

CableFAX Daily™

Monday — January 8, 2007

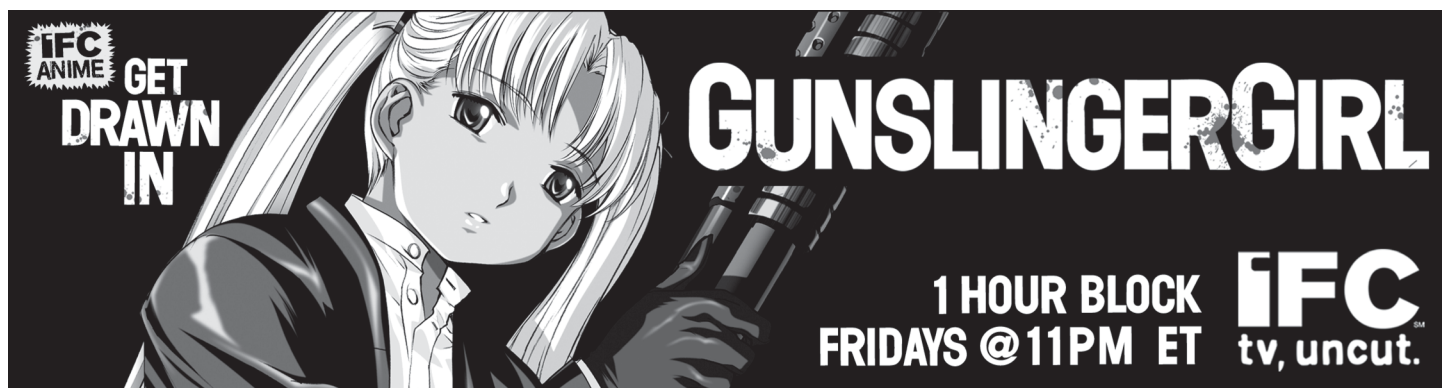
What the Industry Reads First

Volume 18 / No. 5

Potential Spat? Comcast's Sinclair Contract About to Expire

Add **Comcast** to the list of MSOs wrangling with **Sinclair** over retrans. On Fri, Comcast began notifying out-of-market subs who receive Sinclair stations that they may lose the signals on Feb 5 when its retrans pact expires. Comcast doesn't plan on notifying subs who receive in-market Sinclair stations until Jan 28 because it doesn't believe the broadcaster can yank its signals in those markets during the Feb sweeps period (Feb 1-28). That would mean that without an agreement, those subs would lose Sinclair stations on Mar 1. But is Sinclair really scrappy enough to take on the 800lb gorilla? Time will tell, but it would be a risky spat. The country's largest MSO has some 3mln subs receiving some of the 30 Sinclair stations in 23 markets, including the broadcaster's 2 largest markets—Pittsburgh and Baltimore. Other Sinclair/Comcast markets include Minneapolis, Nashville and Tampa/St. Pete. The 2 companies are negotiating and have not sought any **FCC** or other outside intervention. However, Comcast is taking a strong stance on cash for carriage. Comcast evp *David Cohen* said Sinclair has demanded "large cash payments." "We do not believe that our customers should have to pay extra to watch free TV," he said. "We are currently negotiating with Sinclair to reach a fair agreement but are not legally allowed to carry these channels without Sinclair's permission. We will do everything in our power to avoid service interruptions without adding Sinclair's proposed fees to customers' bills." At press time, **Mediacom** had no agreement to carry Sinclair stations past 12:01am CT Sat (Jan 6). **Time Warner Cable** has an extension to carry Sinclair stations through Jan 12 as the 2 continue negotiations. The 3 MSOs combined represent approx 4.7mln Sinclair cable subs. -- **Swept Away?** Given Sinclair's history, Comcast's assertion that stations can't be pulled during sweeps could be challenged. Last July, Sinclair filed an emergency petition at the **FCC** to force **Suddenlink** to cease carriage of its stations in Charleston, WV, during July sweeps (*Cfax*, 7/7). The FCC never chimed in because the 2 reached an extension that lasted past the sweeps period. Both then withdrew their FCC petitions after reaching a long-term retrans deal in Aug. It would be surprising, though, if Sinclair picked a similar fight with a cable op of Comcast's reach.

D-Day: Mediacom was poised to lose some 22 **Sinclair** stations at 12:01am CT Sat (Jan 6), impacting 700K of its subs. Some 500K will lose Big 4 affiliates if the 2 can't come to some sort of accord. Mediacom and Sinclair will either have to reach a new retrans pact, agree to another extension or enter binding arbitration for the stations to remain on the air. A 4th possibility is that the **FCC** could intervene. On Thurs, the FCC's Media Bureau rejected Mediacom's emergency petition, encouraging the 2 to enter into binding arbitration. Mediacom said it would appeal the bureau's decision to the full FCC commission on Fri. MCCC CEO *Rocco Commisso* claimed during a conference call Fri morning that the Media Bureau's ruling will allow broadcasters to extract several billion dollars annually in retrans fees—questioning how this jibes with the FCC's concerns over cable rates. Republican Iowa State Sen *Jeff Angelo* piped in on the call to say he was disturbed by some of Sinclair's comments. "This is basically economic terrorism, and it's not in the public inter-



IFC ANIME GET DRAWN IN

GUNSLINGER GIRL

1 HOUR BLOCK
FRIDAYS @ 11PM ET

IFC
tv, uncut.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1860, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1890, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1882, sarenstein@accessintel.com ● Publisher: Dave Dekker, 301/354-1850, ddeker@accessintel.com ● Marketer: Doreen Price, 301/354-1893, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1863, cbray@accessintel.com ● Prod: Joann Fato, cdaily@accessintel.com ● Scott Gentry/VP and Group Publisher ● Online Publisher, Alison Johns, 212/621.4642 ● Paul Maxwell/Columnist. Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

est," he said. According to Commisso, 3 new proposals were made to Sinclair this week, including a deal with a weight-
ed-price avg based on the pacts Sinclair just completed with **McLeod USA** and the one it's thought to be finalizing with
Time Warner Cable. All 3 were rejected, he said. "Last night, we again offered binding arbitration with Sinclair and we
are still awaiting their response," he said. The spat is entering its 4th month, with **Cfax** breaking the news of the troubles
in Sept (**Cfax**, 9/29). -- **S&P** said the pending termination of Sinclair's signals won't immediately affect Mediacom's
ratings and outlook. "It will take some time to determine if potential defections of cable subscribers become meaningful
enough to affect Mediacom's revenue and EBITDA," the ratings service said.

In the States: Charter dropped the HD signals of **Belo**-owned stations in Fort Worth, TX, and St. Louis because
of—you guessed it—a dispute over dollars. Affected stations are the **ABC** affil WFAA in TX and the **CBS** affil
KMOV in MO. A Charter spokesperson was unaware of any disputes in Charlotte or Hampton-Norfolk, VA, where
similar trouble is reportedly brewing.

Online: Showtime is partnering with video game publisher **Broadband Libraries** to launch "On Broadband Networks,"
a venture to offer turnkey game services for cable modem and DSL broadband providers. Included with the 3-D service,
expected to launch in 2Q, will be free games, a game store with over 500 titles available for purchase, subscription of-
ferings and game related content including game reviews, cheat sheets and tips & tricks. On Broadband will handle all
back-office tasks, including the sale and delivery of games, but brand the service to the local cable or DSL provider.

Ratings: More than 1.26mln viewers tuned into **Fox News** from 9am-12:15pm Tues to watch coverage of Pres *Ford's*
funeral service at Washington's National Cathedral. **CNN** had 820K total viewers at that time; **MSNBC** averaged 447K.

Multicultural Moves: Lifetime svp, multicultural strategies & initiatives *Jenny Alonzo* is leaving, saying she wants to
return to marketing. "While I'm proud of all I've accomplished in promoting diversity throughout the telecommunications
industry these past 10 years, I really miss the day-to-day creative and management challenge of marketing, so I'm re-
turning to my roots where I can apply my wide range of industry experience," she said. No word yet on what exactly she'll
do next. Lifetime is evaluating whether or not it will fill that role, which was created for the former **NAMIC** pres.

People: Current **Viacom** evp, ops and **Viacom Enterprises** *Bob Bakish* was appointed pres, **MTVN Intl.** -- Via-
com promoted *Wade Davis* to svp, strategy, mergers and acquisitions. He will assume much of Bakish's prior
duties. -- MTVN Intl subsidiary **VBS Global** named *Mark Jones*, *Samantha Maltin* and *Eva Hiltner* vps. -- **The T.**
Howard Foundation, a nonprofit org focused on diversity in the multimedia and entertainment industry, elected the
following cable execs officers of its board: **Fox Cable Nets** pres, distribution *Lindsay Gardner*, chmn; **Showtime**
evp *Tom Hayden*, vice-chmn; **NBCU** pres, cable investments *Doug Holloway*, vice chmn; and **MTVN** svp, affil sales
& mktg *Sandy Ashendorf*, secretary.

Business/Finance: Liberty Global's modified dutch auction self-tender offer to purchase millions of shares each
of its Series A and Series C common stock expired Thurs with both offers oversubscribed. As such, the purchase
price for both the 5.08mln A (\$29.50) shares and 5.25mln C (\$28.59) shares represent the maximum of the respec-
tive tender offer price ranges, and the number that Liberty will purchase from each stockholder will be pro-rated,
subject to the odd-lot and conditional tender provisions of each offer.

©2007 A&E. The Sopranos® is a service mark of Home Box Office Inc.

A&E
JUST GOT MADE.

THE
Sopranos® on **A&E**

PREMIERES JANUARY 10

Wednesdays 9/8C, Encores Mondays 9/8C

CableFAX Week in Review

Company	Ticker	01/05 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	41.01	(0.5%)	(0.5%)
DIRECTV:	DTV	24.36	(2.3%)	(2.3%)
DISNEY:	DIS	34.19	1.60%	1.60%
ECHOSTAR:	DISH	38.37	0.90%	0.90%
GE:	GE	37.56	0.90%	0.90%
HEARST-ARGYLE:	HTV	25.05	(1.8%)	(1.8%)
ION MEDIA:	ION	0.52	4.00%	4.00%
NEWS CORP:	NWS	22.22	(0.2%)	(0.2%)
TRIBUNE:	TRB	30.81	0.10%	0.10%

Company	Ticker	01/05 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	28.99	1.80%	1.80%
CHARTER:	CHTR	3.25	6.20%	6.20%
COMCAST:	CMCSA	42.55	0.50%	0.50%
COMCAST SPCL:	CMCSK	42.02	0.30%	0.30%
GCI:	GNCMA	15.71	(0.1%)	(0.1%)
KNOLOGY:	KNOL	10.38	(2.4%)	(2.4%)
LIBERTY CAPITAL:	LCAPA	98.43	0.50%	0.50%
LIBERTY GLOBAL:	LBTYA	29.04	(0.4%)	(0.4%)
LIBERTY INTERACTIVE:	LINTA	21.77	0.90%	0.90%
MEDIACOM:	MCCC	7.66	(4.7%)	(4.7%)
NTL:	NTLI	24.14	(4.2%)	(4.4%)
ROGERS COMM:	RG	59.80	0.30%	0.30%
SHAW COMM:	SJR	32.45	2.80%	2.80%
TIME WARNER:	TWX	22.23	2.10%	2.10%
WASH POST:	WPO	759.00	1.80%	1.80%

Company	Ticker	01/05 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	30.89	(0.9%)	(0.9%)
CROWN:	CRWN	3.88	6.90%	6.90%
DISCOVERY:	DISCA	16.31	1.40%	1.40%
EW SCRIPPS:	SSP	49.85	(0.2%)	(0.2%)
GRUPO TELEVISIA:	TV	27.00	0.00%	0.00%
INTERACTIVE CORP:	IACI	37.53	1.00%	1.00%
LODGENET:	LNET	24.76	(1.1%)	(1.1%)
NEW FRONTIER:	NOOF	9.98	3.90%	3.90%
OUTDOOR:	OUTD	12.62	(1.6%)	(1.6%)
PLAYBOY:	PLA	11.45	(0.1%)	(0.1%)
UNIVISION:	UVN	35.60	0.50%	0.50%
VALUEVISION:	VVTV	12.39	(5.7%)	(5.7%)
VIACOM:	VIA	41.52	1.20%	1.20%
WWE:	WWE	16.09	1.70%	1.70%

Company	Ticker	01/05 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.03	(1.9%)	(1.9%)
ADC:	ADCT	15.29	5.30%	5.30%
ADDVANTAGE:	AEY	2.83	1.40%	1.40%
AMDOCS:	DOX	38.45	(0.8%)	(0.8%)
AMPHENOL:	APH	64.63	4.20%	4.20%
ARRIS GROUP:	ARRS	12.95	3.50%	3.50%
AVID TECH:	AVID	37.71	1.20%	1.20%
BLNDER TONGUE:	BDR	1.71	0.60%	0.60%
BROADCOM:	BRCM	32.50	0.60%	0.60%
C-COR:	CCBL	11.58	3.90%	3.90%
CISCO:	CSCO	28.47	4.20%	4.20%
COMMSCOPE:	CTV	30.20	(0.9%)	(0.9%)
CONCURRENT:	CCUR	1.80	(0.6%)	(0.6%)

Company	Ticker	01/05 Close	1-Week % Chg	YTD %Chg
CONVERGYS:	CVG	24.71	3.90%	3.90%
CSG SYSTEMS:	CSGS	26.17	(2.1%)	(2.1%)
GEMSTAR TVG:	GMST	3.82	(4.7%)	(4.7%)
GOOGLE:	GOOG	487.19	5.80%	5.80%
HARMONIC:	HLIT	7.28	0.10%	0.10%
JDSU:	JDSU	17.66	6.30%	6.30%
LEVEL 3:	LVL3	5.93	5.90%	5.90%
LUCENT:	LU	2.55		
MICROSOFT:	MSFT	29.64	(0.7%)	(0.7%)
MOTOROLA:	MOT	18.94	(7.4%)	(7.4%)
NDS:	NNDS	45.45	(5.8%)	(5.8%)
NORTEL:	NT	25.59	(4.3%)	(4.3%)
OPENTV:	OPTV	2.60	12.10%	12.10%
PHILIPS:	PHG	36.72	(2.3%)	(2.3%)
RENTRAK:	RENT	15.35	(1%)	(1%)
SEACHANGE:	SEAC	10.63	4.00%	4.00%
SONY:	SNE	44.80	4.60%	4.60%
SPRINT NEXTEL:	S	19.21	1.70%	1.70%
THOMAS & BETTS:	TNB	46.35	(2%)	(2%)
TIVO:	TIVO	5.45	6.40%	6.40%
TOLLGRADE:	TLGD	10.57		
UNIVERSAL ELEC:	UEIC	20.02	(4.8%)	(4.8%)
VONAGE:	VG	6.52	(6.1%)	(6.1%)
VYYO:	VYYO	4.12	(9.1%)	(9.1%)
WEBB SYS:	WEBB	0.04		
WORLDGATE:	WGAT	1.33	(0.7%)	(0.7%)
YAHOO:	YHOO	27.74	8.60%	8.60%

Company	Ticker	01/05 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	33.96	(5%)	(5%)
BELLSOUTH:	BLS	47.11		
QWEST:	Q	8.35	(0.2%)	(0.2%)
VERIZON:	VZ	37.38	0.40%	0.40%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	12398.01	(0.5%)	(0.5%)
NASDAQ:	2434.25	0.80%	0.80%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. OPENTV:	2.60	12.10%
2. YAHOO:	27.74	8.60%
3. CROWN:	3.88	6.90%
4. TIVO:	5.45	6.40%
5. JDSU:	17.66	6.30%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VYYO:	4.12	(9.1%)
2. MOTOROLA:	18.94	(7.4%)
3. VONAGE:	6.52	(6.1%)
4. NDS:	45.45	(5.8%)
5. VALUEVISION:	12.39	(5.7%)

HALLMARK CHANNEL BEAT ALL CABLE NETWORKS IN PRIMETIME, FOUR WEEKENDS STRAIGHT

#1 MARCH OF THE PENGUINS

#1 WHAT I DID FOR LOVE

#1 THE CHRISTMAS CARD

#1 LOVE'S ABIDING JOY



Source: Nielsen Galaxy Explorer (11/25/06, 12/2/06, 12/9/06, 12/16/06), Sat 9-11p Live+SD Hallmark Channel coverage area program ratings vs. competitive ad-supported cable networks time period coverage area ratings (excludes networks with less than 40 million subscriber homes). Further qualifications available upon request.

www.insidehallmarkchannel.com

MaxFAX...

Net What?

Neutrality?

That's a misnomer.

Sell-out is a better term.

Ed Whitacre caved... trading the long term for the short term. Not that there's anything wrong with that.



Paul S. Maxwell

(An aside: it is ridiculous and disingenuous of the editorial page of *The Wall Street Journal* to characterize Federal Confusion Commissioner *Robert McDowell's* decision

to recuse himself—the honorable decision given his history—as “pressure from Democrats on Capitol Hill.” Also love it that the *Journal's* editorialists are OK with redlining. Both from the 01/02/07 remodeled edition).

What this two-year agreement to abide by the absurdities of price control will eventually mean is up in the air. Threats from FCC Commissioner *Adelstein* might or might not mean anything.

But it unfortunately sets a bad precedent, giving “neutrality” proponents nice talking points. Maybe it'll mean about as much as it did when **AOL** changed its tune to absorb **Time Warner** and agreed to something like this. Hard to believe, but I actually agree

with FCC Chairman *Kevin Martin*(et) on this one.

So, when might he agree that cable shouldn't have local regulation, too?

Washington definitions of “level playing fields” are certainly interesting.

Random Notes:

• **CES Respite:** Ah, the world's biggest toy store for semi-adults such as we is in Las Vegas this week. I almost can't believe I'm not there... all of those Hi-Def TV sets with *Bryan Burns* grinning on them! But, if the **ESPN Zone** party proves to be too much and you get tired of the show floor and the schmoozing, head out to the Hurricane Bar & Grill. It's a bit away from the strip (10420 S. Bermuda Road) but worth the trip to revel in the stories of one-time cable/satellite salesman extraordinaire *Bill Gerski*. After stints with just about every big MSO, Bill and some friends made some money with **Golden Sky**, an NRTC roll-up of **DirectTV** resellers taking subs from rural cable systems. Bill now runs the bar with his wife, Denise. Good food, good music, clean bathrooms and designated drivers.

• **MacWorld?** Meanwhile, you might want to keep an eye on what's happening in San Francisco at the same time. *Steve Jobs*—newly exonerated?—just might introduce an “iTV” household PC/TV “manager” that could leave the other, PC (that is, Microsoft) based units in the dust—

much as iPods dominate the music/video download world. And, Apple just might introduce an iPhone (different name, though—iCell? iMobile?). May it work with Sprint and cable!

• **The “NEW” (well, remodeled) Wall Street Journal:** What do you think? Slimmer pages. More color. More links. But, to me, the most telling note in the debut edition (01/02/07) of the new, integrated, realistic *Journal* was this item on page B4: “The world's oldest newspaper will go out of print and will be published only on the Internet, the paper said. *The Post Och Inrikes Tidningar*, the official Swedish publication for bankruptcies and corporate and government announcements has been published daily since 1645...” A harbinger for us all?

• **Denver as the Satellite Capital?** Denver was once the “cable capital” of the US. (We've still got the **Cable Center**). But the January issue of *Colorado Biz* magazine lists number 17 and 18 on the “2007 Power List” as **EchoStar** and **Liberty Media**... both DBS players. And, just so cable isn't overlooked, **Comcast** is #16 on the same list. Besides, Liberty has a few cable subs around the world, too.

Paul Maxwell

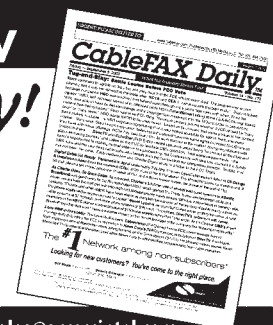
T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

You Play In the Big Sandbox Now

Get Your Own Copy!



Corporate group sales discounts are available.

Contact **Angela Gardener** at 757.531.1369 or cfaxgroupsales@accessintel.com to sign up your company today.