

CableFAX Daily™

Tuesday — January 29, 2008

What the Industry Reads First

Volume 19 / No. 018

Million Club: FiOS Tops 1mln Subs, Shows Some Possible Slowing

Verizon's FiOS TV service surpassed the 1mln customer mark, though one analyst thought things might be slowing a bit. **Sanford Bernstein's** *Craig Moffett* told clients FiOS results might be deemed a "mild disappointment" because the rate of acceleration for video and broadband subs is "modest." Video customers increased 12% sequentially (226K net adds), while FiOS broadband additions rose 7% sequentially (245K new adds). The FiOS video gains missed **UBS'** projection by 8K subs. At year end, Verizon was marketing FiOS to about 5.9mln homes and had a penetration rate of 16%. Plans for '08 include passing 3mln more homes this year, including "several" big cities, according to Verizon pres/COO *Denny Strigl*. Asked about the impact of Verizon's free 19-inch HDTV promo, he said it was not material but didn't provide further details. *Moffett* noted that Verizon's legacy DSL biz is slowing at a "remarkable rate," with only 19K gains for the Q vs just 54K in 3Q. Like every company will this Q, Verizon addressed the economic outlook. CFO *Doreen Toben* said the telco doesn't see any material trend changes at this point. "[There is a] real small pocket of 1 or 2 states in the Midwest where I see some impact having to do with the economy. Very small numbers of lines for us in those states, so not impactful at all," she said. "I'm not really seeing anything in any of the urban areas." Verizon saw some slowness in the enterprise business, with rev only growing 0.5% for the Q. *Strigl* downplayed the results, saying the company didn't offset the takeback fast enough. "All traffic from these few primary, major customers that we lost will be gone within the 1st half of the year. We expect revenue growth to be back on trend within the 1st half of the year as we grow through the loss," he said. Verizon enterprise customer losses included a large, unnamed cable company. FiOS is helping in the small-to-medium enterprise biz, but not to any great extent at this point, *Strigl* said. As with **AT&T** last week, wireless was Verizon's 4Q shining star, while wireline continued to suffer. The telco lost 875K phone lines, including 476K home phone lines. Revenue totaled \$23.8bln for the Q.

IPO: *Al Gore*-backed **Current Media** filed an IPO Mon to sell up to \$100mln in Class A common stock. Current Media's **Current TV** is available to about 51mln HHs, and features viewer-created and professional content. IPO proceeds would be used to repay debt and for general corporate purposes, according to an **SEC** filing. The stock would trade on the Nasdaq under the symbol "CRTM." For '07, Current had revenue of \$63.8mln up from \$37.9mln in '06. It posted a net loss for the year of \$9.9mln.

VOD: **Time Warner Cable** unwrapped www.twondemand.com, a Website that lets customer browse through available on demand titles and see what's most popular in their zip codes. -- **Cox** agreed to add the yet-to-launch **Ski Channel** to its VOD lineup. -- **TVN** introduced "iPRI," which lets programmers dynamically update VOD metadata before, during and after asset distribution to VOD servers. In other words, programmers can make real-time changes to VOD offerings. **Mediacom**, **Bend Broadband** and **Lionsgate** were among the 1st TVN clients to participate in the rollout.

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Competition: In what **AT&T** calls its biggest U-verse launch yet, the telco deployed its IP-based platform throughout parts of more than 175 communities in the Chicago suburbs. *Steve Mitchell*, AT&T vp/gen mgr for IL, is already talking trash, vowing to “show the state of Illinois why AT&T U-verse TV really is cooler than cable... With AT&T advanced TV, consumers across northeastern Illinois have a video choice that gives them unmatched features, great value, and the content they want—like **Big Ten Network**.” Those who order a qualifying programming package by phone before Jan 31, '08, can get free HD service for a year, a \$100 cash-back redemption or a free month of certain packages.

Family Friendly: Former **FCC** chairmen *Michael Powell* and *Bill Kennard* have joined **Common Sense Media's** “Digital Kids Task Force,” whose aim is to fund national efforts to better manage the impact of digital media on kids.

Deals: **Ovation TV** announced several partnerships with cultural institutions and arts education organizations. Initial deals cover the Chicago Symphony Orchestra, the Harlem School of the Arts, LA Opera and several other entities. In addition to airing PSAs for each partner, Ovation will also air original short-form content featuring collections, exhibitions and performances, as well as education outreach opportunities. -- **HotChalk** received \$5mIn of Series C Convertible Preferred Stock, with **NBC News** providing the financing. Hotchalk is a provider of Web 2.0 community platforms to schools and education systems. **Communications Equity Assoc** arranged the financing.

Programming: **Starz** is joining the ranks of **HBO** and **Showtime**, announcing its 1st original drama series. The 13-ep, 1-hr series will be based on Oscar-winning Best Picture “Crash,” with **Lionsgate** co-producing. The film's director and co-writer *Paul Haggis* is on board for the series, which begins production this spring. Last week, Starz bowed its first 2 original half-hour comedy series, “Head Case” and “Hollywood Residential.” -- **WE** keeps building on its bridal success, launching a slate of new wedding themed series for '08. “Bulging Brides” (premieres Feb 17) and “Wedding Cake Masters” (Sept) are the newest shows to go walking down the aisle. -- **Lifetime's** joining in the dance craze with “Your Mama Don't Dance,” a competition series in which professional dancers are paired with one of their parents as they compete for \$100K in cash and prizes (debuts Feb 29, 9pm). -- The **Carolina Hurricanes** inked a multi-year rights deal with **FSN South**, which will televise a minimum of 65 of the **NHL** team's games per season.

Super Tuesday: **MTV** nets, **MySpace** and the **Associated Press** will jointly present “Closing Arguments: A Presidential Super Dialogue” in which candidates polling above 10% can reach voters on multiple platforms at 6pm, Feb 2 before the Feb 5 multistate primary. *Hillary Clinton* and *Mike Huckabee* are confirmed; *John McCain*, *Mitt Romney*, *Rudy Giuliani*, *Barack Obama* and *John Edwards* are invited. It will be live on **MTV**, **MTV2** and **MTV Tr3s**, and streamed to mobile devices via **MTV Mobile**, and online via **MySpace** and the **AP Online Video Network**.

Marketing: The 1st-ever **Nickelodeon** cruise will set sail Aug 10-17, departing out of Miami. “Nickelodeon Family Cruise with **Royal Caribbean**” will match family-friendly amenities with Nick activities and entertainment.

In the States: **Discovery**, the programmer behind **Planet Green**, said its Silver Spring, MD, HQ was awarded the Platinum-level Leadership in Energy and Environmental Design (LEED) certification by the **US Green Building Council**. It's the 1st existing building in the state to receive LEED certification.

Public Affairs: The **Cable Hope Fund** donated \$20K to the **San Diego Food Bank** and **Santa Clarita Valley Disaster Coalition** to aid those affected by the wildfires in southern CA.

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BUSINESS & FINANCE

On the Circuit: Noms for **Cable Positive's** annual POP Awards are due Mar 7. Visit www.cablepositive.org/programs-pop. -- **CTAM** announced that its "CTAM U" executive management program at Harvard Business School will take place Jun 1-6.

Honors: **HBO** cleaned up at the **SAG Awards** Sun night, with "The Sopranos" winning outstanding performance by an ensemble in a drama series. *James Gandolfini* and *Edie Falco* picked up honors for their work on the series. Wins also went to *Kevin Kline* and *Queen Latifah* for their roles in HBO's "As You Like It" and "Life Support," respectively.

People: *Frances Berwick* takes on the newly created post of gm, **Bravo Media**. In addition to continued oversight of all programming and production, she will oversee marketing and the creative vision for the net. -- The **CTAM Education Foundation** announced its '08 officers: *Andy Heller*, **Turner Network Sales** pres, domestic distribution becomes chmn; **Insight** pres/COO *Dinni Jain* becomes vice chmn; **CTAM** pres/CEO *Char Beales* becomes secy/treasurer. In addition, **Comcast** EVP, operations *David Watson* was elected to the board. -- **Comcast Entertainment Group** upped *John Wood* to vp, talent booking and *Jennifer Danska* vp, talent development & casting. -- **Comcast** named *Steve White* regional svp for N CA.

CableFAX Daily Stockwatch

Company	01/28 Close	1-Day Ch	Company	01/28 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
BIGBAND:	5.15	0.19	BLNDER TONGUE:	1.56	0.00			
BRITISH SKY:	42.44	0.02	BROADCOM:	22.79	(0.25)			
DIRECTV:	22.78	0.79	C-COR:	11.00	0.00			
DISNEY:	29.37	0.69	CISCO:	24.10	(0.1)			
ECHOSTAR:	28.79	0.64	COMMSCOPE:	42.95	0.56			
GE:	34.72	0.72	CONCURRENT:	0.75	(0.01)			
HEARST-ARGYLE:	21.12	0.35	CONVERGYS:	14.30	0.12			
ION MEDIA:	1.40	0.01	CSG SYSTEMS:	12.94	0.21			
NEWS CORP:	19.59	0.33	ECHOSTAR HOLDING:	29.05	(0.96)			
MSOS								
GEMSTAR TVG:	4.38	0.03	CABLEVISION:	21.70	0.13			
GOOGLE:	555.98	(10.42)	CHARTER:	1.18	0.04			
HARMONIC:	9.60	0.23	COMCAST:	17.69	0.47			
JDSU:	10.35	0.29	COMCAST SPCL:	17.52	0.50			
LEVEL 3:	3.24	0.24	GCI:	7.77	0.23			
MICROSOFT:	32.72	(0.22)	KNOLGY:	10.74	0.10			
MOTOROLA:	11.24	0.51	LIBERTY CAPITAL:	107.86	1.60			
NDS:	48.79	(0.16)	LIBERTY GLOBAL:	38.79	1.65			
NORTEL:	12.72	(0.2)	LIBERTY INTERACTIVE:	15.42	0.66			
OPENTV:	1.22	0.04	MEDIACOM:	4.79	0.24			
PHILIPS:	38.54	1.10	SHAW COMM:	19.22	0.05			
RENTRAK:	11.00	0.04	TIME WARNER CABLE:	24.93	(0.04)			
SEACHANGE:	6.93	(0.16)	WASH POST:	738.30	10.40			
SONY:	46.95	0.26	PROGRAMMING					
SPRINT NEXTEL:	9.97	0.59	CBS:	24.72	0.84			
THOMAS & BETTS:	42.74	(1)	CROWN:	6.00	0.04			
TIVO:	7.00	0.12	DISCOVERY:	24.36	0.56			
TOLLGRADE:	6.45	(0.18)	EW SCRIPPS:	40.08	0.97			
UNIVERSAL ELEC:	23.90	0.23	GRUPO TELEVISA:	21.75	0.49			
VONAGE:	2.00	0.01	INTERACTIVE CORP:	25.17	0.77			
VYYO:	2.44	(0.05)	LODGENET:	14.95	0.34			
WEBB SYS:	0.06	0.00	NEW FRONTIER:	4.78	(0.12)			
WORLDGATE:	0.30	0.00	OUTDOOR:	6.86	0.10			
YAHOO:	20.78	(1.16)	PLAYBOY:	8.41	0.08			
TELCOS								
AT&T:	36.40	1.14	TIME WARNER:	15.25	0.29			
QWEST:	5.68	0.05	VALUEVISION:	5.81	0.69			
VERIZON:	38.11	0.35	VIACOM:	38.12	0.94			
MARKET INDICES								
DOW:	12383.89	176.72	WWE:	14.35	0.38			
NASDAQ:	2349.91	23.71	TECHNOLOGY					
3COM: 4.21 0.02								
ADC: 13.69 0.29								
ADVANTAGE: 4.81 (0.11)								
ALCATEL LUCENT: 6.37 0.10								
AMDOCS: 33.12 0.27								
AMPHENOL: 39.41 0.15								
APPLE: 130.01 0.00								
ARRIS GROUP: 7.88 0.18								
AVID TECH: 26.15 1.13								

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CATEGORIES:

CAMPAIGN: (Where applicable, separate awards are given for National and Regional programs and for Programmer, Operator and Vendor)

Advertising Campaign for a Single Program	Media Event
Advertising Campaign for a Network	Media Relations Campaign
Annual Report	Mobile Marketing Campaign
Corporate Social Responsibility/ Green Campaign	Multicultural Marketing
Community Relations	Press Kit
Crisis Management	Programming Stunt
Direct Response Marketing	PR Stunt
Integrated Marketing Campaign	Public Affairs Campaign
Marketing Campaign	Trade Show Booth
Marketing of a New Series or Show	Trade Show Event or Stunt
Marketing of a Continuing Series	Tchotchkey
Marketing of a Special or Documentary/ Documentary Series	Video: use of video or moving image
	Viral Marketing Campaign

PEOPLE: (Awards given at 5 levels: Programmer, National; Programmer, Regional/Local; Operator, MSO; Operator, Local System; and Vendor)

Marketer of the Year, VP Level and above
PR Executive of the Year, VP Level and above
Public Affairs Executive of the Year
Publicist of the Year

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Please contact Debbie Vodenos at (240) 753-5696, or email dvodenos@accessintel.com

Entry Questions:

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