

Cablefax Daily™

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What the Industry Reads First

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Election 2016: C-SPAN's Scully on the Campaign Trail

When GOP presidential candidate *Donald Trump* made headlines with his claim that *John McCain* isn't a war hero at the Family Leadership Summit in Ames, IA, one cable network was live at the conference—**C-SPAN**. The cable-funded public affairs network has a history of being, well... almost everywhere when it's election time. It was live in 2011 when then-Republican hopeful *Mitt Romney* made his highly quoted "corporations are people" remark, and just like last month's Trump stump, the video clip (with C-SPAN logo) went viral. We chatted with C-SPAN political editor *Steve Scully* about what it's like during election season. **With so many candidates in the race, particularly on the Republican side, how does that change things for C-SPAN in terms of coverage and how you use your resources?** It means we have to be smart. First, there are the events we must get—the campaign announcements. We want to make sure we are able to carry them and carry them live. That's first and foremost. Second are things we need to get, like the policy speeches. They're all delivering speeches that really put meat to the bones to their announcement. The third thing is the things that we want to get—the house parties, the more intimate events. We were in Iowa... we covered live the Iowa Democratic Party dinner with all 5 Democrats. That's one of those must-get events, but we also broke off and went to a Harley Davidson place with Gov Scott Walker, and we went to a Pizza Ranch restaurant with Mike Huckabee. So you're able to show these candidates in a more informal setting, and now is the time we really shine in doing that. We have to live within our means, and it is resource intensive to cover 20+ candidates on the Democratic and Republican side. We're also sitting down with all the candidates. **It seems everything is happening so much earlier than before. Is that true?** There's no question. We really thought this process was going to lumber on until late this year when we first started talking about 2016. But once Ted Cruz announced his candidacy in the spring and once the debate schedule was set up and once the candidates began to raise money, we knew pretty quickly that it was going to be a pretty intense period. One thing that has been challenging is there have been so many multiple candidate events (the Union Leader is scheduled to have a debate with 14 Republican candidates Aug 3 that C-SPAN will televise)... The real difficult thing is to try and schedule time to sit down and talk with them because they're so busy raising money and traveling to the early primary states. The so-called invisible primary that we remember from the '60s, '70s and even the '80s—those days are gone. In this 24/7 digital, social media, cable

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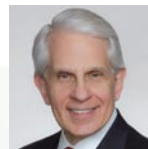
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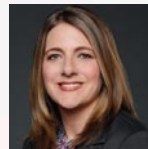
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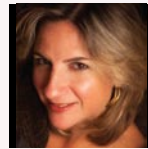
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age, everything you do and say is out there immediately. **Will it be 20-something candidates until Iowa?** In a crowded Republican field, it's not beyond the realm of possibility that you'll see some candidates drop out of the race in Dec and Jan because they don't want to be embarrassed if they're really low in the polls. **Anything new and different for C-SPAN for this campaign?** I think the biggest initiative is going to where the people are getting their information, which is social media, the web. We've been playing around with Periscope. We're pretty aggressive with Twitter, YouTube and Facebook. The difference today is we're doing much more live coverage, either for 1 of the 3 networks or the web.

Suddenlink 2Q: Suddenlink widened its sub loss in 2Q as it moves forward with its \$9.1bn merger with EU operator **Altice**, announced in May. It has also been almost a year since Suddenlink dropped **Viacom** nets. The MSO lost 29,400 basic video subs in the period, 10K more than the 19K it lost in the year-ago quarter. The company blamed seasonality and rate increases for the weak sub performance. HSI subs declined by 2,800 during the quarter, while voice customers grew by 500. At the end of 2Q, the MSO has nearly 1.5mln residential subs, up 2.4% YOY. Revenue for the period was up 4.7% YOY to \$608.7mln. While the companies are still relatively early in the regulatory approval process for the merger, "we continue to expect the transaction to close in the fourth quarter," Suddenlink CEO/chmn **Jerry Kent**, who will depart after the deal's completion, said in a statement. The decision not to renew contract with Viacom has had a "minimal lasting impact on the connect side of the business," Kent said during the earnings conference call Mon. Despite the pending merger, the company expects to invest up to \$230mln through 2017 to enhance its Internet speeds in markets serving 94% of HSI subs. The goal is to offer speeds of up to 1 Gbps in markets serving nearly 85% of HSI subs, the company said. Internally known as "Operation GigaSpeed," the initiative includes investments to upgrade data network head-end equipment, replace any remaining deployed DOCSIS 2.0 customer premises equipment with DOCSIS 3.0 equipment, and complete all-digital video conversion. The plan calls for speeds of Suddenlink's main Internet tier to increase from 15 to 200 Mbps and the top Internet speed to increase from 100 Mbps to 1 Gbps in most markets. The company already completed the initial phase of Operation GigaSpeed in 88 markets. The company expects to spend \$85mln of capital expenditures this year related to Operation GigaSpeed.

AT&T-DirectTV: Just 2 weeks after **AT&T** completed its **DirectTV** acquisition, the telco has already announced plans to offer a TV/wireless combo. Starting Aug 10, AT&T will deliver a nationwide all-in-one package that includes 10 GB of shareable data, unlimited talk and text for 4 wireless lines, and HD/DVR service for up to 4 TV receivers. The offering, a first of its kind, costs \$200 a month for 12 months. As part of the launch, new DirectTV subs will gain access to programming on their mobile device via a "walk out and watch TV experience." Customers can view DirectTV using the DirectTV app on their mobile devices after leaving the store (before TV service is installed in their home). Meanwhile, AT&T is offering NFL Sunday Ticket 2015 season for free for new subs with DirectTV Choice packages and above. The telco is now selling DirectTV in more than 2K AT&T retail stores nationwide.

Carriage: RFD-TV owner **Rural Media Group** and **Mediacom** reached a multi-year contract renewal, making RFD-TV available on the MSO's "expanded basic" tier starting Sept. As part of the agreement, Mediacom will start rolling out RFDHD starting in Jan. Sister channel **FamilyNet** scored its 1st time distribution with Mediacom on its "variety tier." The MSO was the 1st landline distributor to carry Rural Media Group's service 13 years ago, according to the company's founder/CEO **Patrick Gottsch**.

NCTC/One World Extends Contract: **One World Sports** expanded its agreement with **NCTC** to include TVE rights for the net. Under the new contract, NCTC's nearly 850 member companies have the option to carry and offer their subs the authenticated feed of the channel's content across platforms. The net recently inked carriage deals with NCTC members **Duncan Cable**, **Kuhn Communications** and **Shenandoah Telecommunications** (Shentel) as well as **Suddenlink**.

From the Streets: With ratings decreasing 9% in 2Q, major cable nets are increasing ad loads as much as 10% to sustain their margins, according to **Bernstein Research** analysts. According to the research firm's report Mon, C3 audience ratings were down 9% across the board in primetime, excluding kids programming, in Q2. Kids programming is performing even worse, with the C3 rating for the overall kids content down 14% in 2Q. As a result, ad loads are up at most network groups, "especially habitual ad-stuffers" **Viacom** (+7%) and **A+E Networks** (+5%), joined this quarter by **AMC Networks** (+10%), according to the analysts. "The continued ad stuffing is an obvious and unsustainable (some

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would say ‘desperate’) action by the networks to prop up ad revenue in the face of declining audiences... Not only can this not be sustained going forward, it further contributes to the audience declines, making SVOD that much more preferable for viewers made numb by the absurd amount of ads (as well as decreasing the efficacy of the advertising that is still seen),” the analysts wrote.

Verizon-Union Talk: CWA and IBEW announced that 39K Verizon Wireline workers on the East Coast will work without a contract after their bargaining agreement with the telco expired Sun night. However, negotiations continue, according to the unions. The unions and Verizon management teams have been meeting since June 22 to hash out a new contract.

Hallmark Teams with Ford: Integrating Ford’s breast cancer awareness program into its original scripted series “Cedar Cove,” Hallmark Channel has become the 2015 broadcast partner for the automaker’s “Warriors in Pink” initiative. The multi-faceted on- and off-air buy centers primarily around Season 3 of Cedar Cove. In the series’ season 3 finale on Sept 12, the town of Cedar Cove turns its annual bike ride into a Warriors in Pink event replete with branded tents and signage, as well as the cast and extras suited up in Warriors in Pink apparel.

Cablefax Daily Stockwatch

Company	08/03 Close	1-Day Ch	Company	08/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	65.62	1.01	CONCURRENT:	5.36	0.01
ENTRAVISION:	7.64	(0.03)	CONVERGYS:	25.00	(0.11)
GRAY TELEVISION:	17.05	0.16	CSG SYSTEMS:	30.72	(0.38)
MEDIA GENERAL:	15.63	(0.24)	ECHOSTAR:	46.63	0.21
NEXSTAR:	57.43	0.07	GOOGLE:	631.21	5.60
SINCLAIR:	29.05	0.03	HARMONIC:	5.94	(0.07)
TEGNA:	29.02	(0.11)	INTEL:	29.05	0.10
MSOS					
CABLE ONE:	416.60	1.38	INTERACTIVE CORP:	76.26	(1)
CABLEVISION:	28.20	(0.02)	JDSU:	10.87	(0.22)
CHARTER:	187.31	1.45	LEVEL 3:	50.55	0.05
COMCAST:	63.21	0.80	MICROSOFT:	46.81	0.11
COMCAST SPCL:	63.09	0.75	NETFLIX:	112.56	(1.75)
GCI:	18.29	(0.11)	NIELSEN:	47.95	(0.51)
LIBERTY BROADBAND:	54.81	0.84	RENTRAK:	68.89	0.42
LIBERTY GLOBAL:	53.10	0.64	SEACHANGE:	6.72	(0.17)
SHAW COMM:	21.15	(0.05)	SONY:	27.76	(0.59)
SHENTEL:	34.81	0.43	SPRINT NEXTEL:	3.34	(0.03)
SHENTEL:	34.81	0.43	TIVO:	9.86	(0.1)
TIME WARNER CABLE:	191.27	1.26	UNIVERSAL ELEC:	50.71	(1.13)
PROGRAMMING					
21ST CENTURY FOX:	34.38	(0.11)	VONAGE:	6.24	(0.15)
AMC NETWORKS:	85.02	0.80	YAHOO:	36.69	0.02
CBS:	53.03	(0.44)	TELCOS		
CROWN:	4.60	0.13	AT&T:	34.66	(0.08)
DISCOVERY:	32.71	(0.31)	CENTURYLINK:	28.90	0.30
DISNEY:	121.12	1.12	TDS:	30.05	0.64
GRUPO TELEVISA:	35.00	0.14	VERIZON:	46.97	0.18
HSN:	73.05	(0.46)	MARKET INDICES		
LIONSGATE:	38.91	(0.27)	DOW:	17598.20	(91.66)
MSG:	82.60	(0.8)	NASDAQ:	5115.38	(12.9)
SCRIPPS INT:	62.59	0.01	S&P 500:	2098.04	(5.8)
STARZ:	39.19	(1.26)			
TIME WARNER:	87.78	(0.26)			
VIACOM:	56.31	(0.84)			
WWE:	20.17	0.60			
TECHNOLOGY					
ADVANTAGE:	2.24	(0.04)			
AMDOCS:	58.45	(0.2)			
AMPHENOL:	55.94	(0.47)			
APPLE:	118.44	(2.86)			
ARRIS GROUP:	30.32	(0.6)			
AVID TECH:	11.64	(0.62)			
BLNDER TONGUE:	0.82	(0.01)			
BROADCOM:	50.50	(0.11)			
CISCO:	28.36	(0.06)			
COMMSCOPE:	26.03	(0.08)			

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