

Cablefax Daily™

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What the Industry Reads First

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UBS Conference: Cable's Mobile Video Interest, Merger Update

With consumers embracing wireless video, cable is looking at opportunities in the mobile video world, exec said at the **UBS** 43rd Annual Global Media and Communications Conference Mon. "Ultimately the mobile platform is something we want to reach," **Charter** CEO *Tom Rutledge* said. The company wants engage with customers who are on the move, he said. Noting the **FCC's** upcoming incentive spectrum auction, he said the company seeks spectrum assets and opportunities that could allow it to "transform from stationary wireless to mobile wireless." With 80% of all data running through WiFi networks, he said expansion of public WiFi hotspots for residential and business subs will be an important part of the MSO's wireless future. **Comcast** CFO *Mike Cavanagh* is more or less on the same page, arguing that mobile video is more of an opportunity than a threat given Comcast's footprint, its network assets, and its content business **NBCU**. However, he said it's going to be a lot of "twists and turns to convert that into business opportunity." And it's important to "keep our minds open" because no one knows how mobile video will evolve. Cable's entry into wireless doesn't surprise telcos like **Verizon**, which using ad-tech platform from **AOL** launched its go90 mobile video service in Oct. Speaking at the conference earlier in the day, CFO *Fran Shammo* said "cable companies are going to enter into the wireless world using Wi-Fi as a first with LTE as a backup." While there could be some technology challenges with the approach, "they [cable] are smart guys, they are going to work through it, and we just have to be prepared to be able to compete with that," he said. He added that "if you look at millennials, all they care about is broadband and video over mobile. They could care less about linear TV. So we ourselves are looking at how do we disrupt even our FIOS product and adopting to this new world." While go90 is still in its infancy stage, Verizon plans to release viewership numbers in 2016. So far, he said unique exclusive content from content partners like **DreamWorks** and **AwesomenessTV** is gaining traction, acknowledging some initial issues with go90's search engine, which he said have since been fixed. Meanwhile, addressing concerns that *John Malone's* holdings in programmers including **Discovery Comm** and **Starz** could potentially affect regulatory review of the **Charter/Time Warner Cable** deal, Rutledge said "by any conventional analysis there is no issue there" since Malone isn't in a controlling position at those companies. In addition, "it wouldn't be economic for him to advantage Charter" with all of Malone's content holdings. The merger review is moving along well, Rutledge said. "We haven't attracted the kinds of



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- 1/4 CFX Daily Special Report: Life in the Cloud
- 1/8 Most Innovative Person in Multiscreen Deadline
- 1/29 Cablefax 100 Nomination Deadline

FEBRUARY:

- 2/12 Best Sellers Entry Deadline
- 2/24 CFX Daily Special Report: Campaign 2016

MARCH:

- 3/2 Leadership Roundtable - ACA Summit in D.C.
- 3/8 Digital and Tech Awards Breakfast - NYC
- 3/8 Cablefax Multiscreen Conference - NYC
- 3/11 FAXIES Awards Entry Deadline

Cablefax: The Magazine Multiscreen Issue



APRIL:

- 4/15 Top Ops Nomination Deadline
- 4/18 CFX Daily Special Report: DOCSIS 3.1

MAY:

- 5/17 Cablefax Party - INTX Boston

Cablefax: The Magazine 100 Issue



JUNE:

- TBD FAXIES & Best Sellers Awards Breakfast
- 6/17 Program Awards Entry Deadline

JULY:

- 7/8 Most Powerful Women in Cable Nomination Deadline
- 7/8 Most Influential Minorities in Cable Nomination Deadline
- 7/19 CFX Daily Special Report: Summer Olympics 2016

Cablefax: The Magazine Top Ops Issue



AUGUST:

- 8/19 Trailer Awards Entry Deadline
- 8/24 CFX Daily Special Report: Star Trek and Sci Fi

SEPTEMBER:

- 9/16 Overachievers Under 30 Entry Deadline
- 9/20 NAMIC and Cablefax Diversity Breakfast
- 9/20 Cablefax Diversity Week Party
- 9/22 Program, Top Ops and Trailer Awards Breakfast - NYC
- 9/22 TV Innovation Summit - NYC

Cablefax: The Magazine Diversity Issue



NOVEMBER:

- 11/2 CFX Daily Special Report: Holiday Programming
- 11/4 Tech Awards Entry Deadline
- 11/18 Most Powerful Women Breakfast
- 11/18 Overachievers Under 30 Luncheon

Cablefax: The Magazine Most Powerful Women in Cable Issue



DECEMBER:

- 12/9 Digital Awards Entry Deadline



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concerns” that Comcast received when it tried to acquire TWC. Post-merger, Charter plans to expand its Worldbox set-top platform to TWC subs. “In the long run having high quality search and discovery that can be easily modified and that can be done seamlessly without having to revisit customers is the way to go,” Rutledge said.

More from UBS Conference: Comcast is on track for another year of double-digit growth in broadband revenues and about 20% growth in commercial services, CFO *Mike Cavanagh* said. Deployment of the company’s X1 platform continues to be on track. At the end of Q3, X1 penetration was 25% with a total of 10mln X1 boxes deployed to date. The company is installing approx 40K X1 boxes a day, which should result in 30% penetration by year-end, he said, adding that the company will also beef up its business services next year, potentially through small acquisitions. He said Comcast will target Fortune 100 companies moving forward. -- **Netflix’s** content chief *Ted Sarandos* had a lot to say to investors about output deals at Mon’s **UBS Global Media and Communications Conference**. “I’ve been mostly disillusioned in the output deals because the success ratio of any given network is not that great.” There are some hits and some misses, he said. On the murmurs that vertically-integrated companies, like cable nets, may regret selling their content to Netflix, Sarandos called such a claim “foolish... because the billions of dollars of benefit they realized from Netflix wouldn’t have been replaced with anything else... What we’ve just figured out is some of the content—not all of it—but some of the content is remarkably interchangeable,” and could be replaced by similar content from other cable nets at a far lower price. He said, for instance, that the decision not to renew **Discovery Comm’s** agreement came down to the high premium that he believed did not reflect the viewership. In the case of the deal Netflix had with **AMC**, “‘The Walking Dead’ was the best thing to come out of it. It wasn’t that great for us... I don’t think we’ll enter into big output deals in the US anymore,” he said. However, Sarandos did speak highly of the output deal it has with **Disney**. How is this different? “Disney is a solely differentiated brand among movie studios,” he said. It means something to have *Star Wars* or **Marvel** films. Regarding viewership, any hard numbers to share? Nope. He said investors can measure success by looking at “net subscriber growth,” adding that internally the company looks at hours of viewing per user. Responding to a recent Nielsen multiplatform study that ranked a Netflix show as the 2nd most viewed in all of TV, Sarandos quipped, “I think it’s actually number one,” because “they don’t measure all the devices.” Speaking about possible new genres of content, Sarandos stressed that Netflix is not getting into nightly news or sports. The problem with the latter is that “the leagues have all the pricing power in that business, forever.” But if Netflix created its own league, “that might be interesting.” It’s “not what we’re chasing,” but “that’s what it would take to get me into sports,” he said.

CWA Opposes Altice/Cablevision Deal: The **Communications Workers of America**, which represents 300 **Cablevision** employees, opposed Altice’s proposed Cablevision purchase. In a filing with the **FCC** Mon, the union noted the \$8.6bln in debt that Altice was taking on, claiming it will lead to downsizing. “Altice takes on too much debt, outsources as much work as possible and then downsizes its workforce. Customers get worse service and employees lose their job. Unless Altice makes commitments to protect customer service and Cablevision employees, the FCC should reject this deal,” said vp of CWA District 1 *Dennis Trainor* in a statement. The union plans to also weigh in with the **NY State Public Service Commission**, the **NYC Franchise Concession Review Committee** and the **Connecticut Public Utilities Regulatory Authority**, all of which will play a role in reviewing the deal. Altice fired back. “Altice has a track record of investment, innovation and customer service in all the communities we serve. We look forward to a fair and open regulatory process in connection with our proposed Cablevision transaction, and as in all of our other territories we expect to deliver significant benefits to consumers and their communities in the Tri-state area,” the company said in a statement. Altice announced the deal in Sept, which it said could generate an estimated \$900mln in cost synergies. The company plans to close its other U.S. deal—the acquisition of **Suddenlink**—before year-end.

Obama’s Address: *President Obama* touched on the use of the Internet and social media by terrorists as he addressed the nation Sun night from the Oval Office. As the Internet “erases the distance between countries, we see growing efforts by terrorists to poison the minds of people like the Boston Marathon bombers and the San Bernardino killers,” Obama said. “We are cooperating with Muslim majority countries, and with our Muslim communities here at home to counter the vicious ideology that ISIL promotes online.” San Bernardino shooter *Tashfeen Malik* reportedly pledged loyalty to ISIS on **Facebook**. Presidential candidate *Hillary Clinton* urged support

BUSINESS & FINANCE

from social media sites to fight terrorists groups. During an interview on ABC's "This Week" Sun, she said "we're going to need help from Facebook, and from YouTube, and from Twitter" to "take down these announcements and these appeals as quickly as they get up."

Programming: A&E airs new series "Fit to Fat to Fit," a weight loss original docu-series on Jan 12.

People: Former FCC chmn Tom Wheeler's legal advisor Daniel Alvarez joined law firm Wilkie Farr & Gallagher as a partner in its DC office. -- Bravo Media upped Rachel Smith to svp, current production. She will report to Shari Levine, evp of current production. Smith joined the net in 2013 as vp, current production. Prior to Bravo, she was vp of original programming at BBC America. -- Scripps Interactive promoted Courtney White, sr programming exec for HGTV, DIY and Great American Country, to svp of programming for Travel Channel. Scripps last month announced that its headquarters would be relocated from Chevy Chase, MD to Tennessee during 2016. -- WWE tapped John Brody as evp of global sales and partnerships. He will report directly to WWE chief revenue & marketing officer Michelle Wilson. He was most recently NFL's svp of sponsorship and media sales.

Cablefax Daily Stockwatch

Company	12/07 Close	1-Day Ch	Company	12/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	61.39	(0.13)	CONVERGYS:	25.08	(0.41)
ENTRAVISION:	8.67	0.04	CSG SYSTEMS:	35.16	(0.35)
GRAY TELEVISION:	16.49	(0.32)	ECHOSTAR:	38.49	0.05
MEDIA GENERAL:	15.09	(0.21)	GOOGLE:	763.25	(3.56)
NEXSTAR:	58.24	(0.67)	HARMONIC:	5.25	(0.09)
SINCLAIR:	34.55	(0.23)	INTEL:	34.99	0.05
TEGNA:	27.95	(0.23)	INTERACTIVE CORP:	60.67	(0.66)
MSOS					
CABLE ONE:	443.48	1.92	LEVEL 3:	51.48	(0.31)
CABLEVISION:	29.64	(0.33)	MICROSOFT:	55.81	(0.1)
CHARTER:	187.81	3.28	NETFLIX:	125.36	(5.57)
COMCAST:	60.37	(0.38)	NIELSEN:	46.68	(0.21)
COMCAST SPCL:	60.43	(0.39)	RENTRAK:	51.48	(0.18)
GCI:	21.30	0.22	SEACHANGE:	6.58	(0.19)
LIBERTY BROADBAND:	52.29	0.11	SONY:	25.30	(0.09)
LIBERTY GLOBAL:	42.40	0.09	SPRINT NEXTEL:	3.63	0.10
SHAW COMM:	20.24	(0.46)	TIVO:	9.04	0.04
SHENTEL:	47.19	(0.55)	UNIVERSAL ELEC:	51.46	(0.34)
TIME WARNER CABLE:	185.61	0.42	VONAGE:	6.12	(0.19)
PROGRAMMING					
21ST CENTURY FOX:	29.32	(0.01)	YAHOO:	34.68	(0.23)
AMC NETWORKS:	83.21	0.40	TELCOS		
CBS:	50.45	0.44	AT&T:	34.27	0.16
CROWN:	5.73	(0.07)	CENTURYLINK:	27.13	0.42
DISCOVERY:	30.70	(0.03)	FRONTIER:	5.06	(0.04)
DISNEY:	113.83	(0.41)	TDS:	28.00	0.02
GRUPO TELEVISIA:	28.70	(0.16)	VERIZON:	46.06	0.35
HSN:	51.00	(0.02)	MARKET INDICES		
LIONSGATE:	33.36	(0.37)	DOW:	17730.51	(117.12)
MSG NETWORKS:	20.03	(0.03)	NASDAQ:	5101.81	(40.46)
SCRIPPS INT:	58.75	(0.27)	S&P 500:	2077.07	(14.62)
STARZ:	34.42	(0.29)			
TIME WARNER:	70.36	(0.25)			
VIACOM:	49.59	1.10			
WWE:	16.76	(0.42)			
TECHNOLOGY					
ADDVANTAGE:	2.27	(0.01)			
AMDOCS:	56.20	(1)			
AMPHENOL:	54.71	(0.08)			
APPLE:	118.28	(0.75)			
ARRIS GROUP:	32.01	(0.66)			
AVID TECH:	6.65	(0.03)			
BLNDER TONGUE:	0.39	0.01			
BROADCOM:	57.77	0.25			
CISCO:	27.49	0.01			
COMMSCOPE:	26.72	(0.79)			
CONCURRENT:	5.06	0.16			

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CFX TECH

by Joyce Wang

Xavient's Take on OTT, IoT

We spoke with Bob Hallahan, vp of solutions architecture at Xavient Information Systems about challenges and opportunities as cable expands its OTT, IoT and big data efforts. The company provides IT solutions to 4 of the top 5 MSOs in the US as well as several OTT providers. **What are the major roadblocks for cable MSOs as they beef up their OTT offerings?** Major challenges are aggressive competition in the market from other industry players, pure play OTT providers, aggregator services, consolidation within the industry and merging of systems to give a consistent customer experience throughout. Some short-term strategies for engaging customers include: offering services based on customer's usage and preferences, such as bundled high speed bit rate dedicated bandwidth to enable HD and CDN services for better video delivery; delivering their own OTT for cord cutters; offering event-based or time-based high speed bandwidth linked to premium content consumption; and subscriber profiling to understand a customer's behavioral and engagement pattern for better analytics. Long-term solutions typically focus on expansion of services, continuous evolution of offerings and greater revenues by convergence of networks. **How should cable approach the IoT market?** Cable operators are expanding their businesses into the emerging IoT arena and promoting the set-top box as the "King of IoT." They are working on the technology that would allow all of a home's IoT devices to be networked to the cable box to show video camera feeds when the doorbell rings, mute the sound, turn down the thermostat, and shut off a connected oven—all with one device. Large volumes of data from all the platforms would be collected, correlated, synced and monitored through this device. Cable operators could even look to integrate some basic home automation functions into their offerings, for example, by making the "smart home" know what to do when an on-demand movie is being played. Here's a scenario: When a movie is being played and a phone call comes in, the movie pauses and only automatically resumes after

the call ends. The IoT market is a plethora of unending possibilities. What will matter in the end is delivering on the promise. **What are the latest trends and challenges for cable as they further expand their smart home offerings?** While current trends include intelligent and connected devices (wearables, in-home entertainment, connected home devices), emerging and upcoming trends would include smart set-top boxes acting as the unified management console for all smart home devices and becoming the digital home orchestration manager. MSOs are facing a threat from pure play IoT providers like Arlo, similar to the OTT transformation underway, and need to remain competitive through a stronger value proposition to the market. Cable operators are also tapping into B2B segments, capitalizing on their strong infrastructure to create "connected cities." With so many intelligent devices and smart home services, content correlation, aggregation, data analytics, consumer behaving patterns, intelligent profiling, predictive analysis for targeted content delivery and cloud solutions take on major roles.

CNNgo on Roku: CNNgo launched on Roku players and Roku TV devices in the US Fri, allowing US Roku subs access to video clips and collections for free through the CNNgo channel. Roku customers with a pay-TV subscription can stream live and on demand CNN programming.

Editor's Note: Join Cablefax on Jan 19 for a vital download of everything VR so you can enter 2016 fully prepared for whatever the future may bring. In this comprehensive and informative webinar featuring speakers from **Time Warner Cable, Fusion and Discovery**, you will learn the VR basics, grasp the potential for VR monetization and assess new VR opportunities in the areas of content, distribution and technology. Register today at <http://www.cablefax.com/eventsawardswebinars/virtual-reality-webinar>

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



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