

CableFAX Daily™

Tuesday — January 16, 2007

What the Industry Reads First

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CES Wrap: Cable Feels Pretty Good

Apple's new set-top ports video and music wirelessly from a PC to a TV. The latest **Slingbox** incarnation lets viewers clip programming from TV and email it to others. Should cable be trembling in its boots? Nah, says **Oppenheimer's Thomas Eagan**. "We believe the new products and services announced at this year's CES conference are more likely to act as a complement than a substitute for cable/satellite subscriptions," he said. Instead, in a note to clients, Eagan raised more concerns about "the increased risk of Washington regulation heating up in '07." **Kevin Martin** using **CES** to announce the denial of the largest MSO's integration ban waiver petition did nothing to help cable's relations with the **FCC** chmn. (Wonder if he'll use **NAB's** Apr confab to announce the denial of **NCTA's** petition...) -- **Cox** kept an interesting blog on show insights at **DigitalStraightTalk.com**. "If there's an overarching theme that I could detect thus far, it's that companies are struggling to figure out more and diverse ways to get content to the home and then to 'sling' it around the home once there," wrote **Jay Rolls**, vp, tech. A **Comcast** exec **Cfax** spoke to echoed the sentiment, saying that "this was the year that you really started to see convergence happening." And the good news, the Comcaster added, is that cable's video services/broadband are necessary ingredients for many of the products. **Nice Move**: You may have noticed that most of the CES blog entries at Cox's Website are from **Tony Brown**. If his insightful writing sounds vaguely familiar, it's because Brown is the son of the late **Roger Brown**, the former **CEM** magazine publisher. Tony is a freshman majoring in journalism at the U of MO. Cox had Tony blog from CES and the **Cable Show** last year as well, saying it hired him not only because he's an excellent writer, but because he brings forth a fresh EchoBoomer perspective. Hear, hear.

Retrans: **Time Warner Cable** and **Sinclair** were still negotiating a retrans pact at deadline. "We do not expect them to force us to stop retransmitting the signal at applicable stations at midnight (1/12)," a TW Cable spokeswoman said. Time Warner's retrans agreements for Sinclair stations in former **Adelphia** markets expired at the end of last year. About 1mln TW subs receive the stations, including customers in Buffalo and Columbus, OH. -- 4 members of Congress— Reps **Nathan Deal** (R-GA); **Sue Myrick** (R-NC); **Charlie Norwood** (R-GA); and **Lee Terry** (R-NE)— sent a letter Fri to **House Commerce** leadership requesting hearings on retrans. -- Late Thurs, Sinclair officially rejected entering its **Mediacom** retrans negotiations to binding arbitration. Meanwhile, the **Iowa General Assembly** scheduled a hearing on the spat for Thurs (some 700K Mediacom subs, the bulk in Iowa, have lost Sinclair stations). The **MO Cable & Telecom Assoc** is hoping its state legislature gets involved and passes legislation that will prevent "any programmer—whether it is a broadcaster or a cable network—from discriminating against Missourians."

Dolans Dangle More: The **Dolan** family submitted Fri a revised purchase proposal for **Cablevision's** outstanding publicly-traded stock, upping its tender to \$30/share in cash from its \$27/share Oct offering. The offer expires Wed, and rep-

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resents roughly \$4.75K per sub, a higher trading value than **Comcast's**. In touting the offer's attractiveness, the **Dolan Family Group** cited this valuation and other factors, including a favorable comparison of the tender's premiums to those provided in recent going-private transactions in cable (**Cox** and **Insight**). "In our view, private ownership would better allow us to execute [a competitive] long-term, entrepreneurial management perspective," the DFG wrote to CVC's Special Transaction Cmte, which holds approval power over the bid. A sampling of investment firms fails to provide an overriding feeling for/against approval. **Pali Capital** believes that the offer will be rejected because "if the special committee had approved of the \$30 offer, we would have expected to see a press release today stating that the Dolans were raising their bid and had already gotten" approval. **UBS** conversely surmises that "the fact that a revised proposal was submitted with a quick offer expiration indicates the Dolans may have an awareness of what will satisfy" the cmte. **Oppenheimer** also thinks approval is likely. Wall St seemed Fri to side with the latter pair, as CVC closed down 4.1% at \$28.39.

Boo, Too: **NBCU** expects to launch horror-themed net **Chiller** Mar 1, and has inked a carriage deal with **DirectTV**. **Chiller** will launch as a linear net (standard def and HD), and also will be available as a VOD package and through a broadband Website. Programming will include old horror flicks and TV shows from **Universal** and others, such as "The Shining." **Chiller's** launch follows the Oct introduction of **Comcast's** VOD/broadband-only horror channel **FearNet**.

Competition: **AT&T's** rebranding of **Cingular Wireless** service under the AT&T name begins Mon, when the telco's overall marketing plan for "the new AT&T" launches through ads on TV, online and radio.

Programming: Fri was the last night of **ESPN's** "Quite Frankly." Show's host *Stephen Smith* will expand his presence across family entities including "SportsCenter" and **ESPNEWS**.

TCA Notebook: **Bravo's** hit "Project Runway" will be back for its 4th season (big surprise), but the net will also premiere "Top Design" on Jan 31, pitting a similar group of wannabes against each other as they try to become star interior designers. Exec producer *Scott Stone* vowed it won't be a copy of **HGTV's** "Design Star" because contestants aren't angling to host their own show. **Sci-Fi** could have a promising action series with "Painkiller Jane," premiering in the spring and starring "Terminator 3" babe *Kristanna Loken*. But it sounds like they'll diverge significantly from the comic book, which risks nerd viewer revolt. Having *Loken* as an on-screen oggle-magnet won't hurt, though. Evp/gm *Dave Howe* unveiled "The Most Dangerous Night in Television" promo that will premiere a new creepy movie every Sat night. The net will also premiere 2 new series: "Destination Truth," premiering in Q2 '07 and featuring globe-trotting host *Josh Gates* investigating mysteries around the world, and a supposedly new take on "Flash Gordon" in July (If it's as cool as their last remake "Battlestar Galactica," viewers won't be disappointed). -- **Sundance Channel** unveiled its "The Green" series, which will highlight environmental issues, including one man's quest to push vegetable-oil-fueled diesel cars. Kewl. -- **GSN** svp, programming *Jamie Roberts* said the net will bow its adaptation of British game show "Without Prejudice" in which a jury picks a winner based on contestants' personal life stories. **GSN** also picked Mar 27 to air "Cat-Minster," a *Bob Goen/Marianne Curan* hosted cat show in which judge *Walter Hutzler* risks claw-induced injury to find the best feline. "Cat judging is not for wimps," he said. "They're far less enamored with obedience." Uh, yeah.

People: Congrats to *Joe "Bundles" Rooney*, who was bumped up to chief marketing officer, **Cox**. -- **Rainbow** named **IFC** marketer *Jennifer Caserta* as **fuse's** new evp/GM. She replaces *Catherine Mullen*, who resigned in Sept.

#1 network for delivery growth
W18-49 and W25-54 among
ALL female networks.

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CableFAX Week in Review

Company	Ticker	1/12 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	43.86	6.90%	6.50%
DIRECTV:	DTV	24.20	(0.7%)	(3%)
DISNEY:	DIS	35.21	3.00%	4.60%
ECHOSTAR:	DISH	40.48	5.50%	6.40%
GE:	GE	37.89	0.90%	1.80%
HEARST-ARGYLE:	HTV	25.96	3.60%	1.80%
ION MEDIA:	ION	0.58	11.50%	16.00%
NEWS CORP:	NWS	23.66	6.50%	6.30%
TRIBUNE:	TRB	30.60	(0.7%)	(0.6%)

Company	Ticker	1/12 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	28.39	(2.1%)	(0.3%)
CHARTER:	CHTR	3.52	8.30%	15.00%
COMCAST:	CMCSA	44.09	3.60%	4.20%
COMCAST SPCL:	CMCSK	43.32	3.10%	3.40%
GCI:	GNCMA	15.93	1.40%	1.30%
KNOLOGY:	KNOL	11.30	8.90%	6.20%
LIBERTY CAPITAL:	LCAPA	101.37	3.00%	3.50%
LIBERTY GLOBAL:	LBTYA	30.76	5.90%	5.50%
LIBERTY INTERACTIVE:	LINTA	23.33	7.20%	8.20%
MEDIACOM:	MCCC	8.04	5.00%	
NTL:	NTLI	25.18	4.30%	(0.2%)
ROGERS COMM:	RG	32.99	10.60%	10.90%
SHAW COMM:	SJR	37.48	15.50%	18.60%
TIME WARNER:	TWX	22.73	2.20%	4.40%
WASH POST:	WPO	766.47	1.00%	2.80%

Company	Ticker	1/12 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	31.62	2.40%	1.40%
CROWN:	CRWN	3.86	(0.5%)	6.30%
DISCOVERY:	DISCA	16.90	3.60%	5.00%
EW SCRIPPS:	SSP	51.95	4.20%	4.00%
GRUPO TELEVISIVA:	TV	28.05	3.90%	3.90%
INTERACTIVE CORP:	IACI	37.84	0.80%	1.80%
LODGENET:	LNET	25.22	1.90%	0.80%
NEW FRONTIER:	NOOF	10.14	1.60%	5.50%
OUTDOOR:	OUTD	12.32	(2.4%)	(4%)
PLAYBOY:	PLA	11.46	0.10%	
UNIVISION:	UVN	35.82	0.60%	1.10%
VALUEVISION:	VVTV	12.82	3.50%	(2.4%)
VIACOM:	VIA	41.80	0.70%	1.90%
WWE:	WWE	16.45	2.20%	3.90%

Company	Ticker	1/12 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.09	1.50%	(0.5%)
ADC:	ADCT	15.10	(1.4%)	3.90%
ADDVANTAGE:	AEY	3.04	7.40%	9.00%
AMDOCS:	DOX	35.72	(7.1%)	(7.8%)
AMPHENOL:	APH	63.49	(1.8%)	2.40%
ARRIS GROUP:	ARRS	13.10	1.20%	4.70%
AVID TECH:	AVID	37.08	(1.7%)	(0.5%)
BLNDER TONGUE:	BDR	1.75	2.30%	2.90%
BROADCOM:	BRCM	32.42	(0.2%)	0.30%
C-COR:	CCBL	12.82	10.70%	15.10%
CISCO:	CSCO	28.92	1.60%	5.80%
COMMSCOPE:	CTV	31.67	4.90%	3.90%
CONCURRENT:	CCUR	1.72	(4.4%)	(5%)

Company	Ticker	1/12 Close	1-Week % Chg	YTD %Chg
CONVERGYS:	CVG	25.66	3.80%	7.90%
CSG SYSTEMS:	CSGS	26.54	1.40%	(0.7%)
GEMSTAR TVG:	GMST	3.73	(2.4%)	(7%)
GOOGLE:	GOOG	505.00	3.70%	9.70%
HARMONIC:	HLIT	8.35	14.70%	14.90%
JDSU:	JDSU	16.28	(7.7%)	(1.9%)
LEVEL 3:	LVL3	6.60	11.30%	17.90%
LUCENT:	LU	2.55		
MICROSOFT:	MSFT	31.21	5.30%	4.50%
MOTOROLA:	MOT	18.01	(4.9%)	(11.9%)
NDS:	NNDS	46.08	1.40%	(4.5%)
NORTEL:	NT	26.38	3.10%	(1.3%)
OPENTV:	OPTV	2.46	(5.4%)	6.00%
PHILIPS:	PHG	37.57	2.30%	0.00%
RENTRAK:	RENT	15.05	(2%)	(2.9%)
SEACHANGE:	SEAC	10.50	(1.2%)	2.70%
SONY:	SNE	47.68	6.40%	11.30%
SPRINT NEXTEL:	S	17.25	(10.2%)	(8.7%)
THOMAS & BETTS:	TNB	45.98	(0.8%)	(2.7%)
TIVO:	TIVO	5.81	6.60%	13.50%
TOLLGRADE:	TLGD	10.31	(2.5%)	(2.5%)
UNIVERSAL ELEC:	UEIC	19.77	(1.2%)	(5.9%)
VONAGE:	VG	6.47	(0.8%)	(6.8%)
VYYO:	VYYO	4.45	8.00%	(1.8%)
WEBB SYS:	WEBB	0.03	(25%)	(25%)
WORLDGATE:	WGAT	1.34	0.80%	
YAHOO:	YHOO	29.45	6.20%	15.30%

Company	Ticker	1/12 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	34.73	2.30%	(2.8%)
BELLSOUTH:	BLS	47.11		
QWEST:	Q	8.45	1.20%	1.00%
VERIZON:	VZ	37.33	(0.1%)	0.20%

Index	Value	1-Week % Chg	YTD %Chg
MARKET INDICES			
DOW:	12556.08	1.30%	0.70%
NASDAQ:	2502.82	2.80%	3.60%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. SHAW COMM:	37.48	15.50%
2. HARMONIC:	8.35	14.70%
3. ION MEDIA:	0.58	11.50%
4. LEVEL 3:	6.60	11.30%
5. C-COR:	12.82	10.70%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.03	(25%)
2. SPRINT NEXTEL:	17.25	(10.2%)
3. JDSU:	16.28	(7.7%)
4. AMDOCS:	35.72	(7.1%)
5. OPENTV:	2.46	(5.4%)

IFC ANIME GET DRAWN IN

GUNSLINGER GIRL

1 HOUR BLOCK
FRIDAYS @ 11PM ET

IFC tv, uncut.

MaxFAX...

Changes on the Way?

CES International is history. So is **MacWorld**.

Both are likely to make some history for cable TV.

Serious history.

Cable's friends in the sat-

ellite business danced about working together (likely by the end of '07) ... and **DirecTV** raised some stakes by making a serious bid to dominate Hi-Def distribution.



Paul S. Maxwell

Will better video trump the triple- (or quad-) play? Good question. Bandwidth management takes another portion of cable's frontal lobe.

Meanwhile, cable's friends in the telephone distribution business upped their video ante a bit as well ... particularly on the wireless front (methinks the folks running telcos are listening a bit too much to the vulture capitalists, though). Interesting times, do you think Venezuela will pay top dollar for Verizon's holdings there? Can **AT&T** really make **U-Verse** scalable? More to the point, can AT&T live up to the ads it is already running?

CES (and, by the way, as someone who looks at most things – a shout-out to **cable360.net** for the best tracking of relevant, that

is truly relevant, postings all week! ... not to mention a thanks to **Gary Shapiro** for quoting extensively from the last edition of **The BRIDGE**) set the stage for the next chapter of cable's evolution ...

Maybe.

Or, maybe it happened up in San Francisco instead of in Las Vegas? The new **appleTV** is pretty slick. So is the new **iPhone**.

But then, so are the new iterations of **SlingBox(es)**.

Choices ...

That's what cable is all about. Right?

Broadband connectivity sort of embraces "over the top"?

Or does it?

Meanwhile, in the trenches, the fights over retransmission consent rage ever more critically.

What will the **FCC** do?

Ignore it again?

Random Notes:

• **Net What?** A Democrat from North Dakota and a Republican from Maine introduce a bill in the Senate to take control of the broadband pipes from their builders, owners and operators. Well, what can we expect? Pre-emptive wars. Poor (at best, or cherry-picked) intelligence. Lousy catastrophe/disaster follow-up (**FEMA** lost the paperwork to help farmers in Colorado and Kansas handle the animals stranded by multiple snowstorms). The development of

contracts with government-imposed retroactive time limits ... making contacts much less than sacrosanct. A **Federal Anti-Cable Commission** that endorses redlining. Oh, well.

• **"The Cable Apprentice**

Show": On Jan 25 at the Comcast Media Center, **CTAM of the Rockies** will host (details @ www.ctamrm.com) a competition among **University of Denver - Daniels Business School** students with prizes of \$1,500 and paid cable industry internships. I'm a judge. But I won't be biased; my Kid (a senior @ DU) isn't in the business school. Very cool chapter idea.

• **CTAM Research Confer-**

ence: An interesting meeting set for St. Petersburg, FL, early next month from February 7-9. Given the zero sum game on the ground in the fight for subscribers, it is getting more important every day to know, "Who's winning?" (Details @ www.ctam.com/conferences/research).

• **Post-Research Usefulness:**

Even cooler, **Argo Systems** holds its user conference the following week in Napa Valley. (Details @ www.argosys.com/conference). Nice to see research put to competitive use.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

CableFAX databriefs



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