

Cablefax Daily™

Thursday — January 5, 2017

What the Industry Reads First

Volume 28 / No. 002

CES Day 1: Surviving Binge Viewing

The very first panel related to pay-TV at **CES** Wed dealt with perhaps the most talked about issue in the industry: binge viewing. The growth of binge watching means “everything is moving into an on-demand video library experience,” said *Jake Katz*, vp of audience insights and strategy at **Revolt TV**. But he argued that binge viewing defies the traditional video business model and remains a huge challenge for video monetization. Panelists said that’s why dynamic ad insertion is so important. Whether it’s subscription VOD, transactional VOD (or electronic sell-through), or ad-supported VOD, the pay-TV industry is experimenting, and the test-and-learn phase is expected to last for a while. The industry also is experimenting with ways to build momentum for new shows in a world where binge watching is on the rise and live viewing declines (though **Nielsen** reported a slowdown in the decline for 3Q). Cable can take a page from the movie industry, having limited releases of new shows to small groups of “influencers” to create buzz, said *Michael Kernan*, CEO of **NuMedia Studios**. Meanwhile, **Synacor** CEO *Himesh Bhise* said content also has to be easily accessible across locations and devices, noting that authentication remains a challenge. “Half of all people go away [from viewing content on alternative platforms] because they have trouble logging in,” based on Synacor’s data, Bhise said. Noting that with OTT, viewers often need to log into multiple platforms to view different content, he said “we need to re-aggregate these back and put the power back to consumers... It’s essential for that problem to be solved... I don’t think people realize how hard it is to launch a new video platform that meets most of, if not all, of consumer expectations.” Katz said it will be interesting to see how **AT&T’s DirectTV Now** streaming offering affects the pay-TV market. “It’s putting a lot of pressure on the cable industry” to unbundle and figure out new ways to package content, he said.

DirectTV Now Testing 5G: AT&T is taking its 5G trials beyond enterprise for fixed wireless, announcing a 5G video trial with **DirectTV Now** in Austin during the first half of the year. “5G’s performance is so much better that it’s going to enable so many new-to-the-world use cases, whether it’s live maps, autonomous cars, virtual reality.” AT&T chief strategy officer *John Donovan* said during a **Citi** conference Wed. “The performance of that network is going to be a potential game changer.” As part of the trial, AT&T will test an additional (but unnamed) next-gen entertainment service over 5G connections. One of the areas looked at will be how fixed wireless mmWave tech handles heavy video traffic. The

Capitalizing on HDR: How High Dynamic Range Could Fuel 4K Strategies in 2017

Cablefax Webinar

Feb. 7 • 1:30-3:00 pm

Register Today at www.cablefax.com/webinars

Become **THE** thought leader on this hot topic. Sponsor Today!

Benefits You’ll Receive:

- Logo on all marketing, including Cablefax Daily, CFX e-letters, social media and more
- Sponsorship recognition during opening remarks
- Contact list of webinar attendees
- Bonus Add-On Option: CFX Special Report

Interested? Contact

Rich Hauptner at rhauptner@accessintel.com
or 203-899-8460

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 ● 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 M. 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

DirectTV Now announcement was part of a larger “5G Evolution” plan laid out by the company. That includes the continued deployment of 4G LTE-Advanced, with AT&T expecting to hit theoretical speeds of up to 1 Gbps at some cell sites this year. Austin is also where AT&T launched a 5G business customer trial with Intel and Ericsson using mmWave tech. During phase 1 of that trial, the company reports seeing upload and download speeds of around 1Gbps.

CES Notebook: The conversion to multiplatform video means presenting the right content to the right platform, *Mitch Weinraub*, director of advanced video products at **DISH**, said at a **CES** session Wed. The satellite provider just launched AirTV Player, a new streaming set-top, and the company will continue to be very active in the streaming space. “We are trying to get OTT TV to the next group of consumers, a group that we call ‘cord curious,’” he said. Making it easy for viewers to access content means they won’t have to think about where to watch what content, he said. Part of that is streamlining content discovery through AI, said *Jon Dakss*, chief digital officer at **Epix**, arguing that “making our content easily discoverable is key” as the net focuses on improving metadata. With more consumers watching content on mobile devices, the shift to 5G wireless tech will be critical, said *Eric Reed*, vp of entertainment and tech policy at **Verizon**. The telco has ongoing 5G trials.

Rosenworcel Renom: President *Obama* renominated *Jessica Rosenworcel* as an **FCC** Commissioner Wednesday. She was forced to leave her seat on the 5-member Commission at the end of 2016 because she wasn’t confirmed by Congress. FCC chairman *Tom Wheeler* praised the move, urging Congress to act quickly. Without her, the FCC is split 2-2 between Dems and Republicans. At least until *Wheeler* resigns, which he’s said will happen Jan 20 (Inauguration Day). The FCC’s GOP pair complained Wed that the split didn’t stop the FCC from reaffirming reporting requirements for public broadcasters that they view as needless. The Media Bureau denied petitions for reconsideration on the matter, a move the Republicans said bypassed commissioners. “The good news is that today’s decision need not be the final word. We encourage public broadcasters to file an application for review so that the newly constituted Commission will have an opportunity to revisit this matter,” they said.

At the Portals: The **FCC’s** Electronic Comment Filing System faced technical difficulties Wed. The glitch came as reply comments were being filed for the Biennial Review as well as the deadline for petitions of reconsideration of the agency’s broadband privacy rules. The FCC was aware of the issue and working on it, a spokesperson said.

Advertising: **Blue Ridge Communications** renewed its long-term deal with **Viamedia** for local cable ad sales in PA and NY, including the Harrisburg-Lancaster-Lebanon-York, PA DMAs and New York City, NY DMA. -- **A+E Nets** will launch “The Bridge,” a creative-led ad agency to operate across all global media. *Lance Still* will head it as managing director in addition to her current role of svp, branded content for A+E.

Remotely Speaking: **WOW!** selected **Universal Electronics** to develop a new remote control for its whole-home DVR services complete with a **Netflix** button that takes subs directly to the streaming service without having to change inputs or devices. Other features include a simplified 3-key set-up process and embedded RF4CE tech which requires no line-of-sight between the remote and set-top.

CBS for Hulu: **Hulu’s** upcoming live streaming service will include **CBS**, with the broadcaster making some content available both live and on-demand. The deal also covers **CBS Sports Network** and **POP**, with the potential to add additional networks in the future. Hulu has already announced agreements with **21st Century Fox** and **Disney**.

Mas Univision for Televisa: **Univision’s** Mexican partner **Grupo Televisa** won **FCC** approval to increase its authorized aggregate foreign ownership of Univision common stock from 25% to 49%. Televisa also got the OK to hold up to 40% of the voting interests and 49% of the equity interests in Univision. “The FCC’s decision will enable Univision to accommodate increased foreign investment that may result from share purchases by the public in an IPO while enabling Televisa (an existing investor in, and business partner of, Univision) to increase its current equity stake in the company,” Univision said.

Bresnan Award: **CommScope** founder and chair *Frank Drendel* was named by **The Cable Center** as the 2017 Bresnan Ethics in Business award recipient. He’ll be recognized at the 20th annual Cable Hall of Fame celebration Apr 26 in DC. Drendel served as CommScope’s chief executive officer from his founding of the company in 1976 until its acquisition by **The Carlyle Group** in January 2011. He has been chairman since 2011. The award was created in honor of the late

BUSINESS & FINANCE

Bill Bresnan, who founded **Bresnan Communications**. "Bill served as the best example of what ethics in business should be, and it is with great appreciation that I am being recognized with this award in his honor," Drendel said in a statement.

NAMIC's Board: **NAMIC** added 6 directors to its board: **Carlsen Resources** CEO *Ann Carlsen*, **Media-com** legal affairs group vp *Jerold Lambert*, **Arris** vp *Bill Lee*, **Cox** regulatory affairs vp *Joiava Philpott*, **Altice USA** evp ops *Pragash Pillai* and **NCTA** chief of staff *Dane Snowden*. They each will serve a 3-year term.

People: **Charter's** shifting its division of legal responsibilities. *Suzanne Curtis*, previously group vp, legal ops at Charter, will become group vp for law, regulatory – video and broadband. The MSO hired *Nicole Paolini-Subramanya* as group vp, law – programming. Paolini-Subramanya joins Charter after 5 years at **CBS**, where she served as vp, senior counsel. -- *Kevin Vitale* has left **IFC** for **MTV**, where he'll be svp, brand creative and operations. He most recently was svp, brand marketing for IFC, helping to spearhead its 2015 rebrand. -- **Bravo** named *Rachel Smith* as svp, development, overseeing non-scripted for the net. -- *Ramon Escobar* was tapped as vp, diversity and inclusion for **CNN Worldwide**. He will chair CNN's Diversity Council and continue to oversee recruitment and development of on-air talent as vp of talent recruitment and development.

Cablefax Daily Stockwatch

Company	01/04 Close	1-Day Ch	Company	01/04 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	60.39	0.70	LEVEL 3:	59.12	0.18
ENTRAVISION:	6.75	0.05	MICROSOFT:	62.30	(0.28)
GRAY TELEVISION:	11.20	0.25	NETFLIX:	129.41	1.92
MEDIA GENERAL:	19.04	0.23	NIELSEN:	42.50	0.23
NEXSTAR:	64.80	1.95	SEACHANGE:	2.55	0.08
SINCLAIR:	34.70	0.85	SONY:	28.58	0.29
TEGNA:	21.84	0.30	SPRINT NEXTEL:	8.79	0.23
MSOS					
CABLE ONE:	606.40	(13.26)	SYNACOR:	3.10	(0.05)
CHARTER:	291.55	5.78	UNIVERSAL ELEC:	67.10	1.60
COMCAST:	69.87	0.82	VONAGE:	7.57	0.32
GCI:	21.44	0.93	YAHOO:	40.06	1.16
LIBERTY BROADBAND:	72.97	1.83	TELCOS		
LIBERTY GLOBAL:	31.35	0.70	AT&T:	42.77	(0.25)
SHAW COMM:	20.58	0.41	CENTURYLINK:	25.48	0.13
SHENTEL:	30.00	1.10	FRONTIER:	3.67	0.09
PROGRAMMING					
21ST CENTURY FOX:	29.02	0.30	TDS:	31.13	0.73
AMC NETWORKS:	56.21	2.66	VERIZON:	54.52	(0.06)
CBS:	65.74	1.35	MARKET INDICES		
DISCOVERY:	28.29	0.33	DOW:	19942.16	60.40
DISNEY:	107.44	1.36	NASDAQ:	5477.00	47.92
GRUPO TELEVISA:	21.84	0.37	S&P 500:	2270.75	12.92
HSN:	34.50	0.25			
MSG NETWORKS:	22.60	0.75			
SCRIPPS INT:	74.49	2.12			
TIME WARNER:	96.71	(0.05)			
VIACOM:	40.30	0.75			
WWE:	18.92	0.68			
TECHNOLOGY					
ADVANTAGE:	1.70	(0.04)			
AMDOCS:	58.19	UNCH			
AMPHENOL:	67.93	0.50			
APPLE:	116.02	(0.13)			
ARRIS GROUP:	31.29	1.18			
AVID TECH:	4.59	(0.04)			
BLNDER TONGUE:	0.55	(0.02)			
CISCO:	30.10	(0.18)			
COMMSCOPE:	37.53	0.82			
CONCURRENT:	5.56	(0.01)			
CONVERGYS:	25.24	0.68			
CSG SYSTEMS:	50.22	1.64			
ECHOSTAR:	51.68	0.07			
GOOGLE:	786.90	0.76			
HARMONIC:	5.15	(0.1)			
INTEL:	36.41	(0.19)			
INTERACTIVE CORP:	68.17	0.73			



WICT Now. More than ever.

WICT's network of over 10,000 members will connect and inspire you. Leverage our renowned programs and services to take charge of your career today.

Join WICT, the leading organization devoted to advancing women in cable.

www.WICT.org

Think about that for a minute...

NRFPT

Commentary by Steve Effros

That stands for “not ready for prime time.” In this case I’m not talking about television programming. I’m talking about many of the gadgets you will be hearing about over the next week with all the hype emanating from the annual Consumer Electronics Show kicking off in Las Vegas today.

I used to go to the Show. It’s the largest yearly trade show in the United States, and it’s almost impossible to navigate around town during the crush. That’s why one of this year’s likely star attractions, autonomous cars, will not have too much trouble. They won’t be able to move in the traffic any more than the non-existent cabs! Anyway, too many people for me. I don’t like crowds so this is one event I definitely stay away from.

There are lots of other good reasons to stay away, not the least of which is that most of the gadgets being touted are unlikely to ever make it in the consumer marketplace or are just too far ahead of their time. They may make sense some day, but not now. And that creates a problem in itself: consumer expectations are raised, but realistic timing is never included in the hype, so by the time they actually figure out how to deliver what is being promoted, folks are already wondering why it wasn’t delivered years ago!

But even with all that, there are things to watch and learn from at the show. To be sure, the latest and greatest new television set technology will be on display. 4K is already old hat, and we have yet to see the programming to match. HDR, my favorite, is something consumers can really see and appreciate, and it, too, is becoming a near “must have” on new high-end sets. But again, little if any programming exists to appreciate it with. That takes time! I suspect this year there will be more com-



panies introducing OLED screens to compete with the stunning displays LG has been rolling out for the last year. Someday I will be able to afford one! And that too is becoming obvious: the prices for these new screen technologies are starting to drop into the true average consumer realm.

But much of what we’ll see and hear about is likely to suffer from being “NRFPT,” and that even goes for big companies and major product roll-outs. As an example, my continued testing of the new voice activated home digital assistants, Alexa (or Echo) from Amazon and Google Home, which just hit the market this October, suggests that while Google may have an edge on the power and depth of its artificial intelligence capabilities, Amazon has two years of experience, and has made Alexa a far more natural and reliable appliance. Sure, Google will catch up, but it’s complicated and requires a real learning curve.

For example, the “trigger word” for the Amazon Echo is “Alexa.” Three syllables. Easy to say. Google started with “OK Google.” four syllables with, as my son pointed out to me, a “glottal stop” (you can look that one up for yourself!). Folks complained about the awkward Google formulation so they added “Hey Google” and that has worked out much better. But who would have guessed? It just takes time for these things to really come to fruition in the consumer marketplace.

That’s what I hope every consumer and technology reporter comes away from the CES honestly noting; some of this stuff may be interesting, or silly, but much of it is more than likely NRFPT.

Steve

T:202-630-2099
steve@effros.com

(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.)

Cablefax Daily is **THE** Place to Advertise

Launching a new product? Let the industry know!

Premiering a new show? Let the industry know!

Celebrating an anniversary? Let the industry know!

Deliver your message with impact and influence the industry’s elite.

Advertise in Cablefax Daily today!

Rates & More Information: Rich Hauptner at rhauptner@accessintel.com or 203-899-8460 | Olivia Murray at omurray@accessintel.com or 301-354-2010

25718