

Cablefax Daily™

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What the Industry Reads First

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CES Day 2: What Future Holds for Video

CES is all about technology of the future, so it's only fitting that a panel of video execs offered their predictions—some of them bold—on what the industry will look like 5 years from now. “It’s going to be dominated by good shows... It will be fragmented, just like the music business,” *David Alpert*, CEO of **Skybound Entertainment** and exec producer of **AMC’s** “The Walking Dead,” said on Thurs. There would be more low-cost programming and short-form content, he said: In addition, “you will see VR changing the way people consume content.” And believe it or not, TV will still exist, according to *Lisa Hsia*, evp of digital at **Bravo and Oxygen Media**. That said, the TV experience will be different across the board, meaning a better user interface and more quality content, she said. Video services of the future also entail integration of artificial intelligence to improve content discovery, recommendation and the overall ease of use, she said. AI features such as voice control will fundamentally change how content is consumed, said *Liesel Kipp*, vp of product at **Scripps Networks Interactive**. SVOD players like **Netflix, Amazon** and **Hulu** have all stepped up their investment in original content in the last few years. Five years from now, there will even more original content producers, said *Raji Malik*, senior finance manager at Amazon Studios. He expects companies like **Facebook** to join the game, creating its own original content. **Google’s** YouTube has already jumped on the bandwagon, launching its first lineup of original content as part of YouTube Red, the monthly subscription service, in Feb, 2016. More original content means fewer content deals for studios. There’s already a slow-down in content deals for studios, panelists noted. When it comes to the pay-TV business model, it will be a lot different in 5 years. Malik said consumers would be able to pick and choose channels to watch, instead of having to purchase the big bundle. While *Russell Schwartz*, svp of business and legal affairs at **Starz**, believes the traditional video model still stay for a while, he expects greater flexibility in how consumers purchase programming. One thing the panelists agreed on is that despite the increasingly crowded video market, there’s space for different players. “The market is sorting itself out now,” Malik said. Consumers will get their content from a combination of sources and platforms, and “everything is going to be fine,” he said. Ultimately, content is the differentiator, according to Alpert. “In general, the market thinks people are price sensitive, when they would actually pay for great content... The value is out there...” he said. Meanwhile, the outlook for SVOD, which has seen a slew



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of new players in the last year, might not be as rosy. Hsia said her company's own research found that consumers don't want more than 5 subscription services. With Netflix, Amazon and Hulu dominating the market, there might be little room for other players, several panelists said. With many networks targeting millennials, social media will play a big role in content marketing. That means making sure content is sharable, Hsia said.

Cosmos for Rocco?: **Mediacom** CEO *Rocco Commisso* is said to be negotiating to purchase the **NY Cosmos**, which plays in the North American Soccer League. The news was 1st reported from *Telegraph* correspondent *Bob Williams*, who said Commisso would only commit to the deal if NASL is given Division II status, something currently up for debate. Sources confirmed Commisso's interest in the team. The exec is a huge soccer fan and earned a four-year scholarship to Columbia for soccer despite not playing in high school. He was a member of a freshman squad that finished undefeated and was invited to try-out for the 1972 US Olympic Team. The struggling **One World Sports** currently has exclusive rights to Cosmos games. *Seamus O'Brien* is the majority owner of both the Cosmos and One World. One World furloughed most employees except a few senior execs late last year, and has continued to operate as it seeks a potential buyer.

Disney CFO Talks ESPN: **Disney** expects to launch its direct-to-consumer **ESPN** product this year, sr evp and CFO *Christine McCarthy* said at an investor conference Thurs. "This is not a substitute for ESPN's linear networks. It's a complement to what we do on linear networks," she said. "It's totally consistent with our strategy of super serving sports fans of all kinds." McCarthy downplayed any ratings woes for live sports, noting that ratings for New Year's bowls on ESPN are up double digits over a year ago. She also pointed to record ratings for the **NBA** finals and World Series as further evidence that live sports is still alive and well. She acknowledged the challenges for **NFL** ratings but thinks it's temporary. "I think we can all agree that we've been through a very interesting election season. It's probably one of a kind," she said. As for *John Malone's* comment that Disney should spin off ESPN, McCarthy said "everyone is welcome to their opinions." She went on to say the company doesn't comment on speculation, but it's very pleased with its assets, characterizing ESPN as "an enduring success over three-and-a-half decades." The conversation also touched on the **ACC Network**, which is to launch as a linear channel in 2019. The CFO seems hopeful it will have the same sort of success that **SEC Network** has seen, with ESPN estimating that the conference has about 3m active alumni in the country, many of whom are concentrated in major metropolitan markets. McCarthy downplayed the idea of any big studio acquisition.

Smithsonian Goes 4K: With 4K grabbing headlines at **CES**, **Smithsonian Channel** announced that it will offer 10 hours of 4K programming on demand that will be refreshed quarterly. No distributors have been locked in yet to offer the content, with a rep saying conversations are ongoing. Smithsonian says it is the first US network to offer a dedicated 4K VOD model. "With programming genres including air and space, history, nature, wildlife and travel at its finest, our new 4K model is sure to enhance the viewing experience, providing striking visuals for our consumers," Smithsonian Channel pres *Tom Hayden* said in a statement. The channel is owned by **Smithsonian Networks**, a jv between **Showtime Networks** and the **Smithsonian Institution**.

On the Hill: House Commerce has 4 new Republican members—*Buddy Carter* (GA), *Ryan Costello* (PA), *Tim Warberg* (MI) and *Mimi Walters* (CA). -- *The Hill* reports that **Sen Commerce** chmn *John Thune* (R-SD) is open to confirming *Jessica Rosenworcel* to the **FCC** as long as the Republican majority is preserved but thinks her nomination should come from president-elect *Trump*. *Obama* renominated her Wednesday.

CES Notebook: Three **FCC** commish made a short appearance at a session early Thurs pm. In the less than 30min session, the commissioners offered high-level remarks on what they hope to see in the next Administration. Departing Chmn *Tom Wheeler* was scheduled to speak at a super session but couldn't make it. GOP commish *Ajit Pai* hopes the new Administration would provide tax incentives for companies to build and expand broadband infrastructure. Top ISP execs, speaking in various investor conferences in the last few months, also hoped the Trump Administration would include broadband in its potential infrastructure tax incentive proposal. Fellow GOPer *Michael O'Rielly* said he "look forward to the next Commission wholeheartedly." 5G, the next wireless technology capable of delivering gigabit speeds, was front and center at this year's CES. The FCC, through its Spectrum Frontier and

other spectrum initiatives “has set the stage” and now it’s up to the private sector to do its part to take advantage of the technology, O’Rielly said. The agency will still play a role to help the private sector create infrastructure to support 5G, according to Pai. That includes supporting the business case for things like fiber backhaul and small cell, he said. Democrat commish *Mignon Clyburn* emphasized that any 5G initiative needs to be “inclusive.” – Republican **FTC** commish *Maureen Ohlhausen* reiterated her concerns regarding the already passed FCC broadband privacy order in a session that also featured her Democrat counterpart *Terrell McSweeney*. Consumers have certain preferences and expectations on their privacy, and “we should be looking at how consumers look at sensitivity of their data,” she said. The FCC approach ignores the sensitivity of the consumer data at issue and instead focuses on what entity holds the data, and that’s a big problem, she said. “I prefer an approach that’s more consistent with FTC’s approach,” she said. McSweeney, on the other hand, defended the FCC order. Both FTC and FCC bring complementary expertise and differentiated authorities to consumer privacy protection, she said. Having both agencies looking after consumer privacy provides protections for sensitive data from the get-go, she said.

CES News: **Cisco** launched its Infinite Video Platform Labs, a new test-lab community for participating customers to test new features with users before making them generally available. Israeli satellite provider **YES** is one of the first operators to take advantage of IVP labs, designing and testing a feature that delivers a personalized user interface to different audience segments and viewers. New features are being released for IVP every 2 weeks. -- **Comcast Technology Solutions**, a division of Comcast cable that unites Comcast Wholesale, thePlatform and This Technology, unveiled an expanded, all-in-one direct-to-consumer solution aimed at helping content providers quickly launch and manage OTT experiences. **Time Inc** is already a client. The unit has selected **Accedo** and **You.i TV** as initial user interface partners. -- **NeuLion** announced availability of CE SDK Version 9.0, which will allow NeuLion-powered mobile apps to seamlessly send content and interact with smart TV devices that have the NeuLion CE SDK integrated. **Sony** is the first Ultra HD TV manufacturer to roll out the NeuLion CE SDK, with NeuLion powering 3 UFC PPV events in 4K last year that were available only on Sony’s sets. -- Lots of smart home news coming out of **CES**. **Comcast** has integrated its Xfinity Home with **Zen** thermostats (see **Cablefax.com** for more). **Parks Associates** released a nationwide Q4 survey that shows 26% of US broadband homes now own a smart home device, up from 19% at the end of 2015. Comcast used CES to preview a new, whole-home networking solution aimed at helping customers manage their digital home and the devices connected to it. The Advanced Wireless Gateway experience will be automatically enabled in the first half of 2017 for the approximately 10 million existing Xfinity Internet customers who have a compatible Xfinity Wireless Gateway, and number that should grow to about 15 million by year-end. It’s based on **Intel** Puma 7 SoC. The new platform can be controlled via web, mobile app and the X1 remote and includes features such as “bedtime mode” for the house and voice & TV integration. It plans to make the platform available to syndication partners this year.

Turner Ignite Sports: **Turner** used **CES** to announce the launch of **Turner Ignite Sports**, a new division to deliver solutions directly to brands. This part of an effort to create long-term marketing partnerships vs transaction relationships that revolve around a particular event or sports season. It features all the intellectual property (ie, March Madness, NBA on TNT, ELeague, Bleacher Report), live events/experiential marketing services; creative services powered by Turner Studios; and data solutions within the company, to provide a full-service partner for advertisers.

CSG for Buckeye: **Buckeye Broadband**, with 170K subs in OH and MI, will use **CSG International’s** revenue and customer management solutions. It will use a variety of CSG offerings, including the Advanced Convergent Platform revenue management platform, its full call center suite of solutions, and print and mailing services for invoicing.

Berman Stepping Back: **ESPN** lead broadcaster *Chris Berman* is taking on a significantly reduced role, making on-air and public appearances on behalf of the company. This is his final year as host of “NFL Countdown,” and he’s stepping away from serving as the face of NFL studio coverage, NFL Draft and MLB’s Home Run Derby. Berman will continue to host “NFL PrimeTime” highlights show. He’ll also appear weekly on “Monday Night Countdown” and participate in the ESPYS.

News Net Programming: Former **Fox News** anchor *Greta Van Susteren* has landed at **MSNBC**, where she’ll host “For the Record” weeknights at 6pm ET, beginning Mon. It replaces the timeslot of **Bloomberg’s** political television show “With All Due Respect,” which ended in early Dec. -- *Megyn Kelly’s* 9pm ET timeslot on **Fox News** will be filled by *Tucker Carlson* beginning Mon. It will continue to be called “Tucker Carlson Tonight” and

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originate from DC. The program launched in the 7pm hour this past November, averaging 2.8mln viewers since its debut. *Martha MacCallum* will take over for Carlson at 7PM on Jan 16 with new program "The First 100 Days," chronicling Trump's first 100 days in office. On Sat, the Fox News launches "Watters' World," an extension of *Jesse Watters* segments on "The O'Reilly Factor." The show will be part of the regular weekend lineup. -- "The Messy Truth," a town hall by political commentator *Van Jones*, returns to **CNN** on Jan 11 and 25 at 9pm ET. He'll talk to Americans about Obama's legacy and look ahead to Trump's inauguration.

People: **Viacom** appointed *Sarah Levy* as COO of its global entertainment group, a new role that will oversee operations and strategy for **MTV, Comedy Central, VH1, Spike, CMT, TV Land, Logo** and **Viacom International Media Networks** and manage the following functions for the Group: Production Management and Operations, Digital, Strategy and Business Development, Research, and Content & Programming Enterprises. Levy, most recently **Viacom Kids & Family Group** COO, will report directly to CEO *Bob Bakish*. -- **SC** operator **Hargray Communications** promoted *Gwynne Lastinger* to vp, customer operations.

Cablefax Daily Stockwatch

Company	01/05 Close	1-Day Ch	Company	01/05 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	60.76	0.37	LEVEL 3:	58.87	(0.25)
ENTRAVISION:	6.55	(0.2)	MICROSOFT:	62.30	UNCH
GRAY TELEVISION:	11.00	(0.2)	NETFLIX:	131.81	2.40
MEDIA GENERAL:	18.67	(0.37)	NIELSEN:	42.52	0.02
NEXSTAR:	62.10	(2.7)	SEACHANGE:	2.40	(0.15)
SINCLAIR:	34.00	(0.7)	SONY:	28.72	0.14
TEGNA:	21.58	(0.26)	SPRINT NEXTEL:	8.77	(0.02)
MSOS					
CABLE ONE:	586.44	(19.96)	SYNACOR:	3.15	0.05
CHARTER:	296.17	4.62	UNIVERSAL ELEC:	67.30	0.20
COMCAST:	70.15	0.28	VONAGE:	7.64	0.07
GCI:	20.89	(0.55)	YAHOO:	41.34	1.28
LIBERTY BROADBAND:	73.86	0.89	TELCOS		
LIBERTY GLOBAL:	32.32	0.97	AT&T:	42.65	(0.12)
SHAW COMM:	20.64	0.06	CENTURYLINK:	25.50	0.02
SHENTEL:	30.85	0.85	FRONTIER:	3.74	0.07
PROGRAMMING					
21ST CENTURY FOX:	29.00	(0.02)	TDS:	30.89	(0.24)
AMC NETWORKS:	55.75	(0.46)	VERIZON:	54.64	0.12
CBS:	65.48	(0.26)	MARKET INDICES		
DISCOVERY:	27.20	(1.09)	DOW:	19899.29	(42.87)
DISNEY:	107.38	(0.06)	NASDAQ:	5487.94	10.93
GRUPO TELEVISA:	21.58	(0.26)	S&P 500:	2269.00	(1.75)
HSN:	33.60	(0.9)			
MSG NETWORKS:	22.60	UNCH			
SCRIPPS INT:	74.68	0.19			
TIME WARNER:	95.09	(1.62)			
VIACOM:	40.90	0.60			
WWE:	18.63	(0.29)			
TECHNOLOGY					
ADVANTAGE:	1.71	0.01			
AMDOCS:	58.48	0.29			
AMPHENOL:	67.57	(0.36)			
APPLE:	116.63	0.61			
ARRIS GROUP:	30.95	(0.34)			
AVID TECH:	4.55	(0.04)			
BLNDER TONGUE:	0.54	(0.01)			
CISCO:	30.17	0.07			
COMMSCOPE:	37.38	(0.15)			
CONCURRENT:	5.51	(0.05)			
CONVERGYS:	25.58	0.34			
CSG SYSTEMS:	49.98	(0.24)			
ECHOSTAR:	51.60	(0.08)			
GOOGLE:	794.02	7.12			
HARMONIC:	5.05	(0.1)			
INTEL:	36.34	(0.07)			
INTERACTIVE CORP:	69.35	1.18			



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PROGRAMMER'S PAGE

Sneaky Bad...

It all started with an acceptance speech. After “Breaking Bad” alum *Bryan Cranston* told a quick story during one of his many Emmy win speeches about being a “sneaky kid,” **Sony Pictures Television** President *Zack Van Amberg* sensed opportunity. So he called Cranston the next day to propose a TV show about a sneaky kid who only got worse as the years wore on. Cranston took it from there, bringing in co-writer *David Shore* and creating “Sneaky Pete,” which premieres on **Amazon** Jan. 13 and features a con man who steals an ex-prison cellmate’s identity to hide out from the mob. “In essence, it’s a bad man looking for possibly ways to become good,” Cranston told us at a pre-TCA roundtable on Thursday in L.A. But when **CBS** didn’t pick up the pilot, Amazon jumped into the fold. If it sounds like *Breaking Bad* in reverse, that’s by happy coincidence—but it’s *Giovanni Ribisi*, not Cranston, who plays Pete. Cranston as producer and writer has a smaller on-screen role as the mob boss who has kidnapped Pete’s brother to reel him in. As Ribisi tells it, “Everybody has that part of them. As far as the sense of bad or good, for all of us it’s a survival thing.” Conning people “is the way he knows how to survive.” A-list showrunner *Graham Yost*, who entered the scene when Amazon asked for a serialized version, prompting the more procedural-minded Shore to bow out, says the attraction to the project was simple: “For me, it’s the free two-day shipping,” he joked, noting more seriously that it was the intricate con games among the characters that got him excited, along with the cast. Is there more pressure in this era of “peak TV” in which viewers can choose between more than 450 scripted shows? Sure, he says, but “you’re always trying to do your best and do a show that you can believe in. And you just hope it connects.” Judging from the pilot, this one just might. — *Michael Grebb*

Reviews: “Bright Lights,” Saturday, 8pm, **HBO**. This intimate, compelling portrait of *Debbie Reynolds* and daughter *Carrie Fisher* wisely was moved up in HBO’s schedule after their recent deaths. Loaded with vintage clips and brimming with emotion, the film at times feels like “Grey Gardens.” For Reynolds and Fisher fans, it’s a must-see. Others may find it fascinating and sad. -- “Inside the Actors Studio: Viola Davis,” Sunday, 6am, **Bravo**. Many actors do their best to dodge *James Lipton*’s pointed questions. Not *Viola Davis*, who addresses her poverty-filled early life with directness and energy, qualities that have helped make her a successful actor. Davis’ openness, her fabulous story and Lipton’s apposite queries make this a terrific and informative hour. -- “Blaze and the Monster Machines,” Friday, 11:30am, **Nickelodeon**. We can’t recall spending keystrokes on an animated preschool series, but we’ll make an exception when *Melissa Rauch* of “The Big Bang Theory” joins the cast. We knew Ms. Rauch’s voice is far different from the high-pitched screech she affects as Big Bang’s Dr. Bernadette Rostenkowski-Wolowitz. It would have been easy for her to phone in that voice for this truck-based Nickelodeon series. Instead she adopts a different pitch to play a marsupial with a penchant for snatching light bulbs. The actor’s voice is barely recognizable here. That’s why they call it (voice) acting. — *Seth Arenstein*

Basic Cable Rankings (12/26/16-1/01/17)			
Mon-Sun Prime			
1	ESPN	3.9	8673
2	FOXN	0.8	1888
2	HALL	0.8	1738
4	USA	0.7	1548
5	HGTV	0.6	1427
5	DISC	0.6	1312
7	HIST	0.5	1253
7	FX	0.5	1124
7	ID	0.5	1093
7	FRFM	0.5	1079
7	DSNY	0.5	1065
7	DSE	0.5	103
13	FOOD	0.4	981
13	TNT	0.4	973
13	LIFE	0.4	874
13	A&E	0.4	874
13	NAN	0.4	849
13	AMC	0.4	819
13	NKJR	0.4	723
13	LMN	0.4	714
13	HMM	0.4	702
22	ADSM	0.3	789
22	TLC	0.3	780
22	BRAV	0.3	780
22	TVLD	0.3	769
22	CNN	0.3	768
22	TBSC	0.3	676
22	SPK	0.3	642
22	SYFY	0.3	630
22	DSJR	0.3	602
22	MSNB	0.3	583
32	APL	0.2	559
32	VH1	0.2	556
32	ESP2	0.2	533
32	INSP	0.2	489
32	TRAV	0.2	489
32	MTV	0.2	481
32	GSN	0.2	468
32	BET	0.2	466
32	CMDY	0.2	457
32	NGC	0.2	452
32	EN	0.2	450
32	WETV	0.2	435
32	CNBC	0.2	403

*Nielsen data, supplied by ABC/Disney, is based on coverage area of individual networks



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