

Cablefax Daily™

Thursday — October 6, 2016

What the Industry Reads First

Volume 27 / No. 193

Feeding Fans: Sports Execs Debate Multiplatform Economics

The high value of sports content has always largely hinged on preserving live linear TV viewing, but these days leagues, owners and TV nets must evolve to keep pace with how fans want to interact with the content, said execs gathered Wed at *Sports Business Journal's* **NeuLion** Sports Media & Technology conference in Manhattan Beach, CA. "At the end of the day, we have to embrace all of this," said *David Preschlack*, pres of **NBC Sports Regional Networks & NBC Sports Group** Platform and Content Strategy. "As an industry, we've got to continue to be aggressive in terms of putting content in front of fans in the way they want it." In an age in which now even **Twitter** is streaming some **NFL** games, **Univision** evp, content distribution *Eric Ratchman* agreed that everyone needs to accept the new reality. "The question is can you monetize [new platforms] at the same rate," he said. "That's the real challenge." *Dan Reed*, **Facebook** head of global partnerships, said Facebook reaches 650 million sports fans globally, with nets increasingly sharing content before, during and after live broadcasts to help drive overall tune-in to linear. He argued that posting highlights during games actually drives tune-in back to linear in real time because "that's great advertising for the fact that there's a great game on... the partners we think are doing it best are the ones who are releasing that content strategically." That can mean a lot of different things, execs said, and it also requires thinking differently about how to present sports content. "It's not just taking the linear flat broadcast and moving it online," said **Microsoft** co-founder *Steve Ballmer*, co-chair, **Ballmer Group**, & owner of the Los Angeles Clippers, in an opening Q&A. "The interesting thing is how the technology changes the experience" and "makes it not only more convenient, but it makes it more intriguing and more interesting." Ballmer's working on ways to give fans more interactivity during games, including even seeing the game from a player's perspective. He compared what's happening in sports to the music industry: When it went digital, people just didn't buy CDs online; they started buying individual songs, creating playlists, customizing radio feeds, sharing recommendations, etc. He said the same thing will happen with sports as social media, VR and other platforms completely transform the viewing experience. **Turner Sports** evp & gm *Matt Hong* said the young demos don't even distinguish between TV and online/mobile anymore. "From a young sports fan's perspective, that distinction is already gone," he said. And Preschlack said the key is for nets to keep experimenting: "You've got to keep trying stuff and figure out what sticks."

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir of Market Dev: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,699.97/year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

Broadband Privacy: With the **FCC** expected to describe its broadband privacy proposal Thurs when it circulates its agenda for the Oct 27 Open Meeting, speakers on a call hosted by the ISP-backed **21st Century Privacy Coalition** Wed said all signs point to the FCC moving forward an **FTC** privacy framework, which broadband providers generally support. The FCC declined to comment. Former FTC chmn *Jon Leibowitz*, currently co-chair of the coalition, noted the FTC has expressed disagreement with the original FCC approach, which would require ISPs get consent before using virtually all consumer data. The FTC approach, on the other hand, would require the ISPs to obtain consent on the use of sensitive data. However, the devil is in the details, said Leibowitz. It's still unknown what sensitivity-based FCC rules would look like, he said. For example, how would the FCC treat web browsing data? Leibowitz noted the FTC didn't treat web browsing data as sensitive. *Henry Waxman*, former **House Commerce** chmn (D-CA), argued that the original FCC plan wouldn't survive in the courts, with law professors suggesting such an approach violates First Amendment rules. Waxman, who currently heads **Waxman Strategies** repping broadband providers, gave the FTC path a thumbs up for protecting sensitive data. Many businesses today rely on targeted advertising, said *Emmett O'Keefe*, **Digital Marketing Association** svp. The original FCC plan that requires opt-in consent for all consumer data would seriously destroy many business models, he said. **Public Knowledge** svp *Harold Feld* responded to Wed's briefing, saying the broadband industry wants to "cherry pick FTC precedent to construct a standard that would leave our most confidential communications subject to their prying eyes... That Google has now openly joined with cable providers to cherry pick FTC precedent makes it clear that the FCC's decision will either cement a race to the bottom for consumer protection, or kick off a race to the top for consumer protection." **House Energy Commerce** ranking member *Frank Pallone* (D-NJ) penned a *Huffington Post* opinion piece Wed urging the FCC to protect consumers, worrying that a recent court decision potentially undermines the FTC's "already limited ability to protect consumers without the FCC's help."

News Wars: **CNN** continued a recent trend, besting **Fox News** in the so-called 25-54 news demo for Tues night's veep debate, while Fox maintained the lead among total viewers. For the actual debate (9-10:30pm ET), CNN netted 1.68mln 25-54s, ahead of both Fox (1.5mln) and MSNBC (908K), according to early **Nielsen** data. However, Fox had a sizeable lead in P2+ with 6.1mln viewers compared to CNN's 4.2mln and **MSNBC's** 3.1mln. CNN was top rated with millennials at 561K, followed by 340K and MSNBC at 236K. Digital was strong. FoxNews.com had its 2nd highest day of the year in terms of video starts, while CNN Digital's live stream had 1mln starts across the main site, CNNgo and mobile apps.

NCTA Foundation: **NCTA** continues to change things up, with the **NCTA Foundation** the latest target. In a first of its kind announcement, the Foundation announced \$325K in grants to 3 DC-area community nonprofits with a tech bent. It's a strategic shift to have a direct community-based impact. The beneficiaries are **BUILD Metro DC**, **Byte Back** and **A Wider Circle**. Silver Spring, MD-based A Wider Circle will use the \$115K grant to build a computer lab and equip its HQ with tech to help expand its programs to prepare people for the workforce. The grants were announced at an event at NCTA's DC HQ Wed. "With this gift, we will turn what is a nice center into a beautiful center, where people don't feel like they're in a different world," founder *Mark Bergel* said. Byte Back will use its \$100K grant to create a video production studio and virtual classroom on media and production. The Foundation awarded \$110K to BUILD Metro DC, which will be used to provide students in DC the opportunity to learn coding, web and graphic design skills, and launch technology-based businesses. The grants aren't the end of the collaboration, with the Foundation pledging to work with the 3 groups to monitor the progress and to identify additional opportunities for NCTA employee volunteers to support the partner organizations.

Faster Optimum: **Altice** had until the end of next year to launch 300Mbps service in **Optimum's** NY and NJ footprint. It went ahead and did it yesterday, throwing CT into the mix so that the new speeds are offered across its entire footprint. Both the **NY** and **NJ Public Service Commissions** required a 300Mbps tier by the end of 2017. Optimum's previous highest speed was 101 Mbps downstream. Optimum is pricing the 300 Mbps tier at \$99.95 and launching a new 200 Mbps tier that starts at \$64.95. The NY PSC also conditioned **Charter's** acquisition of **Time Warner Cable**, requiring the new company to offer speeds of 100Mbps by the end of 2018 and 300Mbps the following year. Optimum also launched 350Mbps and 250Mbps downstream services for business customers at \$149.95 and \$189.95, respectively.

Batten Down the Hatches: Everyone was keeping a wary eye on Hurricane Matthew Wed as evacuations began taking place in the SC and FL. A **Comcast** FL rep, who herself was literally boarding up windows at her home when we

BUSINESS & FINANCE

spoke, said the company has sent preparation notices out to customers. Similarly, **Charter** has a "Spectrum Storm Center" section on its website that includes details on service outages as well as info on how it prepares and storm safety. The **FCC** said it will provide 24/7 emergency communications needs throughout the weekend, especially related to the effects Matthew may have on the Southeastern US. The FCC Operations Center is available at 202-418-1122 or by e-mail at FCCOPCenter@fcc.gov.

People: Former **Universal TV** pres and longtime **CBS** exec *Bela Bajaria* landed at **Netflix**, where she'll oversee a new team developing original unscripted programs. She'll serve as vp, content, also leading the team focused on TV and film licensing from major U.S. studios, as well co-production relationships with major US nets. She starts the gig Nov 1. -- *Brendan Ripp* was named to the newly created post of evp, **National Geographic Sales & Partnerships**. He joins the company Nov 1, having most recently served as pres, technology, telecom and finance verticals for **Time Inc.** -- **Crown Media Family Nets** welcomed *Penny Perry* on board as vp, casting, a new position responsible for casting original programming on **Hallmark Channel** and **Hallmark Movies & Mysteries**. She's already cast more than 150 movies of the week for Hallmark from her days at **Larry Levinson Productions**.

Cablefax Daily Stockwatch

Company	10/05 Close	1-Day Ch	Company	10/05 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	56.09	0.19	INTEL:	37.99	0.45
ENTRAVISION:	7.69	0.09	INTERACTIVE CORP:	62.96	0.64
GRAY TELEVISION:	10.84	0.13	LEVEL 3:	45.62	UNCH
MEDIA GENERAL:	18.54	0.09	MICROSOFT:	57.64	0.40
NEXSTAR:	58.40	0.32	NETFLIX:	106.28	3.94
SINCLAIR:	28.47	0.04	NIELSEN:	53.19	(0.27)
TEGNA:	22.02	0.14	SEACHANGE:	2.89	UNCH
MSOS					
CABLE ONE:	577.76	1.02	SONY:	32.94	0.20
CHARTER:	267.08	(0.33)	SPRINT NEXTEL:	6.66	(0.04)
COMCAST:	65.80	(0.03)	SYNACOR:	2.89	0.04
GCI:	14.80	0.44	UNIVERSAL ELEC:	72.72	(0.62)
LIBERTY BROADBAND:	69.59	(0.27)	VONAGE:	6.61	0.05
LIBERTY GLOBAL:	34.19	0.30	YAHOO:	43.71	0.53
SHAW COMM:	20.24	(0.04)	TELCOS		
SHENTEL:	26.19	(0.01)	AT&T:	39.16	(0.26)
PROGRAMMING					
21ST CENTURY FOX:	24.66	(0.08)	CENTURYLINK:	27.03	(0.05)
AMC NETWORKS:	53.03	0.65	FRONTIER:	4.03	(0.07)
CBS:	56.41	0.86	TDS:	27.20	(0.14)
DISCOVERY:	27.69	0.29	VERIZON:	50.27	(0.41)
DISNEY:	92.45	(0.14)	MARKET INDICES		
GRUPO TELEVISA:	26.22	0.25	DOW:	18281.03	112.58
HSN:	40.13	0.35	NASDAQ:	5316.02	26.36
LIONSGATE:	21.41	0.57	S&P 500:	2159.73	9.24
MSG NETWORKS:	19.11	0.33			
SCRIPPS INT:	63.78	0.18			
STARZ:	32.24	0.39			
TIME WARNER:	79.59	0.41			
VIACOM:	42.71	0.22			
WWE:	20.78	(0.08)			
TECHNOLOGY					
ADDVANTAGE:	1.73	0.01			
AMDOCS:	58.67	0.22			
AMPHENOL:	64.90	0.60			
APPLE:	113.05	0.05			
ARRIS GROUP:	27.81	(0.03)			
AVID TECH:	7.65	0.09			
BLNDER TONGUE:	0.62	0.06			
CISCO:	31.59	0.24			
COMMSCOPE:	30.88	0.69			
CONCURRENT:	5.46	0.03			
CONVERGYS:	29.54	(0.06)			
CSG SYSTEMS:	41.10	0.14			
ECHOSTAR:	44.77	0.94			
GOOGLE:	776.47	0.04			
HARMONIC:	5.93	0.09			



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Scary Goo

Commentary by Steve Effros

OK, I know, a strange headline. I couldn't decide whether to write "Scary Google" or "Scary Good." I'm certainly having both reactions after watching the Google press event on Tuesday that introduced their newest products.



Let's start by musing about the fact that Google, while lobbying the FCC hard to get set-top boxes disengaged from the cable operator for whom they are a necessity, is at the same time moving its own products "in house," and deciding that they should build them themselves, a la Apple. The explanation of why: well they think they can do it better, they can control the quality better, and they can integrate the services better. Now all you have to do is listen to Brian Roberts give the same explanation why and how the Xfinity X1 set-top box has been such a success to understand, from a business or consumer benefit point of view, the FCC is just flat out going in the wrong direction! But I digress.

The new Google phone, the Pixel, looks like a winner. The most important part is that it integrates the new Google Assistant, which is like Siri, or Cortana, or Alexa but with an added twist; it has all the computing power of Google and a decade of developing artificial intelligence behind it. To me the ability to integrate actions and execute on them is the key to making things simple, and simplicity is the key to keeping all but the few of us techno-geeks, happy.

The Google Assistant is also, more importantly from our business point of view, baked into the new Google Home speaker device. As I have already written, this looks a bit like Amazon's Alexa on steroids. I've already ordered one, and will let you know how it works when it arrives in November (it's cheaper than the Amazon Echo) but the thing that fascinates me most is its ability

to integrate with Google's Chromecast devices (there's a new one of those coming as well, 4K, HDR). The demonstration during the press rollout is worth watching. The Home device links to the Chromecast device and allows you to do things like ask for a particular program in a participating vendor (like Netflix's) catalog and the with just a voice command the television starts showing you the program you asked for.

Now that, in itself, is a real trick, but I foresee this as just the beginning. Google didn't need the FCC to write all sorts of new rules to allow it to disaggregate product. That's going to happen no matter what just by the inherent power that is being built into these devices and put in homes. Imagine not needing a remote control at all! That's where they are trying to go, and they will accumulate all the data on what you watch and what you are looking for through the voice controlled Google Home device.

While there will be "turf wars" for a while (no Amazon Prime Chromecasting, for instance) I doubt that will last, particularly for cable folks. If you want to give your customers a premier experience, you are going to have to get on board, and I would say sooner rather than later. That's why Google both scares me, and I am somewhat in awe of what they are doing. They appear to be darn good at it, and if these new devices work... well, it sort of suggests my title is correct the way it is; remember the film "The Blob? Scary goo!

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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