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What the Industry Reads First

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Ericsson's Moves: Firm Scores AT&T Contract, Acquires Envivio

Ericsson is determined to be a major player in the TV market. During **IBC 2015** Thurs, the vendor announced that it scored a contract with **AT&T** to help build a next-generation TV platform combining the telco's **U-verse** and **DirectTV** services to deliver its entertainment experience across satellite and wireline networks. The move comes less than 2 months after AT&T closed its acquisition of DirecTV. Ericsson has worked with both companies for years, powering U-verse services through its Mediaroom platform (acquired from **Microsoft** in 2013) and offering content management, encoding/transcoding, video compression and other video services to DirecTV. Initially, Ericsson will focus on making sure "experiences are aligned towards customers and end users, both on the content side and on the solutions side," *Per Borgklint*, svp and head of business unit support solutions at Ericsson told us. "By collaborating with Ericsson, AT&T will be able to enhance its service offerings across its networks. Combining these technologies together uniquely positions AT&T to offer consumers an unparalleled bundled video entertainment, mobile and broadband experience," AT&T Entertainment and Internet Services evp, CTO *Enrique Rodriguez* said in a statement. It remains to be seen how AT&T intends to enhance its services with assets from DirecTV, but a key part of Ericsson's media assets is MediaFirst, which provides one unified middleware across all devices and user cases, Borgklint said. It can deliver any content to anywhere in one user interface in a seamless fashion. The MediaFirst platform, which combines traditional pay-TV with OTT services touting highly personalized features, is commercially available starting Thurs. Borgklint said such a converged platform can potentially enable better SVOD, VOD, OTT and other streaming services, network DVR, multiplatform content delivery as well as customer management systems. AT&T execs have previously said the company plans to launch new integrated TV, mobile and broadband offerings. And chmn/CEO *Randall Stephenson* sees mobile as the future of video. In a separate announcement, Ericsson said Thurs that it's acquiring **Envivio** for \$125mln. The video processing provider/IP video distributor will join Ericsson's TV and media business. Envivio counts tier 1 pay-TV ops such as **Comcast, Cox, Time Warner Cable** and **Liberty Global** as customers, providing video encoding/transcoding, processing, ad insertion and other cloud-centric



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video software services. The deal is expected to beef up Ericsson's video encoding capabilities and its virtualized encoding concept, which enables abstraction of video processing services, according to Borgklint. Under the terms, Ericsson will commence a cash tender offer to purchase all of Envivio's outstanding shares. The deal is expected to close in 4Q, subject to customary closing conditions. Once acquired, the business will be reported as part of Ericsson's "Segment Support Solutions." The acquisition comes as Ericsson works to transition from a hardware provider to a software provider. Software and services revenue comprised 73% of total revenues in 1999. At the end of 2014, most revenue came from the software side. 2015 may be remembered for increased consolidation on the service provider and vendor side, including the **Arris/Pace** deal, **Technicolor's** acquisition of **Cisco's** set-top business, the **BlackArrow** and **ActiveVideo** deals, and **Amazon's** purchase of **Elemental Technologies** just last week. A main driver for increased consolidation is the need to deliver content on scale, Borgklint said. Another driver is the increased complexity in the video market. He predicts that consolidation will continue for a few more years on the vendor side.

Cox Acquires Trapollo: Cox is eyeing the telehealth market. Cox agreed to acquire **Trapollo**, which provides managed services that enable healthcare providers and insurers to deploy telehealth and remote health monitoring services. Trapollo will retain its current management team and brand post transaction. Earlier this year, the MSO created **Vivre Health**, a partnership with **Cleveland Clinic** and invested in telehealth provider **HealthSpot**.

Cablevision/Tribune Deal: Cablevision inked a multi-year carriage deal with **Tribune Media**, which allows Optimum TV subs to continue to receive Tribune stations in NY, Harford and Philly. In addition, Cablevision will launch Tribune Media's general entertainment cable network, **WGN America**, for its NY, NJ, and CT video customers beginning in Jan 2016. The deal's nothing to sneeze at considering that Cablevision lost Tribune stations for about 2 months in 2012 because of a retrans skirmish. The MSO also renewed its use of TV listings and movie data provided by **Gracenote**, Tribune Media's digital data and entertainment company. Gracenote data is used to provide programming information on the Optimum interactive programming guide, DVR recordings and VOD content on set-top boxes and the Optimum app.

Beta Study: **Discovery Channel** was rated by 55% of adults as important to the enjoyment of cable, according to **Beta Research's** 2015 basic network evaluation study. It marks the 22nd year in a row Discovery ranked #1 in the category. It was followed by **History** at 54%. **Food, FX** and **Weather Channel** tied at 51%. **AMC** scored 50%, followed by **A&E, TNT** and **USA**. For potential cord-cutters, 61% of males rated **ESPN** as important, followed by **FX** at 59%, and **Discovery** and **Comedy Central** both at 57%. For female potential cord cutters, 65% of them rated **Food** as important, followed by **ABC Family** and **FX** at 61%. In terms of the average perceived value of top-ranked major basic networks (monthly fee) among viewers, **ESPN** claimed the #1 spot at \$1.61, followed by **AMC** at \$1.51, **Food** at \$1.48, **History** at \$1.46, **Disney Channel** at \$1.45 and finally **Fox Sports 1** at \$1.44. The study measured 46 basic cable nets and was conducted online among 1,252 cable subs, including 1,149 adults and 103 teens.

Google Expands Fiber: **Google Fiber** is exploring fiber expansion opportunities in Irvine and San Diego, CA, and Louisville, KY. "Our next step is to begin a joint planning process with city leaders, just as we did when we began working with nine metro areas last year... To kick things off, we'll work with Irvine, Louisville and San Diego to conduct a detailed study of factors that affect construction, such as local topography, housing density and the condition of existing infrastructure. Meanwhile, cities will complete a checklist of items—such as providing a map of utility lines—that will prepare them for a large-scale fiber build," *Jill Szuchmacher*, dir of Google Fiber expansion, wrote in this blog post Thurs. Google Fiber recently launched in San Antonio, TX. It has already deployed services in Kansas City, Provo, Utah, and Austin, TX.

Ratings: Season 4 of **WE tv's** "Braxton Family Values" was the series' most-watched ever, delivering more than 1.5mln total viewers in L+3 data (+8% over the previous season).

Programming: **Discovery** bows new series "Pacific Warriors," following kayak fishers in Hawaii, Oct 23. -- "**Food Network Star**" Season 11 winner **Eddie Jackson** launches his own show, "BBQ Blitz," on the net Oct 9.

BUSINESS & FINANCE

People: A&E upped Devon Graham Hammonds to vp of development and programming, a newly created role. She will continue to report to Elaine Frontain Bryant, evp & head of programming. She joined the net in Jan 2012 as dir of non-fiction programming. -- Pop elevated David Mandell to COO, a newly created position at the CBS/Lionsgate joint venture. He will continue as Pop's general counsel, while adding content distribution, business development and operations to his responsibilities. He reports to Brad Schwartz, pres. Mandell joined the net, formerly TVGN, in 2013 as evp and general counsel. -- The National Association of Television Program Executives tapped Matt Palmer for the newly created position of chief marketing officer, effective immediately. A former sr marketing and business development exec for Disney, Viacom, Universal and Discovery Comm, Palmer will lead global strategy and creative for the group's marketing, branding, digital, research PR and strategic planning initiatives. -- Stacy Green was elevated to evp, global HR and facilities for A+E Networks. She will report to Nancy Dubuc, pres/CEO. -- IFC named Sallie Schoneboom svp of PR, effective immediately. She joined the net from NBCU where she was svp of communications for Syfy and Chiller. She reports to Ellen Kroner, evp and chief communications officer for AMC Nets.

Cablefax Daily Stockwatch

Company	09/10 Close	1-Day Ch	Company	09/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	58.15	(0.68)	CONVERGYS:	22.64	0.02
ENTRAVISION:	7.28	(0.11)	CSG SYSTEMS:	29.82	0.08
GRAY TELEVISION:	11.16	(0.11)	ECHOSTAR:	43.64	(0.12)
MEDIA GENERAL:	10.28	(0.31)	GOOGLE:	621.35	8.63
NEXSTAR:	43.14	(0.63)	HARMONIC:	6.15	0.55
SINCLAIR:	26.36	0.08	INTEL:	29.27	0.03
TEGNA:	23.20	(0.02)	INTERACTIVE CORP:	68.63	(0.6)
MSOS					
CABLE ONE:	412.86	(14.57)	LEVEL 3:	45.43	(0.01)
CABLEVISION:	27.29	(0.77)	MICROSOFT:	43.29	0.22
CHARTER:	184.11	(0.94)	NETFLIX:	99.48	0.30
COMCAST:	56.54	(0.13)	NIELSEN:	46.13	(0.1)
COMCAST SPCL:	57.33	(0.14)	RENTRAK:	46.72	0.15
GCI:	17.52	0.18	SEACHANGE:	6.28	UNCH
LIBERTY BROADBAND:	54.51	(1.11)	SEACHANGE:	6.28	UNCH
LIBERTY GLOBAL:	47.77	0.40	SONY:	25.93	0.87
SHAW COMM:	19.87	0.02	SPRINT NEXTEL:	4.82	(0.1)
SHENTEL:	39.51	(0.48)	TIVO:	9.10	0.04
TIME WARNER CABLE:	187.51	(1.11)	UNIVERSAL ELEC:	45.07	(0.1)
PROGRAMMING					
21ST CENTURY FOX:	26.52	0.04	VONAGE:	5.61	UNCH
AMC NETWORKS:	73.21	0.12	YAHOO:	31.15	(0.37)
CBS:	43.94	0.43	TELCOS		
CROWN:	5.25	0.02	AT&T:	32.75	(0.03)
DISCOVERY:	26.90	0.08	CENTURYLINK:	26.78	(0.19)
DISNEY:	102.60	0.69	FRONTIER COMMUNICATIONS:	5.51	0.06
GRUPO TELEVISIA:	29.01	0.05	TDS:	26.81	(0.25)
HSN:	58.68	(0.76)	VERIZON:	45.46	0.07
LIONSGATE:	38.26	(0.07)	MARKET INDICES		
MSG:	72.82	(0.86)	DOW:	16330.40	76.83
SCRIPPS INT:	53.35	(0.24)	NASDAQ:	4796.25	39.72
STARZ:	38.43	0.30	S&P 500:	1952.29	10.25
TIME WARNER:	70.71	0.60			
VIACOM:	45.54	0.36			
WWE:	19.55	0.07			
TECHNOLOGY					
ADDVANTAGE:	2.37	0.02			
AMDOCS:	57.42	0.57			
AMPHENOL:	51.40	0.79			
APPLE:	112.57	2.42			
ARRIS GROUP:	27.80	0.32			
AVID TECH:	8.75	0.19			
BLNDER TONGUE:	0.56	0.01			
BROADCOM:	52.46	0.56			
CISCO:	26.26	0.32			
COMMSCOPE:	25.66	(0.34)			
CONCURRENT:	5.17	(0.06)			



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PROGRAMMER'S PAGE

We Are All on Drugs...

Remember when TV was a drug-free zone? The only time you saw drugs on the small screen back then was during an After School Special. And that was just to scare us away from them. Sure, you could party with *Cheech & Chong* on the big screen, but the TV was a decidedly sober place where even the occasional beer seldom or ever reached an actor's lips. Not anymore. These days, drugs aren't the extras; they're the stars—especially on cable. Hell, drugs play such a prominent role in **FX's** new *Denis Leary* comedy series "Sex & Drugs & Rock & Roll" that, well... they called the show "Sex & Drugs & Rock & Roll"! We can't get enough. Whether it's *Patrick Stewart* snorting coke for laughs on **Starz's** "Blunt Talk" or *Rami Malek* ingesting morphine with more tragic implications on **USA's** "Mr. Robot," drugs are making a huge comeback. And it's not just traditional TV. Even **Amazon's** "Transparent," whose study of transgender complexity is plenty interesting on its own, can't resist getting its characters consistently high on something. So why are TV audiences so addicted? Because drugged out anti-heroes and fatally flawed characters make us feel better about ourselves. And for TV writers, drug use is a convenient foible that keeps characters from getting what they want (and therefore extends the life of a series). Drugs put characters through hell for the sake of drama, or just turn them into self-medicating, self-destructive jesters for the sake of comedy. Will audiences O.D. on all these drugged out storylines at some point? Hard to say. But for now, drugs have got a lot of heat in Hollywood. Somebody get that speedball an agent. — *Michael Grebb*

Reviews: "Wings of Life," Saturday, 8pm, **Nat Geo Wild**. Many of Nat Geo Wild's excellent series, especially those upcoming, can be too realistic for younger audiences. When species compete for survival, as these series chronicle so well, carnage sometimes results. That's not the case in this nearly violence-free film. And it's terrific. With parental explanation, even small children will enjoy moments of this masterly examination of, uh... pollination. Honest. The entire family will experience the intricate movement of pollen as never before, thanks to incredible photography and fine storytelling, highlighted by journeys of bees, monarch butterflies, bats and others. Narrator *Meryl Streep* assumes the role of several flowers and plants with grace and humor. -- "Documentary Now!," Thursday, 10pm, **IFC**. This week's ep of the faux doc series chronicles a yearly *Al Capone* Festival held in the town of Arborg, in Iceland. While other eps in this series have had their moments, this one delivers dry humor from start to finish. A favorite: Arborg's health official who uses Capone's death to teach the public a valuable lesson (you'll see). -- "The Bastard Executioner," premiere, Tuesday, 10pm, **FX**. Hang in there. The 1st hour of this medieval-based series' 2-ep premiere is clichéd and confusing—we could barely decipher the dialogue. Its final minutes, though, bring compelling clarity and promise. — *Seth Arenstein*

Basic Cable Rankings (8/31/15-9/06/15)			
Mon-Sun Prime			
1	FOXN	0.8	1860
1	ESPN	0.8	1826
3	DSNY	0.6	1515
3	HGTV	0.6	1469
3	USA	0.6	1450
6	TBSC	0.5	1325
6	HIST	0.5	1306
6	TNT	0.5	1297
6	ESP2	0.5	1123
10	ADSM	0.4	1004
10	LIFE	0.4	994
10	FX	0.4	950
10	DISC	0.4	942
10	FOOD	0.4	928
10	ID	0.4	889
10	NFLN	0.4	666
10	DSE	0.4	85
18	TLC	0.3	799
18	FAM	0.3	787
18	SYFY	0.3	784
18	A&E	0.3	783
18	NAN	0.3	780
18	AMC	0.3	709
18	SPK	0.3	700
18	VH1	0.3	699
18	MSNB	0.3	599
18	WETV	0.3	594
18	BRAV	0.3	586
18	FS1	0.3	546
18	DSJR	0.3	511
31	TRU	0.2	577
31	APL	0.2	577
31	TVLD	0.2	570
31	CMDY	0.2	557
31	MTV	0.2	549
31	HALL	0.2	546
31	LMN	0.2	507
31	OWN	0.2	506
31	NGC	0.2	499
31	CNN	0.2	478
31	EN	0.2	472
31	INSP	0.2	461
31	BET	0.2	449
31	DXD	0.2	418

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks

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