

# Cablefax Daily™

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What the Industry Reads First

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## TCA Update: Critics Focus on Diversity, Women

The cable-centric portion of **TCA** began on Sat, and the critics didn't waste any time putting ethnic/gender diversity and treatment of female characters front and center. Perhaps setting the tone was an executive session over the weekend with new **HBO** pres, programming *Casey Bloys*, whose first TCA since taking over for departing *Michael Lombardo* involved tough questions about HBO's new series "Westworld" (premieres Oct 2) in which a woman is dragged off presumably to be raped in the 1st ep's opening sequence. Despite the conceit that she is actually a robot who looks human, it spurred questions similar to those raised last year over a rape scene in the net's "Game of Thrones." Bloys said violence on those shows is "pretty extreme on all fronts" and "spread equally" across both genders. Critics also pointed out that the net's "The Night Of" also centers on a brutalized female victim. After critics persisted, Bloys did say that HBO isn't tone deaf on the issue. "To your larger point of is it something we think about, yeah. I think the criticism is valid," he said. "So I think it's something that people take into account." The racial issue has also permeated TCA, with critics pointing out that HBO's new comedy "Vice Principals" pits two white men against a black woman whose job they covet. But the actress who plays her—*Kimberly Hebert Gregory*—said "this is actually what casting equality looks like" because the storyline would be the same regardless. "It's about power," she said. "And it's not about race. And it's not necessarily about gender. Because I think if Principal Wells had stayed in the position and they wanted it, I think they would have the same methods." To HBO's credit, the net previewed new comedy "Insecure," which is one of the only shows in TV history that both stars and is created by an African American woman (*Issa Rae*). **MTV** also rolled out "Loosely Exactly Nicole" based largely on the real life of newcomer star *Nicole Byer*, who happens to be black. Meanwhile, in light of **Starz's** success with diversely cast series "Power" and "Survivor's Remorse," pres/CEO *Chris Albrecht* said the net will continue in the same direction. It announced a new series in development, "Pussy Valley," a scripted drama created by *Katori Hall*, an African American female playwright, that takes an unflinching look at the lives of pole dancers. "When you talk about diverse, that includes all sorts of people," said Albrecht. "The success with African Americans on these 2 shows has been so rewarding both creatively and personally and from a business point of view that it just makes sense to continue to try to serve that audience." Those shows "are just the beginning of what we can do." It's also developing a list of programs geared toward Hispanic audienc-

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es. “The venn diagram of these groups that come that are passionate about Starz and shows on Starz can become even more powerful as they sample shows that maybe weren’t directly intended to appeal to them,” but that are nonetheless terrific TV shows. “We like this for all fankind strategy.” **CTAM**, which as usual did a stellar job running TCA’s cable days, also set up a special “Diversity Panel” on Mon afternoon featuring diverse actors and producers from shows on **El Rey**, **Starz**, **TV One** and **WGN America**.

**Washington AG Sues Comcast:** Washington Attorney General *Bob Ferguson* filed a lawsuit against **Comcast**, claiming the company has engaged in a pattern of deceptive practices constituting more than 1.8mln individual violations of the WA Consumer Protection Act. At issue is a \$4.99/month service protection plan, which the AG’s Office called “near-worthless” as it doesn’t cover inside wiring and customer-owned equipment. “The Service Protection Plan has given those Washington consumers who chose to purchase it great value by completely covering over 99% of their repair calls. We worked with the Attorney General’s office to address every issue they raised, and we made several improvements based on their input,” Comcast said. “Given that we were committed to continue working collaboratively with the Attorney General’s office, we’re surprised and disappointed that they have instead chosen litigation. We stand behind our products and services and will vigorously defend ourselves.” The suit wants Comcast to pay back \$73mln to customers in subscription fees for the service. In a news conference Mon, Ferguson claimed Comcast didn’t show much interest in revising its policies until a lawsuit was imminent. “I refuse to allow Comcast to put its profit before people,” Ferguson said. The lawsuit, which seeks \$100mln total, also accuses of Comcast of charging for service calls that should have been free and improper credit checks. It alleges that on more than 6K occasions, customers paid a deposit fee that should have been waived because of their high credit scores. A credit score complaint from an employee of the AG’s Office first sparked the investigation, Ferguson said.

**Verizon Buys Fleetmatics:** Verizon is plunking down \$2.4bln for GPS fleet tracking firm **Fleetmatics** (\$60/share). This follows the June acquisition of mobile enterprise management software company **Telogis** by **Verizon Telematics**. Fleetmatics’ 37K+ customers have included **Mediacom** and **Time Warner Cable**. “The Telogis and Fleetmatics deals will help boost Verizon’s scale in Telematics, where it has a growing portfolio of solutions including automatic, insurance, and fleet management,” said *Macquarie Securities* analysts. “We estimate that Verizon currently serves 4m+ connected cars and has close to ~40% market share. Assuming the telematics opportunity grows to US\$50bn+ by ’20, a ~10% market share gain would represent ~US\$5bn+ in incremental annual revenues.”

**eSports Ratings:** **Turner** is just fine with its inaugural season of eSports “ELEAGUE,” with it bringing in 3.4mln new viewers to **TBS** during the 10 weeks. Gross minutes of video consumption on TBS and **Twitch** totaled 897mln, with Sun’s championship coverage generating 48mln gross minutes. TBS’ weekly telecast averaged 247K viewers over the season.

**Router Settlement:** The **FCC’s** Enforcement Bureau announced a \$200K settlement with **TP-Link**, resolving an investigation into certain WiFi routers that were not in full compliance with FCC rules pertaining to power levels. To resolve the matter, TP-Link has taken measures to halt the sale of noncompliant units and ensure that new units are in compliance. The company also agreed to support innovation in 3rd party router firmware by committing to investigate security solutions for certain 5 GHz band routers.

**Programming:** **AT&T** and **DirecTV’s Audience Network** renewed “Rogue” for a 4th season. -- **CNN** will host its 2nd Libertarian presidential town hall on Wed at 9pm. It will air live on CNN, **CNN International** and **CNN en Español**, and will be live-streamed online and via **CNNgo**.

**TCA Notebook:** **TBS** greenlit 2 new series—scripted comedy “The Guest Book” and its 1st primetime original animated series “Tarantula.” It also ordered a pilot for the comedy “Word’s End,” all to launch in 2017. -- **TNT** greenlit “The Race Card” featuring NBA legend and “Inside the NBA” analyst *Charles Barkley*. The series, which will premiere in early 2017, explores why America is so divided. The net also ordered a pilot for “Monsters of God” from *Brad Pitt’s Plan B Entertainment* and renewed the action-adventure series “The Last Ship” for a 4th season. -- **NKOTB** member *Joey McIntyre* will star in Pop’s new original scripted comedy “The Joey Mac Project.” The 8-eps series will follow McIntyre as he searches for his post-NKOTB stardom. *Donnie Wahlberg*, *Jenny McCarthy*, *Joey McIntyre*, *Tim Gibbons*, *Paul Greenberg* and *Jenny Daly* will be exec producers. -- **truTV** greenlit a new scripted anthology comedy “*Bobcat Goldthwait’s Messed Up Stories*.” -- **Nat Geo** announced its 1st virtual reality short documentary film, “The Protectors,” from

# BUSINESS & FINANCE

Academy Award-winning director *Kathryn Bigelow*. The documentary will expose African rangers' perilous reality protecting elephants from ivory poachers. Nat Geo also ordered the drama script for writer and filmmaker *Michael Crichton's* soon-to-be published manuscript "Dragon Teeth." The global limited series, adapted by Emmy award-winning writers *Bruce McKenna* and *Graham Yost*, will follow the rivalry between famous paleontologists *Edward Drinker Cope* and *Othniel Charles Marsh*. -- **Starz** greenlit the scripted anthology series "The Girlfriend Experience" for a 2nd season. The 14-eps limited series from exec producer *Steven Soderbergh* will feature all new characters and plotlines in its sophomore run.

**Obituary:** Weather Channel on-camera meteorologist *Dave Schwartz* passed away over the weekend following a long battle with stomach cancer. He was 63. "Dave spent over 22 years of his career with The Weather Channel. He was a fan and staff favorite because he so obviously loved what he did, he had a unique zen-like ability draw the audience into the fascinating world of weather, and was just a great friend," Weather pres *David Clark* wrote in a memo to employees.

**People:** AMC Nets appointed *Christian Wymbs* as evp, chief accounting officer. Wymbs joins from **American Express**, where he most recently was svp, CFO for **Global Commercial Services**.

## Cablefax Daily Stockwatch

| Company                      | 08/01<br>Close | 1-Day<br>Ch | Company               | 08/01<br>Close | 1-Day<br>Ch |
|------------------------------|----------------|-------------|-----------------------|----------------|-------------|
| <b>BROADCASTERS/DBS/MMDS</b> |                |             | INTEL:                | 34.85          | (0.01)      |
| DISH:                        | 53.48          | 0.06        | INTERACTIVE CORP:     | 58.72          | 0.76        |
| ENTRAVISION:                 | 7.35           | 0.09        | LEVEL 3:              | 49.57          | (1.03)      |
| GRAY TELEVISION:             | 9.78           | (0.12)      | MICROSOFT:            | 56.58          | (0.1)       |
| MEDIA GENERAL:               | 17.48          | (0.11)      | NETFLIX:              | 94.37          | 3.12        |
| NEXSTAR:                     | 50.28          | (0.27)      | NIELSEN:              | 53.49          | (0.37)      |
| SINCLAIR:                    | 27.81          | (0.01)      | SEACHANGE:            | 3.21           | 0.01        |
| TEGNA:                       | 21.72          | (0.18)      | SONY:                 | 32.50          | (0.91)      |
| <b>MSOS</b>                  |                |             | SPRINT NEXTEL:        | 6.12           | (0.02)      |
| CABLE ONE:                   | 519.99         | (3.89)      | SYNACOR:              | 3.06           | 0.01        |
| CHARTER:                     | 236.00         | 1.13        | TIVO:                 | 10.52          | (0.02)      |
| COMCAST:                     | 67.54          | 0.29        | UNIVERSAL ELEC:       | 77.13          | (0.21)      |
| GCI:                         | 15.13          | (0.26)      | VONAGE:               | 5.83           | (0.1)       |
| LIBERTY BROADBAND:           | 62.89          | 0.08        | YAHOO:                | 38.80          | 0.61        |
| LIBERTY GLOBAL:              | 32.04          | 0.33        | <b>TELCOS</b>         |                |             |
| SHAW COMM:                   | 19.96          | (0.32)      | AT&T:                 | 43.18          | (0.11)      |
| SHENTEL:                     | 40.81          | (0.27)      | CENTURYLINK:          | 31.02          | (0.42)      |
| <b>PROGRAMMING</b>           |                |             | FRONTIER :            | 5.08           | (0.12)      |
| 21ST CENTURY FOX:            | 26.62          | (0.02)      | TDS:                  | 31.12          | (0.37)      |
| AMC NETWORKS:                | 55.44          | 0.08        | VERIZON:              | 54.50          | (0.91)      |
| CBS:                         | 52.10          | (0.12)      | <b>MARKET INDICES</b> |                |             |
| DISCOVERY:                   | 24.77          | (0.32)      | DOW:                  | 18404.51       | (27.73)     |
| DISNEY:                      | 95.54          | (0.41)      | NASDAQ:               | 5184.20        | 22.06       |
| GRUPO TELEVISIA:             | 26.23          | (0.34)      | S&P 500:              | 2170.84        | (2.76)      |
| HSN:                         | 52.19          | 1.03        |                       |                |             |
| LIONSGATE:                   | 19.78          | (0.21)      |                       |                |             |
| MSG NETWORKS:                | 15.84          | (0.21)      |                       |                |             |
| SCRIPPS INT:                 | 65.80          | (0.26)      |                       |                |             |
| STARZ:                       | 30.25          | 0.02        |                       |                |             |
| TIME WARNER:                 | 76.74          | 0.09        |                       |                |             |
| VIACOM:                      | 48.51          | (1.13)      |                       |                |             |
| WWE:                         | 19.40          | (0.35)      |                       |                |             |
| <b>TECHNOLOGY</b>            |                |             |                       |                |             |
| ADDVANTAGE:                  | 1.98           | 0.02        |                       |                |             |
| AMDOCS:                      | 59.35          | 0.99        |                       |                |             |
| AMPHENOL:                    | 59.45          | (0.07)      |                       |                |             |
| APPLE:                       | 106.05         | 1.84        |                       |                |             |
| ARRIS GROUP:                 | 27.48          | 0.24        |                       |                |             |
| AVID TECH:                   | 6.69           | 0.18        |                       |                |             |
| BLNDER TONGUE:               | 0.62           | UNCH        |                       |                |             |
| CISCO:                       | 30.73          | 0.20        |                       |                |             |
| COMMSCOPE:                   | 29.59          | (0.36)      |                       |                |             |
| CONCURRENT:                  | 5.18           | 0.06        |                       |                |             |
| CONVERGYS:                   | 27.06          | 0.41        |                       |                |             |
| CSG SYSTEMS:                 | 40.74          | 0.48        |                       |                |             |
| ECHOSTAR:                    | 38.34          | (0.61)      |                       |                |             |
| GOOGLE:                      | 772.88         | 4.09        |                       |                |             |
| HARMONIC:                    | 3.21           | (0.08)      |                       |                |             |

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## CFX TECH

### OTT Streaming Challenges

The challenges of transiting from a world in which OTT and streamed content are secondary to one in which they are the co-equal of linear traditionally-delivered programming is complex. In a few years, streaming has gone from the periphery to the core of what subscribers want.

That means that a lot has to happen very quickly. While progress is not uniform, it seems that momentum is growing.

**Verimatrix** svp *Steve Christian* identified four big picture items at the heart of the transition. In other words, these are things that streaming and OTT services will have to do well, and soon: They must offer equal support for live and on-demand content; they must deliver that content fluidly to all operating systems and devices; and they must support monetization. The monetization element encompasses both advertising insertion and customizable transactions. All of these tasks must be done securely—which is Verimatrix's role.

It's interesting that one thing that could have posed a challenge—availability of bandwidth—is under control.

Sophisticated content delivery networks (CDNs) that cache content close to subscribers help, said *Bob Hallahan*, the solutions architecture vp for **Xavient**. 4K compression and DOCSIS 3.1 are making it possible to keep demand from overwhelming the networks. *Robin Wilson*, **Nagra** business development vp, added that the industry is good at maintaining a necessary amount of bandwidth headroom.

There seem to be many balls in the air simultaneously. Hallahan says that streaming services run by cable companies have deeper insight into the metrics that control the content being delivered. They have more tools available to measure jitter, latency and other elements that compromise a service level agreement. Indeed, the inherent advantages of owning the network

have led **Comcast** to offer a platform-as-a-service (PaaS) offering to OTT providers.

The ability to reach all mobile devices is vital as well. The mobile sector is rallying around MPEG-DASH as a way to bring order to a fractious landscape in which separate stacks were necessary for iOS, Android and other mobiles' OSes. The depth of the challenge of video encoding is great: Not only must all OSes be served, but differences between the version of the revs of each OS, form factors (smartphone or tablet) and even specific device models must be taken into account.

The industry still is in the early days. For instance, OTT is just at the beginning of figuring out how to handle ad insertion which, of course, is vital in the long run. Wilson suggested that the industry is "only 5 or 10 percent of the way to solving all the problems."

There are three reasons:

The first is that this all is terribly complex. Secondly, this is not one big challenge, but a series. And, perhaps more subtly, the industry only got serious relatively recent.

Wilson said that streaming and OTT were seen more as anti-churn tools than moneymakers. Now they see that it is a big bucks business. Christian said that companies are anxious to retain control of the subscriber even if he or she is streaming content from **Netflix**, **Hulu** or another OTT provider. At the highest level, the world has changed since the advent of the Internet. Back in the day, cable operators could develop, test, introduce and market products at their leisure. No such luxury exists today: Everything is done on the fly. This is exciting—but not for the faint of heart. — *Carl Weinschenk*



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