

Comcast's New Model: Self-Disruption

Video exec Matt Strauss touts new FX add-on service as a means to offer subscribers more choices 8/14/2017 8:00 AM Eastern

By: [Jon Lafayette](#)

Comcast's Matt Strauss:

Comcast last week signed a deal creating a premium commercial-free on-demand service with FX Networks.

The deal comes at a time when, according to Matt Strauss, executive vice president and general manager, video and entertainment services at Comcast Cable, there's probably more high-quality original programming available than in the history of television.

Comcast will see more than 4 billion hours of on-demand usage this year and Strauss said the cable operator will continue to invest to provide instant gratification and to blur the lines between what's live, what's on-demand, what's on your DVR and what's over-the-top. Strauss talked to *Multichannel News* contributor Jon Lafayette about what Comcast is thinking as it launches premium services. Here's an edited excerpt of their conversation.

MCN: Based on the AMC Premiere and the FX+ announcements, have you found a segment of your customers who don't like watching commercials?

Matt Strauss: We think of ourselves as the aggregator of aggregators. We want to have all of the choices and the best choices available in one place. In many ways, that is why we put Netflix on X1 and we're putting YouTube on X1 later this year.

At the same time, DVRs are now at 50% penetration of the market and in many ways, it gives you control, it gives you the ability to fast-forward through ads or, if you have cloud DVR, we give our customers the ability to stream

their DVR recordings or download their DVR recordings, so in many ways this is just another choice.

There is a segment of viewers who would be willing to pay an incremental fee for a more premium experience. They do that today with premium channels. They do that today with [subscription video-on-demand] services.

Commercial-free is one piece of it. If somebody really wanted that premium experience — had the ability to, in one place, catch up from the beginning and have the most comprehensive catalogue of FX programming — it really didn't exist. And now, with our technology and through our partnership with FX, we have the ability to offer FX subscribers the option to a more premium experience.

MCN: Did you do consumer research on the demand for commercial-free options?

MS: We have done research on this. There's absolutely a segment of the population that would be willing to pay an incremental fee for a commercial-free experience. We've been offering electronic sell-through now for years and in a relatively short amount of time we've actually become one of the largest digital retailers in the country. So we've even seen it first-hand where people are willing to pay \$3 an episode. So there's both research and there been some actual transactional data that has led us to believe that there is a segment — it's not everybody — who is willing to pay extra.

MCN: How big is that segment?

MS: It's hard to say only because it depends on the network and the passion index of the network.

But there's something even bigger at work here, which is it's providing the networks a sandbox to experiment with different models and to potentially provide also a mechanism for them to reclaim rights or to aggregate more rights or to experiment with more original programming, and to do it in a way that we think is going to really benefit our customers.

MCN: What have you learned since adding Netflix to X1?

MS: Since we've added Netflix, I think we've seen all boats rise. We've seen an increase in total on-demand consumption. We've seen an increase in total viewership on our platform and as a result we've also seen many networks see an increase in their viewership because we have even more eyeballs using on-demand.

So I think as we continue to offer more and more choices — but also do it in a way that it is contextually integrated — I think that the key on the X1 platform, whether it's the voice remote, whether it's our recommendations and the personalization, it's how do we snap this all together in one place.

It also gives us the ability to contextually offer somebody a subscription, so if you're watching *American Horror Story*, you're going to be able to go to X1, it's live, you'll be able to now watch it on-demand for free with ads and there will be another choice that says would you like to subscribe to FX+ and watch it ad-free or watch all the prior episodes and the prior seasons?

You're seeing those elements all come together in a way that's redefining what you should expect to get when you subscribe to pay TV and certainly kind of surprising; it's delighting our customers when they have a platform like X1.

MCN: Did your ad sales folks object to the commercial-free services?

MS: I can't comment on that. I think though that it ultimately has to start with the customer and the viewer giving them the choices.

And if you look at our technology, technology has continued to evolve and that means that we have to challenge the status quo, even if that means in some cases disrupting ourselves. ... We've always been very bullish on giving customers more choice and creating the technology to add more value to pay TV and we're not going to stop that.

Multichannel News

<http://www.multichannel.com/comcast-s-new-model-self-disruption/414555>

A Veteran Gatekeeper for a New Distributor

At Layer3, Lindsay Gardner asks for what he wants, and nicely 8/13/2017 8:00 AM Eastern

By: [Mike Farrell](#)

Layer 3 chief content officer Lindsay Gardner: “[Cable subscribers] looking for something better, and we become their new cable company.”

TakeAway

The MCN 2017 Gatekeepers, Aug. 14, 2017

The MCN 2017 Gatekeepers: [The Pendulum Swings Back](#) | [Dish’s Andrew LeCuyer: Starting the ‘Hard Conversation’](#) | [Mediacom’s Italia Commisso Weinand: ‘Do the Right Thing’](#) | [WOW’s Roger Seiken: ‘It Has to Be a Win-Win’](#)

Lindsay Gardner has been around the block long enough to know what’s what in the programming business.

A veteran of both sides of the negotiating table, Gardner has probably forgotten more about the business than most will ever learn. He was at Fox Networks Group for eight years through 2007, eventually rising to president, affiliate sales and marketing, and spent six years at Cox Communications, including time as executive director, programming. He also served as executive director, planning and new business, at In Demand, the MSO-backed provider of pay-per-view and video-on-demand services.

Now as chief content officer for Layer3 TV, a startup that piggybacks a video service onto incumbent broadband networks, offering a full-freight video service and top-notch customer service it calls “concierge cable,” Gardner is entering a new chapter in a long and illustrious career. But even though the jobs and roles have changed over the years, Gardner has learned a very

important lesson about the programming business: You don't get what you don't ask for, and you don't get anything if you don't ask nicely.

"[It's] walking into [A+E Networks president of distribution] David Zagin's office with my palms up and saying, 'We love A+E, we love Lifetime, we love Viceland, would you work with us?'" Gardner said. "A lot of it is just asking, and everybody comes through."

For Layer3 TV, that approach is forging unique partnerships with programmers. Gardner said he receives an unprecedented level of support from content providers, ranging from appearances by Nickelodeon characters at launches to billboards touting programming.

"ESPN has turned over its whole website homepage in our markets, promoting us," Gardner added. "Pac-12 Networks takes out billboards screaming that we're the exclusive place to find the USC UCLA baseball game in HD. Right down the line, partly because we're new — and they love that we carry all of their channels in HD, that we have the best picture quality, that our guide seems to have licked and solved the problem of there's 500 channels and nothing on — and partly because we've asked nicely."

Layer3 TV currently is available in five markets — Chicago; Los Angeles; Washington; Dallas, Texas; and Longmont, Colo. — and is readying a sixth launch in New York. The service offers about 250 channels, including several in 4K with more to come.

The product is unique in that, in a climate where every new entrant is touting lower costs and skinnier packages, Layer3 TV is offering more. Gardner said that's just what its customers want.

"They love cable," Gardner said of Layer3 customers. "They're looking for something better, and we become their new cable company."

And that means, in an era when most distributors want to break up the programming bundle, Gardner wants everything — and he means everything — a content provider has to offer.

For example, Layer3 is working with The Weather Channel on new leading-edge apps and 4K content for the channel, which it plans to add shortly. With The Tennis Channel, Layer3 is working on providing a value-added package that will show all seven courts at Roland Garros for next year's French Open. And in a deal with Fox, Layer3 is airing all of 30 sports events the network is producing in 4K this year.

Other programmers are using Layer3 as a test bed for emerging technologies or offerings. Gardner mentioned tests for mini a la carte packages that would take one specific show or genre and offer content tailored only around that specific theme.

“It’s possible to assemble assets in a way that is tailored for individual passions, and there is value in it, and we’re quietly testing those sorts of initiatives,” Gardner said.

Multichannel News

<http://www.multichannel.com/veteran-gatekeeper-new-distributor/414575>

CenturyLink Still Open to Partnerships With OTT TV Providers

Telco debuted beta of its own OTT service in June 8/03/2017 2:45 PM

Author: [Jeff Baumgartner](#)

Despite having its own OTT TV service, CenturyLink remains open to partnering up with third-party virtual MVPDs, a group that currently includes Sling TV, DirecTV Now, PlayStation Vue, YouTube TV, Hulu, and fuboTV. The telco's own OTT TV service, currently in beta form and called CenturyLink Stream, has "compelling features" such as a cloud DVR and access to local broadcast and national channels, "but we are very open to looking at other options," Glen Post, CenturyLink's CEO, said Wednesday on the company's Q2 earnings call.

RELATED: CenturyLink Bows Beta of OTT TV Service

"Matter of fact, we continually talk with some of these other providers, look at the best ways we can bring that service and also other ways in working with them to reduce our content cost," he added. "It does not have to be our product."

CenturyLink execs have previously raised the potential for striking partnerships with OTT services like DirecTV Now. CenturyLink also offers its own managed IPTV service, Prism TV, also resells/bundles DirecTV satellite TV service.

Some tier 2/3 cable operators are also eyeing distribution deals with virtual MVPDs as they seek new video options that are tailored for broadband-only customers. The National Cable Television Cooperation, a group that strikes programming and tech deals for independent cable operators, has **forged**

agreements with fuboTV and PlayStation Vue, with more expected to follow.

GCI, meanwhile, has been **promoting Sling TV** as an option to its broadband subs, touting a 30 day free trial to the Dish Network-owned OTT service's Orange package.

As CenturyLink's aims to, OTT partnerships would aim to product new forms of bundles and generate more ARPU, Post said.

Post noted that CenturyLink has lost about 21,000 Prism TV customers as the telco continues to "deemphasize that product because of the margin issue of the higher content cost."

Multichannel News

<http://www.multichannel.com/blog/bauminator/centurylink-still-open-partnerships-ott-tv-providers/414401>

MVPDs, Activists in Kids' Custody Battle

Pay TV seeks less regulation around children's programming 8/13/2017 8:00 AM Eastern

By: [John Eggerton](#)

FCC chair Ajit Pai

WASHINGTON — Broadcasters and multichannel video programming distributors are trying to get more marketing flexibility in a world where online video is on the rise, and where new video competition is not subject to a host of regulations that apply to traditional TV. However, they face pushback from children's advocates who argue that would be going in the wrong direction.

At the direction of new chairman Ajit Pai, the Federal Communications Commission voted May 18 to launch a review of all its rules and regs applying to media outlets — broadcast, cable and satellite.

That included input from broadcasters and cable operators on its rules mandating weekly quotas of educational kids shows on TV and the longstanding limits on integrating advertising into those shows.

The National Association of Broadcasters, including programmers Disney, CBS, Fox and Univision, sought more “flexibility” in meeting children's TV requirements. They said imposing children's-TV programming mandates on broadcast and cable when such content is readily available and not regulated on the internet should be up for reconsideration. They also want the FCC to reconsider the prohibition on including web links in kids' shows.

Cable and broadcast outlets suggest the FCC get out of the children's TV ad-limiting business entirely and leave that job to the Federal Trade Commission. NCTA: The Internet & Television Association also wants the FCC to lighten up on the kids TV ad limits, which apply to cable as well as broadcast.

In response, the Campaign for a Commercial-Free Childhood and Center for Digital Democracy have told the FCC that kids TV rules remain a necessary

check on commercialization by big media. They argue that the fact that edge providers can market to kids without consequences is no argument for leveling that playing field.

“The fact that YouTube and other internet and mobile providers ignore child development research and longstanding children’s media principles is no reason for the FCC to weaken important safeguards for the many children who watch programs on cable or broadcast television,” Angela Campbell, counsel for CCFC and CDD, told the FCC.

Pai has not signaled any response at present.

Multichannel News

<http://www.multichannel.com/mvpds-activists/414569>

Net-Neutrality Docket Beatdown Goes On

NLPC says it has accumulated 1.5 million examples of fake email domains in docket comments 8/13/2017 8:00 AM Eastern

By: [John Eggerton](#)

John Oliver talks about net neutrality on the May 7 edition of HBO's "Last Week Tonight."

TakeAway

From MCN's "Through the Wire," Aug. 14, 2017

A large portion of the public comments filed in the Federal Communications Commission's network-neutrality docket came from "fake" email domains created by email generator programs, according to the National Legal and Policy Center, which said it has accumulated six CSV files with 1.5 million examples.

The NLPC said its analysis shows that between July 17 and Aug. 4, 5.8 million such "fake" comments were posted in the FCC docket, which had 18.5 million total comments at press time.

The group said the false domains came from a U.S. email generator program at [fakemailgenerator.com](#) and

include [armyspy.com](#), [cuvox.de](#), [dayrep.com](#), [einrot.com](#), [fleckens.hu](#), [gustr.com](#), [jourrapide.com](#), [rhyta.com](#), [superrito.com](#) and [teleworm.us](#).

The net-neutrality docket has been almost as controversial as FCC chair Ajit Pai's proposal to roll back Title II regulations and review the 2015 Open Internet order's rules against blocking, throttling and paid prioritization. The FCC has said the comments system suffered a distributed-denial-of-service attack connected with John Oliver's May 7 call on his HBO show, *Last Week Tonight*, for viewers to flood it with comments in support of Title II.

Net-neutrality activists have challenged the FCC's claim, and Hill Democrats have said it needs investigating.

The FCC is also facing lawsuits for not providing more information on the alleged DDoS attacks, which were cited by its CIO, David Bray, in a May 8 statement following the airing.

"Beginning on Sunday night at midnight, our analysis reveals that the FCC was subject to multiple distributed denial-of-service attacks," Bray said. "These were deliberate attempts by external actors to bombard the FCC's comment system with a high amount of traffic to our commercial cloud host."

Just last week, website Gizmodo posted a story questioning the DDoS claims and citing a former FCC security official saying there had been no DDoS attack in 2014, when Oliver made a similar on-air all for Title II and the FCC similarly cited an attack.

Gizmodo has previously said the FCC, in response to an FOIA request, conceded it did not have analysis to support the May assertion of a DDoS attack, though Pai spokesman Brian Hart has said that report was "categorically false."

Pai has said the FCC will err on the side of transparency, taking the bogus with the bona fide. In either case, the deadline for comments is Aug. 30. The FCC will continue to accept comments past that date, but does not have to factor them into its decision.

Multichannel News

<http://www.multichannel.com/net-neutrality-docket-beatdown-goes/414563>

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