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What the Industry Reads First

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VCTA Day 2: Arris Marketing VP Talks Future WiFi, Video

With his company serving nearly all the major pay-TV providers, **Arris** marketing vp *Duncan Potter*'s presentation at the **Virginia Cable Show** Wed offered a nice peek into the future of data and video. While WiFi access has become the norm, 63% of users have problems with their connection, Potter said, citing Arris' 2015 Consumer Entertainment Index. That's partially due to the growing number of devices in the home and increasing video streaming, which creates growing pains for a high-growth area. Short-term solutions for WiFi providers include offering additional routers and range extenders, which could create upsell opportunity for premium equipment, he said, adding that consumer education on ways to improve WiFi performance is also necessary. In addition, ops can tailor CPE to specific household needs. When it comes to accessing video content outside the home, WiFi remains the most used connection option, according to Arris' study. To help consumers overcome the inconvenience and the cost of video viewing on the go, ops and programmers can provide the option to download content and expand services like public WiFi, said Potter, a former exec at multiscreen vendor **Seawell Networks**. In the long run, he said gigabit WiFi technology is the answer. Arris' study found while on the whole, usage of video outside the home is up 7% YOY, the growth center is in the older demo, especially the 65+ group: Older demos seem to prefer a better user interface and expanded device options while younger users seem to favor promotions and innovative content packages that reduce the cost of accessing video outside the home, Potter said. In addition, sensors will play a critical role moving forward. "The amount of interest and proposals coming out around Internet of Things is stunning," said Potter, citing in-home healthcare service such as medication monitoring as "an enormous growth opportunity." That means "WiFi in the home has to be ubiquitous... That's where DOCSIS 3.1 comes in..." Meanwhile, "we can start to prolong the life of set-top boxes" as services move to the cloud, which "allows us to think about expanding the role of CPE" beyond traditional pay-TV and into other home services, he said. Meanwhile, Arris found that most binge-viewers binge view alone, consuming 3 hours of video in each session. "That's a huge opportunity for targeted advertising," which cable has talked about for years, said Potter. "We are now at a stage where individual consumer behavior makes it practical for us to do it."

The X1 Contour Has Landed: When we chatted with **Cox** CMO *Mark Greatrex* in Sept about the MSO's trial of **Comcast's** X1 platform in San Diego, it was clear it was a matter of when, not if, a new Contour 2.0 rolled out with X1 at the

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heart of it (**CFX**, 9/15). On Wed, Cox made it official, announcing that the latest version of Contour featuring X1 is now available to all customers in San Diego. Employees and select customers in Cox's Middle Georgia and San Diego markets have tested many of the product's newest features, including its user interface, predictive search, mobile apps and the voice-activated remote control. Cox is the 1st US MSO to license the Comcast platform. The cloud-based interface will also be available on a new in-home mobile app. The new Contour's many features includes the ability to record 6 shows at once and 2 terabytes of storage, access to TV apps from a remote and an immersive user guide with rich graphics. Cox plans to make the new Contour service available to additional markets in 2016.

Stream's On for Comcast: The trial period is over, and **Comcast** is now live with its Stream TV skinny bundle for customers in Boston. For \$15 month, customers get broadcast channels and HBO streamed to their devices through the IP-based Stream service. One caveat... you have to be a Comcast Internet customer to get it. Comcast is offering the first month free and plans to launch Stream across its entire service area by early 2016.

GOP Debate on FBN: Fox Business nabbed 13.5mln total viewers for Tues night's GOP debate. That's shy of the 14mln **CNBC** drew for its debate last month. But Fox is quick to note that Fox Business is available in 11mln fewer homes than **CNBC** (82mln), yet came within 4% of its prime debate numbers. It's worth noting the **CNBC** debate was up against Game 2 of the World Series. Neither net came close to the 24mln **Fox News** pulled in Aug or the 23mln **CNN** had in Sept. Fox Business said Tues' debate was the most-watched live streaming primary ever, peaking with more than 1.4mln concurrent streams, according to **Akamai**. That's higher than the 1.3mln concurrent live streams **NBC** had for the Super Bowl in Feb. The 7pm debate averaged 4.7mln total viewers.

VCTA Notebook: When it comes to TVE, **Shentel** is "struggling significantly" with engagement, *Chris Kyle*, Shentel vp of industry affairs and regulatory, revealed during a **VCTA** panel discussion Wed. "We are still debating where we are playing in this," he said. TVE apps need to improve, said *JD Myers*, market vp of Northern VA operations at **Cox**. "Step two is give them [consumers] more channels to look at," he said, adding that making in-home WiFi a better experience is part of the challenge. Another piece of the puzzle is making TVE accessible outside the home. "It's a simple but expensive fix" due to rights issues, Myers said. Panelists talked about other major challenges they are facing. Like many other pay-TV ops, Shentel has been growing its broadband subs. In fact, it has more Internet subs than video subs. "That gap has continued to increase... We make decisions based on our Internet business," Kyle said. It's a challenge because if video subs continue to decrease, the op would need to double its Internet subs to offset the video revenue decline, he acknowledged. The challenge for indie programmers like **Reelz** is fighting for carriage against the traditional big programming bundles, said distribution svp *John deGarmo*. For **Comcast Spotlight**, the changing viewing behavior that caused a large portion of viewing not being counted by Nielsen represents a hurdle. "We are figuring out ways to monetize impressions outside the big screen," said *Kevin Meek*, dir of regional/national sales. **Nielsen** has started to measure second-screen viewing.

Retrans Good Faith: The **FCC's** Media Bureau denied a complaint brought by 7 commonly controlled broadcast stations filed against **DirecTV**. The broadcasters, which include **Northwest**, **Eagle Creek** and **Stainless**, said they provided DirecTV with pricing info from recent deals with other MVPDs, but DirecTV refused to provide similar info so the parties could establish a fair market value for the stations' signals. While the broadcasters argued that DirecTV's actions go against the good faith requirement for retrans negotiations, the Bureau said it did not find any evidence that DirecTV acted in a manner that unduly delayed the negotiation by not providing the background info.

WICT Breakfast: The **FCC** is doing a lot in the unlicensed space, FCC chmn *Tom Wheeler's* legal adviser *Jessica Almond* told the audience at the **WICT VA** Annual Signature breakfast Wed, held as part of the **VCTA** show. "The chairman loves unlicensed technology... We are doing a ton to make sure unlicensed technology remains viable," she said. That includes efforts to make at least 18 MHz spectrum available for unlicensed use, and making more 5 GHz spectrum available for WiFi use. There's also the 5.9 GHz spectrum, currently being used by the **Dept of Transportation** for car safety features. The band is well-suited for unlicensed use, Almond said. "We are on it... We are trying to help unlicensed guys to deploy more technology," she said. Members of Congress also called on DOT, **Dept of Commerce** and **FCC** to explore opening up the 5.9 GHz band for unlicensed use. It's been 2 years since Wheeler took office. His priorities next year include the incentive auction, currently scheduled for March. Wheeler is also taking a hard look at retrans rules such as fair negotiation standards, according to Almond. Other things on the agenda include media ownership rules and

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next-generation 911, she said. Want to get inside the Commission to effect change? Almond is on a committee at the FCC to recruit new attorneys. "I am a fan of real life experience," she said on her preference in choosing candidates. She also likes people who have done "something out of the box" to show they are willing to adjust and learn, she said.

People: **VH1's Susan Levison** will step down from her role as evp, original programming & production. "I'm happy to say that while we will miss her on a day-to-day basis, Susan will continue to oversee a number of key projects in development over the next few months," network gm **Chris McCarthy** said in a note to employees. He credited her with helping to boost VH1's prime-time numbers 6% YOY for 4Q and 33% for the month of Oct. **Nina Diaz** and **Jill Holmes**, who oversee East Coast and West Coast shows respectively, will fill her role, reporting to McCarthy. -- Longtime **CNN PR** hand **Christa Robinson** was tapped as **CBS News'** communications svp. -- **EI Rey** named **Mark Sacher** as vp, research. He previously served in the same capacity for **NBCU's Sprout**. -- **RLTV** distribution dir **Sara Timmins** has left and joined **Eclipse Marketing** as dir of sales and strategic partnerships. Eclipse's client base includes **Comcast, Charter, Cox, HBO, Fox Networks, NBCU** and **Disney**.

Cablefax Daily Stockwatch

Company	11/11 Close	1-Day Ch	Company	11/11 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	62.44	0.05	CONVERGYS:	25.60	(0.26)
ENTRAVISION:	8.60	0.01	CSG SYSTEMS:	35.78	(1.33)
GRAY TELEVISION:	16.87	0.01	ECHOSTAR:	41.56	(0.55)
MEDIA GENERAL:	15.41	0.12	GOOGLE:	735.40	7.08
NEXSTAR:	57.00	1.51	HARMONIC:	5.51	(0.14)
SINCLAIR:	34.14	0.25	INTEL:	32.86	(0.35)
TEGNA:	27.31	(0.17)	INTERACTIVE CORP:	65.31	(0.7)
MSOS					
CABLE ONE:	478.57	(11.91)	LEVEL 3:	50.74	(0.05)
CABLEVISION:	31.40	0.30	MICROSOFT:	53.65	0.14
CHARTER:	191.20	0.43	NETFLIX:	112.86	0.16
COMCAST:	61.55	(0.02)	NIELSEN:	47.52	0.03
COMCAST SPCL:	61.61	(0.11)	RENTRAK:	51.66	(0.77)
GCI:	20.95	(0.43)	SEACHANGE:	6.31	(0.18)
LIBERTY BROADBAND:	54.81	0.15	SONY:	28.30	0.20
LIBERTY GLOBAL:	46.38	0.37	SPRINT NEXTEL:	4.00	(0.08)
SHAW COMM:	20.49	0.10	TIVO:	8.96	(0.1)
SHENTEL:	48.50	(0.24)	UNIVERSAL ELEC:	46.68	0.43
TIME WARNER CABLE:	189.40	0.09	VONAGE:	6.61	(0.02)
PROGRAMMING					
21ST CENTURY FOX:	30.02	(0.06)	YAHOO:	33.38	(0.61)
AMC NETWORKS:	78.55	1.40	TELCOS		
CBS:	50.31	0.56	AT&T:	32.92	0.13
CROWN:	5.90	0.05	CENTURYLINK:	28.43	(0.17)
DISCOVERY:	30.61	0.55	FRONTIER:	4.69	(0.05)
DISNEY:	116.52	(0.9)	TDS:	27.99	(0.47)
GRUPO TELEVISIA:	28.91	0.17	VERIZON:	45.32	0.22
HSN:	53.26	(0.69)	MARKET INDICES		
LIONSGATE:	40.69	0.86	DOW:	17702.22	(55.99)
MSG NETWORKS:	21.11	0.18	NASDAQ:	5067.02	(16.22)
SCRIPPS INT:	57.89	(0.73)	S&P 500:	2075.00	(6.72)
STARZ:	35.25	0.24			
TIME WARNER:	71.05	1.31			
VIACOM:	50.25	0.66			
WWE:	17.05	0.05			
TECHNOLOGY					
ADDVANTAGE:	2.30	(0.03)			
AMDOCS:	55.56	(4.54)			
AMPHENOL:	54.73	0.29			
APPLE:	116.11	(0.66)			
ARRIS GROUP:	28.81	0.09			
AVID TECH:	6.13	(0.11)			
BLNDER TONGUE:	0.48	UNCH			
BROADCOM:	51.91	0.46			
CISCO:	27.82	(0.16)			
COMMSCOPE:	27.49	(0.31)			
CONCURRENT:	4.86	UNCH			



Major Topics Include:

- Web shows and series
- Deals between web content creators, MCNs and digital studios
- Technology enabling more convergence between traditional and new media

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What This Fight Is About

Commentary by Steve Effros

Yes, this is personal, and yes, I'm arguing against my own self-interest, but I'm tired of reading the nonsense being spouted about the FCC's new inquiry into the MVPD set-top box market. First, a repeat of the personal "full disclosure." I'm part of a group of four old "cable guys" who developed a patented new design for "downloadable security." The company is Beyond Broadband Technology (BBT), and the security solution is already working in cable systems and is probably far more important for broadband applications.

Having said all that, I've been attending every session of the FCC's "DSTAC" meetings. The "Downloadable Security Technical Advisory Committee" was mandated by Congress as part of the adoption of the "STELAR" satellite reorganization act. It was supposed to investigate "downloadable security," as the name states. But that's not what it did. Instead, it was a continuation of the battle over "AllVid," with proponents wanting a new government mandate for technology allowing third parties (like TiVo or Google) to manipulate the services being delivered by an MVPD to the home before they got to the screen, split them up, reorder them, add a new user interface and maybe even some advertising of their own, and then sell that to customers. That's what this fight is all about, not retail sale of set-top boxes.

Meanwhile, as usual, there are folks who just want to make it sound like this is a simple fight between the "big" guys (cable) and the "good" guys (Google?). So now that all the comments on DSTAC have been filed at the FCC it's no surprise that a small group of senators have written a letter to the Commission urging that quick rulemaking action be taken to allow for cheap, innovative set-top boxes to be available to the American public. They don't men-



tion anything about the "disaggregation" of content, but that's what the fight is really all about. How do we know? Because the cable (MVPD) guys have already proposed an "App" solution to the box issue. Time Warner Cable is already testing delivery of its service via Roku boxes, for instance, in New York City. The technology works. The service is protected and cannot be "disaggregated," and there are multiple, inexpensive competitive boxes of the same type already on the market.

But apparently that's not good enough. It's not about a retail set-top box. It's about the "second step" in the process of making cable/broadband a "common carrier." The first step was "net neutrality" on the broadband side. The second is to claim that "cable" or "MVPDs" are also "dumb pipes" that simply deliver content that should then be open for manipulation and advantage by third parties. That's what the fight is all about.

To be sure it's against my own self-interest to rail against the notion that the FCC should start setting technical "industrial policy." But that's what I'm going to do. Heck, maybe they would finally figure out that real "downloadable security" is already here and works, and they would mandate it rather than the yet-to-be invented "AllVid." But I don't think they should do that either!

The folks engaged in this fight, just like the senators, are intentionally loose with their facts in order to score their points. The senators, for instance, say the STELAR act ended MVPD obligations to support CableCARDS. That's simply not true. That requirement was not changed. Let's at least be honest regarding what the fight is really all about!

Steve

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(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry. His views do not necessarily reflect the views of Cablefax.)



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