

Cablefax Daily™

Tuesday — January 5, 2016

What the Industry Reads First

Volume 27 / No. 001

It's Done: NCTC CEO Says AMCN Deal Represents New Kind of Carriage Pact

It was touch and go at times, but in the end **AMC Networks** and **NCTC** reached a new deal that will span about 5-6 years (less than the 10 years in the programmer's original ask). Things were so uncertain that some of the co-op's members went ahead and pulled the signals ahead of a Dec 31 midnight deadline rather than stay up late to see what happened. "Twelve o'clock to them is a different time than 12 o'clock East Coast time. They did restore it," said NCTC pres/CEO *Rich Fickle*. "Some threw little parties for their staff who had to sit there and wait." Negotiations went well past midnight and continued into late Sat before the 2 sides reached consensus. Even though NCTC has a deal that will let members continue to carry **AMC, IFC, Sundance** and the rest of the AMCN suite, members don't have to opt-in. Alaska's **GCI** already has dropped AMC and IFC, along with **Univision, Pop** and **Reelz**, citing dramatic cost increases. "This is so much better than where we were a week ago. A substantial number of members will renew, if not high 90%," Fickle predicted. "There may still be a few for various reasons that may have to drop because they're under pressure. GCI's case is a good example." NCTC should have a better idea of who will take the deal in the next couple weeks, with members required to notify within 6 weeks. While the NCTC chief could have done without the public drama, the end result is something he'd be happy to repeat. "We came up with something that we haven't done before that allows a lot more flexibility at the consumer packaging level," Fickle said. While he couldn't go into details, members have the opportunity to offer some skinny bundles. And rather than everyone being required to launch every AMCN network, carriage requirements are based on markets. For example, larger markets with more diversity and greater system capacity made new network carriage commitments. The new deal includes **BBC America** and **BBC World**, as well as AMC, Sundance, IFC and **WE tv**. "This deal very closely manages carriage requirements with what makes sense in those markets for both the member and AMC. AMC gets, I think, what's really important to them in terms of markets and carriage commitments," Fickle said. "It provides a great deal of flexibility to our membership base that we haven't seen in other deals. I give AMC a gold star for that. It took a while, but they actually sat down and listened and thought about how to structure it in a way that makes sense." "We have enjoyed a long and successful partnership with NCTC and we look forward to continuing to provide our popular and acclaimed programming to NCTC members and their customers," AMCN network sales pres *Bob Broussard* said in a statement.

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● 301.354.2101 ● Editorial Director: Amy Maclean, 301.354.1760, amaclean@accessintel.com ● Publisher: Michael Grebb, 323.380.6263, mgrebb@accessintel.com ● Sr. Editor: Joyce Wang, 301.354.1828, jwang@accessintel.com ● Cablefax/Screenster Editor: Kaylee Hultgren, 646.764.8267, khultgren@accessintel.com ● Advisor: Seth Arenstein ● Dir. of Business Dev.: Rich Hauptner, 203.899.8460, rhauptner@accessintel.com ● Acct. Exec: Olivia Murray, 301.354.2010, omurray@accessintel.com ● Dir. of Market Dev.: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Production: Joann Fato, jfato@accessintel.com ● Diane Schwartz, SVP Media Comms Group, dschwartz@accessintel.com ● Group Subs: Laurie Hofmann, 301.354.1796, lhofmann@accessintel.com ● Sub Questions, Client Services: 301.354.2101, clientservices@accessintel.com ● Annual subscription price: \$1,649/Year ● Access Intelligence, LLC, 9211 Corporate Blvd., 4th Floor, Rockville, MD 20850

Charter/TWC Update: The FCC is pausing its 180-day informal review time clock on the **Charter/Time Warner Cable** deal for 15 days, until Jan 20, the agency said in a public notice Mon. "We believe that this action will contribute to a more efficient and expeditious review of the proposed transaction," the Commission said. Noting the merging parties have submitted various supporting documents, the FCC said the pause will provide its staff with the necessary time to review the materials and any responses. "We have recently submitted supplemental information to underscore the benefits of these transactions and it is expected that the FCC would want to give the public time to comment. We are working well with the FCC on its review of our deal and continue to look forward to a timely approval," Charter said.

Retrans Report: As far as New Year's Eves go, this was one of the quieter ones on record for cable. There was no huge Jan 1 channel loss, even in the world of retrans. A lot of this likely is the result of programmers and distributors opting against ending contracts at the end of the year. For example, **NCTC** and **AMCN's** new deal won't expire on Dec 31, we're told. There were a few retrans fireworks, with **DISH** subs losing **NBC** affil **KNBN** of Rapid City, SD on Jan 1. The station is owned by **Rapid Broadcasting**. **DISH** lost 2 other stations earlier in Dec, **WLAJ (ABC)** affil in Lansing, MI, owned by **Shield Media**) and **KJZZ**, an independent station in UT owned by **Larry Miller Comm** and operated by **Bonneville**. While Dec 31 was quiet, the year wasn't. All told, there were a record 191 retrans blackouts in 2015, according to the **American TV Alliance**. That's up from 94 last year and 119 in 2013. Others, including **Cable One** and **Nexstar**, reached deals to avoid blackout. Meanwhile, **AT&T U-verse** is facing a Jan 6 deadline to reach a deal with **Griffin Comm**-owned **KWTV** and **KOTV** in Oklahoma City. The deal was originally set to expire Jan 1. The **FCC** is currently reviewing what constitutes good faith negotiations in retrans talks. A reply comment deadline of Dec 31 was extended to Jan 14, partly due to the holidays.

TWC Sub Numbers: **Time Warner Cable** said it had its best ever full-year residential sub growth in 2015, adding 32K net new video subs, 1mln HSD subs and just over 1mln voice subs. Net additions of customer relationships came to 618K. In a release Mon, chmn/CEO **Rob Marcus** said "ordinarily we wouldn't announce subscriber results until our earnings release, but given our results, I couldn't wait to thank the team for its outstanding performance." In 4Q, the op added 54K video subs, 281K HSI subs and 227K voice subs.

Arris Completes Pace Deal: **Arris** completed its \$2.1bln acquisition of **Pace** Mon. The deal was announced in April. The newly combined company is incorporated in the UK, with operational and worldwide headquarters in Suwanee, GA. Arris shareholders will own approx 76% of the new company, with former Pace shareholders owning the remaining 24%. Arris head **Bob Stanzone** will lead the new company as chmn/CEO. The Arris board will remain unchanged. According to Arris, the deal is expected to broaden Arris' worldwide customer-premises equipment position, expand its cloud, network, home and services portfolio and increase its collaboration with top service providers.

Shentel Acquires: **Shentel** agreed to purchase WV service provider **Colane Cable TV** for \$2.4mln. Colane serves 3,680 customers and passes 8,660 homes in areas in WV that are adjacent to existing Shentel service areas. As part of this acquisition, Shentel will offer faster Internet speeds, additional HD video channels and phone services. The transaction requires certain regulatory approvals and is expected to close in 1Q.

Vubiquity Scores Frontier Deal: Premium content service provider **Vubiquity** scored a 3-year deal with **Frontier**, providing all the Electronic Sell Through (EST) films and TV series for the op's pending acquisition of 1.2mln **Verizon FIOS** subs in CA, TX and FL. Vubiquity will also manage the storage, transcoding and delivery of premium digital content. The service will be built into Frontier's VOD platform, and Frontier subs will be able to watch content on any device. Additional services include an enhanced user interface platform allowing Frontier to intuitively track and monitor digital assets through Vubiquity's platform. Verizon and Frontier expect to complete the asset transaction in the 1st half of 2016.

IPv6: The world reached approx 10% IPv6 deployment as of Mon, up from under 6% a year ago, according to **Google's** statistics. IPv6 adoption rate is more than 25% in the US, way ahead of the rest of the world.

NAB's Investment: **NAB's** tech division **NAB Labs** has invested in **Yet Analytics**, a startup that uses open source technologies leveraging methods originally developed within the US Department of Defense. The firm offers platforms for the multi-source collection and analysis of human and machine performance data within Fortune 500 companies and other large organizations.

From the Streets: Citing international expansion, bundling and **NBCU** growth, **Macquarie Securities** analysts put a \$61

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12-month price target for **Comcast** shares. The analysts noted the X1 platform is entering its 2nd year with the MSO installing 40K+ boxes a day. They expect video net adds of 20K for 4Q. HSI is expected to be a bright spot, with the analysts predicting 382K net adds in 4Q.

Stocks Sink: Following a major selloff in China, US stocks took a dive Mon, the 1st trading day of the year. The Dow dropped more than 400 points late Mon. The S&P 500 declined approx 2.5%, and the Nasdaq dropped 3%. Cable shares took a hit too. On the op side, **Comcast** shares were down 1.4%. **Time Warner Cable** was down 1.35%. **Charter** saw a 3% drop. On the programmers' side, **Disney** was down 2%, while **Viacom** declined 1.7%. **Scripps Networks** was down around 2.5%. **Crown Media** was down nearly 5%.

Programming: Syfy renewed its series "The Expanse" for a 2nd season. The 13-ep 2nd season from **Alcon Television Group** will air in early 2017. -- **CNN** will air its special "Guns in America" on Jan 7. Hosted by *Ander-son Cooper*, the exclusive town hall features *President Obama* addressing gun violence in the US.

Editor's Note: You have until Fri to submit your nominations for **Cable-fax's** new awards: The Most Innovative People in Multiscreen. We'll honor execs who are giving consumers the best multiscreen experience. It's free to enter at Cablefax.com.

Cablefax Daily Stockwatch

Company	01/04 Close	1-Day Ch	Company	01/04 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			CSG SYSTEMS:.....34.93 .....(1.05)		
DISH:.....	57.29	.....0.11	ECHOSTAR:.....	38.83	.....(0.28)
ENTRAVISION:.....	7.23	.....(0.48)	GOOGLE:.....	741.84	.....(17.04)
GRAY TELEVISION:.....	15.26	.....(1.04)	HARMONIC:.....	3.95	.....(0.12)
MEDIA GENERAL:.....	15.87	.....(0.28)	INTEL:.....	33.99	.....(0.46)
NEXSTAR:.....	54.81	.....(3.89)	INTERACTIVE CORP:.....	58.70	.....(1.35)
SINCLAIR:.....	31.43	.....(1.11)	LEVEL 3:.....	53.09	.....(1.27)
TEGNA:.....	24.85	.....(0.67)	MICROSOFT:.....	54.80	.....(0.68)
MSOS			NETFLIX:.....	109.96	.....(4.42)
CABLE ONE:.....	431.67	.....(1.99)	NIELSEN:.....	45.67	.....(0.93)
CABLEVISION:.....	31.62	.....(0.28)	RENTRAK:.....	46.80	.....(0.73)
CHARTER:.....	177.54	.....(5.56)	SEACHANGE:.....	6.72	.....(0.02)
COMCAST:.....	55.64	.....(0.79)	SONY:.....	24.73	.....0.12
GCI:.....	19.50	.....(0.28)	SPRINT NEXTEL:.....	3.52	.....(0.1)
LIBERTY BROADBAND:.....	50.49	.....(1.16)	TIVO:.....	8.34	.....(0.29)
LIBERTY GLOBAL:.....	41.75	.....(0.61)	UNIVERSAL ELEC:.....	49.24	.....(2.11)
SHAW COMM:.....	17.25	.....0.06	VONAGE:.....	5.65	.....(0.09)
SHENTEL:.....	41.28	.....(1.77)	YAHOO:.....	31.40	.....(1.86)
TIME WARNER CABLE:.....	183.08	.....(2.51)	TELCOS		
PROGRAMMING			AT&T:.....	34.35	.....(0.06)
21ST CENTURY FOX:.....	26.59	.....(0.57)	CENTURYLINK:.....	25.11	.....(0.05)
AMC NETWORKS:.....	75.39	.....0.71	FRONTIER :.....	4.65	.....(0.02)
CBS:.....	46.65	.....(0.48)	TDS:.....	25.04	.....(0.85)
CROWN:.....	5.33	.....(0.28)	VERIZON:.....	45.87	.....(0.35)
DISCOVERY:.....	26.41	.....(0.27)	MARKET INDICES		
DISNEY:.....	102.98	.....(2.1)	DOW:.....	17148.94	....(276.09)
GRUPO TELEvisa:.....	26.77	.....(0.44)	NASDAQ:.....	4903.09	.....(104.32)
HSN:.....	50.31	.....(0.36)	S&P 500:.....	2012.66	.....(31.28)
LIONSGATE:.....	31.30	.....(1.09)			
MSG NETWORKS:.....	20.23	.....(0.57)			
SCRIPPS INT:.....	53.84	.....(1.37)			
STARZ:.....	33.07	.....(0.43)			
TIME WARNER:.....	64.92	.....0.25			
VIACOM:.....	43.26	.....(0.73)			
WWE:.....	17.61	.....(0.23)			
TECHNOLOGY					
ADDVANTAGE:.....	1.80	.....(0.01)			
AMDOCS:.....	54.23	.....(0.34)			
AMPHENOL:.....	50.87	.....(1.36)			
APPLE:.....	105.35	.....0.09			
ARRIS GROUP:.....	30.40	.....(0.17)			
AVID TECH:.....	7.38	.....0.09			
BLNDER TONGUE:.....	0.40	.....0.00			
BROADCOM:.....	57.49	.....(0.33)			
CISCO:.....	26.41(0.75)			
COMMSCOPE:.....	25.60(0.29)			
CONCURRENT:.....	5.410.46			
CONVERGYS:.....	23.94(0.95)			

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