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### **SMALL CABLE TV OPERATORS ACROSS THE CAROLINAS SAY 'NO' TO AMC**

*AMC Networks' unfair contract renewal demands mean over 200,000 cable TV subscribers across North and South Carolina could soon lose AMC if a new deal is not reached by December 31<sup>st</sup>. AMC's demands highlight a growing problem behind cable TV price hikes and the burdens they place on independent cable TV companies and their customers.*

Independent cable TV companies across North and South Carolina are saying no to the unfair contract renewal demands proposed by AMC networks. The company, which owns AMC, WE, IFC and others, is demanding programming fee rate hikes of as much as 300% in some cases. In addition to the unprecedented fee increase, AMC Networks is also mandating the addition of several less popular channels and payment for all customers regardless of whether their package includes AMC.

South Carolina independent cable TV operators Comprium, Horry Telephone Cooperative (HTC), Home Telecom, Hargray Communications, Chesnee Communications and Tru-Vista Communications, along with North Carolina's Atlantic Telephone Membership Corporation (ATMC), Star Communications, SkyLine/SkyBest, Surry Telephone Membership Corporation (STMC), Piedmont Communications Services Inc., Tri-County Telephone Cooperative and Morris Broadband, are all members of the National Cable Television Cooperative (NCTC), a not-for-profit consortium of independent cable TV providers that negotiates contracts on behalf of over 700 members spread across the country. NCTC is feverishly negotiating with AMC Networks to try to avoid the loss of AMC in more than 4 million homes.

It is the goal of the NCTC to provide small and independent cable TV operators programming fee parity consistent with what is paid by large cable TV companies. "There comes a point where you have to say

enough. That point is now,” said Allen Russ, ATMC Chief Executive Officer. “Our customers are already saying it by cutting the cable TV cord and downgrading their packages in favor of content they can purchase online.”

“We want our customers to know that network programming fees account for the vast majority of their monthly cable TV bills, and unfair demands like those made by AMC are the reason why cable TV prices are out of control,” commented Mike Hagg, Chief Executive Officer at HTC. “We can’t continue to accept unrealistic and unfair demands of programmers like AMC.”

“We are extremely concerned about how these increases directly impact our customers. Requiring payment for 100% of our customer base, including those who don’t even have the channel in their package, is pure greed,” said Matt Dosch, EVP of Customer Operations at Comporium.

NCTC members pay companies like AMC Networks, Disney-ESPN, Viacom, Discovery, Turner Networks, and others, programming fees which account for most of what is paid for cable TV service. The network programming contracts allow member companies little to no flexibility in how channels may be packaged and offered to consumers. A common tactic used to generate increased carriage and programming fees is to tie carriage of several unpopular channels to that of a more popular network. This is a tactic AMC is using in this negotiation as they are seeking to force NCTC members to add low-rated networks.

“Not only does AMC’s requirement to force carriage of low-rated channels like BBC World News cause us and our customers to incur costs for channels they don’t want, it also requires excess bandwidth capacity which directly affects our ability to offer our customers faster broadband speeds,” commented Allen Russ, ATMC Chief Executive Officer.

“The amount of fees demanded by all of the cable TV networks is out of control, and their strict channel carriage requirements don’t give us the ability to sell our customers only the channels they want to pay for,” said Tri-County Telephone Cooperative General Manager Greg Coltrane. “We have to fight for the interests of our customers.”

“We have no problem paying AMC a price that is fair, but an increase that amounts to almost 300% for some of these companies is harmful to our customers, and we can’t agree to it,” said SkyLine/SkyBest CEO Jimmy Blevins. “We remain hopeful that a reasonable offer can be reached before the current contract expires at midnight on December 31<sup>st</sup>. If a new agreement is not reached, AMC Networks could force us to remove AMC and BBC America from our lineup.”

Although NCTC collectively represents more than 4 million cable TV customers nationwide; the companies represented by NCTC in the Carolinas have a combined subscriber base of over 200,000 customers. Additional information and updates are available at [www.TVOnMySide.com](http://www.TVOnMySide.com), a website that helps educate members about the rise in programming costs and their effects on cable TV rates.