

CableFAX Daily™

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What the Industry Reads First

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David vs Goliath: NCTC, Cable One Negotiating with Viacom

With NCTC's carriage pact with Viacom set to expire Mon, some of the co-op's members are warning customers that they could lose popular channels such as **Nick, Comedy Central** and **MTV**. It's a little bit unusual to see the NCTC members, who have a median size of 1500 customers, be so vocal in a dispute. "We're less than a week away from the expiration of the deal, and it does not appear that an extension will be granted, and we're being told that the content provider, Viacom, is going to cease providing the signals," said NCTC chief *Rich Fickle*, explaining that members are required to notify subs. "We may find ourselves in a situation where we have over 3K communities lose signals. That has really never happened before. That's one of the major issues and differences this time around." The other problem is that the level of the increase is such that "we believe it is so much more than what has been done in the marketplace with other MVPDs that it creates a huge competitive issue for these small markets... It's not in the same ballpark," he said. Viacom declined comment. Thus far, it hasn't had any crawls warning of channel drops. Both sides are still negotiating, and seem hopeful that a deal will be reached. NCTC has been helping members spread the word of the potential channel losses through website **TVonMySide.com**, which gives up-to-date information on programming disputes by zip code. For the inside-the-beltway crowd, ACA has **ChannelWatch.org**, which highlights issues affecting small, independent cable operators. ACA is also taking a proactive stance in this, reaching out to members of Congress to let them know about the possibility of a blackout. "DC hates blackouts. What they also hate is sort of being surprised," said ACA CEO *Matt Polka*. "We're trying to be very upfront with the Hill to let them know that on behalf of our members and NCTC that we're doing our best. Where NCTC is saying it's doing its best to get the job done, but this drop may occur out of our hands and we want you to know why." NCTC members publicly warning of a potential Viacom blackout include **Shentel, Eagle Comm, Hargray** and **CityLink**. **Cable One** also has a website on the negotiations, but while it's currently under the NCTC deal, it is negotiating a deal separately of the co-op this time around. "This may be sort of a milestone deal where we see some of the somewhat smaller operators saying, 'We can't do this anymore for these kinds of costs. There's other uses for the bandwidth and resources.' So, we'll see," Fickle said. "We're continuing to negotiate... and we're not going to quit."

2014

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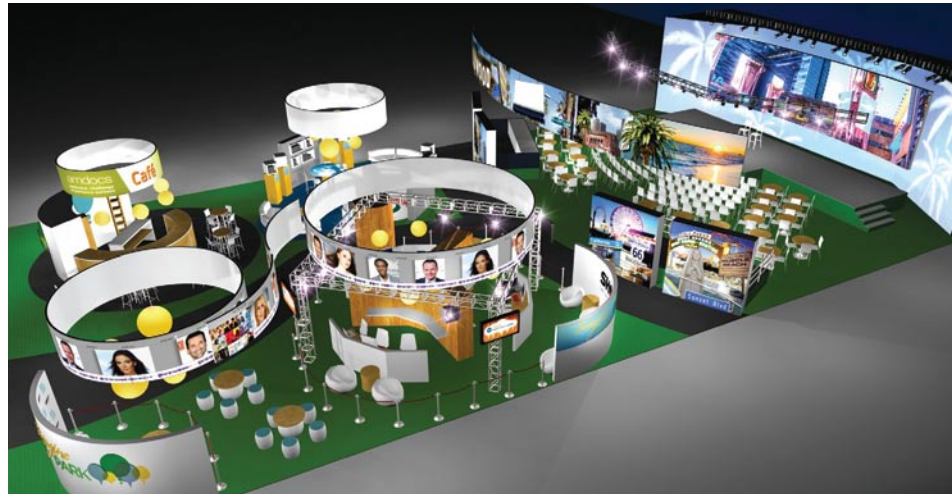
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STELA Approved: The amended draft legislation reauthorizing the Satellite Television Extension and Localism Act is now moving to the full House Commerce committee after the tech subcmte's unanimous approval. The parties compromised: Republicans agreed to put a provision that would undercut the **FCC's** effort to restrict JSAs, in brackets. That allows the subcmte to approve the draft bill without reaching an agreement, meaning the FCC is not off the hook yet as the full committee will take up the issue for further discussion. In fact, there's even more pressure on the agency now to complete the Quadrennial Review. "I feel very strongly" about the provision that would direct the FCC to complete the Quadrennial Review before moving forward on media ownership issues, said *Greg Walden* (R-OH), sponsor of the draft and head of the subcmte. "I stand behind this legislation," he said. That said, placing the provision in brackets showed good faith, he said. While opposing the specific provision, ranking member *Anne Eshoo* (D-CA) agreed that the Commission needs to finish the review. The parties also compromised on the set-top box integration ban issue. Per Eshoo's amendment, the bill now wouldn't restrict the FCC from adopting an integration ban as part of a successor solution to CableCARDS. Additional amendments were submitted but withdrawn, although the issues could re-emerge during the Comm Act Update, such as Eshoo's proposal to look at the practice of blocking online access to broadcast content during a retrans dispute. Citing **CBS'** blocking of online access to **Time Warner Cable** broadband subs during their disputes, Eshoo said "as long as I am around, I will be talking about this [blocking online access]." Eshoo also fired shots at broadcasters over rising retrans fees. "It goes way over the top. Who's picking up the tab? The consumers... This is not a sustainable business model..." she said. Meanwhile, *Renee Ellmers* (R-NC), urged sbmte members to look at **DirecTV's** dropping of **INSP** from its lineup last month. *Steve Scalise* (R-LA)'s amendment sought to restore a provision in the original draft aiming to get rid of the must-buy requirement on cable for the bcst basic tier. *Peter Welch* (D-VT) took up the issue of rising pay-TV rates again. **ACA** wasn't thrilled about the passage as Section 3 of the bill passed would give the broadcasters a statutory right to coordinate retrans negotiations. **NCTA**, which counts both programmers and MVPDs as members, only mentioned integration ban in its response: "We are especially pleased that committee members have worked collaboratively to eliminate the FCC's Integration Ban, an unnecessary rule that has increased significantly both the cost and energy consumption of cable leased set-top boxes while offering no consumer benefit." Senate Commerce is set for its own STELA hearing on April 1 while the judiciary committee's hearing is scheduled for Wed. Witnesses include *Alison Minea*, sr counsel of regulatory affairs at **DISH**; *Marci Burdick*, svp of bcstg at **Schurz Comm** (she testified at the most recent House hearing); *Ellen Stutzman*, dir of research & public policy at **Writers Guild of America**; and *John Bergmayer*, sr staff attorney at **Public Knowledge**.

On the Hill: Senate Judiciary moved its hearing examining the **Comcast-Time Warner Cable** merger from Apr 2 to Apr 9. That's got to be great news for **ACA**, whose Summit in DC is Apr 2.

Turner Ad Sales: **Turner** announced a restructure of its ad sales dept as several agencies align their infrastructure as TV-buying groups merge with digital groups. *Donna Speciale* will expand her duties and become pres of Turner Ad Sales, with oversight of all TV and digital ad sales for ent, news, kids and young adults. Longtime **CNN** sales chief and pres, Turner Digital Ad Sales *Greg Dalba* is leaving the company after 27 years. On the sports side, *Rich Calacci*, svp, sports digital/Bleacher Report ad sales, and *Seth Ladetsky*, svp, sports digital ad sales, will now report directly to *Jon Diament*, evp of Turner Sports Ad Sales.

Cable WiFi: **Comcast** launched 300K hotspots in New England as part of its goal of launching 1mln nationwide WiFi access points. The service is free for eligible Xfinity Internet subs.

Multiscreen: **Starz** launched its TVE services Encore Play and MoviePlex Play on Xbox Live Tues. The services will be available on Xbox One later this year. The launches followed the Dec debut of Starz Play on Xbox 360, the 1st Starz service on the **Microsoft** platform.

Digital Doings: One of **YouTube's** largest networks, **Maker Studios**, has been gobbled up by **Disney** in a \$500mln deal. The price could rise to \$950mln if Maker hits certain targets. Disney's take: with 55K channels, 380mln subs and 5.5bln views, Maker has established itself as "the top online video network for Millennials." The deal is expected to close in 3Q.

BUSINESS & FINANCE

Ratings: Hallmark Channel's original scripted series "When Calls the Heart" drew more than 2.5mln unduplicated viewers on Mar 22. The Sat night premiere scored a 1.8 HH rating. In the 9-10pm period, the series ranked #2 among HH and P2+. The ep became the highest-rated ep of the series to-date and the most watched among HHs and P2+.

Programming: BBC America premieres its 1st original comedy series "Almost Royal" on June 21. -- **History** picked up a 10-ep 3rd season of its drama series "Vikings." -- **The Hub** plans to debut a new, parent-child swap series, "Parents Just Don't Understand," hosted by *Joey Fatone* ('N Sync, "Dancing with the Stars"). -- **Universal Sports**, exclusive national TV and digital media home of the Boston Marathon, will cover the Boston Tribute event to be held Apr 15. Universalsports.com will stream the Boston Tribute live in its entirety followed by a 1-hour Boston Tribute TV special at 6 pm ET and an encore presentation of the 2013 Boston Marathon elite competition at 7pm ET. -- **Showtime** announced "Lost Songs: The Basement Tapes Continued," a doc chronicling *Elvis Costello, Rhiannon Giddens, Taylor Goldsmith, Jim James and Marcus Mumford* creating music for 2-dozen recently discovered lyrics written by *Bob Dylan* in '67.

CableFAX Daily Stockwatch

Company	03/25 Close	1-Day Ch	Company	03/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
21ST CENTURY FOX:	32.51	0.24	GOOGLE:	1158.72	0.79
DIRECTV:	73.17	(1.03)	HARMONIC:	6.80	0.09
DISH:	58.42	(0.72)	INTEL:	25.46	0.34
DISNEY:	79.55	0.06	JDSU:	14.28	(0.02)
GE:	25.70	0.29	LEVEL 3:	39.21	0.93
MSOS					
CABLEVISION:	16.59	(0.05)	MICROSOFT:	40.34	(0.16)
CHARTER:	124.12	(1.63)	NIELSEN:	44.15	(0.19)
COMCAST:	49.67	(0.63)	RENTRAK:	59.05	1.69
COMCAST SPCL:	48.53	(0.42)	SEACHANGE:	10.32	(0.03)
GCI:	11.29	(0.01)	SONY:	18.25	0.60
LIBERTY GLOBAL:	41.06	(0.3)	SPRINT NEXTEL:	9.06	(0.05)
LIBERTY INT:	28.46	0.05	TIVO:	13.19	(0.1)
SHAW COMM:	23.14	(0.01)	UNIVERSAL ELEC:	40.69	0.97
TIME WARNER CABLE:	135.66	(1.65)	VONAGE:	4.41	0.01
PROGRAMMING					
AMC NETWORKS:	73.28	(0.54)	YAHOO:	35.93	(0.75)
CBS:	63.14	(1.12)	TELCOS		
CROWN:	3.44	(0.05)	AT&T:	34.72	0.26
DISCOVERY:	83.02	(0.15)	VERIZON:	47.22	0.21
GRUPO TELEVISA:	31.62	0.47	MARKET INDICES		
HSN:	59.64	(0.73)	DOW:	16367.88	91.19
INTERACTIVE CORP:	71.31	(0.55)	NASDAQ:	4234.27	7.88
LIONSGATE:	26.78	(1.88)	S&P 500:	1865.62	8.18
MADISON SQUARE GARDEN:	56.96	(1.14)			
SCRIPPS INT:	74.71	(0.38)			
STARZ:	31.86	0.28			
TIME WARNER:	65.55	0.22			
VALUEVISION:	5.08	(0.09)			
VIACOM:	85.48	(0.48)			
WWE:	29.71	(0.34)			
TECHNOLOGY					
ADVANTAGE:	3.18	0.03			
ALCATEL LUCENT:	3.72	(0.03)			
AMDOCS:	46.26	0.58			
AMPHENOL:	92.72	0.22			
AOL:	42.25	(0.24)			
APPLE:	544.99	5.80			
ARRIS GROUP:	28.10	0.02			
AVID TECH:	6.36	0.09			
BLNDER TONGUE:	0.93	(0.01)			
BROADCOM:	31.80	0.20			
CISCO:	22.34	0.77			
CONCURRENT:	8.47	UNCH			
CONVERGYS:	21.70	0.70			
CSG SYSTEMS:	26.43	(0.18)			
ECHOSTAR:	47.51	(0.47)			

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