

CableFAX Daily™

Monday — October 21, 2013

What the Industry Reads First

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Might's Fight: Cable One Nearing 4th Week of Turner Blackout

On the same day the federal government shutdown, so did Turner's networks for Cable One customers. One of these stalemates ended, but the other continues, causing Cable One's subscribers to miss out on postseason MLB play on TBS, CNN's coverage of the govt shutdown and its aftermath and the latest eps of Cartoon's "Adventure Time." With just under 600K subs, Cable One's contract renewal dispute with Turner hasn't drawn the kind of national press as a Time Warner Cable-CBS or DirecTV-Viacom spat, but that doesn't make it any less important, especially to viewers impacted. We spoke to Cable One pres/CEO Tom Might about the operator's decision to draw a line in the sand.

How has customer reaction been? Our biggest surprise out of all this was how small the impact has been from the MLB playoffs for the past 16 days. We only have 2 systems in the state with playoff teams out of the 19 states we're in. I guess that helped. But what really, really helped was MLB.com. We pointed the real fans there, where all the games were available. This is the age of over-the-top availability and fans got it quickly. **Are you both still talking?** I hope to.

Observers looking at this say Cable One just doesn't have the leverage in this fight. TBS has continued to pull strong ratings during the playoffs (it has delivered double-digit audience growth in its NLCS coverage over '11, averaging a 3.2 HH rating and 5mln total viewers). Are you concerned by your prospects? At this point, business is good. The phones aren't ringing off the hook. The very first night of the playoffs we had 100 CSRs volunteer to stay over to answer the phones and we had to send them home. Video stops are of course up a little bit, but not significantly, and 4 out of 5 of video stops are video-only customers. Virtually everybody who has our Internet service is keeping it, even if they're dropping video. The video numbers are small and Internet numbers haven't been affected at all. **Cable One has claimed it had a deal in place to carry TBS, TNT and Cartoon through the NCTC. Turner disagreed. Are you pursuing any sort of challenge of this?** Our lawyers have corresponded with their lawyers. I don't want to comment on our legal strategy beyond that, but we've exchanged a number of letters to try and clarify our rights and their trying to clarify their rights. **Is this dispute more about performance in regards to price or is the issue more about bundling?** It's all mixed together. Ratings except for Cartoon are down since we negotiated back in 2009... And they walk in and ask for nearly a 50% rate increase. They can only do that by bundling and tying, and feeling like they have unbridled,

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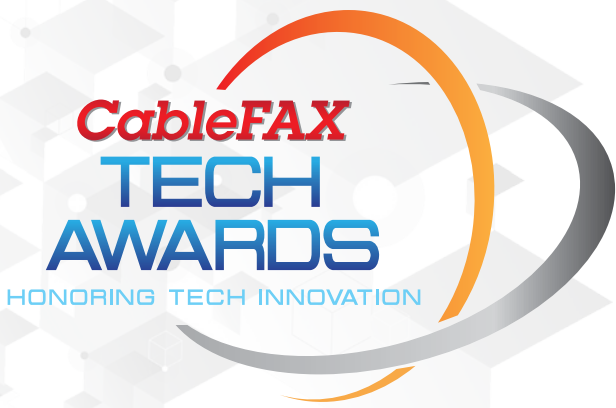
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Final Deadline: **November 8, 2013**

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- Tech Marketing Campaign
- Tech Partnership
- TV Everywhere/ Authentication System
- Wireless/WiFi Solution



Enter by
Nov. 1

Questions: Contact Mary-Lou French at mfrench@accessintel.com or (301) 354-1851.

For more information on how to submit your entries visit: www.CableFAXTech.com

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Access Intelligence, LLC, 4 Choke Cherry Road, 2nd Floor, Rockville, MD 20850

unrestrained market power... **Something has to give in the strategies of the 2 parts of the industry if eventually the consumer can't bear paying that much more for stuff they're watching that much less. Will the NBA on TNT exert a new pressure? (TNT opens the season with a doubleheader Oct 29 with Miami-Chicago and L.A. Lakers-L.A. Clippers)** We haven't gotten there yet. Based on how MLB.com was received, I assume there is the same option for the very serious fan. But hopefully we've both thrown our tantrums in public, we've both said very interesting things and acted out for good reason. Our strategies are pretty much in conflict at this point. But we do share a common customer, and some of those customers are not happy with either one of us. We probably should try and solve this. I don't know if that will happen... if it doesn't, I think we'll be OK. We'll share some upset customers, and probably should try to solve it.

Retrans: More than 2 weeks after the **DISH/Media General** retrans contract expired, DISH is asking the **FCC** to intervene. In a filing with the Commission Fri, the satellite company claimed the broadcaster violated the FCC's good faith negotiation rules because it failed to respond for 11 days to DISH's last pre-blackout offer. DISH has been without Media General stations in 17 markets since Oct 1. It's asking the FCC to order the broadcaster back to the negotiating table and submit to mediation to restore programming. "DISH customers and Media General viewers were without their shows and events for 11 days before Media General would even contact us," *Dave Shull*, DISH evp, said in a statement. "We reacted with a counter offer within hours and Media General has yet to respond." DISH claimed the broadcaster also has tried to force it to renegotiate its separate deal with **Young Broadcasting**. Media General announced plans in June to be purchased by Young, with which DISH has a long-term agreement in place. The combined company would reach 28 markets/16.5mln TV HHs. The acquisition is under FCC review. A Media General spokeswoman said the company is reviewing DISH's complaint. The satellite company made a "plausible case" against the broadcaster, **Stifel Nicolaus** analysts wrote in a research note Fri. Though it's too early to judge the facts and assertions, DISH, by filing its grievances, has forced Media General to demonstrate it's negotiating in good faith, which could put pressure on the broadcaster to provide some "modest concessions," the analysts said. In other retrans news, don't forget that DISH and **Disney** still haven't reached an agreement to renew the **ABC** retrans contract and for broader carriage of Disney's cable nets. -- **DISH** scored a retrans deal with **Gray TV**, which owns 41 stations in 30 mostly mid-size and small-size media markets. The companies reached "a long-term, mutually beneficial agreement in a professional and respectful manner," *Kevin Latek*, svp of business development of the broadcaster said in a statement. -- Three **Citadel Communications**-owned stations went dark on **DirecTV** Fri due to a fee fight. The stations are **WLWN**, a low-power independent station in Sarasota, FL, **WLNE-TV**, the **ABC** affil serving Providence, RI and New Bedford, MA, and **KLKN-TV**, an ABC affil in Lincoln, NE. Meanwhile, the **News-Press & Gazette** stations remained dark on DirecTV as of Fri.

Launch Pad: *Sean Combs'* music net **Revolt TV** rolls out Mon with distribution deals in place with **Time Warner Cable** and **Comcast**. It's one of at least 9 cable nets to launch in the 2nd half of '13. What sets it apart? "The audience we're going after is a millennial audience that operators need to reach because they are the future. They'll be paying the bills for quite some time, so to reach them early is an important thing," Revolt CEO *Keith Clinkscales* told us. More from Revolt, including how involved Diddy is in the channel at **CableFAX.com**.

TVE: **Pac-12 Nets** are available to **AT&T U-Verse** subs across platforms through the Pac-12 Now TVE app. Upon authentication, the telco's subs who receive **Pac-12**, **Pac-12 LA** and **Pac-12 Bay Area** as part of their TV package can access to all Pac-12 nets remotely.

Aereo: Detroit will see the official launch of **Aereo** service on Oct 28. Like previous launches, Aereo is offering a free 1st month of membership.

Social TV: **Dijit Media**, provider of NextGuide, is going public about its "reminder button," a web-based feature designed to help nets drive and track live TV tune-in. It allows users to get email/SMS/push notifications about their favorite shows. The feature is already available on websites of nets like **BBC America**, **truTV** and **Fox**. The company claimed the service, free for both networks and viewers, also enables targeted promotion of other similar network content: 20% of reminder users create an additional same-network reminder within first 3 weeks.

Programming: **BBC America** ordered new original thriller series "Intruders." The 8-part series will go into production in early spring and will be distributed internationally. -- **TNT** ordered a 4th season of "Franklin & Bash."

CableFAX Week in Review

Company	Ticker	10/18 Close	1-Week % Chg	YTD %Chg
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BROADCASTERS/DBS/MMDS

21ST CENTURY FOX:	FOXA	34.26	3.10%	0.00%
DIRECTV:	DTV	61.65	1.65%	22.91%
DISH:	DISH	49.13	2.61%	34.97%
DISNEY:	DIS	67.15	1.42%	34.87%
GE:	GE	25.55	4.71%	21.72%

MSOS

CABLEVISION:	CVC	15.66	(3.75%)	4.82%
CHARTER:	CHTR	137.31	0.79%	80.10%
COMCAST:	CMCSA	47.03	2.14%	25.90%
COMCAST SPCL:	CMCSK	45.58	2.08%	26.89%
GCI:	GNCMA	9.80	6.29%	2.19%
LIBERTY GLOBAL:	LBTYA	77.35	0.29%	22.86%
LIBERTY INT:	LINTA	27.10	9.63%	37.70%
SHAW COMM:	SJR	24.25	0.54%	5.53%
TIME WARNER CABLE:	TWC	118.20	2.08%	21.62%
WASH POST:	WPO	647.20	4.62%	77.21%

PROGRAMMING

AMC NETWORKS:	AMCX	69.99	6.13%	41.39%
CBS:	CBS	59.20	5.24%	55.58%
CROWN:	CRWN	3.25	0.62%	75.68%
DISCOVERY:	DISCA	82.47	2.40%	29.91%
GRUPO TELEVISIA:	TV	30.17	1.58%	13.51%
HSN:	HSNI	53.01	(0.54%)	(3.76%)
INTERACTIVE CORP:	IACI	54.33	(2.34%)	15.01%
LIONSGATE:	LGF	37.46	7.74%	128.41%
MADISON SQUARE GARDEN:	MSG	57.87	0.57%	30.48%
SCRIPPS INT:	SNI	79.15	1.84%	36.65%
STARZ:	STRZA	29.93	3.03%	0.00%
TIME WARNER:	TWX	68.73	1.19%	43.70%
VALUEVISION:	VVTV	5.02	1.83%	178.89%
VIACOM:	VIA	83.63	1.54%	54.10%
WWE:	WWE	11.53	3.97%	46.13%

TECHNOLOGY

ADVANTAGE:	AEY	2.47	(0.04%)	24.07%
ALCATEL LUCENT:	ALU	3.65	(0.82%)	162.59%
AMDOCS:	DOX	37.39	0.51%	10.00%
AMPHENOL:	APH	82.33	6.85%	27.25%
AOL:	AOL	33.95	0.00%	14.66%
APPLE:	AAPL	508.89	3.26%	(4.37%)
ARRIS GROUP:	ARRS	16.70	(1.85%)	11.81%
AVID TECH:	AVID	6.67	3.25%	(12.01%)
BLNDER TONGUE:	BDR	0.93	(2.75%)	(18.82%)
BROADCOM:	BRCM	27.16	2.45%	(18.22%)
CISCO:	CSCO	22.96	(1.37%)	16.85%
CONCURRENT:	CCUR	7.28	2.39%	26.83%
CONVERGYS:	CVG	19.50	2.15%	18.83%
CSG SYSTEMS:	CSGS	26.54	5.28%	45.98%
ECHOSTAR:	SATS	47.97	2.30%	40.18%
GOOGLE:	GOOG	1011.41	15.99%	42.98%
HARMONIC:	HLIT	7.95	2.58%	56.80%
INTEL:	INTC	23.88	4.67%	15.79%
JDSU:	JDSU	15.55	3.12%	15.19%
LEVEL 3:	LVT	28.05	2.60%	21.38%

Company	Ticker	10/18 Close	1-Week % Chg	YTD %Chg
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MICROSOFT:	MSFT	34.96	2.43%	30.89%
NIELSEN:	NLSN	38.44	3.22%	25.66%
RENTRAK:	RENT	35.84	1.96%	83.89%
SEACHANGE:	SEAC	13.72	6.52%	41.88%
SONY:	SNE	19.61	(6.04%)	75.09%
SPRINT NEXTEL:	S	6.40	6.67%	12.87%
TIVO:	TIVO	12.68	1.81%	2.97%
UNIVERSAL ELEC:	UEIC	38.46	8.22%	98.76%
VONAGE:	VG	3.64	4.00%	53.59%
YAHOO:	YHOO	33.43	(2.11%)	67.99%

TELCOS

AT&T:	T	34.61	1.20%	2.67%
VERIZON:	VZ	50.01	6.20%	15.58%

MARKET INDICES

DOW:	DJI	15399.65	1.07%	17.52%
NASDAQ:	IXIC	3914.28	3.23%	29.63%
S&P 500:	GSPC	1744.50	2.42%	22.32%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. GOOGLE:	1011.41	15.99%
2. LIBERTY INT:	27.10	9.63%
3. UNIVERSAL ELEC:	38.46	8.22%
4. LIONSGATE:	37.46	7.74%
5. AMPHENOL:	82.33	6.85%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SONY:	19.61	(6.04%)
2. CABLEVISION:	15.66	(3.75%)
3. BLNDER TONGUE:	0.93	(2.75%)
4. INTERACTIVE CORP:	54.33	(2.34%)
5. YAHOO:	33.43	(2.11%)

SAVE THE DATE
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2013 | NEW YORK CITY

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