

CableFAX Daily™

Monday — January 28, 2008

What the Industry Reads First

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From A to Z: Comcast Pulls Plug on Asian Net AZN

Comcast thought that shifting the **International Channel** to an Asian-focused net would beef up its distribution, but in the end, the subscribers just never came. Affiliates were notified Fri that **AZN TV** will discontinue service on Apr 9. Most of its 13.9mln subs are in Comcast's major Asian-American markets, such as DC. AZN did garner a few small deals with other distributors, including **Cox** and **Time Warner Cable**. But all told, it only picked up about 4mln HHs since converting from International Channel. Comcast acquired the channel, along with \$545mln in cash and **Liberty's** 10% stake in **E! Networks**, when it sold Liberty its interest in **QVC** in '04. AZN's staff, which once included 80-something employees, has dwindled to about 15 today, including gm *Rod Shanks*. A Comcast spokeswoman said there could be other opportunities for them within in the company. "This difficult decision was made after considerable review of the network's financial situation," Comcast said, adding it "will continue to broadcast additional Asian programming through the International Networks and other independent providers and remains committed to supporting the Asian American community through programming, civic and cultural events." The channel's well-regarded "Asian Excellence Awards" will continue to air on **E!**, and the MSO will continue to offer 11 linear and 2 VOD nets geared toward the Asian-American community.

Speaking Upfrontly: By this time last year, cable's 1st upfront presentation had already occurred with then-independent **Oxygen** opting for an early Jan 23 kickoff. This year's network event calendar is shaping up more traditionally, perhaps due in part to the ongoing writer's strike. **CBS** and **NBC**, which now owns Oxygen, have made rumblings that they may cancel their big upfront parties or at least significantly scale them back. "From a social standpoint, it's good to have them to have the industry galvanize together for a week, stick a flag in the ground and say, 'OK, the process has begun.'" But is it needed? I don't know. Maybe we'll find out this year," said *Larry Novenster*, evp and dir for natl electronic media for **Optimedia**. Cancellation of upfront galas probably isn't a big deal, he added. "[If] the nets save a bunch of money on it, then they can stop charging us integration fees," he said. The most-current cable upfront event schedule has **Gospel Music Channel** opening the season with its first-such shindig, a small-scale gospel brunch in Chicago featuring *Myron Butler & Levi* on Mar 5.

Pass Off: **Bresnan's** movement this week of **NFL Net** off its digital basic tier in Gillette, WY, and to a new area sports tier completes a round of swapping that kicked off last year in all of the MSO's markets. Counting **Comcast** as an investor, Bresnan receives much of its programming through the nation's largest cable op, essentially piggy-backing on certain carriage deals. So when Comcast began moving NFL Net to a sports tier in May, so did Bresnan. Comcast also owns a piece of **Midcontinent** and **US Cable**, and provides programming to them as well. Calls to Midcontinent weren't returned by deadline, but the MSO's Website shows it offers NFL Net on a sports tier. All this means that NFL Net's well-publicized spat with Comcast over tier carriage affects additional subs. It's difficult to decipher just how many,



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but Bresnan, Midcontinent and US Cable collectively service more than 500K customers—a small amount relative to Comcast's crowded sub stable but nonetheless representative of the primary disagreement between the net and cable ops. NFL Net failed to respond to inquiries by deadline. Meanwhile, as **Cox** carries it on a tier as well, the net continues to refuse offers from ops such as **Time Warner Cable** and **Cablevision** that fail to include non-tier placement.

In the Courts: *Barry Diller* and *John Malone* are fighting over **IAC's** proposed split into 5 entities. The 2 media heavyweights have reportedly been at odds for some time over how voting rights would change with the split. **Liberty Media** holds a majority voting stake in IAC that gives it nearly 62% of the shareholder vote. IAC and CEO Diller sued Liberty Wed seeking a DE court's permission to proceed as planned. Liberty filed Thurs a countersuit claiming the spinoffs would dilute its voting control over several IAC assets. IAC shares are down nearly 30% since the plan was announced in Nov.

Uncaged: **Lions Gate** reached an interim agreement with striking Hollywood writers allowing **Showtime's** "Weeds" to again germinate and **AMC's** "Mad Men" to resume its madness. The indie film studio produces both series, which can now begin restocking the barren ep cupboard that is reportedly plaguing popular broadcast shows such as **NBC's** "30 Rock," **CBS'** "CSI" franchise and **ABC's** "Ugly Betty." No definitive timetable for the return of "Weeds," said a net spokesman. AMC deferred comment to Lions Gate, which failed to respond by deadline.

Deals: **Showtime Nets** awarded a multi-year contract allowing **Globecomm Network Services** to originate and broadcast **Smithsonian Net**. Globecomm also upgraded **Showtime 2** to high-def.

VOD: **Pentagon Channel** has gone on demand, with **Blue Ridge** offering the net series "Recon" for free through VOD.

Red Carpet: With no Golden Globe pomp and circumstance this year, **TBS** and **TNT's** simulcast of the **SAG Awards** (Sun, 1/27, 8pm ET) is getting a lot more attention. Whether it will translate into higher ratings for the awards (and for **TV Guide** and **E!'s** Red Carpet coverage) remains to be seen, but press hungry for some glitz are pulling out all the stops. TV Guide added an hour to its live red-carpet programming. E! added a SAG "Fashion Police" special for Mon, and this marks this 1st year it will present a Spanish-language SAP simulcast.

HD: The Super Bowl will drive sales of approx 2.4mln HDTVs, according to a **CEA/Sports Video Group** study. (Wonder how many sets the proposed economic stimulus package would drive?). The Super Bowl is followed by college bowl games, the World Series, **NBA** finals and **NCAA** March Madness as drivers of HDTV purchases, the survey said.

Ratings: **Bravo's** "Make Me a Supermodel" reached a series high Thurs, garnering 1mln total viewers and 779K 18-49s.

Programming: **ESPN** is gassing up "Dale Jr. – Shifting Gears," a 5-part series about popular NASCAR driver *Dale Earnhardt's* move from the team his father founded to rival Hendrick Motorsports. The 1st ep airs on **ESPN2** Feb 8 (7pm ET), and will join 2 others in the 9 days preceding the Daytona 500. -- **BBC America** acquired 5 new series for US debut, including "Last Restaurant Standing" (Feb), in which 9 couples compete to operate their own eatery.

People: **Comcast** upped *Lisa Walsh* to vp, HR for its Southeastern MA region. *Steve Driscoll* was promoted to vp, sales & marketing for the area, and *David Sartori* was bumped up to vp, finance/business ops. -- **Cox** promoted *Michael Grover* to exec dir, govt affairs; *Leigh Stokes* to exec dir, online experience; and *Alysia Long* to asst genl counsel. The MSO also appointed svp/GMs in 12 markets.

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CableFAX Week in Review

Company	Ticker	1/25 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	42.42	3.20%	(13.3%)
DIRECTV:	DTV	21.99	11.80%	(4.9%)
DISNEY:	DIS	29.12	2.10%	(9.8%)
ECHOSTAR:	DISH	28.15	0.70%	(17.1%)
GE:	GE	34.00	(0.9%)	(5.8%)
HEARST-ARGYLE:	HTV	20.77	4.20%	(6.1%)
ION MEDIA:	ION	1.39	3.00%	7.80%
NEWS CORP:	NWS	19.26	(0.5%)	(9.4%)
MSOS				
CABLEVISION:	CVC	21.57	(6.1%)	(12%)
CHARTER:	CHTR	1.14	4.60%	(2.6%)
COMCAST:	CMCSA	17.22	1.10%	(5.7%)
COMCAST SPCL:	CMCSK	17.02	0.70%	(6.1%)
GCI:	GNCMA	7.54	3.40%	(13.8%)
KNOLOGY:	KNOL	10.64	12.70%	(16.7%)
LIBERTY CAPITAL:	LCAPA	106.26	3.10%	(3.3%)
LIBERTY GLOBAL:	LBTYA	37.14	(4.2%)	(5.2%)
LIBERTY INTERACTIVE:	LINTA	14.76	4.40%	(22.6%)
MEDIACOM:	MCCC	4.55	(2.8%)	(0.9%)
NTL:	NTLI	28.22		
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	19.17	(0.2%)	(18.3%)
TIME WARNER CABLE:	TWC	24.97	(1.3%)	(9.5%)
WASH POST:	WPO	727.90	(5.9%)	(8%)

Company	Ticker	1/25 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	23.94	3.70%	(12.1%)
CROWN:	CRWN	5.96	7.00%	(8.3%)
DISCOVERY:	DISCA	23.80	1.90%	(5.3%)
EW SCRIPPS:	SSP	39.11	(1.3%)	(13.1%)
GRUPO TELEvisa:	TV	21.26	(0.3%)	(10.6%)
INTERACTIVE CORP:	IACI	24.40	1.20%	(9.4%)
LODGENET:	LNET	14.61	5.40%	(16.2%)
NEW FRONTIER:	NOOF	4.90	2.70%	(3.8%)
OUTDOOR:	OUTD	6.76	1.50%	(2%)
PLAYBOY:	PLA	8.33	2.20%	(8.7%)
TIME WARNER:	TWX	14.96	(3.7%)	(9.4%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	5.12	(5.2%)	(18.6%)
VIACOM:	VIA	37.18	(3.7%)	(15.5%)
WWE:	WWE	13.97	0.30%	(2.1%)

Company	Ticker	1/25 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.19	1.90%	(7.3%)
ADC:	ADCT	13.40	(1.8%)	(13.7%)
ADVANTAGE:	AEY	4.92	(1.6%)	(20.3%)
ALCATEL LUCENT:	ALU	6.27	(9.1%)	(14.3%)
AMDOCS:	DOX	32.85	3.70%	(4.7%)
AMPHENOL:	APH	39.26	1.30%	(15.2%)
APPLE:	AAPL	130.01	(19.4%)	(34.4%)
ARRIS GROUP:	ARRS	7.70	(0.1%)	(22.8%)
AVID TECH:	AVID	25.02	0.90%	(11.7%)
BIGBAND:	BBND	4.96	15.90%	(3.5%)
BROADCOM:	BRCM	23.04	(2%)	(11.9%)
CISCO:	CSCO	24.20	(0.4%)	(10.6%)
COMMSCOPE:	CTV	42.39	3.30%	(13.9%)

Company	Ticker	1/25 Close	1-Week % Chg	YTD %Chg
CONCURRENT:	CCUR	0.76	10.10%	(8.4%)
CONVERGYS:	CVG	14.20	(1.5%)	(13.7%)
CSG SYSTEMS:	CSGS	12.73	(2.1%)	(13.5%)
ECHOSTAR HOLDING:	SATS	30.01	4.30%	(8.8%)
GEMSTAR TVG:	GMST	4.35	(5.6%)	(8.6%)
GOOGLE:	GOOG	566.40	(5.6%)	(18.1%)
HARMONIC:	HLIT	9.37	6.50%	(10.6%)
JDSU:	JDSU	10.06	(5.3%)	(24.1%)
LEVEL 3:	LVLT	3.00	5.60%	(1.3%)
MICROSOFT:	MSFT	32.94	(0.2%)	(7.5%)
MOTOROLA:	MOT	10.73	(19.5%)	(32.2%)
NDS:	NNDS	48.95	(2.3%)	(17.4%)
NORTEL:	NT	12.92	1.20%	(14.6%)
OPENTV:	OPTV	1.18	4.40%	(10.6%)
PHILIPS:	PHG	37.44	5.10%	(12.4%)
RENTRAK:	RENT	10.96	(4.9%)	(24%)
SEACHANGE:	SEAC	7.09	4.60%	(1.9%)
SONY:	SNE	46.69	(9.2%)	(14%)
SPRINT NEXTEL:	S	9.38	7.80%	(28.6%)
THOMAS & BETTS:	TNB	43.74	7.90%	(10.8%)
TIVO:	TIVO	6.88	(0.3%)	(17.5%)
TOLLGRADE:	TLGD	6.63	(6.1%)	(17.3%)
UNIVERSAL ELEC:	UEIC	23.67	1.90%	(29.2%)
VONAGE:	VG	1.99	(2.9%)	(13.5%)
VYVO:	VYVO	2.49	(5.7%)	(20.7%)
WEBB SYS:	WEBB	0.06	(25%)	50.00%
YAHOO:	YHOO	21.94	5.60%	(5.7%)

Company	Ticker	1/25 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	35.26	(2.4%)	(15.2%)
QWEST:	Q	5.63	4.10%	(19.7%)
VERIZON:	VZ	37.76	(3.4%)	(13.6%)

Company	Ticker	1/25 Close	1-Week % Chg	YTD %Chg
MARKET INDICES				
DOW:	INDU	12207.17	0.90%	(8%)
NASDAQ:	COMPX	2326.20	(0.6%)	(12.3%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BIGBAND:	4.96	15.90%
2. KNOLOGY:	10.64	12.70%
3. DIRECTV:	21.99	11.80%
4. CONCURRENT:	0.76	10.10%
5. THOMAS & BETTS:	43.74	7.90%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.06	(25%)
2. MOTOROLA:	10.73	(19.5%)
3. APPLE:	130.01	(19.4%)
4. SONY:	46.69	(9.2%)
5. ALCATEL LUCENT:	6.27	(9.1%)




Ranked #1 for HH (3.8) and all key demos.

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Source Nielsen Galaxy Explorer 1/19/08. Ranked on all ad-supported cable nets, Sat 9-11p, Live+SD coverage area rating and [00], HH, W18-49, W25-54, A18-49, A25-54, P2+. Further qualifications available upon request.

MaxFAX...

Random Notes...

• **Triple Play?** Hey, don't overlook video... it be from whence we came and it be the main thing many look for... note those DBS analyst upgrades last week.

• **\$50 Credit:** Ah, that's where my note to **Charter** went! Absolutely nowhere at all last week. Nice rebate, though. Where do you suppose those lost emails and email accounts actually went?



Paul S. Maxwell

• **Moving Blank?**

Hold this date: 4/30. A Wed evening at the St. Regis Hotel in Manhattan honoring, for the Museum of the Moving Image, the sometimes immobile *Matthew C. Blank*. Well, if you don't have anything better to do...

• **Sculling:** *Terry Elkes* died last week. Bummer. He and *Ken Gorman* made a formidable pair. Both backed me once upon a time. Both did a lot for this industry. Terry, though, had a sad falling out with his one-time mentor, *Ralph Baruch*. And another time, after introducing me to some truly great wine, put me in a scull on Long Island Sound and was mildly surprised (and quite disappointed) when I didn't drown. Terry and Ken created **Apollo**

Partners... the logo was, of course, an upside down "V"... this was the era of "Veeeeee-a-com" vs "V eye a com." Terry once got truly angry with me... when the Czech/English press lord *Robert Maxwell* (no relation) walked off his mega-yacht off the Canary Islands, Terry—who had done deals with him at **Via-com**—commented to me that, "He must have had a heart attack." I replied, "No way, he didn't have a heart."

• **NAP-TEE:** Or is it NATPE? I always forget. But it's always a great place to be... and, speaking of Viacom, *Bob Pittman*—now a small market broadcaster—will follow the keynote (**NBCU's Jeff Zucker**) on Tues. Guaranteed to be interesting (and a bit self-promoting).

• **Pivotless:** Too bad the **Sprint** deal is still born (more or less). The quad-play just might be for real... just take a close look at what **AT&T** is doing... this one is on track and, in my opinion, on the right track. Quite unlike their U-Verse offering. Anything anywhere anytime also means mobile.

• **Political Season:** It'll probably last well past November. But in the meantime, a couple of points: (1) cable is a better targeting medium than broadcast—so, get out there and sell! (2) anybody notice that cable networks (such as one of the originals, **CNN**, and others such as

MSNBC and **Fox News**) are actually leading the coverage? and (3) check out the best distance learning and cable-backed programming about politics from inside on **C-SPAN** as the **Cable Center** and **DU** and **C-SPAN's Steve Scully** feature interactive discussions of students with real political insiders in its 18th "season"... tune in for Fox's *Britt Hume*, former *President Bush's* campaign and White House press secretary *Ari Fleischer*, historian *Doris Kearns Goodwin*, Vice President *Walter Mondale*, pollster *Peter Hart* and more.

• **TiVo + Comcast:** Some deployment. Not in my neighborhoods yet... and when it does get here... well, so long **DirectTV**? That might happen anyway. The satellite guy is changing out a lot of things... and failing to mention the changes to customers. When TiVo (yep, I like it; am used to it and think its navigation is simply the best) does come on Comcast, let's hope it comes with all the broadband features, too. So far, no dice. Another schizophrenic cable move: closed navigation and tru2way. Go figure.

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