

# CableFAX Daily™

Friday — January 19, 2007

What the Industry Reads First

Volume 18 / No. 13

## Merger Mania: Congressman Suggests DirecTV-DISH Deal Makes Sense

At least one member of Congress sounds keen on a **DirectTV-EchoStar** merger. Rep *Rick Boucher* (D-VA) suggests that a merger might receive **DOJ** and **FCC** approval this time around if the entire multichannel video market is taken into consideration, including telcos. "I think there is a strong potential for [the satellite] industry to prosper and survive. It's under some pressure today, and this is a case where the merger of the 2 providers might actually make sense," Boucher said during an interview for **C-SPAN's** "The Communicators" series. He pointed to the need for the companies to offer broadband and launch more "very costly" satellites. The House Commerce Member's comments were much more optimistic than anything **FCC** chmn *Kevin Martin* has said on such a merger's prospects. Last week, Martin noted that the Commission has already denied such a merger and "I'm not sure there's enough of a change yet for us to define the market in a different way." During the 30-min interview, Boucher outlined what he believes are top telecom goals for the 110th Congress: net neutrality (his big project), finding a way for local govts to offer telecom services and encouraging broadband providers to offer standalone DSL. The Dem pooh-pooed the notion that **AT&T's** net neutrality concessions remove the need for govt intervention, noting that the telco's conditions are temporary and apply only to it. **Oops:** With all the hand-wringing over educating the public over the impending DTV transition, we had to giggle when Boucher twice referred to Feb 1, 2009 as the date by which broadcasters must shut off their analog signals. "I do believe that date will hold," he told C-SPAN's *Susan Swain*. Turns out the Congressman is a bit uncertain about the date certain, with Congress setting Feb 17, 2009 as the last day of analog broadcasts. -- Watch the interview yourself on C-SPAN at 6:30pm Sat (repeats on **C-SPAN 2** at 8am and 8pm Mon).

**A La Carte in '07:** **FCC** chmn *Kevin Martin* is back on his a la carte kick, trying to get advertisers to support such packaging. Speaking at the **Assoc of National Advertisers Advertising Law and Business Affairs** conference Thurs, Martin expressed surprised that some advertisers are concerned about offering cable channels a la carte. "Providing cable channels on a more a la carte basis would decrease the uncertainty for advertisers and their clients about the viewership of smaller cable networks not covered or not accurately covered by **Nielsen**," he said. "A la carte sales provide a much more accurate proxy for viewership than sales of the large tier of which the small network is currently one component." He also said a la carte would let advertisers know more about the characteristics of a particular channel's potential audience. The **FCC** chmn rejected the notion that a la carte would result in less TV viewing. "Are they going to read a book or mow the lawn instead, because there is less clutter to sift through on their TV? I don't think so."

**Rate Hike:** **DirectTV** has notified retailers that it will increase its lower tier prices by approximately 10% on Feb 6, according to a **Bernstein Research** note. The investment firm estimates the average increase across all tiers will be about 6%—higher than **EchoStar's** 3% rate hike avg that takes effect Feb 1 (**Cfax**, 12/28). **DirectTV**, however,

ANOTHER SEASON  
TO EVEN THE SCORE.

# HIGH STAKES POKER

## THE THIRD SEASON

MONDAYS AT 9PM/8C

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said the average subs' price increase will be "just under 4%" after the adjustment. DirecTV is taking the opposite approach of DISH by raising prices for lower service tiers, while DISH's largest increases were for higher-end packages (DISH is not raising the price at all for its most popular package, America's Top 60). "The move, which is consistent with [DirecTV's] emphasis on HDTV, can be expected to further differentiate the 2 services at their respective 'high end/low end' poles," Bernstein said.

**Online:** AOL and QVC will jointly bring 2 net channels to video.aol.com. QVC TV Live launched Thurs, is the portal's 1st live streaming channel, and coincides with the linear net's 24/7 format. QVC On Demand will launch next week, providing more than 400 content clips from various programming events. -- **Sundance Channel** and **YouTube** forged a partnership to offer net content at the site throughout this year, beginning with net-produced programming from this weekend's **Sundance Film Festival**. Sundance Channel will also begin Jan 22 offering narrative, doc and animation shorts from the '07 Sundance Film Festival for download at **iTunes**. -- Interactive firm **Marketing Technology Solutions** has made on demand health videos from VOD net **HealthiNation** available to the 10mln members of QualityHealth.com, Nubella.com and HealthPages.com. -- **Skype** co-founders *Janus Friis* and *Niklas Zennstrom* (**Cfax**, 12/19) have rebranded their broadband video service as **Joost**. Formerly announced as The Venice Project, the service is now available in private beta testing. -- **Sirius Satellite Radio** began Tues simulcasting **CNN** content as part of its online listening lineup.

**Competition:** Verizon expanded its **FiOS TV** service to 75K HHs in 14 PA communities. -- **Cablevision** launched Wed **WWE 24/7 On Demand** in NY, NJ and CT. -- **DirecTV** and **Sci Fi** have partnered for a comprehensive sponsorship package surrounding series "Battlestar Galactica." It calls for DirecTV sponsorship of every series ep, including linear, print and online features. The dishhead will also sponsor the mobile alerts sent to show fans by the net, as well as the show's upcoming season 3 home video release.

**At the Portals:** Tiny Internet streaming company **VDC** says it filed a program access complaint at the **FCC** against Turner for its refusal to provide certain programming, including **TNT** and **CNN**. It's an unusual test of the program access rules since VDC offers live streams of linear cable nets on the Internet and **Windows Media**-enabled devices. Turner said that to its knowledge VDC hasn't actually filed such a complaint. "We do not, however, believe that the FCC's Program Access rules are intended to apply to distribution of linear programming over the Internet, and we are prepared to vigorously defend against a claim should VDC decide to pursue a claim," Turner said. VDC had a similar flap last year over **C-SPAN** programming, but never filed a complaint (**Cfax**, 8/10).

**The Box at TCA:** HBO didn't screen its new "John from Cincinnati" for critics at **TCA's** cable week, but creator *David Milch* made sure to answer questions with lengthy but erudite monologues that had hacks demanding a written translation. Luckily, other HBO news abounded: "The Sopranos" and "Entourage" return Apr 8; HBO's largest multi-platform event kicks off Mar 15 when a centerpiece doc start 14-part doc series "The Addiction Project" (the series is free to cable subs); *James Gandolfini* interviews soldiers in July 4's "Home from Iraq" (working title), he exec prods, too; "Entourage" star *Adrian Grenier's* personal doc "Shot in the Dark," about searching for his biological father, premieres June 3; and *Paul Giamatti* and *Laura Linney* star as John and Abigail in the *Tom Hanks*-produced mini "John Adams" ('08).

**Tell the Kids:** Disney Channel is inviting fans to determine elements of this summer's sequel to its wildly popular

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# BUSINESS & FINANCE

“High School Musical.” Through Jan 31, fans may answer at disneychannel.com 10 poll questions that will dictate portions of “High School Musical 2” such as what’s written on Mrs. Darbus’ chalkboard and the clever sayings on Chad’s T-shirts.

**Public Affairs:** The Comcast Foundation granted \$25K to the Natl Puerto Rican Coalition’s “College to Career Program,” a series of seminars and training sessions designed to equip students with workforce skills. The CF also awarded the Neighborhood Leadership Initiative \$90K on behalf of the “Looking for Angola,” an inter-disciplinary project that explores the history of slaves and Seminoles who escaped to the Tampa Bay area. The grant will support educational programs in 3 FL county school systems for the next 3 years.

**People:** Turner Ent upped Katherine Johnson to svp, promotions and mktg. -- Insight named former Time Warner Cable dir Jeanne Coleman district vp, northern IL, and promoted Kathy Douglass to district vp, northeast IN.

**Business/Financial:** ION received Wed a stock restructuring proposal from NBCU and Citadel Ltd Partnership, including a tender offer for the outstanding shares of ION’s Class A common stock for \$1.41/share. The proposal stems from a related restructuring, circa Nov 7, 2005, when NBCU gained control of

## CableFAX Daily Stockwatch

Company	01/18 Close	1-Day Ch	Company	01/18 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	44.39	0.03	AVID TECH:	36.52	(0.68)
DIRECTV:	24.40	0.09	BLNDER TONGUE:	1.96	0.16
DISNEY:	35.85	0.60	BROADCOM:	29.55	(1.74)
ECHOSTAR:	40.41	(0.36)	C-COR:	11.90	(0.39)
GE:	38.00	0.02	CISCO:	26.45	(0.53)
HEARST-ARGYLE:	26.20	0.00	COMMSCOPE:	30.91	(0.34)
ION MEDIA:	1.02	0.40	CONCURRENT:	1.63	(0.07)
NEWS CORP:	23.98	0.28	CONVERGYS:	26.14	0.13
TRIBUNE:	30.90	0.56	CSG SYSTEMS:	25.83	(0.6)
<b>MSOS</b>					
CABLEVISION:	30.77	1.52	GEMSTAR TVG:	3.70	(0.08)
CHARTER:	3.37	(0.11)	GOOGLE:	487.83	(9.45)
COMCAST:	45.10	0.34	HARMONIC:	8.14	(0.03)
COMCAST SPCL:	44.35	0.38	JDSU:	15.79	(0.43)
GCI:	15.50	(0.03)	LEVEL 3:	6.01	(0.23)
KNOLOGY:	11.19	(0.12)	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	102.75	0.91	MICROSOFT:	31.00	(0.1)
LIBERTY GLOBAL:	30.64	0.02	MOTOROLA:	18.71	0.24
LIBERTY INTERACTIVE:	24.41	0.03	NDS:	44.86	(0.81)
MEDIACOM:	7.98	(0.13)	NORTEL:	27.07	(0.23)
NTL:	26.08	(0.2)	OPENTV:	2.50	0.00
ROGERS COMM:	31.51	(0.47)	PHILIPS:	37.61	(0.03)
SHAW COMM:	37.11	0.05	RENTRAK:	15.30	0.30
TIME WARNER:	22.96	0.15	SEACHANGE:	10.33	(0.22)
WASH POST:	762.87	(0.48)	SONY:	46.36	(1.18)
<b>PROGRAMMING</b>					
CBS:	31.47	0.06	SPRINT NEXTEL:	17.21	0.21
CROWN:	4.25	0.05	THOMAS & BETTS:	45.46	(0.47)
DISCOVERY:	17.19	0.07	TIVO:	5.44	(0.18)
EW SCRIPPS:	52.72	0.03	TOLLGRADE:	9.99	(0.23)
GRUPO TELEVISA:	28.00	(0.7)	UNIVERSAL ELEC:	19.87	(0.33)
INTERACTIVE CORP:	38.54	0.34	VONAGE:	5.72	(0.3)
LODGENET:	24.77	(0.02)	VYYO:	4.52	0.16
NEW FRONTIER:	10.12	(0.08)	WEBB SYS:	0.04	0.00
OUTDOOR:	12.53	(0.65)	WORLDGATE:	1.32	0.01
PLAYBOY:	11.21	(0.09)	YAHOO:	28.12	(0.93)
UNIVISION:	35.84	0.11	<b>TELCOS</b>		
VALUEVISION:	12.66	0.14	AT&T:	35.02	0.53
VIACOM:	41.96	0.27	QWEST:	8.44	0.11
WWE:	16.14	(0.2)	VERIZON:	37.57	0.69
<b>TECHNOLOGY</b>					
3COM:	3.99	(0.11)	<b>MARKET INDICES</b>		
ADC:	15.00	0.06	DOW:	12567.93	(9.22)
ADVANTAGE:	3.09	(0.08)	NASDAQ:	2443.21	(36.21)
AMDOCS:	33.99	(0.45)			
AMPHENOL:	64.41	(0.95)			
ARRIS GROUP:	13.11	(0.35)			

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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**'What Looked Good at TCA?'**

That's the first question asked of those who attend **TCA's** cable week, which ended last Friday. It wasn't an easy answer this year, only partly because perennial star **HBO** fell a bit flat. Some variant of 'Reality TV Dominated TCA' is the headline seen after recent TCAs. Perhaps that's true, but it's not necessarily an accurate reflection of the state of cable programming. Here's why: Logical thinkers assume cable presents its best shows at TCA. From those presentations, reporters are asked (usually not gently) by editors to divine programming trends. In fact, the best shows aren't always ready for TCA, so others are presented. (Let's ignore the obvious: Nobody really knows what will turn out to be your best show). In addition, TCA decisions often are based on talent availability. It's a good bet reality talent is readily available, perhaps explaining the ubiquity of reality TV at TCA. Another factor gives networks pause when bringing non-reality talent to TCA: Is the talent 'press broken'? (Critics still talk lovingly about *Sean Young's* debacle of years ago, when the actress, touting a **Hallmark Channel** film during a TCA panel, uttered the memorable: 'Does Hallmark have a channel? Really?') One of the most misleading beliefs about TCA is that critics see lots of shows there. At this TCA, 22 cable nets, some with multiple channels, were sandwiched into 4 days (even with that girth, the shows discussed represent a sliver of cable's immense slate). Programmers, believing correctly that critics are unlikely to preview 50+ shows, send few advance screeners. Of course that led to the birth of the 2-min highlight reel. Curious thing, nearly every highlight reel shown at TCA was a winner (perhaps programmers should make highlight reels only, and stop making full shows). True, select shows are available on closed-circuit in the TCA hotel, but with evening parties and no writing breaks, it's the dedicated critic who rises at 7am for **GSN's** "The Women Who Changed Game Shows." Contrast this with TCA's broadcast weeks, when networks get entire days devoted to them, writing breaks abound and show panels are preceded by non-dawn closed circuit screenings of that show. Not that we're complaining. [Next Week: "Why TCA Still Matters"] SA

**Highlights:** "Battlestar Galactica," mid-season premiere, Sun, 10pm, **Sci Fi**. Really now, are fans attracted to "Galactica's" allegorical plot or its strong, gorgeous women in fatigues and toting guns? -- "Iraq's Guns for Hire," Sun, 9pm, **Nat Geo**. Amazing footage shows private security contractors working (and dying) in Iraq. SA

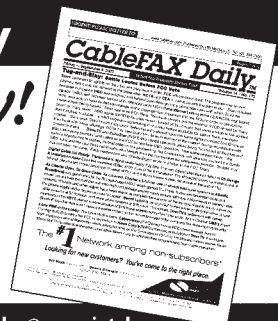
**Worth a Look:** "Friends of God," Trs, 9pm, **HBO**. Irony lovers set your TiVo. Pastor *Ted Haggard*, a major presence in this eye-opening doc, says evangelicals have the best sex life. The doc was completed days before a scandal forced Haggard to resign as leader of his mega church and the huge Natl Assoc of Evangelicals. He admitted to "sexually immoral conduct," stemming from accusations made by a gay prostitute. -- "Digging the Truth," Mon, 9pm, **History**. A fascinating look at scientists seeking evidence of Atlantis' existence. SA [More reviews at [www.cable360.net](http://www.cable360.net)]

Basic Cable Rankings (1/08/07-1/14/07) Mon-Sun Prime			
1	DSNY	2.6	2314
2	USA	2.1	1955
3	TNT	1.6	1502
3	LIFE	1.6	1472
3	FOXN	1.6	1409
6	A&E	1.5	1384
7	TBSC	1.4	1267
8	NAN	1.3	1173
9	FX	1.2	1041
10	HALL	1.1	839
11	DISC	1	906
11	TOON	1	897
11	HGTV	1	895
11	AMC	1	888
11	CMDY	1	885
11	CORT	1	863
17	HIST	0.9	836
17	SPK	0.9	825
17	TVLD	0.9	821
17	SCIF	0.9	807
21	ESPN	0.8	775
21	VH1	0.8	745
21	FAM	0.8	742
21	CNN	0.8	738
21	MTV	0.8	734
26	TLC	0.7	650
26	BET	0.7	565
28	FOOD	0.6	568
28	BRAV	0.6	470
28	NGC	0.6	358
28	SOAP	0.6	340
28	LMN	0.6	333
33	MSNB	0.5	438
33	APL	0.5	417
33	TTC	0.5	393
36	ESP2	0.4	380
36	EN	0.4	353
36	HLN	0.4	320
36	WGNC	0.4	281
36	GSN	0.4	267
36	OXYG	0.4	251
36	TV1	0.4	134
43	TWC	0.3	311
43	CMT	0.3	292
43	CNBC	0.3	246
43	GOLF	0.3	240

\*Nielsen data supplied by ABC/Disney

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