

# CableFAX Daily™

Wednesday — January 31, 2007

What the Industry Reads First

Volume 18 / No. 21

## Retrans Doings: Free Pizza, Sub Notices the Latest in Sinclair Business

The standoff between **Sinclair** and **Mediacom** continues as Super Bowl Sunday approaches. The good news for the MSO is that only 1 market—Cedar Rapids/Waterloo, IA—lost a **CBS** affiliate when Sinclair pulled its signals Jan 6. Mediacom is reaching out to customers who will have to rely on rabbit ears (or a neighbor's dish) to watch the game by giving away 10K frozen pizzas with Schwan Food on Sat (wonder if they'll be snatched up as quickly as the free antenna kits?). Trucks will adorn the parking lots of 4 area big box retailers, with the stunt also getting radio play. Mediacom has declined to give out any numbers on subscriber defections. **DirectTV**, which is offering rebates to Mediacom subs, says it saw a 70% increase in new subs in Cedar Rapids for Sept-Dec '06 vs Sept-Dec '05 (the companies' spat went public at the end of Sept though signals were pulled until Jan). During that same period, DirectTV said it saw a 67% spike in Des Moines, a 54% jump in Mobile, AL, and a 19% increase in Champaign, Springfield, Decatur, IL. **DISH Network** says it has seen an increase in new subs in MCCC markets but would not provide any stats. It's offering 80 channels for 10 months for \$24.99/month with mail-in rebate in Mediacom-Sinclair markets, as well as other promos. Separately, Mediacom started notifying subs of rate increases in various markets. A spokesman described the hikes, which vary by market, as "very limited," affecting only certain digital video, equipment and Internet products. Nowhere in the country did the increase hit analog tiers, he said. Meanwhile, **Comcast** started notifying subscribers receiving in-market Sinclair signals that they could lose the stations on Mar 1 (the end of Feb sweeps) if a new retrans pact is not reached. "We're continuing to talk to Sinclair," a spokeswoman said. The MSO has already notified out-of-market subs who receive Sinclair stations that they may lose the signals on Feb 5 (**Cfax**, 1/8). It remains doubtful that subs, at least in-market viewers, will actually lose signals. Sinclair wouldn't have the leverage that it currently has in its dispute with Mediacom since Comcast is the predominant operator in its 2 largest markets—Pittsburgh and Baltimore (not to mention its status as the largest MSO).

**Competition:** **Verizon** introduced under the "Freedom" banner 6 new service bundles, including a quad-play option featuring **Verizon Wireless** service for \$135-\$145/month. Subs may mix and match services to create their own desired bundles, which include **DirectTV** video service in lieu of **FIOS TV**. The plans are available across VZ's landline footprint, save for VT, NV, AZ and WA. -- **AT&T** and **A&E** inked a multi-year deal to deliver linear, HD and on demand programming from A&E as part of the **U-verse** TV channel lineup. 7 A&E nets are included, as are **A&E HD** and VOD content from shows such as **The History Channel's** "Digging for the Truth."

**At the Portals:** Not surprisingly, **Comcast** has asked the full Commission to promptly review the **FCC** Media Bureau's order denying its waiver of set-top integration ban rules for certain low-cost boxes. The MSO wants lower-end boxes, such as the **Motorola** DCT-700, exempt from a July 1 deadline that requires operators to deploy boxes with separable or downloadable security. Among other things, Comcast argues that the Media Bureau can't require it to go all-digital by a

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certain date to receive a waiver. Comcast had strong words for the FCC, saying that never in its “decades of experience” with the Commission has it found itself “placed in such a difficult position, forced to incur (and pass along to... customers) substantial costs that are counterbalanced by no public benefit.” Comcast also took issue with the Bureau’s assertion that it could be granted a waiver for subs who take standalone family and ethnic tiers, saying such content-based regulation raises 1st Amendment issues. “Prior Commission rulings have been misread; the record has been twisted or largely ignored; established policies have been jettisoned without explanation; and new policies have been created without reason or authority,” Comcast said. -- **NCTA** and **CEA** are talking 2-way plug & play again. In a Nov 30 **FCC** filing, the 2 sides revealed that they hadn’t met since Sept 29. NCTA’s *Kyle McSparrow* and CEA’s *Gary Shapiro* sat down together on Dec 18 to discuss how to best move talks forward. As a result of that meeting, negotiating team members from each side met last week and have another meeting scheduled for Feb 13.

**Cox’s Numbers:** Cox ended 2006 with 3.4mln bundled customers—up almost 15% over ’05. The upshot, Cox says, is that churn is at an all-time low and the percentage of subs who take either phone or HSD is at a record high of 60%. Later this year, the MSO will celebrate its 10th anniversary of offering a 3-product bundle. Cox ended the year with 5.4mln basic video subs, a net gain of 30K over ’05; 3.3mln HSD customers (+16%); and more than 2mln phone subs (+21%).

**In the States: Comcast Media Center** unveiled its “HITS Quantum” service, extending cable ops’ access to 200+ digital channels (including HD) and advanced video services such as VOD. -- CMC also announced a partnership with **C-COR** to launch “VOD In a Box,” a pre-integrated solution designed to increase the efficiency of VOD service deployments in markets serving 25K digital subs or fewer. Customer trials will begin this Q. -- **Cablevision** launched **WWE**’s SVOD service “WWE 24/7 On Demand” throughout the NY area.

**MacLellan On Demand:** Comcast Entertainment Group appointed *Kevin MacLellan* pres of its new intl division, created to oversee global ops for the MSO’s stable of nets. The former E! Nets Intl svp adds to his purview all new media businesses, licensing and merchandising, and home video and DVD distribution outside the US.

**New on Cable360:** In a new video, “Top Design” host designer *Todd Oldham* talks about his new **Bravo** show (debut Wed @11pm) and tells us what he thinks of the design of **TCA** critics’ home away from home The Ritz-Carlton, Pasadena. Check it out at [www.cable360.net](http://www.cable360.net)!

**Doubles Anyone?:** The **Tennis Channel** and **ESPN** will share coverage of the French and Australian Opens through ’11. Starting this year, ESPN will handle a portion of the live window, delayed telecasts and new media coverage of the French Open, the US cable rights to which were scooped up by Tennis in Aug. The nets will share Aussie Open coverage beginning in ’08, with Tennis volleying to viewers 100 hours of live and pre-recorded content.

**Ratings:** **A&E** achieved its best viewing month ever across the adult 18-34, 18-49 and 25-54 demos. -- While Jan typically brings cold winter weather, **Bravo**, **AMC**, and **Court TV** all experienced sizzling monthly ratings numbers. Despite having lost EchoStar subs on Jan 1, Court earned its most-watched month in history, delivering 523K (+26%) adult 18-49 viewers in prime and a nightly avg of 1.16mln (+21%) total viewers. The net remains missing from EchoStar’s lineup, with no new contract in place. Bravo delivered historical total day bests in total viewers (314K) and 18-49 (188K). AMC experienced its best month ever in the male 18-49 and 25-54 demos, as well as in the adult 18-49 and 25-54 demos.



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# BUSINESS & FINANCE

**Obit:** Telecom exec *Philip Hamlin, Jr* died Jan 24 at the age of 60. Hamlin helped form **Level 3** and served as its top tech exec until his retirement in '01. His father helped install Seattle's 1st cable network. A memorial service will be held on Feb 4 at the Cove, Normandy Park, WA.

**People:** **Cablevision** promoted *Mac Budill* to evp, programming. -- **Gospel Music Channel** appointed former **VH1** and **CMT** exec *Paul Butler* vp, business affairs and development. -- **Suddenlink** promoted *John Fuhler* to svp, fiscal ops. -- **New Frontier** named former **EchoStar** exec *Scott Piper* CIO. -- **A&E** appointed former **MTVN** exec *Paul Jelinek* svp, digital media. -- *Pam Slay* was promoted to svp, network program publicity, **Hallmark Channel** and **Hallmark Movie Channel**. -- **Turner Ent** elevated *Tom Winiarski* to svp, ad sales and mktg. -- **Fuel** upped *Peter Vesey* to vp, ad sales. -- Digital multicast net **LATV** tapped former **E!** exec *Howard Bolter* as pres/COO. -- **CMT** named former **MTV** exec *Bob Kusbit* head of dev.

**Business/Finance:** **DirecTV** agreed to acquire **Darlene Investment's** 14.1% equity interest in **DirecTV Latin America** as part of a \$325mln deal that includes a resolution to all outstanding disputes between the 2 parties. -- **Scripps Nets** ended its blistering '06 with a 13% Y-over-Y increase in 4Q rev to \$280mln, an 11% rise in ad rev to \$224mln, and a 19% swell in segment profit to \$144mln.

## CableFAX Daily Stockwatch

Company	01/30 Close	1-Day Ch	Company	01/30 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	43.02	0.07	AVID TECH:	37.04	0.25
DIRECTV:	24.33	0.14	BLNDER TONGUE:	1.86	(0.04)
DISNEY:	35.04	0.36	BROADCOM:	31.43	(0.22)
ECHOSTAR:	39.09	(0.35)	C-COR:	13.71	(0.09)
GE:	36.03	(0.16)	CISCO:	26.25	0.04
HEARST-ARGYLE:	26.14	0.05	COMMSCOPE:	32.43	0.23
ION MEDIA:	1.20	0.00	CONCURRENT:	1.52	(0.02)
NEWS CORP:	24.16	0.21	CONVERGYS:	25.97	0.39
TRIBUNE:	30.45	0.06	CSG SYSTEMS:	24.98	0.22
<b>MSOS</b>					
CABLEVISION:	30.21	(0.07)	GEMSTAR TVG:	4.09	0.09
CHARTER:	3.36	0.14	GOOGLE:	494.32	1.85
COMCAST:	43.70	(0.13)	HARMONIC:	8.95	(0.04)
COMCAST SPCL:	42.97	(0.16)	JDSU:	17.29	(0.01)
GCI:	15.45	(0.05)	LEVEL 3:	6.11	(0.03)
KNOLOGY:	13.04	0.30	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	101.33	(0.34)	MICROSOFT:	30.48	(0.05)
LIBERTY GLOBAL:	29.95	0.23	MOTOROLA:	19.58	1.27
LIBERTY INTERACTIVE:	24.10	0.04	NDS:	47.50	(0.5)
MEDIACOM:	7.87	0.01	NORTEL:	27.02	(0.02)
NTL:	27.20	0.21	OPENTV:	2.31	(0.02)
ROGERS COMM:	31.00	(0.43)	PHILIPS:	39.00	0.52
SHAW COMM:	35.40	(0.66)	RENTRAK:	16.39	0.04
TIME WARNER:	22.04	0.26	SEACHANGE:	10.15	(0.15)
WASH POST:	762.80	3.80	SONY:	46.30	(0.7)
<b>PROGRAMMING</b>					
CBS:	31.02	0.22	SPRINT NEXTEL:	17.65	0.18
CROWN:	4.17	0.05	THOMAS & BETTS:	48.09	0.07
DISCOVERY:	16.51	(0.22)	TIVO:	5.42	(0.07)
EW SCRIPPS:	49.51	(2.65)	TOLLGRADE:	10.07	(0.01)
GRUPO TELEVISA:	29.20	0.05	UNIVERSAL ELEC:	20.62	0.37
INTERACTIVE CORP:	38.12	0.10	VONAGE:	5.87	(0.1)
LODGENET:	27.23	0.00	VYYO:	4.19	0.04
NEW FRONTIER:	9.06	(0.36)	WEBB SYS:	0.04	(0.02)
OUTDOOR:	13.41	0.15	WORLDGATE:	1.29	0.02
PLAYBOY:	11.34	0.18	YAHOO:	28.04	0.17
UNIVISION:	35.84	(0.03)	<b>TELCOS</b>		
VALUEVISION:	12.05	0.02	AT&T:	37.09	0.58
VIACOM:	40.38	0.02	QWEST:	8.21	0.07
WWE:	16.08	0.10	VERIZON:	38.58	0.55
<b>TECHNOLOGY</b>					
3COM:	3.90	(0.01)	<b>MARKET INDICES</b>		
ADC:	16.20	0.07	DOW:	12523.31	32.53
ADDVANTAGE:	2.99	(0.04)	NASDAQ:	2448.64	7.55
AMDOCS:	34.96	0.06			
AMPHENOL:	66.93	0.43			
ARRIS GROUP:	13.53	(0.01)			

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