

CableFAX Daily™

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What the Industry Reads First

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Predictions '07: Execs Offer Best Guesses For the Year Ahead

Cfax readers' prophecies for the coming year run the gamut, from convergence to HD to telephony. Here's a sampling of what some industry players see on the horizon for '07, both the challenges and the opportunities: **NBCU TV Networks distribution pres Bridget Baker**: "Cable's '07 challenges are 'good problems to have.' Cable's high-speed connections to the home have helped contribute to the success of **YouTube** and **MySpace**. Cable is well positioned and profitable in delivering broadband, as well as in their core video offerings. 2007 will be the year to deliver great HD product, more advanced services, and meaningful packages. Keep your focus on the customer and your eye on the competition."

HDNet CEO Mark Cuban: "This could be the year that distributors begin to partner with PC and even gaming console manufacturers to allow them to be set-top box compatible." **Charter evp, COO Mike Lovett**: "We have 365 days in 2007 to continue demonstrating that our industry is providing great value to our customers. It's always helpful when looking forward, to look back and see what went well in the year past. Telephone customers grew at an unprecedented rate and there is solid proof that combining our services into bundled offerings increases the value proposition across all product lines. That, combined with quality customer service, provides us with a great competitive advantage. The industry has had a solid year and momentum is building as we begin 2007. It will be a year in which we expect continued growth in our residential telephone business, and Charter will also be working toward expanding our video, high-speed Internet and telephone services to the business community." **The Carmel Group chmn Jimmy Schaeffler**: "1) M&A market continues red hot. 2) **John Malone** replaces **DirecTV** management with one that better fits **Liberty** style and culture. 3) **TiVo** and **Sling Media** get acquired. 4) **EchoStar** goes private. 5) **AT&T** and **Verizon** both exceed projections for subscribers as of year-end 2007. 6) Cable industry continues to lose overall subscriber market share relative to DBS and telcos. **Crown pres/CEO Henry Schleiff**: "In my judgment, the greatest challenges facing the industry concern the threat of government regulation in a variety of areas. Most notably, perhaps, we should be concerned about the **FCC** or other regulatory authorities getting involved in issues of content and concomitantly unwanted, let alone, unconstitutional censorship. To prevent this, we need to do a better job of policing ourselves, understanding what is appropriate for our respective audiences as well as highlighting the family friendly services that exist on cable today."

Retrans: Sinclair and **DirecTV** are extending their rebate offer for **Mediacom** subs in markets poised to lose the broadcaster's signals at 12:01am Jan 6. The \$150 and \$100 rebate promos (\$10 credits each month) were set to end Dec 31 but were extended to Feb 5. Sinclair reiterated that it doesn't expect to reach a retrans deal with Mediacom by Jan 6. Meanwhile, **Time Warner Cable's** retrans agreement with Sinclair is set to expire in some markets on Sun. -- **Sinclair** reached a retrans consent agreement with **McLeod USA** for the signal of **KGAN**, the **CBS** affil in Cedar Rapids, IA, and stung **Mediacom** in announcing the deal. "Given the likelihood that **KGAN** will no longer be available on

A PERFECT MATCH



One of tennis' oldest traditions on the same team with one of its youngest players. The Tennis Channel is pleased to join forces with the **United States Tennis Association**, the nation's most powerful and prestigious tennis organization.

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cable systems owned by Mediacom after January 5, 2007, this ensures another alternative for Mediacom subscribers in Cedar Rapids to continue to watch their local CBS affiliate,” said Sinclair vp/gen counsel *Barry Faber*.

Competition: AT&T launched its U-verse video service in Anderson, Muncie, Bloomington, and Indianapolis, IN, hitting its tempered goal to launch the service in 11 markets by Sun, down from 15 (**Cfax**, 12/22). -- **DirectTV** inked a deal to provide programming to select areas within Denver Intl Airport, where the satcaster also unveiled a branded kiosk.

In the States: FTC OK'd **Motorola's** \$208mln purchase of broadband home network equipment maker **Netopia**.

5Qs with Dario Santana, CEO of NTN Buzztime: What is Buzztime and how does it work? Buzztime is best known as the iTV game network that reaches 6 million people a month in over 4000 restaurants and sports bars in North America and the U.K. Over the last several years, we have expanded our casual multiplayer community to mobile phones, retail games, satellite TV, books, toys and, of course, digital cable television. Our Play Along TV programming includes trivia, live Play-Along Sports and popular casual multiplayer games. **How do you see Buzztime evolving?** We are continuing to focus on the technology and player experience that is consistent across all of our platforms. In 2007, you can expect to see expanded distribution of Buzztime multiplayer games to new iTV platforms and the addition of new features and content to our Buzztime Network of restaurants and sports bars. **What's the main pitch you make to cable operators?** It's all about highlighting their two-way digital advantage to give every member of the subscribing family something fun to do with their digital cable service. We connect subscribers in an entertaining and rewarding way that builds a loyal player community and is a great way to offer new advertising opportunities. I believe cable can own this space if they get there first. **What's the future of interactive gaming?** We see two markets for iTV gaming—the advanced graphics gaming experience that Xbox can provide and the casual game experience on set top boxes which we call “couch gaming”. Our focus is to provide the multiplayer experience on any platform that connects to the TV. **For those who don't know you, what's your background?** NTN Buzztime is a return to the business for me. My cable career began in 1987. By 1992, I was working with General Instrument to head up the development and marketing of the advanced analog set-top box. I also served as the president of Aerocast, a streaming media provider focused on the broadband enabled home and co-owned by Motorola and Liberty Media. I then went to Tyco with Ed Breen 4 years ago.

NFL Not Punting: This season's live game telecasts on **NFL Net** have earned a long-term vote of confidence from the NFL's broadcasting cmte chmn *Pat Bowlen*, the *Washington Post* reported, although he sees room for improvement on this inaugural season. The product has been marred by uncomfortable commentary by *Bryant Gumble* and sloppy play, including a Vikings-Packers snoozer that ended 9-7 with no offensive TDs. But the Denver Broncos owner's biggest concern is underwhelming ratings. Bowlen blamed the net's disputes with cable ops for a disappointing avg coverage rating of 5.46 and avg viewership of 2.11mln, even though most of the telecasts delivered top 5 weekly cable numbers. He expects the still unprofitable net to continue carrying live games in the foreseeable future following Sat's final contest.

Ratings: History Intl's avg prime viewership for '06 surged 100% Y-over-Y to 60K, according to **Nielsen**, the best percentage growth in cable. **Biography Channel** (+66%), **G4** (+56%), **ESPN Classic** (+54%) and **Science Channel** (+46%) also had nice years. History Intl (+64%) also led in avg total day viewership, followed by Biography Channel (+63%), ESPN Classic (+45%), Science Channel (+37%) and **SoapNet** (+36%). Of note: **CNBC** delivered solid growth

WANT SOME PERSPECTIVE?

CABLE  NET

BUSINESS & FINANCE

in both avg total day (+20%) and avg prime (+28%). The Weather Channel (-21%) and Nick at Nite (-20%) saw slides in avg prime. -- ESPN's first MNF season ended as the most-watched cable series ever, with the 17 games averaging a 9.9/9.11mln. 9 games beat ESPN's previous all-time best of 8.93mln (1994).

Reading List: *Forbes* (Jan 8 issue) named AT&T its "Company of the Year," citing Ed Whitacre's hunger for takeovers and video. It's a far cry from 2005 when the mag had the AT&T CEO on a list titled, "Why well-paid, underperforming execs should be worried." -- *WSJ* tech columnist Walter Mossberg had some tough criticism for Comcast's Motorola DCT3412 HD DVR in his Thurs column comparing TiVo's \$800 Series3 HD DVR with the \$12/month cable box. Bottom line: "The Comcast high-definition DVR is a cheaper, but flawed product, and the TiVo Series3 is an excellent, but overpriced one."

Editor's Note: Your next issue will be dated Tues, Jan 2. Happy New Year!

Business/Finance: Former Outdoor Channel CEO/co-pres Andy Dale's employment with the company officially ends Jan 2. As part of his separation agreement, he'll receive \$300K over the next 12 months, according to an SEC filing. Dale will also receive \$8K/month under a consulting agreement with Outdoor Channel. Outdoor's board opted to replace Dale with cable vet Roger Werner in Oct.

CableFAX Daily Stockwatch

Company	12/28 Close	1-Day Ch	Company	12/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	41.27	(0.03)	AVID TECH:	37.08	(0.53)
DIRECTV:	24.90	(0.07)	BLNDER TONGUE:	1.75	(0.05)
DISNEY:	34.52	(0.02)	BROADCOM:	32.37	(0.01)
ECHOSTAR:	38.01	(0.17)	C-COR:	11.29	(0.01)
GE:	37.48	(0.31)	CISCO:	27.42	0.12
HEARST-ARGYLE:	25.76	(0.18)	COMMSCOPE:	30.61	(0.36)
ION MEDIA:	0.50	0.00	CONCURRENT:	1.82	0.00
NEWS CORP:	22.38	(0.01)	CONVERGYS:	23.80	(0.18)
TRIBUNE:	31.39	(0.15)	CSG SYSTEMS:	27.28	(0.09)
MSOS					
CABLEVISION:	28.45	0.02	GEMSTAR TVG:	3.99	0.03
CHARTER:	3.03	(0.05)	GOOGLE:	462.56	(5.47)
COMCAST:	42.70	(0.13)	HARMONIC:	7.14	(0.16)
COMCAST SPCL:	42.28	(0.09)	JDSU:	16.80	(0.23)
GCI:	15.87	(0.08)	LEVEL 3:	5.66	(0.09)
KNOLOGY:	10.31	(0.12)	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	97.45	(0.48)	MICROSOFT:	29.98	(0.04)
LIBERTY GLOBAL:	28.98	0.07	MOTOROLA:	20.55	0.00
LIBERTY INTERACTIVE:	21.63	0.06	NDS:	48.00	0.00
MEDIACOM:	8.08	(0.1)	NORTEL:	26.98	0.36
NTL:	25.33	(0.1)	OPENTV:	2.32	(0.05)
ROGERS COMM:	60.01	1.38	PHILIPS:	37.65	0.01
SHAW COMM:	32.17	(0.04)	RENTRAK:	15.75	0.15
TIME WARNER:	22.00	(0.1)	SEACHANGE:	10.25	0.27
WASH POST:	756.50	(2.75)	SONY:	43.18	(0.17)
PROGRAMMING					
CBS:	31.50	(0.04)	SPRINT NEXTEL:	19.16	0.07
CROWN:	3.73	0.12	THOMAS & BETTS:	47.54	(0.51)
DISCOVERY:	16.11	(0.17)	TIVO:	5.11	(0.09)
EW SCRIPPS:	50.46	0.06	TOLLGRADE:	10.07	0.78
GRUPO TELEVISA:	27.01	(0.03)	UNIVERSAL ELEC:	21.54	(0.33)
INTERACTIVE CORP:	37.20	(0.08)	VONAGE:	6.97	(0.07)
LODGENET:	25.26	(0.41)	VYYO:	4.41	0.06
NEW FRONTIER:	9.57	(0.01)	WEBB SYS:	0.03	0.01
OUTDOOR:	12.87	0.08	WORLDGATE:	1.36	(0.01)
PLAYBOY:	11.50	(0.02)	YAHOO:	25.36	(0.39)
UNIVISION:	35.45	0.07	TELCOS		
VALUEVISION:	12.90	(0.03)	AT&T:	35.50	0.08
VIACOM:	40.64	0.16	BELLSOUTH:	46.80	0.18
WWE:	16.44	(0.01)	QWEST:	8.41	0.05
TECHNOLOGY					
3COM:	4.15	(0.04)	VERIZON:	37.32	0.18
ADC:	14.38	(0.02)	MARKET INDICES		
ADDVANTAGE:	2.79	(0.01)	DOW:	12501.52	(9.05)
AMDOCS:	38.57	0.57	NASDAQ:	2425.57	(5.65)
AMPHENOL:	62.74	(0.66)			
ARRIS GROUP:	12.67	(0.03)			

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CableWorld and CTPAA's 4th Annual Public Affairs Programming Award

Nomination Deadline: January 15, 2007

Awards Presentation: CTPAA Forum, March 11-14, 2007, The Ritz-Carlton, Washington, D.C.

To highlight important public affairs programming on cable television, CTPAA and CableWorld magazine seek entries for their 4th annual Public Affairs Programming Awards. Award winners will be presented during CTPAA's Forum, in Washington, D.C., in March. In addition, the winners and honorable mentions will be featured in an article in CableWorld magazine and winning clips will be posted at the new Cable360.net Web site. The 3-judge panel will consist of representatives from CTPAA, NCTA and CableWorld magazine.

ELIGIBILITY

Programs must have run on a cable channel or a regional cable channel during the 2006 calendar year.

CATEGORIES

Programs may be:

- ❶ PSAs or a PSA series
- ❷ Documentaries
- ❸ Specials
- ❹ An episode(s) of a recurring series that highlights public affairs issues.

JUDGING CRITERIA

- Does the entry raise awareness of an issue and/or improve the public's understanding of an important public affairs issue?
- Do the program's production values enhance the value of the issue being presented?
- Does the program or PSA make its argument in a clear and thought-provoking manner?

REQUIREMENTS

- Please submit 3 copies of each entry on VHS or DVD
- Each entry must be accompanied by a press kit or a short statement explaining the entry (show date, plot synopsis etc.)
- A \$75 entry fee per nomination via company or personal check or money order must accompany each entry. In the case of a series of PSAs, 1 check for \$75 per series will be required. Under difficult circumstances late payment of fees will be permitted. Make checks payable to: CableWorld Magazine.
- No Entry form required, simply send your video and payment postmarked by January 15, 2007 to:

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