(0.85)	DOW:	17977.04	(80.61)
LIONSGATE:	31.05	(0.26)	NASDAQ:	4988.25	(7.73)
MSG:	82.41	(0.98)	S&P 500:	2092.43	(9.63)
SCRIPPS INT:	69.56	0.55			
STARZ:	36.53	0.62			
TIME WARNER:	84.51	(0.98)			
VIACOM:	69.80	0.31			
WWE:	13.64	0.22			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.45	0.05			
AMDOCS:	54.27	(0.1)			
AMPHENOL:	59.01	(0.53)			
AOL:	38.98	(0.06)			
APPLE:	126.85	(0.25)			
ARRIS GROUP:	28.79	(0.41)			
AVID TECH:	16.30	0.61			
BLNDER TONGUE:	0.90	0.11			
BROADCOM:	44.54	0.31			
CISCO:	27.98	(0.06)			

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## CFX TECH by Joyce Wang

### NCTA Eyes Emerging Services Through INTXHACK

Looking to discover new talent as well as emerging services and apps, **NCTA** will host a 24-hour developer challenge dubbed **INTXHACK** in conjunction with the annual show in Chicago. The goal is to “get talented and young innovators together with hardware and software providers in the TV space and see what they can come up with if they are given the tools,” *Mark Bell*, vp of industry affairs at NCTA told us. For the industry, “it’s also a platform to look at what the future of cable would be.” The 24-hour hackathon competition challenges developers to create apps-from-scratch using the latest APIs, tools, data and content from partners such as **Comcast**, **NBCU**, **CNBC**, **Microsoft** and **USA**. Participating hackers will compete live at **1871**, Chicago’s entrepreneurial hub for digital start-ups, with finalists showcased during INTX May 5-6. The apps developed from scratch are expected to reflect what INTX is about, whether it’s related to the video user interface, Internet of Things, advanced advertising, TVE, online video, new navigation, immersive entertainment, wearable technology or connected games. “Basically anything that falls in within the intersection of the Internet and television,” according to Bell. And having a youth element is important to the show, whose first-ever 48-hour student filmmaker competition last year challenged students from film schools to produce original short films. “It’s important for the industry to have a youth voice and invite innovators to be part of the business” and NCTA seeks to have similar events at INTX going forward, said Bell. Comcast will provide set-tops to support developers wanting to create new apps on its X1 platform. Several programmers will offer content and APIs around their content for developers to build innovative content discovery, recommendation and navigation apps. INTXHACK aligns “neatly with Chicago’s vision of being a startup hub,” Bell said, calling the local talent pool strong. The contest features a grand prize of \$10K, followed by the 1st runner up prize of \$5K and 2nd runner up purse of \$3K. Finalists will also be featured in a

special INTX showcase exhibit providing them access to industry execs and the opportunity to present their ideas.

**Cable in Healthcare:** With cable expanding its presence in vertical markets like healthcare, major cable MSOs including **Comcast**, **Time Warner Cable**, **Cox**, **Cablevision**, **Charter** and **Mediacom** are all set to return to the 2015 Healthcare Information and Management Systems Society (HIMSS) Conference April 12-16 in Chicago. The MSOs will demonstrate their carrier-grade Ethernet services, telemedicine offerings, cloud-based services and other options serving the healthcare industry. Over the past year, cable companies are providing services for innovations around several healthcare areas including new patient-driven video services and telemedicine trials. Comcast’s business arm launched its new Ethernet@Home service and an initial deployment with **Cooper University** Health Care, providing connections to Cooper radiologists working remotely and enabling access to medical images and other patient files from home. Mediacom Business offered Ethernet services to Southern Illinois Healthcare, allowing neurologists to examine and diagnose stroke victims remotely in the critical time window right after a stroke has occurred. Time Warner Cable Business Class launched a HD Video for Healthcare service last year expressly designed for hospital patient rooms. The service is designed to help hospitals keep patients comfortable during their stay and deliver HD channels, an interactive program guide and free on-demand content. Cablevision launched a community video-on-demand channel in partnership with **Winthrop University** Hospital for subscribers living in NY, NJ and CT. The station features health and wellness content including videos from medical experts at the hospital. Cox launched a venture early this year with the Cleveland Clinic to develop in-home services for medical care. **Spectrum Business**, a Charter unit, completed the final segment of an 87-mile fiber network in 2014 and is providing services including

*Got tech news? Reach out to Cablefax Tech editor Joyce Wang at [jwang@accessintel.com](mailto:jwang@accessintel.com)*

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