

CableFAX Daily™

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What the Industry Reads First

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Cable One-Turner: MSO Tries to Use NCTC as Workaround in Contract Dispute

Unable to reach a new distribution deal by Tues' 11am ET deadline, **Cable One** tried to keep the programmer's most popular networks—**TBS, TNT** and **Cartoon**—on its systems but failed. Cable One said it secured a deal for those 3 channels through co-op **NCTC**, while it removed **CNN, CNN en Espanol, HLN, TCM, TruTV** and **Boomerang** from its systems. But the entire Turner portfolio actually went dark, with the programmer saying Cable One didn't have the authority to distribute the 3 channels through NCTC. The co-op said it could not comment. A Cable One spokesperson said Turner "has chosen to punish our customers by deauthorizing the signals" and said the MSO believes it was done "in retaliation for us dropping their less popular programming." The loss of TBS is especially painful given that Tues is the 1st day of **MLB** playoffs, with TBS televising the National League Wild Card Game (Reds at Pirates). Oh, and then there's the matter of losing CNN on Day 1 of the 1st govt shutdown in 17 years. "Cable One has been in negotiations to renew our contract with Turner Network for the past several months, and we have made every effort to reach a fair deal," Cable One CEO *Tom Might* said in a statement. "However, Turner has demanded an increase of nearly 50% for channels with steadily declining ratings. Since we were unable to reach a fair deal with Turner, we've been forced to drop these channels from our channel line-up." Turner has a lot of negotiations ahead of it, with the bulk of its deals up for renewal between now and sometime in '16. Some of those deals are 5-10 years old, with Turner looking for a much larger fee given **NBA, MLB** and other sports rights, plus the strength of originals on TBS and TNT. "We have worked diligently with Cable One to come to a resolution, even offering an extension that expired at noon today," Turner said. "We are simply asking that Cable One pay the established and accepted rates already in the marketplace for our portfolio and remain willing to discuss a new agreement that recognizes the strength and value of our networks and the popular programming they offer." NCTC has been used before in programming battles, perhaps most prominently when **Cablevision** signed a deal through NCTC to carry **Tennis Channel** on a sports tier (*Cfax*, 8/27/09). Tennis had launched a public campaign to get carriage on CVC, but was unwilling to go the sports tier route. Cablevision joined the NCTC and signed a deal that would let it tier the channel. While CVC did get to keep the channel on a tier, it didn't get to launch it immediately, with Tennis declaring that there was a 30-day notification period that had to be met before a distributor could gain access to the net. Eventually, Cablevision

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and some other NCTC members dropped Tennis when the co-op signed a new deal that prevented putting the net on a sports tier. In other contract negotiation news, **DISH** and **Disney** said Mon night that they reached a short-term extension to continue talks for a contract that covers **ABC O&Os**, **ESPN**, **Disney Channel**, **ABC Family** and other Disney nets. No details on how long the extension will last. Their current contract expired at midnight Mon.

Retrans: **DISH** may have gotten more time with **Disney**, but it wasn't as lucky with **Media General**. Stations in 17 markets went dark just after midnight. The broadcaster said this is the 1st time it has ever had a disruption of service with any pay-TV provider because of a contract dispute. It then repeated the **NAB** party line about **DISH** being involved in numerous disputes. **DISH** claims the broadcaster wants more than 5 times what it currently pays for the content. It has tried to get **Media General** to extend the agreement until **Young Broadcasting** completes its acquisition of the company because **DISH** has a long-term deal in place with **Young**. Impacted markets include **Charleston, SC (NBC and CW)**, **Columbus, OH (NBC)** and **Tampa-St Pete (NBC)**. **DISH** evp, chief commercial officer *Dave Shull* said the impact of the blackouts on consumers should be the focus of retrans reform in DC. Pretty sure Congress had enough fires to deal with Tues...

WE Minus Martin: After 9 years as pres, gm of **WE tv**, *Kim Martin* is transitioning to an advisory role at **AMC Networks**. She'll report to CEO *Josh Sapan*. There is no immediate word on who will oversee women's net **WE**. In a memo, **AMCN** COO *Ed Carroll* called *Martin* "extremely talented," noting that under her leadership **WE** has become a top 3 women's net on Thurs and Fri night. Following the success of reality show "Braxton Family Values," **WE** is dipping its toe into the waters of scripted series, premiering "The Divide" next year. *Sapan* described it as a "killer" show during 2Q earnings and seemed very interested in carving out a spot for **WE** in the space. "As a network that competes with a range of female-focused channels, most of which trade largely in nonfiction or so-called reality programming, we think there is a true opportunity for **WE tv** to make a great mark in the dramatic scripted area," he said. Does that statement offer any hint as to who will replace *Martin*?

Digital First: **Turner** has a new multiplatform health and wellness entertainment brand dubbed "upwave." You'll already find articles, tweeted a **YouTube** channel from the brand, and soon it'll have a branded primetime programming block on **HLN**. **Turner** took a digital first approach with upwave, but that changes Dec 1 with a 2-hour, Sun programming block launching on **HLN**. The block features "Cook Your Ass Off," chefs compete to help transform favorite indulgences into lean meals (7pm ET); "The *Tim Ferriss* Experiment," the entrepreneur known for his "4-Hour Workweek" and "4-Hour Body," gives tips on conquering skills in one hundredth of the time people expect (8pm); and "The Dose with Dr Billy," will tackle unexpected health questions with a light-hearted, informative style (8:30pm).

Gigabit Broadband: A broadband battle is coming to Austin as **AT&T** ramps up its 1Gbps fiber network for the city, which is also a planned **Google** Fiber market. The telco's gigabit service, dubbed GigaPower, is expected to be available this Dec vs **Google's** planned launch in mid-'14. Featuring symmetrical speeds of 300 Mbps, **AT&T** plans by mid-'14 to upgrade to 1Gbps at no extra cost to customers. **AT&T's** offering also includes advanced TV services featuring Total Home DVR with HD streams. To lead the initiative, the telco named *Dahna Hull* to the newly created position of vp and gm of Austin, **AT&T Services**. Like **Google**, the telco is asking consumers to express interest in the service before it starts the rollout. **AT&T's** "aggressive competitive reaction makes the business case for **Google Fiber** harder although not unfeasible," **Bernstein Research** analysts wrote. They continue to expect **Google Fiber** to be profitable in the long term.

DISH: *Charlie Ergen's* plan is simple: pile up spectrum. According to a blog post by **BTIG** analyst *Walter Piciency*, the **DISH** head could be sitting on 90 Mhz of spectrum nationwide by the end of 1Q. How? The analyst noted **DISH** is about to "substantially" up the value of its existing spectrum by obtaining an expedited waiver from the **FCC**, buying bankrupt **LightSquared's** spectrum and potentially buying the H-Block spectrum at an **FCC** auction in early Jan. The comment period on **DISH's** waiver ended Mon. Reply comments are due Oct 10.

Carriage: **CBS Sports Net** joined **Time Warner Cable's** DTV- Digital TV package in most systems Tues. The broader distribution appears to be part of last month's comprehensive carriage deal with **CBS**, which came after a month-long blackout of **CBS O&Os**, **Showtime** and **Smithsonian Channel**. **CBS Sports Net** is now seen in more than 53mln homes.

Social TV: "Jimmy Kimmel Live" is now **Shazam**-able. Viewers can use the **Shazam** app during the late-night talk show's broadcast of different artists' performance starting Tues to gain access to the artist's music.

BUSINESS & FINANCE

On the Circuit: Cable customer satisfaction, network and revenue opportunities, Ultra HD TV deployment and international regulatory issues related to broadband are among the topics to be discussed at **SCTE Cable-Tec Expo's International Attendee Breakfast** on Oct 24. -- **WICT's Rising Leaders Program** is open for applications starting Tues. Deadline for the program, which includes 4 classes, is Nov 2.

Marketing: It's hunting season, and **Outdoor Channel** is teaming with **Dick's Sporting Goods** to launch the 7th "Gear Up and Go" sweepstakes to fuel local affiliate opportunities. Aiming to improve engagement with existing viewers and generating new audience, the campaign, which runs through Oct, features daily prizes and 1 ultimate grand prize.

Poker Face: We already knew that former **FCC** chmn *Julius Genachowski* is teaching a joint class at Harvard's business and law schools this semester, but it was the last 2 paragraphs in a recent *Financial Times* piece on him that raised our eyebrows. It turns out he doesn't just like playing basketball. The sr fellow at **The Aspen Institute** recently played in the World Series of Poker in Las Vegas, telling the paper it is an "accidental upside" of his departure from the FCC. "You don't have to qualify. You just have to be crazy enough to want to go play." How'd he do? He told the reporter, "Better than I expected, and not as well as I'll do next year."

CableFAX Daily Stockwatch

Company	10/01 Close	1-Day Ch	Company	10/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	33.98	0.47	ECHOSTAR:	47.19	3.25
DIRECTV:	59.80	0.02	GOOGLE:	887.00	11.09
DISH:	45.68	0.67	HARMONIC:	7.78	0.10
DISNEY:	64.83	0.34	INTEL:	22.83	(0.09)
GE:	24.17	0.28	JDSU:	14.89	0.18
MSOS					
CABLEVISION:	16.91	0.07	LEVEL 3:	26.87	0.18
CHARTER:	135.47	0.71	MICROSOFT:	33.58	0.30
COMCAST:	45.61	0.49	NIELSEN:	37.13	0.68
COMCAST SPCL:	43.85	0.50	RENTRAK:	33.65	1.03
GCI:	9.41	(0.11)	SEACHANGE:	11.63	0.16
LIBERTY GLOBAL:	79.90	0.55	SONY:	21.40	(0.12)
LIBERTY INT:	23.83	0.36	SPRINT NEXTEL:	6.29	0.07
SHAW COMM:	23.22	(0.02)	TIVO:	12.47	0.03
TIME WARNER CABLE:	112.78	1.18	UNIVERSAL ELEC:	36.48	0.45
WASH POST:	628.54	17.19	VONAGE:	3.20	0.06
PROGRAMMING					
AMC NETWORKS:	69.35	0.85	YAHOO:	34.31	1.14
CBS:	55.76	0.60	TELCOS		
CROWN:	3.15	0.07	AT&T:	34.06	0.24
DISCOVERY:	83.23	(1.19)	VERIZON:	46.99	0.32
GRUPO TELEVISIA:	28.49	0.54	MARKET INDICES		
HSN:	53.85	0.23	DOW:	15191.70	62.03
INTERACTIVE CORP:	54.84	0.17	NASDAQ:	3817.98	46.50
LIONSGATE:	36.45	1.40	S&P 500:	1695.00	13.45
MADISON SQUARE GARDEN:	58.80	0.73			
SCRIPPS INT:	78.55	0.44			
STARZ:	29.02	0.89			
TIME WARNER:	66.68	0.87			
VALUEVISION:	4.47	0.11			
VIACOM:	84.44	0.63			
WWE:	10.77	0.60			
TECHNOLOGY					
ADDVANTAGE:	2.50	0.05			
ALCATEL LUCENT:	3.67	0.14			
AMDOCS:	36.70	0.06			
AMPHENOL:	77.62	0.24			
AOL:	35.91	1.33			
APPLE:	487.96	11.21			
ARRIS GROUP:	16.99	(0.06)			
AVID TECH:	6.16	0.16			
BLNDER TONGUE:	0.94	0.00			
BROADCOM:	26.45	0.43			
CISCO:	23.24	(0.19)			
CONCURRENT:	7.32	0.10			
CONVERGYS:	18.91	0.16			
CSG SYSTEMS:	25.27	0.22			



2013 Most Powerful Women in Cable

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Salute the women who have made their mark on the industry with leadership, innovation and community!

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