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What the Industry Reads First

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Scripps 3Q: Netflix Deal Won't Be Renewed

Scripps Networks Interactive inked its streaming deal with Netflix in 2014, after Amazon ended its licensing agreement with Scripps. During Scripps' 3Q earnings conference call Mon, pres/CEO Ken Lowe said the company has "made the strategic decision not to extend our SVOD agreement with Netflix past the end of this year. In the end, it really is not the kind of dual revenue model that best monetizes our content over the long term." Adding more color to the decision to part ways with Netflix, Scripps said the company has gained "a lot of internal knowledge on the digital side and on the best way to monetize this content, including the further expansion and development of our digital sales team." The ending of the Netflix deal isn't a change in direction, he said, as the company is just being "opportunistic." Commenting on the proposed AT&T-Time Warner merger, Lowe said one takeaway is "content is valuable. And it's going to continue to be more valuable if it's quality, original and there's great storytelling, and in our opinion, it's lifestyle-targeted." Is Scripps interested in M&A activities? Lowe said "we are big enough...we're in good shape and I wouldn't trade our position with anybody else right now." With the expansion of skinny bundles, Lowe said "we're seeing distributors looking to include our networks in their OTT and skinny-bundle services," including the recently announced DirecTV Now streaming service. 3Q marks the 4th consecutive quarter for YOY growth at Travel Channel, helped by original programs including the recent 4-part special "Expedition Unknown: Hunt for the Yeti," which drew more than 7mln viewers. The growth at the net is a result of the company's programming investment, said COO Burton Jablin. Moving forward, "we're reaching a level where the growth in our programming spending is going to moderate year to year," he said. Financially, while operating income fell 4.8% YOY, revenues increased 3.5% during the quarter as US nets continue to benefit from a strong advertising market. Advertising revenues came in at \$556.4mln, up 5.4% YOY. Consolidated adjusted segment profit was \$317.6mln, down 2.1% YOY. Scripps said the decline in both operating income and adjusted segment profit was mainly due to the expected timing of programming premieres leading to the growth in programming expenses for US nets. Programming expense growth is expected to slow in 4Q due to the shift in show premieres. Looking forward, "I think 2017 is going to be a much more positive story on the distribution front..." CFO Lori Hickok said.

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Viamedia's Comcast Suit: Viamedia's spot cable lawsuit against **Comcast** continues, with a federal judge denying Comcast's motion to dismiss the case Mon. Viamedia filed the antitrust suit in May, claiming Comcast now controls and excludes competing 3rd party sales reps from interconnects in 15 of the 25 most populous DMAs, including Chicago and Detroit. Viamedia said Comcast and Comcast Spotlight's conduct prompted overbuilders **WOW!** and **RCN** to terminate some or all of their business with it. "Viamedia has plausibly alleged that defendants engaged in conduct that lowered the quality of service available in the spot cable advertising representation market, and that this conduct resulted in harm to Viamedia," judge *Amy St Eve* wrote. She also concluded that Viamedia made a sufficient case for alleging a tying arrangement. The judge did dismiss Viamedia's refusal to deal claim, saying Viamedia failed to explain how Comcast's refusal to deal with has no rational procompetitive purpose.

Election Coverage: **DISH's** Sling TV is offering a free preview of its Sling Orange services, plus the News Extra add-on package to all new Sling TB subs on the Election Day Tues, allowing free access to nets like **CNN, Bloomberg, TheBlaze,** and **HLN.** The preview runs through 4am Wed. Meanwhile, **DISH** is weighing in on potential election outcomes with its "Viewers to Voters" predictive program. Based on anonymized customer viewership data generated from Internet-connected set-top boxes, DISH's modeling predicts that Secretary *Hillary Clinton* will win the 2016 presidential election. The model also forecasts a Republican majority victory in the House, with an estimated 245 out of 435 seats.

A+E Nets Relaunches HEE: **A+E Nets** relaunched its 24-hour Spanish language net **History en Español (HEE)** on Mon with new programming strategy, more premiere hours and new on-air look. The new content lineup features docu-series such as "Barbarians Rising" and "Hunting Hitler," as well as scripted series. The company will also launch a Spanish language Facebook fan page. The net was first launched in 2004 and has since secured carriage deals with ops including **AT&T, Charter, Comcast, Cox, DISH, DirecTV** and **Verizon FiOS.**

Vice-ESPN Deal: **Vice Media** and **ESPN** announced details of their distribution agreement to expand multi-platform content. As part of the deal, starting Mon and continuing through Dec, blocks of "Vice World of Sports" will air on **ESPN2.** In addition, every Friday, **ESPN Films'** documentary series "30 for 30" airs on **Viceland,** Vice Media's cable net. Furthermore, Vice Sports' series "The Clubhouse" is set to be featured as a special on **ESPN2** Mon at 9pm EST. The companies signed the agreement in May.

DirecTV Outage Update: After nearly 2 days of outage, 8 HD channels are back on **AT&T's DirecTV** Mon. The channels include **BBC World News, CNN, Comedy Central, Fox News, Fusion, the Golf Channel, NBC Sports** and **Ovation.** DirecTV said last week that the outage stemmed from technical difficulties.

RDK's New Member: **Cloud Force Digital Media** joined the Reference Design Kit (RDK) community and announced a partnership with **To The New,** a cloud tech firm. Cloud Force has licensed the RDK technology to build, distribute and monetize Internet applications for ops, programmers, and advertisers. The RDK is a pre-integrated software bundle that provides a common framework for powering customer-premises equipment from TV service providers, including set-top boxes, gateways, and converged devices. Among Cloud Force's clients is **Comcast.** The company said it's helping Comcast build cloud platforms for its X1 system.

From StreamGuys: Content delivery network and streaming media provider **StreamGuys** launched **IsMyStreamUp,** an automated, cloud-based service that's expected to enable users of any CDN or streaming platform to continually monitor the status of their Internet streams, critical content assets and production workflows. The platform seeks to enable users to configure alerts for one or more streams or content assets through a web-based dashboard. Users can make self-serve modifications or additions to their monitoring configuration through the **IsMyStreamUp** portal, with the changes taking instant effect.

Ratings: Overnight ratings for **ESPN's** prime-time NBA doubleheader on Fri were up 42% from last season's comparable windows, according to **Nielsen.** Friday's doubleheader averaged a 1.7 overnight rating, up from a 1.2 last year. Friday's telecast between the **Golden State Warriors** and the **Los Angeles Lakers** generated a 1.9 overnight rating, up 58% from a 1.2 for the **Houston Rockets-Sacramento Kings** game last season. The telecast between the **New York Knicks** and the **Chicago Bulls** generated a 1.6 overnight rating, up 33% com-

BUSINESS & FINANCE

pared to a 1.2 for the Miami Heat-Indiana Pacers game a year ago. --
TLC's Fri paranormal night on Oct 28 scored its best Fri in more than a year, helped by the new series "Kindred Spirits." The series, which follows a pair of ghost hunters as they help families tormented by paranormal activity in their homes, ranked #1 in ad supported cable for W25-54/W18-49 in its time slot and has averaged more than 1.1mln P2+.

Programming: The American Heroes Channel has teamed up with **AARP** to premiere its new special "The Battle I'll Never Forget" on Veterans Day at 10pm EST. The special features some of the most critical conflicts in American history.

People: Nick prompted *Joshua Braunstein* as svp, **Nickelodeon Corporate Promotion and Movie Advertising**. He will report to *Pete Johnson*, svp and creative dir, **Nickelodeon Creative Advertising**. A 19-year Viacom vet, Braunstein was most recently vp, Nickelodeon Corporate Promotion and Movie Advertising.

Editor's Note: This is your last chance to get recognition for your company's incredible technology. Enter the **Cablefax Tech Awards** by the late deadline this Friday at www.cablefax.com. Don't miss out on this opportunity to highlight your brand's best tech!

Cablefax Daily Stockwatch

Company	11/07 Close	1-Day Ch	Company	11/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	56.25	1.32	INTEL:	34.69	1.08
ENTRAVISION:	5.95	(0.05)	INTERACTIVE CORP:	64.94	0.58
GRAY TELEVISION:	8.20	0.10	LEVEL 3:	51.93	0.43
MEDIA GENERAL:	16.88	0.05	MICROSOFT:	60.44	1.73
NEXSTAR:	48.60	1.25	NETFLIX:	124.55	2.52
SINCLAIR:	26.20	0.60	NIELSEN:	44.65	1.15
TEGNA:	18.57	0.55	SEACHANGE:	2.45	UNCH
MSOS					
CABLE ONE:	579.31	4.25	SONY:	30.40	(0.43)
CHARTER:	257.16	6.93	SPRINT NEXTEL:	6.18	0.05
COMCAST:	61.50	0.84	SYNACOR:	2.75	UNCH
GCI:	15.54	0.19	UNIVERSAL ELEC:	62.20	2.15
LIBERTY BROADBAND:	65.10	1.64	VONAGE:	6.39	0.17
LIBERTY GLOBAL:	32.13	0.47	YAHOO:	41.05	0.77
SHAW COMM:	19.81	0.26	TELCOS		
SHENTEL:	23.55	(1.75)	AT&T:	36.81	0.31
PROGRAMMING					
21ST CENTURY FOX:	27.39	0.45	CENTURYLINK:	23.32	0.27
AMC NETWORKS:	53.32	0.95	FRONTIER:	3.21	0.09
CBS:	57.62	0.61	TDS:	25.90	0.58
DISCOVERY:	25.55	(0.09)	VERIZON:	47.45	0.37
DISNEY:	94.43	1.98	MARKET INDICES		
GRUPO TELEVISA:	25.51	1.28	DOW:	18259.60	371.32
HSN:	31.25	(4.75)	NASDAQ:	5166.17	119.80
LIONSGATE:	22.41	1.58	S&P 500:	2131.52	46.34
MSG NETWORKS:	19.15	0.40			
SCRIPPS INT:	65.43	0.59			
STARZ:	32.97	1.28			
TIME WARNER:	87.74	1.32			
VIACOM:	40.95	(0.15)			
WWE:	17.81	0.29			
TECHNOLOGY					
ADDVANTAGE:	1.74	(0.01)			
AMDOCS:	58.92	0.74			
AMPHENOL:	66.54	1.63			
APPLE:	110.41	1.57			
ARRIS GROUP:	26.58	0.56			
AVID TECH:	6.20	0.23			
BLNDER TONGUE:	0.58	0.03			
CISCO:	30.95	0.76			
COMMSCOPE:	32.88	0.73			
CONCURRENT:	6.00	0.10			
CONVERGYS:	28.83	0.68			
CSG SYSTEMS:	39.60	0.15			
ECHOSTAR:	46.05	0.67			
GOOGLE:	782.52	20.50			
HARMONIC:	4.90	0.15			

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CFX TECH by Joyce Wang

CableLabs Talks IoT Security

With the expansion of Internet of Things services and the growing number of cyberattacks and threats, safeguarding IoT devices and networks has never been so important. Lawmakers like Senator *Mark Warner* (VA-D) recently wrote to the **FCC**, **FTC** and the **Department of Homeland Security**, calling the proliferation of insecure IoT devices a threat to network safety. "Because the producers of these insecure IoT devices currently are insulated from any standards requirements, market feedback, or liability concerns, I am deeply concerned that we are witnessing a 'tragedy of the commons' threat to the continued functioning of the internet, as the security so vital to all internet users remains the responsibility of none. Further, buyers have little recourse when, despite their best efforts, security failures occur," Warner wrote. IoT security experts like *Brian Scriber*, principal architect of security at **CableLabs**, is on the same page when it comes to the urgency of IoT security. With an estimated 20bln devices online 4 years from now, IoT security is a critical security requirement, he said. CableLabs is actively working toward solutions for handling both the heterogeneous security models of existing devices through advanced networking technologies and in future devices through standard bodies and industry coalitions in security considerations. The goal is to protect the privacy and security of cable subs, to enable trust in IoT technology and to protect the network infrastructure supporting subscriber services, said Scriber. When networked devices are subverted to participate in DDoS attacks, the ability to trace traffic to the corrupted devices is key, he said. Encryption of data is the primary means of assuring confidentiality. Scriber noted since many IoT devices are constrained in processing power, it has become easy for manufacturers to overlook the need for confidentiality, arguing that the processing, storage and power costs for traditional PKI exceed device capabilities. However, even disposable IoT devices today are capable of using PKI thanks to Elliptical Curve Cryptography (ECC), Scriber said. ECC enables faster encryption than

traditional methods have allowed—all while maintaining the same level of security assurances as traditional (RSA) cryptography, he said. This allows not only for confidentiality, but can also be used to deliver integrity through non-repudiation (a device cannot deny it received a command/message) and message origin assurance (through signing or credential exchange), he said. Technology aside, IoT security is very much an economic matter. In the IoT environment, the markets move very quickly, and manufacturers are focused on product release schedules, marketing messages, software, reducing the overall bill of materials, and on supply-chain management, Scriber said. "Security holds a tenuous grasp on a seat at that table, a seat which is often backed by the risk-management departments rather than by the product management departments," he said. Markets respond to consumer demand, and it's only recently that consumers have started listing security as one of their motivators when purchasing home automation, according to Scriber. Meanwhile, privacy in the IoT environment faces similar hurdles. "As long as consumers aren't demanding it, the support will continue to struggle," Scriber said. That said, "we are seeing changes in both consumer requests and in companies devoted to protecting consumer privacy," he said, citing initiatives like CableLabs unit *Kyrio's* PKI offerings and groups like *LetsEncrypt* helping to drive privacy in web interactions. He noted that privacy in IoT devices will be a popular topic at CableLabs' upcoming *Inform[ed]* IoT Security conference in NYC in April. **The Open Connectivity Foundation (OCF)** is one of the top IoT industry groups, with more than 200 major global manufacturers and software developers (including **Intel, Qualcomm, Samsung, Electrolux and Microsoft**) joining forces to develop secure and interoperable IoT solutions. CableLabs and operators including **Comcast** and **Shaw** are part of the initiative, Other industry groups like **UPnP, the AllSeen Alliance, and OneM2M** have merged into the OCF organization.

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



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