

# Cablefax Daily™

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What the Industry Reads First

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## Zombie Alert: AMC Nets Warns Ahead of NCTC Contract Expiration

It's a familiar playbook. As the year winds down, notices start popping up during AMC's popular "The Walking Dead" warning viewers that they could lose the channel if their provider doesn't renew their carriage deal. Last November, those alerts were directed at DirectTV customers. On Sun, NCTC members were the target as the co-op's contract is set to expire Dec 31. Members are likely looking at a big increase, with the last deal several years old (ie, pre-TWD). Viewers were encouraged to visit KeepAMC.com or call a toll-free number to be connected to their pay TV provider. While the deal includes the entire suite of AMC Nets, TWD represents a passionate fan base, who are just 2 eps away from what's sure to be a cliffhanger mid-season finale (new eps return in 2016). TWD eps have consistently ranked as the most-watched cable programs this season. NCTC member MCTV didn't like Sun's commercial spots and message crawls. "AMC is actively trying to incite panic among our local viewers; trying to scare them into believing that they are at risk of losing their favorite shows," MCTV pres Bob Gessner said in a statement. "But what AMC failed to convey is the real story behind the crawls they ran in The Walking Dead last Sunday. Our customers are NOT at risk of losing AMC or WE tv prior to the December 31 deadline because AMC Networks must contractually provide the signals through this date." There's reason to be optimistic a deal will get done. DirecTV and AMCN worked out a contract without any loss of channels. A couple of years ago, Suddenlink and Cable One tussled with the programmer, but both reached new deals. AMC Networks said it has been a long-time partner of NCTC. "While we are committed to continuing to negotiate with NCTC, we are informing our loyal viewers who are NCTC customers that they are at risk of losing access to their favorite AMC shows," AMCN said in a statement. Gessner complained that the current proposal from AMCN includes a significant cost increase and required carriage of "low-rated channels such as BBC World News that none of our customers are requesting and our current research shows no one is watching." NCTC has its own website, TVOnMySide, which tells customers "Don't Let AMC Scare You!" and assures them they won't miss any TWD eps this year.

**Hot Seat:** FCC chmn Tom Wheeler and the rest of the Commission will be in the hot seat this morning, when the House Communications subcmte holds a hearing on oversight of the agency. Look for Republican commissioners to use the hearing to lob some more criticism. In his prepared testimony, Ajit Pai said the FCC's enforcement process

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“has gone off the rails,” pointing to the \$100mIn fine issued against AT&T for allegedly failing to disclose that unlimited data plan customers could have their speeds temporarily reduced. Pai also called on the FCC to abandon its attempt to regulate the OTT video market. Fellow Republican *Mike O’Rielly* sounded the alert about the FCC’s interest in regulating privacy and data security practices, arguing that the agency is in danger of stepping on the FTC’s “well-established” toes. In his own prepared testimony, Wheeler said he’s proud of the FCC’s work, including the Enforcement Bureau. “The Bureau’s job is to hold companies accountable for their behavior and ensure they are following Commission rules. That’s not overly aggressive; that’s basic consumer protection,” Wheeler said in his testimony.

**Goodbye Universal Sports:** **Universal Sports** is no more, with the network ceasing operations on Mon as previously announced. NBCU said it has purchased, effective immediately, assets from the net. The deal covers a wide range of rights including agreements with international and national governing bodies for Olympic-sport events in swimming, track and field, gymnastics, figure skating, skiing, cycling, triathlon and volleyball. NBCU will offer its acquired content across its nets and platforms, including **NBCSN** and **Universal HD**, **NBC Sports Live Extra**, the live streaming platform. Upcoming events that NBC Sports will televise and stream include: the FIS Alpine World Cup season; the USA Swimming Arena Pro Swim Series; the IAAF World Indoor Championships; and the 2016 Boston Marathon.

**Nat Geo 2.0:** *Courteney Monroe* will serve as CEO of **National Geographic Global Networks**, overseeing global programming, operations and global marketing for the nets around the world. The appointment comes as **21st Century Fox** and **National Geographic Society** complete their transaction to form a new venture. Now CEO of Nat Geo Channels US, Monroe will continue to head the US networks. She also will assume oversight of National Geographic Studios, the in-house television production studio previously part of **National Geographic Ventures**. Monroe joined National Geographic Channels in 2012 from **HBO**, where she served as evp, consumer marketing and digital platforms. *Ward Platt*, who now serves as COO of **Fox Intl Channels** and CEO of **National Geographic Channels Intl**, will assume the new post of COO of National Geographic Partners. *Susan Goldberg*, now Editor-in-Chief of *National Geographic* magazine, will continue in that capacity and add the title of Editorial Director. *Jeffrey Schneider*, now evp, business and legal affairs for National Geographic Channels, will become evp, business and legal affairs for National Geographic Partners.

**Union Moves:** **CWA** has been making noise, with most of it directed at **Verizon**. On Tues, it sent a letter to the MD Public Service Commission calling on it to re-open an investigation into the telco’s quality of service on its copper network. The union has filed a similar petition in PA. Since Aug 1, Verizon union employees affiliated with CWA and the Intl Brotherhood of Electrical Workers have been working without a contract. -- Meanwhile, **Windstream** employees who are CWA members are challenging the company’s healthcare approach, planning a picket on Wed at Windstream’s Little Rock HQ. CWA claims Windstream’s new plan has deductibles of up to \$6300 for single employees and \$12600 for family coverage.

**Paris Attacks:** In the wake of Fri’s terrorist attacks on Paris, French-language channel **TV5Monde** authorized affiliates to make the net available to all subs for a limited time. TV5Monde was slated to be open until Sat. Although many regularly scheduled programs will continue to air as planned, the net is focusing extra attention on the developing story on the ground in Paris. **Cox** announced that phone calls up to 60 minutes placed by its Digital phone customers to landline and wireless numbers in France would be free Fri through Mon. On TV, some networks pulled programming because of the attacks. **TNT** postponed Mon night’s scheduled ep of “Legends” set in Paris. The Season 2 premiere will air instead.

**Pay-TV 3Q Performance:** The 13 largest pay-TV providers narrowed their video sub loss in 3Q to 190K in the period, compared to 155K net video subs loss in 3Q a year ago, according to **Leichtman Research**’s latest report. Cable MSOs had the fewest losses in any 3Q since 2006. The top 9 cable companies lost around 145K video subs vs a 440K loss a year ago. Satellite TV was a bright spot, adding 3K subs in the period, compared to a 40K loss a year ago. The telcos lost about 49K video subs, compared to 323K net additions in 2014. Overall, the top pay-TV providers have 94mIn video subs, with the top 9 cable ops at 48.8mIn, satellite providers at 33.5mIn and the telcos at nearly 11.7mIn subs.

**Carriage:** *Magic Johnson*’s **Aspire** and **UP** scored a carriage deal with **AT&T**, bringing the nets onto the **DirectTV** and U-verse platforms. The channels are already available on both platforms.

**Media General/Nexstar:** **Media General** said its board has decided to engage in negotiations with **Nexstar** even though it has rejected its initial offer to acquire the company for \$1.9bIn in cash and stock. The board’s decision came after Media

# BUSINESS & FINANCE

General reached a \$2.4bln agreement with **Meredith Corp** that allows it to explore a potential transaction. Under the terms of the companies' binding merger agreement, Meredith has the option to review and propose an alternative proposal, it said.

**Comcast Invests in VR:** It's official.

**Comcast** announced its investment in **NextVR**, which provides live-action virtual reality bcst technology. The move was reported last week. Through its investment arm **Comcast Ventures**, the company joined investors **Formation 8, Time Warner Investments, Peter Guber, RSE Ventures, The Madison Square Garden Company** and **dick clark productions** in NextVR's financing round of \$30.5mln. NextVR is Comcast Ventures' 2nd virtual reality investment following social virtual reality software firm **AltspaceVR**.

**People:** **ESPN** upped **Laura Gentile** to svp, **espnW** and women's initiatives. -- **Bravo** upped **Jonathan Hills** to svp, Bravo Digital Media. BravoTV.com has posted record-breaking traffic of late, with it up 57% from the previous year. -- **Showtime** tapped **Vinnie Malhotra** as svp of documentaries, unscripted and sports programming, a newly created role. He will report to programming pres **Gary Levine**. -- **CenturyLink** tapped former Sen **Mary Landrieu** (D-LA) to its board, effective immediately. The addition expands the board to 13 directors, filling a seat vacated by **Fred Nichols** who passed away earlier this year.

## Cablefax Daily Stockwatch

Company	11/16 Close	1-Day Ch	Company	11/16 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DISH:	62.45	(0.17)	CONVERGYS:	24.69	0.04
ENTRAVISION:	8.45	0.07	CSG SYSTEMS:	35.62	0.20
GRAY TELEVISION:	16.68	0.14	ECHOSTAR:	40.53	0.80
MEDIA GENERAL:	15.38	(0.08)	GOOGLE:	728.96	11.96
NEXSTAR:	58.63	0.72	HARMONIC:	5.19	0.03
SINCLAIR:	34.19	1.16	INTEL:	32.10	(0.01)
TEGNA:	26.58	0.57	INTERACTIVE CORP:	64.74	(0.26)
<b>MSOS</b>					
CABLE ONE:	471.46	2.47	LEVEL 3:	50.93	1.09
CABLEVISION:	31.31	0.31	MICROSOFT:	53.77	0.93
CHARTER:	185.69	(0.79)	NETFLIX:	111.35	7.70
COMCAST:	61.35	1.12	NIELSEN:	46.83	0.38
COMCAST SPCL:	61.42	1.09	RENTRAK:	51.06	1.12
GCI:	20.68	0.08	SEACHANGE:	6.23	0.11
LIBERTY BROADBAND:	53.03	(0.27)	SONY:	27.44	0.13
LIBERTY GLOBAL:	44.10	(1.25)	SPRINT NEXTEL:	4.21	0.03
SHAW COMM:	20.20	0.32	TIVO:	8.78	0.08
SHENTEL:	48.14	(1.28)	UNIVERSAL ELEC:	47.82	1.32
TIME WARNER CABLE:	185.84	0.41	VONAGE:	6.62	0.07
<b>PROGRAMMING</b>					
21ST CENTURY FOX:	30.30	0.61	YAHOO:	32.95	0.76
AMC NETWORKS:	76.67	1.69	<b>TELCOS</b>		
CBS:	50.94	1.06	AT&T:	33.04	0.73
CROWN:	5.81	0.09	CENTURYLINK:	28.48	0.78
DISCOVERY:	30.59	0.61	FRONTIER:	4.76	0.12
DISNEY:	115.92	1.08	TDS:	27.88	0.32
GRUPO TELEVISIA:	28.35	0.47	VERIZON:	45.04	0.81
HSN:	51.27	0.30	<b>MARKET INDICES</b>		
LIONSGATE:	37.53	(0.31)	DOW:	17483.01	237.77
MSG NETWORKS:	20.36	(0.47)	NASDAQ:	4984.62	56.73
SCRIPPS INT:	56.72	(0.11)	S&P 500:	2053.19	30.15
STARZ:	34.04	0.44			
TIME WARNER:	71.10	1.17			
VIACOM:	53.75	1.87			
WWE:	16.74	0.36			
<b>TECHNOLOGY</b>					
ADDVANTAGE:	2.31	0.02			
AMDOCS:	54.47	0.37			
AMPHENOL:	54.53	1.53			
APPLE:	114.18	1.84			
ARRIS GROUP:	28.37	0.53			
AVID TECH:	6.40	0.16			
BLNDER TONGUE:	0.39	(0.09)			
BROADCOM:	52.25	0.87			
CISCO:	26.79	0.58			
COMMSCOPE:	26.50	UNCH			
CONCURRENT:	4.86	0.05			

## Celebration Awards Luncheon

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## CFX TECH by Joyce Wang

### Ericsson's Cable Ambition

Since the acquisition of **Microsoft's** Mediaroom assets in 2013, **Ericsson** has stepped up its efforts to further extend its presence in the media space with services ranging from virtualization to mobility. Following its \$125mln **Envivio** acquisition, the Swedish vendor has been showing off its end-to-end cloud-based video platform that features cloud-based DVR and other virtualized capabilities. Ericsson's cable strategy is really around the MSO edge network, *Solomon Israel*, vp of business development & client partners at TV& Media Practice North America, told us. The challenge is that new players like **Netflix** have come in and redefined the space, he said. Ericsson addresses it through its multiplatform video, OSS/BSS solutions, which allow new services to be introduced, and mobility offerings such as WiFi, he said. As the industry expands its multiplatform presence, cloud tech enables sustainability and flexibility to drive new services to market, while simplifying current connectivity challenges, *Israel* said. Competition from SVOD providers and OTT services is pushing pay-TV providers to be agile in their service, network operation and consumer proposition, said *Simon Frost*, global head of media marketing and communications. From content owners' perspective, "they all want to do OTT and have their own metadata" to analyze how their content is being consumed, said *Frost*. They also want to globalize their brand and drive more eyeballs, he said. That's perhaps why Ericsson acquired creative agency **Red Bee Media** to help content providers globalize and create channel identity. Citing **HBO** and **Showtime's** launch of stand-alone services and programmers' international launch, *Frost* said "you will see everyone exploring these options." Ericsson's consumer research indicated a growing consumer frustration regarding multiple relationships with SVOD services, stand-alone OTT packages and other multiplatform bundles. *Israel* said the ability to integrate

those services into a common experience is key for pay-TV ops. And to break down the barriers of content consumption on alternative platforms such as mobile, some content providers offer to subsidize the costs of data transport, *Israel* noted.

**Kaltura Talks OTT:** **Kaltura**, a NY-based software firm allowing publishers and programmers to publish, manage and monetize OTT content, recently scored a deal with OTT streaming media firm **Zonzia Media** to power its VOD services. **Kaltura** is part of the **Open Video Alliance**, which promotes free expression and innovation in online video. The lack of an OTT video standard has been "a pain point for the entire industry," *Iddo Shai*, dir of product marketing at **Kaltura** told us. Another challenge is Digital Rights Management, with 3-5 technology solutions in the market. That makes it expensive to manage and securely deliver videos to any device, said *Shai*. "We are hoping this will get better with CENC (the common encryption scheme) and DASH (dynamic adaptive streaming over HTTP)." CENC specifies standard encryption methods that can be used by digital rights systems to enable decryption of the same file using different DRM systems. It defines a common format for encryption-related metadata necessary to decrypt the protected streams. DASH seeks to enable streaming of high quality media content by using standard HTTP protocol and can be deployed on existing Internet infrastructure. The good news is OTT subscription and transactional services used to require very expensive technology. "But these days you can launch a subscription service on about 8 devices at a much lower price point. It's still not cheap, but if you have a loyal audience of 50K to 100K that keeps coming back to the service when it's free, rolling out a paid version with some extra content starts to make sense. That wasn't the case one year ago," he said.

Got tech news? Reach out to Cablefax Tech editor *Joyce Wang* at [jwang@accessintel.com](mailto:jwang@accessintel.com)



#### Major Topics Include:

- Web shows and series
- Deals between web content creators, MCNs and digital studios
- Technology enabling more convergence between traditional and new media

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