

CableFAX Daily™

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What the Industry Reads First

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Launch Pad: ION Launches 2 Nets This Month

ION is gearing up to launch 2 multicast digital nets this month, bilingual kids' net **qubo** and health/lifestyle net **iHealth** (working title), via its owned-and-operated TV stations. Qubo will bow Jan 8, with iHealth debuting shortly thereafter (both currently are programming blocks on ION's **I Network**). ION hasn't announced any carriage deals but expects to have some news shortly. ION, formerly **Pax**, was expected to launch several of these multicast digital channels had Congress or the FCC forced cable ops to carry all of a must-carry station's video streams. ION Media Nets cable div pres **Steve Friedman** agreed that there would probably be more nets if such a multicast mandate was in place but said the lack of such a rule hasn't affected the plans for qubo and iHealth. "We didn't skip a beat," he said. "We knew we were creating these things with cable carriage in mind. When it became obvious [multicast must carry] wasn't going to be voted on or passed,... the conversations didn't change." 2007 could be a big year for the programmer, which inked a fall deal for titles from **RHI's** library. In addition to the new nets, the company will soon begin rebranding the I Network as ION. More significantly, Friedman said ION will return to the general advertising market, though he didn't say when. No longer will the majority of the company's revenue come from direct response ads and infomercials. Instead, ION will have to appeal to the ad market based on ratings. I Network posted a 21% HH ratings gain in weekday prime when broadcast season-to-date performance is compared to the first 2 Qs of '06. Qubo, which airs Fridays 3-6pm on the I, saw 157% increases in kids 2-11 on Dec 8 vs premiere week. Qubo programming has also had success on partner **NBC's** Sat mornings, increasing 57% in kids 2-11 for Nov sweep vs Nov '05. "ION is no longer your father's Oldsmobile," quipped Friedman.

Down to Business: Does **Fox News** finally have the needed carriage to debut its much talked about business channel? **Time Warner Cable** has promised to launch the net in all of its systems under a comprehensive deal reached over the weekend. The pact also features multi-year retrans extensions for all of the **Fox** owned & operated broadcast stations—a significant to-do crossed off the MSO's list. Also included: multi-year extensions for **Fox News** and **Speed** and a pledge to soon roll out **Fox Reality** to all TW systems (some Fox Reality VOD rights are also part of the agreement). **News Corp** execs have said **Fox Business Channel** will not launch until it has sufficient coverage. It now has pacts with the 2 largest MSOs (**Comcast** inked a deal in Nov), and presumably, News Corp sibling **DirectTV** will also carry it.

Court Adjourned: In a New Year's surprise, **Court TV** pulled its signal from **DISH Network** at 12:01 Mon. (What a difference it makes to have **Turner** as a parent...) DISH is "unwilling to pay us the standard industry rate for the service," Turner said in a statement. EchoStar is trying to move Court to its Top 120 package from its more widely distributed Top 60 package—prompting a flare up over how much the channel should cost in the new lineup. Court's Website proclaims "Don't stand for this injustice" and urges DISH subs to call 1-800-710-1922 for cable or **DirectTV** service. Turner's also running 15- and 30-sec ads on **CNN**, **Headline News**, **TNT** and **TBS** directing viewers to the 800 num-



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ber. DISH's take: "It is not fair to ask our customers to pay a DBS premium for a channel owned by the second largest cable operator, **Time Warner**." The DBS provider is showing **Biography Channel** in the space formerly occupied by Court. The spat is reminiscent of last year's DISH-Lifetime dispute that saw the women's net dropped on New Year's. It took until Feb 1 for those 2 to reach a new multi-year pact. **Other Doings:** **Time Warner** and **Sinclair** appear closer to peace. The 2 extended their existing retrans contract until Jan 12. It was set to expire on Dec 31, potentially disrupting service to the approx 1mln former **Adelphia** subs in Sinclair markets. TW still doesn't have a deal for **Northwest Broadcasting's KAYU (Cfax, 12/19)**. The **Fox** affil pulled its signal to TW subs in northern ID, WA and MT back on Dec 14. -- Time is running out for Sinclair and **Mediacom** to reach a retrans agreement before their Jan 5 extension expires. Sinclair has issued several pessimistic press releases over the past few weeks. If no deal is reached, about 700K Mediacom subs will lose Sinclair stations in markets such as Des Moines, IA, and Milwaukee.

Online: In an effort to compete more effectively with online stalwarts **MySpace**, **Neopets**, **YouTube** and others, **Disney** CEO **Bob Iger** will unveil a modernized Web site at next week's CES in Las Vegas. New features aimed at adding panache and increased utility to the Mouse's online platform include social networking and chat modes, video clips, and parental controls. The redesign will also offer more advertising opportunities, subscription-based products and customizable broadband product "Disney Xtreme Digital."

Competition: \$86bln will buy you a heck of a lot, but **AT&T** chmn/CEO **Edward Whitacre** is particularly bullish about acquiring **Cingular** as part of the **BellSouth** deal. "We're about to become a company with wireless at its heart," Whitacre told the *WSJ*. The telco will begin selling wireless services under its own brand name to corporate and Internet customers, according to the paper, including a mobile phone/HSI bundle. A new ad model will define the wireless initiatives, comprised of ad sales for cell phones, AT&T video and broadband services. -- **DirectV** added **Style Net** to its "Total Choice Plus" programming package.

In the States: **TV Guide Channel** eclipsed the 80mln subscriber plateau, according to **Discovery** universe estimates, while **Oxygen** and **WGN** hit 70mln. **G4** topped 60mln, **Discovery Kids** exceeded 50mln and **History Intl** breached 40mln. -- After completing the previously announced asset distribution of their cable partnership, **Comcast** scooped up roughly 800K basic subs in Houston, and **Time Warner Cable** picked up a similar amount in TX, NM and Kansas City. The 2 MSOs consolidated the financial results of their respective systems starting Jan 1, and on Oct 2 Comcast refinanced \$1.4bln of partnership debt, which included a payment of \$631mln to a subsidiary of Time Warner Cable.

Programming: **BET** will walk on "The Wire" Jan 10-12 (9pm) as part of a 3-day promo trumpeting its airing of the **HBO** hit's 1st season. -- **Speed** is driving its NASCAR coverage out of the garage Mon (7pm ET) with "Nascar Preseason Thunder" testing shows. -- **IFC** will debut Sat (11pm ET) a pair of anime series, "Gunslinger Girl" and "Basilisk." -- **Bravo** picked up a 3rd season of "Top Chef," for which a casting call hits Dallas, Las Vegas, Miami, NY and San Francisco.

Cleats for a Mic(key)?: **Disney** has offered NY Giants running back **Tiki Barber** a 4-year, \$10mln contract to work on TV telecasts for **ABC** and **ESPN**, the *New York Post* reported Mon. ESPN officials refused comment. The report said Barber, retiring after this season, will work on "Good Morning America" and "20/20," and on undisclosed ESPN shows.

Intl: **HBO** launched late last month a mobile VOD service in Korea featuring eps of net series such as "Six Feet Un-



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der" and "Curb Your Enthusiasm," and partner **SK Telecom** is offering a free 1-month trial through Jan 21.

Research: Gay, lesbian and bisexual (GLB) individuals surf the Web much more frequently than heterosexuals, according to a **Harris Interactive** survey, and also use social networking sites such as **MySpace**, **YouTube** and **Friendster** more hours per week. Excluding email, 32% of GLB individuals are online between 24 and 168 hours/week, compared to 18% of heterosexuals.

People: **FCC** chmn **Kevin Martin** named **Fred Campbell** chief of the Wireless bureau and **Catherine Seidel** chief of the Consumer and Governmental Affairs bureau. Seidel has been acting chief of the Wireless bureau since Apr '05. Former Consumer and Governmental Affairs chief **Monica Desai** will take a new role at the FCC, according to a release.

Business/Finance: **NDS Group**, a tech supplier to satcasters, strengthened its IPTV position with the completed acquisition of **Jungo**, a developer of software for broadband residential gateways. The \$90.5mln cash deal was announced last month and could be worth up to \$107.5mln, contingent on reaching certain fiscal targets.

-- **Carphone Warehouse Group** completed its \$688mln purchase of the UK customer base for **AOL's** Internet access business from **Time Warner**.

CableFAX Daily Stockwatch

Company	12/29 Close	1-Day Ch	Company	12/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	41.20	(0.07)	AVID TECH:	37.26	0.18
DIRECTV:	24.94	0.04	BLNDER TONGUE:	1.70	(0.05)
DISNEY:	34.27	(0.25)	BROADCOM:	32.31	(0.06)
ECHOSTAR:	38.03	0.02	C-COR:	11.14	(0.15)
GE:	37.21	(0.27)	CISCO:	27.33	(0.09)
HEARST-ARGYLE:	25.50	(0.26)	COMMSCOPE:	30.48	(0.13)
ION MEDIA:	0.50	0.00	CONCURRENT:	1.81	(0.01)
NEWS CORP:	22.26	(0.12)	CONVERGYS:	23.78	(0.02)
TRIBUNE:	30.78	(0.61)	CSG SYSTEMS:	26.73	(0.55)
MSOS					
CABLEVISION:	28.48	0.03	GEMSTAR TVG:	4.01	0.02
CHARTER:	3.06	0.03	GOOGLE:	460.48	(2.08)
COMCAST:	42.33	(0.37)	HARMONIC:	7.27	0.13
COMCAST SPCL:	41.88	(0.4)	JDSU:	16.66	(0.14)
GCI:	15.73	(0.14)	LEVEL 3:	5.60	(0.06)
KNOLOGY:	10.64	0.33	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	97.98	0.53	MICROSOFT:	29.86	(0.12)
LIBERTY GLOBAL:	29.15	0.17	MOTOROLA:	20.56	0.01
LIBERTY INTERACTIVE:	21.57	(0.06)	NDS:	48.25	0.25
MEDIACOM:	8.04	(0.04)	NORTEL:	26.73	(0.25)
NTL:	25.24	(0.09)	OPENTV:	2.32	0.00
ROGERS COMM:	59.60	(0.41)	PHILIPS:	37.58	(0.07)
SHAW COMM:	31.71	(0.46)	RENTRAK:	15.50	(0.25)
TIME WARNER:	21.78	(0.22)	SEACHANGE:	10.22	(0.03)
WASH POST:	745.60	(10.9)	SONY:	42.83	(0.35)
PROGRAMMING					
CBS:	31.18	(0.32)	SPRINT NEXTEL:	18.89	(0.27)
CROWN:	3.63	(0.1)	THOMAS & BETTS:	47.28	(0.26)
DISCOVERY:	16.09	(0.02)	TIVO:	5.12	0.01
EW SCRIPPS:	49.94	(0.52)	TOLLGRADE:	10.57	0.50
GRUPO TELEVISIA:	27.01	0.00	UNIVERSAL ELEC:	21.02	(0.52)
INTERACTIVE CORP:	37.16	(0.04)	VONAGE:	6.94	(0.03)
LODGENET:	25.03	(0.23)	VYYO:	4.53	0.12
NEW FRONTIER:	9.61	0.04	WEBB SYS:	0.04	0.00
OUTDOOR:	12.83	(0.04)	WORLDGATE:	1.34	(0.02)
PLAYBOY:	11.46	(0.04)	YAHOO:	25.54	0.18
UNIVISION:	35.42	(0.03)	TELCOS		
VALUEVISION:	13.14	0.24	AT&T:	35.75	0.25
VIACOM:	41.01	0.37	BELLSOUTH:	47.11	0.31
WWE:	16.30	(0.14)	QWEST:	8.37	(0.04)
TECHNOLOGY					
3COM:	4.11	(0.04)	VERIZON:	37.24	(0.08)
ADC:	14.53	0.15	MARKET INDICES		
ADDVANTAGE:	2.79	0.00	DOW:	12463.15	(38.37)
AMDOCS:	38.75	0.18	NASDAQ:	2415.29	0.00
AMPHENOL:	62.08	(0.66)			
ARRIS GROUP:	12.51	(0.16)			

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