

# Cablefax Daily™

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What the Industry Reads First

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## Virtual Reality Content: The Pitch for Cable's Involvement

From augmented reality phenom **Pokemon Go** to the immersive marketing **Warner Bros** and **Samsung** just unleashed for "Suicide Squad" to **NBCU's** plans for select Olympic coverage, the VR train is flying out of the station. Lkening its momentum to the cable industry in the early '90s, *Jim Chabin*, president of the newly christened **VR Society**, advises cable programmers to get on board. Fast. Chabin suggests those ready to dip a toe in the water start with 360-degree content that can be viewed on cell phones without the need for additional equipment. "360 is relatively easy to produce and a pretty cost-effective way to create content and put it in a place where you can drive traffic," he said. "Right now, if you download the *New York Times* VR app you could be standing at the top of the World Trade Center or be at a *Hillary Clinton* rally. It's something all viewers can have access to." Even loftier 3D VR can certainly be a goal. "They're shipping thousands of **Oculus Rifts** [owned by **Facebook**], but they're not sending out tens of millions of them yet. **Playstation** comes out this fall," he said of the new **Sony** VR console slated for release Oct. 13. "But everyone right away can use their cell phone." Among the nuts and bolts of production, content creators "need to be thinking about where to place sound cues, how to light it, do you have a script, do you not have a script?," Chabin noted. Vendors including **NextVR**, **Voke VR** and **VRTify** are lining up to hawk their services. VRTify CEO *Facundo Diaz* advises programmers to allow as many perspective options as possible for viewers, and mind the length of VR content, particularly for live events. "It's very important that the content is not too long. Typically in a deal for us, concert [footage] should be between three minutes and eight minutes," he told **CFX**. VRTify, which last year secured a seed round of \$3.2 million from **Angel Ventures VC** and additional private investors, has deals primarily with music artists and labels, including Sony and **BMG**. In October it will launch its VR platform with content including Lollapalooza in several South American countries, and shows staged at the **DirectTV** Arena in Buenos Aires. "We recommend defining the key moments of the event, and inviting the users to attend that particular moment," Diaz said. Given the convergence of technologies around immersion experiences, the company is also covering its bases and launching an L.A.-based AR studio. "VR started mixing with augmented reality and we are now working with **Microsoft** on an augmented reality version of Vrtify." A key component of the augmenting VR story is advertising, Chabin said. "Networks should be talking to sponsors because many of them have VR ads they are putting together they want to

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get in front of consumers now. Right now, the marketing and promotion and advertising budgets are what's funding the creation of VR." The most common questions the VR Society is fielding from programmers? "How do we create something, and how do we monetize it? Where is the business model here? Can I include it in my subscription?" Chabin said. "Those are the questions that have not yet been answered." - *Cathy Applefeld Olson*

**Retrans:** AT&T-owned **DirecTV** and **Sunbeam Television** resolved a dispute Fri night regarding the blackout of **WSVN-FOX** in Miami on **DirecTV** systems, though **WHDH-NBC** and **WLVI-CW** in Boston were still dark at press time. AT&T said the 2 worked over the weekend to resolve the dispute regarding the Boston channels. The stations have been suspended from the DBS operator since July 16. On Fri, a letter from Sen **Ed Markey** (D-MA) urged both companies to engage in good faith talks and asked the FCC to help bring the parties together (**CFX**, 8/8). Regarding the Miami station, AT&T said it's "pleased that Sunbeam Television has returned WSVN-FOX back into our customers' local line-up and, unless it is there already, those Miami and Fort Lauderdale homes should begin receiving it again very soon. We appreciate our customers' patience over the past few weeks yet also share in their frustration with the increasing frequency of station blackouts."

**ACA on CAF:** **ACA** said the **FCC's** weighting system efforts for the Connect America Fund Phase II bidding process must have a "sound statutory foundation" and be based on a methodology and be quantified based on market data, according to the association's reply comments made Aug 5. "The FCC should weight bids based on the statutory requirement that consumers in eligible areas receive reasonably comparable service to urban consumer preferences for broadband Internet access services over the 10-year timeframe of the program and that, to maximize participation, the deployment cost of bids in different performance tiers be normalized. Both of these factors can be determined using a methodology based on market data and are quantifiable," said **ACA** pres/CEO **Matthew M. Polka**. **ACA** suggested weighting should account for "significant differences in costs for deploying different network technologies in different geographies among the performance tiers."

**Piracy:** **DISH** has filed suit in a Texas US District Court against **Shenzhen Lool Tech Co., Ltd**, the makers of **Loolbox** streaming service, which it claims unlawfully retransmits Arabic TV channels licensed exclusively to **DISH** in the US, including **Al Jazeera Arabic News**, **MBC1**, **MBC Drama** and **MBC Kids**. The channels are streamed to consumers who purchased the **Loolbox** set-top box through the use of a live TV feature. "Loolbox profits by stealing our signal and selling it to consumers, while using those same consumers' home Internet to further transmit our programming to additional consumers," said **MBC Group** distribution and digital biz dev head **Fares Akkad**. "While the **Loolbox** may seem like an attractive deal, it is a scam that consumers should avoid if they want programming that is high-quality, reliable and legal. We commend **DISH** for their efforts to combat piracy and provide consumers with an affordable, viable source of entertainment." In April, **DISH**, **TVB** and **CCTV** had filed suit against the makers of the h.tv device, **HTV International Limited**, claiming that it unlawfully transmitted Chinese programming through a peer-to-peer network. It also filed a suit in April against Greek content provider **Ellas TV** alleging it used a **DISH** receiver to redistribute **DISH's Sports Plus** net on its own streaming service.

**Patent Litigation:** Digital security provider **The Kudelski Group** said Mon that it dismissed all pending patent litigation between it and **Hulu**, which involved several patents regarding digital content distribution and security, due to **The Kudelski Group's** recent agreement with **RPX Corp** and also **Hulu's RPX Corp** membership. Financial terms were not disclosed. The **RPX-Kudelski** patent licensing deal lets the latter sublicense a limited number of companies to **Kudelski Group** patents in exchange for an upfront payment mutual patent risk clearance, and a future transfer of patents from **RPX**.

**Kaltura Investment:** Video technology provider **Kaltura** announced a \$50m pre-IPO investment from **Goldman Sachs'** Private Capital Investing group. The funding will be used to expand their global footprint in various industries and markets. **Holger Staude**, vp of **Goldman Sachs'** Private Capital Investing group, will join **Kaltura's** board of dir.

**Home of the Future:** The film **Minority Report** may not be too farfetched anymore. At its Summer Conference event Mon, **CableLabs** presented a short film, an interactive map of a next-gen house and a VR game that shows "what we believe the home of the future will look like that will require high-speed networks—networks that are coming out with 1 gig, 2 gig, 10-gig kinds of speeds," said **CableLabs** CEO **Phil McKinney** in a clip. Technologies like autonomous vehicles, augmented reality, VR experiences over distance and video collaboration walls—with **Minority Report**-like swiping—will "require significant data updates." It's all about high-speed networks, "but it's about low latency, the ability to have those real time experiences... That becomes the fundamental piece. From the stance of the cable plant, we believe we have the best technology

# BUSINESS & FINANCE

for those creative experiences.”

**Hulu/Yahoo:** Hulu is phasing out the free version of its service, the company confirmed Mon, while continuing to emphasize its subscription services. Hulu has landed numerous content deals of late, the most recent being off-network streaming rights to Showtime’s “Homeland,” and it’s pushing original programming such as “The Mindy Project” and “Casual.” The free episodes and clips aren’t gone, however. In addition to living on platforms from partners like Comcast, Hulu’s free content will live on a new free, streaming hub dubbed **Yahoo View**. For more on the service see **Cablefax.com**.

**Olympics Digital:** Much has been written about Olympics’ ratings on **NBC** not comparing to London (*Ad-Week* reports viewership of the opening ceremony declined 28% compared to 2012), but **NBC Sports** reports an uptick in digital viewing: Sat was the best day ever for NBC Olympics digital platforms, with 155mln live streaming minutes, a 263% increase from the comparable day in 2012. Through Sat the Games were live streamed 216mln minutes, making it the best ever at that point in the Olympics, and up 280% from that point in London.

**DISH Notes:** **DISH** closed its offering of \$3bln of 3.375% convertible notes due 2026. Net proceeds are intended to be used for strategic transactions, which may include wireless and spectrum-related strategic transactions, and for other corporate purposes.

## Cablefax Daily Stockwatch

Company	08/08 Close	1-Day Ch	Company	08/08 Close	1-Day Ch			
<b>BROADCASTERS/DBS/MMDS</b>								
DISH:	51.29	(0.13)	INTEL:	35.04	0.06			
ENTRAVISION:	7.88	(0.05)	INTERACTIVE CORP:	60.30	(0.08)			
GRAY TELEVISION:	11.22	(0.01)	LEVEL 3:	50.07	0.80			
MEDIA GENERAL:	17.62	(0.1)	MICROSOFT:	58.06	0.10			
NEXSTAR:	52.11	(0.25)	NETFLIX:	95.11	(1.92)			
SINCLAIR:	29.17	(0.23)	NIELSEN:	52.91	UNCH			
TEGNA:	21.23	(0.25)	SEACHANGE:	3.25	(0.04)			
<b>MSOS</b>								
CABLE ONE:	520.86	6.40	SONY:	32.30	(0.42)			
CHARTER:	236.82	2.03	SPRINT NEXTEL:	6.22	0.05			
COMCAST:	67.07	(0.32)	SYNACOR:	2.95	(0.04)			
GCI:	13.57	(0.06)	TIVO:	10.55	UNCH			
LIBERTY BROADBAND:	62.02	0.09	UNIVERSAL ELEC:	76.34	0.78			
LIBERTY GLOBAL:	31.22	0.39	VONAGE:	5.62	(0.2)			
SHAW COMM:	20.06	0.04	YAHOO:	39.24	0.25			
SHENTEL:	31.50	(2.28)	<b>TELCOS</b>					
<b>PROGRAMMING</b>								
21ST CENTURY FOX:	25.41	(0.23)	AT&T:	42.93	(0.23)			
AMC NETWORKS:	54.88	0.85	CENTURYLINK:	30.28	0.40			
CBS:	52.01	(0.16)	FRONTIER:	4.93	0.07			
DISCOVERY:	26.20	(0.13)	TDS:	30.49	(0.85)			
DISNEY:	95.75	(0.08)	VERIZON:	53.59	(0.05)			
GRUPO TELEVISA:	26.30	(0.15)	<b>MARKET INDICES</b>					
HSN:	45.64	0.89	DOW:	18529.29	(14.24)			
LIONSGATE:	20.77	0.16	NASDAQ:	5213.14	(7.98)			
MSG NETWORKS:	15.53	0.13	S&P 500:	2180.89	(1.98)			
SCRIPPS INT:	66.17	0.02	<b>TECHNOLOGY</b>					
STARZ:	30.98	0.08	ADDVANTAGE:	1.83	(0.08)			
TIME WARNER:	78.74	(0.37)	AMDOCS:	58.28	(0.64)			
VIACOM:	47.25	(1.51)	AMPHENOL:	59.90	(0.02)			
WWE:	19.99	0.13	APPLE:	108.37	0.89			
<b>TECHNOLOGY</b>								
ARRIS GROUP:	27.20	0.01	ARRIS GROUP:	27.20	0.01			
AVID TECH:	8.09	0.56	AVID TECH:	8.09	0.56			
BLNDER TONGUE:	0.60	(0.05)	BLNDER TONGUE:	0.60	(0.05)			
CISCO:	31.01	(0.03)	CISCO:	31.01	(0.03)			
COMMSCOPE:	28.46	(0.76)	COMMSCOPE:	28.46	(0.76)			
CONCURRENT:	5.30	0.09	CONCURRENT:	5.30	0.09			
CONVERGYS:	27.26	(0.13)	CONVERGYS:	27.26	(0.13)			
CSG SYSTEMS:	40.81	(0.36)	CSG SYSTEMS:	40.81	(0.36)			
ECHOSTAR:	38.63	0.42	ECHOSTAR:	38.63	0.42			
GOOGLE:	781.76	(0.46)	GOOGLE:	781.76	(0.46)			
HARMONIC:	3.26	0.01	HARMONIC:	3.26	0.01			

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