I got my Jack Meyers report email this morning. The report started off “Microsoft chairman Bill Gates has a clear vision of broadcast television’s future. “It’s gone,” he told attendees at the exclusive invitation-only *D-4: All Things Digital* conference hosted by *The Wall Street Journal’s* Walter Mossberg and Kara Swisher.

Bill, you are wrong. Completely wrong. For several very simple reasons. You actually prove yourself wrong with another comment
“the segment of a news show that you don’t care about; why is it there? There’s software that recognizes highlights of a ballgame, providing [viewers with] value added on top of video. Broadcast will be limited to things that are most popular.”

I ask myself about features in all of your Office products all the time. Why are they there ? I dont need them. They complicate things and increase the cost. I still use them. Its just too much hassle to switch.

TV watching is not a sport. Its entertainment. Its supposed to be enjoyable. Its supposed to be EASY. That is the key. To your point. If there is something on TV that we dont want to watch, we do what is easy. We change the channel.

Now i understand that bits are bits and the delivery mechanism should be irrelevant and that could be your point. But some clarification is in order here. Wired or wireless internet delivery of broadcast quality , particularly High Def video is local. Its always local. It has to be local. There are no internetwork (remember that the internet is just that, an network of networks) point to multipoint unicast delivery quality of service standards.

which you know in english means, if you ship it from a server anywhere off the network the person who will be watching it on subscribes to, the best you can do is pray it gets there and looks good. So as a result, content providers have to spend a lot of money to use remote hosting services to deliver content. That makes it very expensive. And no, using P2P does not solve the problem (ever see a TV act as a seeding source ?).

Which leads to our first reason why internet delivery of video wont replace TV this generation

1. Internet delivery of video, particularly HD video is incredibly expensive.
Backbone bandwidth isnt, last mile bandwidth purchased on all the possible last miles gets very expensive. We aint talking multicast here. We are talking unicast. Unicast without internetwork qualty of service standards. Compare the cost per user of uplinking a channel to a satellite and/or downlinking to an MSO vs internet delivery. Its not even close.

2. There are no in home media network standards and wont be for some time
No matter how much intel/amd/microsoft try and dream, there are not delivery standards in place today and those contemplated will require a critical mass purchasing the right server and distribution equipment. That aint gonna happen. There is no smooth path to in home ubiquity and thats gonna be a big problem.

3. There arent internet video and quality standards.
It will be easy to spider sites for video. It will even be easy to create standardized tags that allow video to be inserted into programming guides, but there wont be video quality standards anytime soon. It will be a crap shoot as to what you get, and I dont think consumers will care enough to make sure they only associate lack of quality with the site they chose.

4. Cable and Satellite Companies Arent Stupid
Fred Dressler of Time Warner was the first to recognize the incongruity. His peers caught on quickly. Why should he pay for content when its free on the net ? We have this free Enron period where everyone can cite ignorance, newness and anything except the reality that there is no reason for MSOs , Dish and Direct to pay per sub when the content is available online for free.

5. Content Payment Standards will be too confusing.
Cable and Satellite are easy . Pick a package. You know exactly what you are getting. Internet a la carte is hard. Very hard to pay for. Paypal, or entering Credit Card info for a site, or who knows what else is the first complication. Then there are dealing with micropayments and minimum. 12 cents for that news segment bill ? A 25 dollar minimum payment ? Which will lead to surcharges.

6. Backbone bandwidth is cheap, last mile bandwidth isnt.
Every internet tv show watched requires a unique delivery of the show to the viewer. The more viewers you have, the more expensive it gets. P2P doesnt save a single bit of last mile bandwidth. Which means that the more popular the show , the more expensive it is to deliver. And I can promise you that 5 dollar CPMs, which is what no name shows will be lucky to get, wont cover the cost of a 300k stream , let alone an HD stream to thousands of viewers.

Compare that to the cost per viewer of a content provider uplinking a linear stream of programming to an MSO or Satellite provider who in turn delivers to their subscribers, and pays for that right. there is no comparison.

7. Programmers have to find me, I wont look for programs.
This is the ultimate gotcha. Websites are now going offline to try to get people to come to them online. They try to use their users as marketers. Myspace friends begat myspace friends. But thats not timely and its not easy. The only workaround is spending money. A lot of it. The more choices there are, the more money it takes to stand out. Which isnt good for small content providers who think they can be found by anyone.

I can only get so far down my programming guide before I stop looking and internet sites are so cluttered with ads these days, its almost impossible to stand out unless someone is already looking for you.

Point being , the expense of finding viewers will exceed the economic value each viewer brings . It becomes analogous to the box office for a movie. Most movies spend more per person in advertising and promotion than they recieve from the theatrical box office ! Those economics wont work for web video producers.

8. You dont know what you want until you want it and it has to be easy to sample.
I cant search for what i dont know i want. TV us easy to sample Website hosted video is ok for shorts, a huge time investment for long form.

9. Thin Client Computing requires 100pct uptime.
Thats what internet TV basically is. A think Client, your PC or media server, running a simple video app and running everything from a host on the network. Talk to people who are using applications that run on the net today and ask if they experience 100pct uptime.

Cable and Satellite networks do fail for various reasons, including weather and trees. But the response and repair is almost always local and simple. Downtime is rarely more than an hour.

Network computing downtime is almost always remote and in a datacenter and completely out of the control of the end user . That can be good for some applications, but thats going to be tough on TV viewers who want “network updates” and who can understand a rain problem, but not why they cant watch their favorite program because of a bug in the software.

10. The future of video is already obvious with music.