

# CableFAX Daily™

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What the Industry Reads First

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## Negotiations Over: Viacom Channels Go Dark On Cable One

It sounds like **Cable One** subs may need to get used to living without **Nick**, **MTV** and other **Viacom** channels. Unable to reach a deal with the programmer by 12:01 at Tues, all 15 channels went dark, and negotiations have stopped. "Our customers understand that we're fighting to deliver quality TV programming at a reasonable price, and sometimes that means changing our channel line-up," CEO *Tom Might* said in a statement released after the drop. "The customer feedback we've received throughout these negotiations overwhelmingly told us that customers supported bringing in new channels as opposed to keeping and paying more for the large number of Viacom channels that they just don't watch." Visit Cable One's Facebook page, however, and you'll find subs who are unhappy to be missing the nets. Starting Wed, Cable One intends to launch new channels including **BBC America**, **Sprout**, **the Blaze**, **Investigation Discovery**, **IFC** and **Sundance**, and expand carriage of others. Cable One was part of an **NCTC** contact that expired at midnight, but instead of a reupping with the co-op, the MSO decided to strike out on its own with negotiations. Viacom nets were still available to NCTC members, with the 2 continuing to negotiate past the midnight deadline. At our deadline, NCTC and Viacom were still negotiating. The channels remained on member systems. This isn't the first line in the sand drawn by Cable One, which dropped Turner nets for about a month last year when it couldn't come to terms on renewal rates. In '12, Viacom channels stayed dark on **DirecTV** for 10 days. Cable One criticized Viacom's bundling of its portfolio of cable nets together or charging a higher rate for only the most popular nets. That practice is the subject of an antitrust lawsuit **Cablevision** filed in federal court against Viacom last year (there's been little movement thus far). "Despite the fact that viewing is down on 12 of Viacom's networks, some by as much as 30% since 2010, Viacom demanded an increase greater than 100 percent to carry all 15 of their channels," Might said. -- Cable One subs missing their "Daily Show" fix are in luck. **Comedy Central** launched a new iOS app Tues that gives all users (whether or not they subscribe to pay TV) next-day access to full eps from *The Daily Show*, "Colbert Report," "@midnight," "South Park" and previews of new series "Trip Tank" and "Comedy Underground with *Dave Attell*." Cable subs get access to additional content, such as full eps of "Tosh.0" and advance eps of the new season of "Inside Amy Schumer."

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**SENATE Commerce Tackles STELA:** Unlike House's STELA effort (Rep *Greg Walden's* amended bill that has several video reform provisions already moved to the floor), it's still uncertain which direction the Senate would go on THE reauthorization of the Satellite Television Extension and Localism Act. That said, Senate Commerce chmn *Jay Rockefeller* (D-WV) isn't afraid of doing video reforms as part of the renewal. "Although the final path for the STELA reauthorization has not been determined, one of the things that I have learned from my tenure is that the Committee should seize the opportunities that present themselves, not take a pass for another day. That future day may not come," he said during the committee hearing Tues. Meanwhile, committee members seemed interested in the impact of the **FCC's** JSA order on broadcasters. **NAB** pres/CEO *Gordon Smith* blasted the order, saying it's unfair for the broadcasters and will hurt investments. In addition, ranking member *John Thune* (R-SD) asked about the must-carry requirement, a provision that's originally in Walden's bill but was cut due to strong opposition from the broadcasters. "The added legal obligation imposed on cable operators to carry such stations as part of a government-required basic tier is not only duplicative, but is also unfair given the lack of a similar legal obligation imposed on non-cable MVPDs," **NCTA** head *Michael Powell* said. Smith reminded the requirement was put in so consumers can access public-safety programming.

**Final Four:** When the NCAA Division I Men's Basketball semifinal games air on cable for the first time this Saturday, Apr 5, **TNT** and **truTV** will air "teamcasts," or broadcasts tailored to each team in the Final Four under the tagline, "Your Team, Your Way." Each game will get its own music, graphics, show packaging, local announcers, custom halftimes, and more. In a call to reporters Tues, *Craig Barry*, **Turner Sports** svp, production and executive creative director, said each broadcast will create a "more energetic, more team-focused approach to the Final Four... not necessarily for just the homers and the alumni" but also for those might casually switch over to another network. *Harold Bryant*, **CBS Sports** exec producer & vp, production, said 95% of the cameras used in the more traditional telecast will be used by teamcast productions. Their approach is to create "separate broadcast operations," Barry said, with its own talent, producers, directors, cameras, etc. And while there's "a lot of emphasis on the talent," the end product will be defined by "all the pieces of the broadcast."

**TVE:** Following **DISH** and **Disney's** multiyear distribution deal, the satellite provider has now launched Watch ABC, Watch ABC Family, Watch Disney Channel, Watch Disney XD and WatchESPN.

**Smart Homes: iControl Networks**, the connected home tech firm that counts cable MSOs like **Time Warner Cable** as customers, is teaming with telecom vendor **Sercomm** to integrate a new cloud camera technology to iControl's Connect smart home platform. The technology is available in SD day and night vision cameras with intrinsic, passive infrared (PIR) motion sensing technology. High-definition versions will launch this summer.

**Amazon Orders 4K:** The 1st wave of 4K TV programs might come from OTT providers. **Amazon** booked full seasons of 6 new original TV series for its Prime Instant subs, including 5 programs to be produced in 4K. The 4K originals include hour-long drama series "The After," and book-based "Bosch," as well as "Mozart in the Jungle," a half-hour comedic drama about sex, drugs and classic music, and "Transparent," another drama about a LA family "with serious boundary issues."

**Netflix Adds Originals:** Continuing to boost its original programming, **Netflix** ordered "Carcos," a drama series about *Pablo Escobar* and the *Medellin Cartel*. The 10-ep 1st season will debut in early 2015.

**Ratings: Showtime's** "Shameless" had its best night ever on Sun with 2.8mln viewers. Season-to-date, the series averaged 5.7mln weekly viewers, up 8% vs the previous season through the same time frame. -- **Showtime's** "House of Lies" had its best night of the season with 1.44mln viewers Sun. The previous high was this season's premiere (1.2mln). Season-to-date, the series is averaging 3mln weekly viewers. -- The season finale of **Hallmark Channel's** 2nd original scripted series "When Calls the Heart" scored nearly 2.7mln viewers Sat. The ep delivered a 1.9 HH rating. -- **DIY** had its most-watched 1st quarter ever, drawing 4.5mln viewers during prime time each week. The net's P25-54 prime time audience grew more than 17% YOY, partly thanks to shows like "Rehab Addict," which scored a series high rating in Jan. In addition, "Rev Run's Renovation" scored more than 4.4mln viewers in its 1st season.

**Multicast getTV: Sony Pictures TV's** multicast digital broadcast net getTV added 4 **Cox Media** stations to its affiliate roster: **WAXN-TV** in Charlotte, NC; **KIRO-TV** in Seattle, WA; **KMYT-TV** in Tulsa, OK; and **WTEV-TV** in Jacksonville, FL. The Jacksonville station won't begin broadcasting the classic movie net until the summer, but the other

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stations started on Tues.

**Programming:** A&E ordered a reality series about 5 brothers who launched an advertising agency after winning a Super Bowl commercial contest. "The Herbert Brothers" (wt) debuts this summer. -- **HGTV** and **DIY** will debut 31 new series as part of their new lineup, including HGTV house renovation series "The Jennie Garth Project" (June) and DIY's "William Shatner Project," which follows the renovations of the actor's home. -- Esquire reupped freshman series "Friday Night Tykes," about the world of youth football. -- **BBC America** doesn't debut drama "The Musketeers" until June 22, but it's already picked up the series for a sophomore season. -- **SundanceTV** will coproduce new, scripted miniseries "One Child," about a Chinese-born young woman adopted by British parents, with **BBC Worldwide**. -- **The World Fishing Network** is offering a free preview throughout April as it readies to debut 2 new original series this month. "JP DeRose Breaking Boundaries," featuring the host and his guest going after different species each week, premieres April 6, while "Bill Boyce's Baja," an insider's look at the area's fishing sites, airs on the same day.

**People:** Turner Entertainment Networks, the division of Turner Broadcasting System, upped Laura Forti to vp. She was most recently dir of TEN Distribution.

## CableFAX Daily Stockwatch

Company	04/01 Close	1-Day Ch	Company	04/01 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
21ST CENTURY FOX:	33.04	1.07	ECHOSTAR:	48.22	0.66
DIRECTV:	77.72	1.30	GOOGLE:	1134.89	20.38
DISH:	63.90	1.69	HARMONIC:	7.22	0.08
DISNEY:	81.57	1.50	INTEL:	25.99	0.18
GE:	25.87	(0.02)	JDSU:	14.35	0.35
<b>MSOS</b>					
CABLEVISION:	16.57	(0.3)	LEVEL 3:	40.75	1.61
CHARTER:	125.64	2.44	MICROSOFT:	41.42	0.43
COMCAST:	49.93	(0.11)	NIELSEN:	45.19	0.56
COMCAST SPCL:	48.86	0.09	RENTRAK:	61.10	0.82
GCI:	11.49	0.08	SEACHANGE:	10.49	0.05
GRAHAM HOLDING:	728.22	24.47	SONY:	19.44	0.32
LIBERTY GLOBAL:	41.45	(0.15)	SPRINT NEXTEL:	9.57	0.38
LIBERTY INT:	29.83	0.96	TIVO:	13.30	0.07
SHAW COMM:	24.05	0.15	UNIVERSAL ELEC:	39.11	0.72
TIME WARNER CABLE:	137.55	0.37	VONAGE:	4.37	0.10
<b>PROGRAMMING</b>					
AMC NETWORKS:	74.35	1.27	YAHOO:	36.49	0.59
CBS:	63.19	1.39	<b>TELCOS</b>		
CROWN:	3.92	0.08	AT&T:	35.09	0.02
DISCOVERY:	83.81	1.11	VERIZON:	47.75	0.18
GRUPO TELEVISIA:	33.67	0.38	<b>MARKET INDICES</b>		
HSN:	60.12	0.39	DOW:	16532.61	74.95
INTERACTIVE CORP:	72.59	1.20	NASDAQ:	4268.04	69.05
LIONSGATE:	28.23	1.50	S&P 500:	1885.52	13.18
MADISON SQUARE GARDEN:	57.22	0.44			
SCRIPPS INT:	77.66	1.75			
STARZ:	33.37	1.09			
TIME WARNER:	66.03	0.70			
VALUEVISION:	4.93	0.07			
VIACOM:	86.82	1.56			
WWE:	29.60	0.72			
<b>TECHNOLOGY</b>					
ADVANTAGE:	3.40	0.08			
ALCATEL LUCENT:	4.05	0.15			
AMDOCS:	46.49	0.03			
AMPHENOL:	92.22	0.57			
AOL:	44.29	0.52			
APPLE:	541.65	4.91			
ARRIS GROUP:	28.38	0.20			
AVID TECH:	6.10	UNCH			
BLNDER TONGUE:	0.90	0.01			
BROADCOM:	31.52	0.05			
CISCO:	23.10	0.69			
CONCURRENT:	8.28	0.11			
CONVERGYS:	22.33	0.42			
CSG SYSTEMS:	26.30	0.26			

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## GUEST COLUMNIST

### ACA's 21st D.C. Summit: Our Time Is Now!

The American Cable Association has been holding its annual Washington Summit for 21 years, each one adding a new chapter to the independent cable community's rich history of achievement. This year's event will be truly spectacular. Up front, I want to thank our D.C. policymakers—Rep. Anna G. Eshoo and Rep. Peter Welch, and Federal Communications Commission Chairman Tom Wheeler—for agreeing to speak to us Wednesday on a range of key matters.

ACA members coming to Washington this week believe that after years of hard work and dedication, our time is now to achieve meaningful change.

We are delighted the FCC is poised to prevent separately owned, top-rated TV stations in the same market from colluding in the sale of retransmission consent and in staging signal blackouts. ACA led in drawing attention to this collusion issue. In a recent letter to the FCC, the Department of Justice supported ACA, arguing that broadcaster retrans collusion is flagrantly anti-competitive in almost every case imaginable.

ACA is also leading on ensuring that FCC rules provide a buying group like the National Cable Television Cooperative (NCTC) the ability to access the pro-competitive program access rules. Today, NCTC is unable to challenge unfair acts or practices by vertically integrated cable programmers. FCC action will take on even greater importance given Comcast's \$45 billion deal to buy Time Warner Cable. The time is now for the FCC to update its rules to protect customers of smaller video providers and their buying group.

On Capitol Hill, ACA has been the "canary in the coal mine" for years in calling for reform of the video marketplace. By year end, Congress is expected to renew the Satellite Television Extension and Localism Act of 2010.



**Matthew Polka**

Our concerns are part of that debate, and the time is now for a bipartisan commitment to update retransmission consent and protect consumers from broadcasters' blackmail-or-blackout tactics.

We proudly support Rep. Anna Eshoo's (D-Calif.) Video CHOICE Act. Her bill (H.R. 3719) would allow cable operators to place the retrans stations on a separate tier, ensuring that consumers can purchase cable television service without subscribing to these broadcast stations. Importantly, the Eshoo bill would give the FCC explicit authority to halt a broadcaster blackout.

We also proudly supported Rep. Steve Scalise (R-LA) on his reintroduction of the Next Generation Television Marketplace Act (H.R. 3720), which would repeal outdated laws governing the video marketplace. Scalise's deregulatory approach would, like Congresswoman Eshoo's legislation, benefit consumers and competition in many ways.

We know both lawmakers are on the right track because the National Association of Broadcasters is doing all it can to scuttle any retransmission consent reform efforts.

Finally, the time is now to look ahead. ACA members support governmental action to bring broadband to all communities and want to be part of this effort. Where ACA members can bring broadband to unserved areas, the government should support their efforts. At the same time, the government should not subsidize our competitors in the build-out of their networks. When we spend our own capital to bring broadband and other services to communities, there is absolutely no reason for the government to step in. Not only does it discourage private investment, it is a waste of taxpayer dollars.

At ACA, we're back in DC for #Summit21. Our time is now.

*(Matthew M. Polka is President and CEO of the American Cable Association).*

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