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Co-op Chat: New NCTC Chief Says Group About More Than Contracts

With industry vet *Rich Fickle* set to start his new gig as pres/CEO of **NCTC** Tues, we tore him away from the co-op's summer picnic Fri to quiz him a little on what's ahead. It sounds like Fickle, most recently svp, cable/telco VOD and TVE service for **Deluxe Ent** (which acquired **Ascent Media** in Jan), is hoping to change up the perception of the organization some. "The board messaged this, but it's also part of my initiative, and that's to start to treat the suppliers—from programming to technology—as partners in a more active way," he said. "Yes, there is negotiation there and yes, negotiation is primarily for the benefit of the member. But if we're really serious about trying to find great solutions for some of the future opportunities, we really need to have more of an open dialogue about what makes sense for all of those constituents to work together." First up, though, will be connecting with the membership base. Case in point, Fickle will only spend 1 day in NCTC's Lenexa, KS, HQ during his first week. The rest will be on the road, meeting with members of the programming and hardware purchasing organization. Plans are also underway to update NCTC's Website, making it more interactive. With more than 900 members throughout the US and its territories, most will get their first face time with Fickle at the **Independent Show** in San Francisco, July 24-27. While he's attended the event before, he's never been there for an entire show. "As I understand it, it's not only beneficial from a business standpoint, but also from a family and relationship building standpoint. So that sounds really good," he said. What about the notion that with members representing some 25mln subs, NCTC should be viewed kind of like a **Time Warner Cable**? "At this point, I'm just not sure that painting the NCTC as a large MSO is the right comparison," Fickle said. "We recognize the difference in our memberships and the unique needs of some of the suppliers, who in some cases for various reasons want to have direct contracts with some of the members. We don't do anything to prevent that. So, we've got to earn our way. Our hope is we do more than just negotiate contracts. We actually bring together good win-win solutions."

__End of the Rainbow:__ **AMC Nets** took a sizable step back on its 1st official day of trading as a separate public company, shedding both its **Rainbow** moniker and 8.4% after gaining momentum during its "when-issued" run. On Thurs, **Cablevision** Class A shareholders received 1 share of AMCX for every 4 shares held in the MSO, the same ratio applying to Class B shareholders as well. "Over the past 30 years, we have created brands and content designed to serve

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targeted demographic audiences," said AMC Nets pres/CEO *Josh Sapan*. "Now, as a separate public company, AMC Networks has the opportunity to further showcase each of its programming services and provide value to investors, distributors and advertisers." The new entity is home to nets **AMC**, **IFC**, **Sundance Channel** and **WE tv**. **Miller Tabak**'s *David Joyce* initiated coverage of AMC Nets this week with a 'buy' rating and $44 1-year price target and $49 long term, noting "upside potential for the national networks' ratings, advertising rates, sponsorship revenue, and particularly in 2013 and beyond, much higher affiliate fees." Shares of Cablevision, meanwhile, gained nearly 2.5% on the day.

In the States: **Comcast** is merging its dispatch department center in IN with company operations in MI, resulting in 103 employees being laid off. The pink slips are the result of the 2 regions merging into 1, now called the Heartland Region, said a spokesperson. Affected employees can apply for other positions within the region and across the country, "so the actual layoffs will be minimal," the rep said. Comcast employees more than 2K in IN. -- **Comcast** will make Xfinity WiFi hotspots in the Philly, Jersey Shore, Wilmington, DE, area available this month to anyone with a WiFi-enabled device—even non-Comcast Internet customers. The MSO is offering non-subs 2 complimentary WiFi sessions of up to 60 mins each. Hotspot locator: www.xfinity.com/wifi.

MVPDs Win: Despite a painful May on the Street, owners of operators' stock enjoyed a relatively healthy 2Q. **DISH** was the big winner from Apr-June by gaining 21.5%, a tip off that investors are fond of *Charlie Ergen*'s recent asset grab even without a publicized coherent long-term strategy. **Time Warner Cable** gained 9.4%, followed by **DirecTV** (+8.6%), **Charter** (+7.2%), **Cablevision** (+4.6%), **AT&T** (+2.6%) and **Comcast** (+2.5%). **Verizon** (-3.4%) was the lone loser, a fate that was more prevalent among programmers. **Viacom** sizzled with 7.9% growth and **Discovery Comm** (+2.7%) and **Time Warner Cable** (+1.9%) advanced as well. But **Disney** (-9.4%), **News Corp** (-2.9%) and **Scripps** (-2.4%) all fell.

At the Portals: Cable's latest status report shows that the top 10 MSOs have deployed more than 582K CableCARDs for use in CableCARD-enabled retail devices, according to an **FCC** filing. Those same companies have deployed more than 29.3mln operator-supplied set-tops with CableCARDs since the industry-hated set-top integration ban went into effect 4 years ago. The FCC's ban stopped operators from deploying new set-tops that lacked separable security (ie, CableCARDs). -- The **FCC** set July 30 as the deadline for comments about **LightSquared**'s final report addressing the issue of GPS interference as part of its broadband network buildout plans (***Cfax***, *7/1*).

Carriage: **Sportsman** is now available in HD on **Cablevision** in CO, MT, WY and UT as part of the Family Package.

Dishheads: **DISH Cinema** will offer certain films for 99 cents through Thurs, including "Hall Pass" and "Sucker Punch" which, as DISH is highlighting, aren't yet available via **Netflix** or **redbox**. Also including "True Grit," the promo represents cost savings of up to $6.

Ratings: **Comedy Central**'s "The Daily Show with Jon Stewart" dominated 2Q as the most-watched late night talk show among 18-49s, 18-34s and men 18-34—breaking a winning streak of at least 40 quarters by "The Tonight Show" among 18-49s. -- **E!**'s "Chelsea Lately" is touting its victory over **TBS**' "Conan" in June among total viewers (808K versus 743K), 18-34s (0.56 rating v. 0.55) and 18-49s (0.51 v. 0.44). -- **ABC Family**'s "State of Georgia" premiered as the net's #2 comedy launch ever among 18-49s (737K).

Programming: **Boomerang** celebrates the theatrical debut of 3D film "The Smurfs" (July 29) with a Smurfy slate next month. The net will air 1-hour "Smurf" blocks Mon-Fri at 9am, 3pm and 8pm ET, as well as on the weekends (9am, 2pm and 8pm). -- **Fox News** is replacing "Glenn Beck" with "The Five" (5pm ET) during the summer starting July 11. The opinion show will feature a roundtable of 5 rotating Fox personalities tackling daily news items.

People: **MGM** elevated *Chris Ottinger* to pres, intl TV distribution and acquisitions. -- **Mun2** tapped *Hanna Bolte* as vp, media and talent relations.

Editor's Note: Your next issue of ***CableFAX*** will arrive Tues because of Independence Day. Hope yours is full of picnics and fireworks!

Business/Finance: **Comcast** extended *Brian Roberts*' employment agreement 1-year to June 30, '12, according to an **SEC** Filing. -- The old "buy on rumor" adage worked to **TiVo**'s advantage Fri. The company's shares jumped 5.25% after *Bloomberg* bandied takeover talk from **Maxim Group** in listing **Google**, **Microsoft** and **Rovi** as potential buyers.

CableFAX Week in Review

Company	Ticker	7/1 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
DIRECTV:	DTV	51.76	8.40%	55.20%
DISH:	DISH	31.11	11.09%	49.76%
DISNEY:	DIS	39.72	5.69%	23.16%
GE:	GE	19.20	6.84%	26.90%
NEWS CORP:	NWS	18.43	6.72%	15.77%
MSOS				
CABLEVISION:	CVC	25.96	(24.82%)	0.54%
CHARTER:	CHTR	55.15	1.36%	0.00%
COMCAST:	CMCSA	25.73	9.12%	52.61%
COMCAST SPCL:	CMCSK	24.60	9.33%	53.65%
GCI:	GNCMA	12.31	3.62%	92.95%
KNOLOGY:	KNOL	15.09	4.21%	38.19%
LIBERTY CAPITAL:	LCAPA	86.44	8.16%	261.98%
LIBERTY GLOBAL:	LBTYA	46.23	9.37%	111.19%
LIBERTY INT:	LINTA	17.19	8.94%	58.58%
SHAW COMM:	SJR	22.97	10.38%	11.67%
TIME WARNER CABLE:	TWC	79.50	6.71%	92.08%
VIRGIN MEDIA:	VMED	30.24	(1.98%)	79.68%
WASH POST:	WPO	422.21	4.06%	(3.96%)
PROGRAMMING				
CBS:	CBS	28.55	6.57%	103.20%
CROWN:	CRWN	1.93	15.57%	33.10%
DISCOVERY:	DISCA	41.67	3.61%	35.87%
GRUPO TELEVISA:	TV	24.69	3.70%	18.93%
HSN:	HSNI	33.30	8.68%	64.93%
INTERACTIVE CORP:	IACI	38.04	4.25%	85.74%
LIBERTY:	L	42.12	3.26%	15.87%
LIBERTY STARZ:	LSTZA	75.44	9.35%	63.47%
LIONSGATE:	LGF	6.73	2.44%	15.83%
LODGENET:	LNET	3.10	(4.02%)	(43.94%)
NEW FRONTIER:	NOOF	1.38	13.11%	(26.98%)
OUTDOOR:	OUTD	6.79	8.99%	17.07%
SCRIPPS INT:	SNI	49.35	4.20%	18.92%
TIME WARNER:	TWX	36.92	7.14%	26.70%
VALUEVISION:	VVTV	8.24	3.91%	71.67%
VIACOM:	VIA	58.71	6.34%	86.38%
WWE:	WWE	9.80	1.66%	(36.07%)
TECHNOLOGY				
ADDVANTAGE:	AEY	2.62	1.16%	32.99%
ALCATEL LUCENT:	ALU	5.88	13.29%	77.11%
AMDOCS:	DOX	30.46	2.52%	6.76%
AMPHENOL:	APH	54.86	7.93%	18.80%
AOL:	AOL	20.55	5.12%	(11.73%)
APPLE:	AAPL	343.26	5.18%	62.89%
ARRIS GROUP:	ARRS	11.79	7.67%	3.15%
AVID TECH:	AVID	19.40	8.44%	52.04%
BIGBAND:	BBND	2.21	2.31%	(35.76%)
BLNDER TONGUE:	BDR	1.66	(6.74%)	45.61%
BROADCOM:	BRCM	34.41	6.80%	9.34%
CISCO:	CSCO	15.86	6.23%	(33.75%)
CLEARWIRE:	CLWR	3.82	(4.02%)	(43.49%)
CONCURRENT:	CCUR	6.34	9.10%	60.08%
CONVERGYS:	CVG	13.86	3.66%	28.93%
CSG SYSTEMS:	CSGS	18.68	5.18%	(2.15%)
ECHOSTAR:	SATS	37.10	5.55%	84.21%
GOOGLE:	GOOG	521.03	9.72%	(15.96%)
HARMONIC:	HLIT	7.46	5.67%	18.04%
INTEL:	INTC	22.53	6.27%	10.44%
JDSU:	JDSU	17.01	6.25%	106.18%
LEVEL 3:	LVLT	2.52	11.01%	64.71%
MICROSOFT:	MSFT	26.02	7.30%	(14.63%)
MOTOROLA MOBILITY:	MMI	23.48	1.60%	0.00%
RENTRAK:	RENT	18.93	14.31%	7.13%
SEACHANGE:	SEAC	10.82	2.17%	64.94%
SONY:	SNE	26.57	3.67%	(8.38%)
SPRINT NEXTEL:	S	5.43	4.02%	48.36%
THOMAS & BETTS:	TNB	55.05	7.88%	53.81%
TIVO:	TIVO	10.83	9.06%	6.39%
UNIVERSAL ELEC:	UEIC	25.31	3.14%	9.00%
VONAGE:	VG	4.54	2.71%	224.29%
YAHOO:	YHOO	15.45	3.83%	(7.93%)
TELCOS				
AT&T:	T	31.68	4.07%	13.02%
VERIZON:	VZ	37.80	5.00%	14.10%
MARKET INDICES				
DOW:	DJI	12582.77	891.98%	999.19%
NASDAQ:	IXIC	2816.03	6.15%	24.10%
S&P 500:	GSPC	1339.67	5.61%	17.03%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. S&P 500:	12582.77	891.98%
2. CROWN:	1.93	15.57%
3. RENTRAK:	18.93	14.31%
4. ALCATEL LUCENT:	5.88	13.29%
5. NEW FRONTIER:	1.38	13.11%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CABLEVISION:	25.96	(24.82%)
2. BLNDER TONGUE:	1.66	(6.74%)
3. CLEARWIRE:	3.82	(4.02%)
4. LODGENET:	3.10	(4.02%)
5. VIRGIN MEDIA:	30.24	(1.98%)

EYE ON INNOVATION

Connected TV Disconnect?

Global sales of Web-connected TVs (52mln) will exceed gaming consoles (37mln) for the 1st time this year, according to **Informa Telecoms & Media**, which said consumers' desire to access services such as **Netflix** via the TV screen is spurring the growth. For US cable ops the critical question becomes whether connected TVs will increase the incidence of cord cutting, and perhaps whether gaming consoles will do the same as the **Xbox** and other systems continue to beef up content offerings. Cord-cutting questions are nothing new, of course, and despite a decided dissipation of concern from ops in recent months, data still bear noting.

As a friend or foe—the cable sentiment changes weekly, it seems—Netflix kickstarted the speculation on snipping through its explosive sub growth and remains heavily involved in the debate. The likeliness of viewers who stream NFLX content to Web-connected devices to downgrade pay TV services has doubled in the last 12 months, claims **The Diffusion Group**, to 32% this year from 16% last.

The initial reaction to the stat may be, 'whoa!' But it's important to notice how TDG used "downgrade" in its survey instead of "cancel," the implication being that if NFLX users, which enjoy access to a plethora of programming, are more prone to ordering cheaper packages than bidding farewell to pay-TV altogether. Then is cord cutting even a threat anymore? Given the steady stream of related survey results that has yet to abate, you'd certainly think it is.

The reasons for actual or potential cord cutting remain extremely relevant, as planning for and taking preventative action against the possibilities must still be on the mind of cable ops. Evidence can be seen everywhere, from the rollouts of **iPad** apps to innovative user interfaces. Trouble is, tech advancements may not be the pressing solution.

According to the TDG survey, nearly half of all NFLX streamers likely to downgrade in the next 6 months cite "cost of service" and "the need to save money" as the primary reasons. The results speak to **Sanford Bernstein** analyst *Craig Moffett*'s recent assertion that cord-cutting has more to do with economics than with viewers preferring to bypass cable. That cable's video sub metrics rebounded in 1Q after a particularly abysmal period offers hope that the American economic outlook is improving, and it's likely that we've seen the worst of the downturn.

Still, cheaper alternatives for content consumption that also feature a decent breadth of timely programming choices would appear a constant threat to cable. Results from a recent **Harris** poll provide some cogent insight.

The poll found that 56% of Americans would drop their pay TV service and rely solely on Internet content if certain conditions were met. 44% of the potential snippers would require the free online availability of all their desired content, for example, and one-quarter would need their favorite shows to become available online at the same time as on TV. 16% would cut the cord if viewing streaming content on a TV was less complicated.

Which brings us back to Web-connected TVs, or vehicles for simplistic streaming. And add to the mix the ramping prevalence of online video viewing and it appears cable ops are encountering danger from all angles. Perhaps, but despite the myriad red flags demanding heed snipping hasn't become a painful problem yet. Just this week the respected **J.D. Power and Assoc** said just 3% of pay-TV homes have cut the cord.

A powerful statement, but the lingering potential for an increase in cord cutting should continue to carry weight.

-Chad Heiges