

# CableFAX Daily™

Friday — February 1, 2008

What the Industry Reads First

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## Airwave Auction: Open-Access Spectrum Has an Owner

FCC chmn *Kevin Martin* gathered reporters together Thurs afternoon to crow about the 700MHz auction. He wasn't just bragging about the auction surpassing the \$10bln benchmark set by Congress. It was the justification the Republican got Thurs when the \$4.6bln minimum price was met on the C block in Round 17 of bidding. The milestone was significant for Martin because of the criticism he faced for requiring open-access conditions for that particular 22Mhz of spectrum. The identity of the bidders is anonymous, but **Google** and **Verizon Wireless** are thought to be in the running for the C block. **Stifel Nicolaus** believes the bidder is most likely Verizon Wireless but notes deep pocket companies such as **AT&T** and **EchoStar** can't be ruled out. The auction has already surpassed \$14.9bln, setting it up to be the most profitable auction the FCC has ever held. Last year's AWS auction is the previous record holder, raising \$13.7bln in 161 rounds. The 700 Mhz auction was only in Round 20 Thurs afternoon. Pesky reporters at Thurs' hastily called news conference, however, focused on the D block, which faces a re-auction if it doesn't meet its \$1.3bln reserve price. "I'm still optimistic. The auction isn't over," Martin said of the spectrum, which must be shared with 1st responders. Exactly how the FCC would re-auction that spectrum raises several unanswered questions, meaning winning bidders might not be announced for months. The chmn repeatedly heralded the auction as a "key building block" in making broadband wireless competitive with cable and DSL. "We're going to see multiple wireless broadband platforms" as a result of the auction, he said.

**Broadband:** NTIA on Thurs released a report touting broadband's growth in the U.S. "Currently available data suggest that broadband availability and subscribership have increased dramatically, and that consumers—including those in rural and remote areas—have more opportunities than ever to choose the broadband solution (i.e., technology, services, and provider) that best suits their needs," stated the report. It went on to note that total broadband lines grew from just 6.8mln lines in Dec '00 to 82.mln in Dec '06, and interestingly argued that growth was largely thanks to Bush Administration policies. But not all are convinced the broadband battle is nearing victory. "Declaring mission accomplished won't reverse America's rapid disappearance from the ranks of world broadband leaders," said **Free Press** research director *R. Derek Turner*. "Just ask the tens of millions of Americans still stranded on the wrong side of the digital divide." The report relied on FCC data that found that more than 99% of all US zip codes had broadband availability. But that FCC data has been criticized because a broadband provider only has to serve 1 person in an entire zip code to be counted. The Commission is considering ways to better collect that data, with broadband mapping legislation pending in Congress.

**Low Power:** FCC chmn *Kevin Martin* said he's "concerned" that some digital converter boxes will block the signals of low-power broadcast TV stations, which don't have to transition to digital by Feb '09. "I have had several conversations with retailers and manufacturers to make sure we're getting boxes out with pass through capability," Martin said Thurs. The **Community Broadcasters Assoc** has filed a complaint at the FCC, saying it believes CE makers may be break-

## NVC IS DEFINING FUTURES

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ing the law if the boxes don't pass through low power signals. It's an issue that's also on NAB's mind, with the association's TV board passing a resolution this week that directs **NAB** pres *David Rehr* to send a letter to DTV converter box manufacturers urging them to incorporate analog pass through capacity into their boxes. The resolution also directs NAB to help identify where large numbers of viewers could continue to receive analog signals from low power and TV translators after the transition and to educate viewers on what they should do to continue to receive these signals. Martin said he expects the FCC to establish a DTV transition deadline for low power stations, but it won't be until after Feb '09, as money Congress set aside to help these stations' transition won't be available until at least '10.

**In the Courts:** A federal appeals court affirmed a lower court ruling that **EchoStar** DVRs have infringed on **TiVo** software patents, and ordered the satcaster to remit to TiVo approx \$94mln in damages. Also, EchoStar will be barred from selling the infringing devices once the appeal is final. Although "disappointed" by the decision, EchoStar said it won't affect current or future subs because new software has been deployed to company DVRs. "This improved software is fully operational, has been automatically downloaded to current customers, and does not infringe the TiVo patent at issue in the Federal Circuit's ruling," the satcaster said in a release. Of course pleased with the ruling, TiVo said it "can now continue to focus on its goals to drive greater distribution in both its stand alone and mass distribution efforts." TiVo shares soared 29% Thurs to close at \$8.77, while DISH shares ended at \$28.24 (-0.53%).

**Carriage: Rural Media Group** signed a multi-year affiliation agreement with **Comcast**, although actual carriage of RMG's **RFD-TV** and **RFD HD** nets will be case-by-case. "While local conditions will determine the actual availability of our networks, this agreement opens the door for Comcast systems to consider carriage of our popular networks," said RMG COO *Ed Frazier*. -- **Comcast** launched **ReelzChannel** throughout NJ.

**Campaign '08:** *Hillary Clinton's* getting family friendly, buying a paid programming block on **Hallmark** for Super Tuesday eve. Clinton's "Voices Across America: A National Town Hall" will air live Mon at 9pm ET. Voters will be able to attend the anchor event in NY or one of 21 satellite simulcast events. Questions can also be submitted online. The first 60 mins of the 90-min town hall will be broadcast on Hallmark, with the entire event available at hillaryclinton.com.

**Earnings: Scripps Nets** sizzled again in 4Q, delivering 14% growth in rev to \$318mln and a 21% surge in segment profit to \$175mln. Overall ad rev jumped 14% and online ad rev leaped 22%. As for the rev improvements at the segment's individual nets, **HGTV's** increased 15% to \$150mln; **Food Net's** 10% to \$135mln; **DIY Net's** 28% to \$14.8mln; **Fine Living's** 25% to \$11.6mln; and **GAC's** 14% to \$6.4mln.

**Competition: DISH Network** has launched **History Channel en espanol** on its DishLATINO platform. -- **DirecTV** added Russian language news channel **Vesti** to its RussianDirect programming package (\$45.99/month).

**Research: DirecTV** is working with **TNS Media** to develop a national opt-in audience measure panel of 100K DirecTV subs. That would make "TNS DIRECTView" the largest US national audience measurement panel ever. TNS will offer subscription services that will give clients access to detailed data. -- **CBS** has signed on to use **TiVo's** ratings service, joining **NBCU** as a subscriber to the TiVo StopWatch service. Data is derived from a random sample of 20K TiVo units.

**Ratings:** Tues' "Bad Girls Club" was the most-watched ep of an original series in **Oxygen's** history, with 773K viewers.

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# BUSINESS & FINANCE

**Programming:** Sat's Arizona-UCLA college basketball game marks the 2500th HD telecast on the nearly 5-year-old **ESPN HD**. -- **ESPN** analyst *Dick Vitale's* courtside return from Dec vocal cord surgery is set for next week (Feb 6), when Duke and North Carolina wage war in arguably college basketball's most heated rivalry.

**Black History:** Comcast launches special VOD content in Feb for Black History Month. Content is in the "Top Picks," "History Channel," "TV One" and "Music Choice" folders in the VOD menu. Highlights include: "MLK: Dream Deferred" examining MLK's impact (Top Picks); "Build the Dream" with celebs discussing MLK's dream (TV One); "Dogfights: Tuskegee Airmen" about the all-black fighter squadron (History); and **Discovery's** "With All Deliberate Speed," examining the *Brown v. Board of Education* case (Top Picks).

**On the Circuit:** Outdoor Channel announced the formation of the 2008 Hunting Advisory Council to bring together experts from the hunting sector to collaborate "on key issues affecting the entire outdoor industry." Participants include the National Shooting Sports Foundation, the National Wild Turkey Federation, Ducks Unlimited, Safari Club International, Midway USA, Pradco Outdoor Brands, Remington Arms Co and Thompson Center. The network also announced plans to form a fishing advisory council that will meet later this Q.

## CableFAX Daily Stockwatch

Company	01/31 Close	1-Day Ch	Company	01/31 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	43.86	1.26	APPLE:	135.36	3.18
DIRECTV:	22.58	0.25	ARRIS GROUP:	8.79	0.41
DISNEY:	29.84	0.43	AVID TECH:	25.92	(0.26)
ECHOSTAR:	28.24	(0.15)	BIGBAND:	5.59	0.39
GE:	35.36	0.42	BLNDER TONGUE:	1.24	(0.26)
HEARST-ARGYLE:	21.44	0.14	BROADCOM:	22.08	(0.32)
ION MEDIA:	1.42	0.02	CISCO:	24.50	0.14
NEWS CORP:	19.39	0.11	COMMSCOPE:	44.35	0.74
<b>MSOS</b>					
CABLEVISION:	23.43	0.20	CONCURRENT:	0.84	0.06
CHARTER:	1.17	0.03	CONVERGYS:	15.51	0.52
COMCAST:	18.16	0.51	CSG SYSTEMS:	12.76	0.11
COMCAST SPCL:	17.99	0.46	ECHOSTAR HOLDING:	29.22	0.88
GCI:	7.21	(0.11)	GEMSTAR TVG:	4.31	0.00
KNOLGY:	11.35	(0.03)	GOOGLE:	564.30	16.03
LIBERTY CAPITAL:	107.62	0.08	HARMONIC:	10.92	0.10
LIBERTY GLOBAL:	40.41	1.38	JDSU:	10.41	(0.2)
LIBERTY INTERACTIVE:	15.91	0.31	LEVEL 3:	3.44	0.20
MEDIACOM:	4.96	0.04	MICROSOFT:	32.60	0.40
NTL:	28.22	0.00	MOTOROLA:	11.50	0.21
ROGERS COMM:	42.97	0.00	NDS:	54.00	(0.05)
SHAW COMM:	19.71	0.18	NORTEL:	12.49	(0.11)
TIME WARNER CABLE:	25.07	0.37	OPENTV:	1.18	(0.01)
WASH POST:	744.00	10.25	PHILIPS:	39.40	0.31
<b>PROGRAMMING</b>					
CBS:	25.20	0.33	RENTRAK:	10.67	(0.26)
CROWN:	5.79	0.01	SEACHANGE:	7.02	0.08
DISCOVERY:	23.22	(0.16)	SONY:	47.50	0.00
EW SCRIPPS:	40.72	(0.28)	SPRINT NEXTEL:	10.53	0.17
GRUPO TELEVISIA:	22.24	0.14	THOMAS & BETTS:	45.09	0.78
INTERACTIVE CORP:	25.94	0.50	TIVO:	8.77	1.97
LODGENET:	15.09	0.05	TOLLGRADE:	6.07	(0.39)
NEW FRONTIER:	4.47	(0.16)	UNIVERSAL ELEC:	23.81	(0.2)
OUTDOOR:	7.17	(0.09)	VONAGE:	1.99	0.03
PLAYBOY:	8.48	0.34	VYYO:	2.41	(0.09)
TIME WARNER:	15.73	0.34	YAHOO:	19.18	0.13
UNIVISION:	36.23	0.00	<b>TELCOS</b>		
VALUEVISION:	6.28	0.02	AT&T:	38.49	1.14
VIACOM:	39.28	1.07	QWEST:	5.89	0.13
WWE:	14.98	0.28	VERIZON:	38.83	0.59
<b>TECHNOLOGY</b>					
3COM:	4.13	0.05	<b>MARKET INDICES</b>		
ADC:	14.79	0.43	DOW:	12650.36	207.53
ADDVANTAGE:	5.15	(0.17)	NASDAQ:	2389.86	40.86
ALCATEL LUCENT:	6.33	(0.01)			
AMDOCS:	33.05	0.08			
AMPHENOL:	39.91	0.95			

# CORPORATE LICENSES



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

**Silver-laced Small Screen Success**

Fresh off yet another **Comcast** system launch, this time in NJ, everything movie net **ReelzChannel** has drawn back the curtain on its "Awards Watch 07-08" programming initiative. Debuting Feb 1 (8:30pm ET) with a focus on the actors/actresses nominated for **Academy Awards** in supporting roles, the initiative includes 4 Oscar-related specials leading up to the Feb 24 awards telecast, a post-event show, and 2 features examining the **Sundance Film Festival** and the **Producers Guild of America Awards**. To net evp/GM **Terry O'Reilly**, the specials fit the net's mission like popcorn does a moviegoer and will help achieve the net's goal of 50mln HH delivery by year-end (it's now in approx 35mln). "This seemed the most natural thing in the world," said O'Reilly. "Everybody in a way is a movie critic, and we are capitalizing on that engagement." The Academy Award specials aim to provide an "analytical look and educational element" to this year's key players and films, said O'Reilly, as well as provide film fans with information not found elsewhere. "Everything we do is meant to inform and delight movie lovers," he said. It helps that the net has engendered trust with Hollywood studios through daily relationship building, said O'Reilly, noting a shared passion for film and the net's refusal to address Tinseltown's "tabloid stuff." In short, ReelzChannel is "No Net for Gossipy Pomp" and won't be a vessel for transgressing starlets seeking "Atonement." Engaging **ReelzChannel.com** serves to both supplement and augment the net's linear programming, which is quickly changing into a slate dominated by fresh scripts. "We're spending 10s of millions [of dollars] on originals each year," said O'Reilly, who cites "Animal House" as 1 of his favorite movies. Yet even if not known for blowout toga parties, ReelzChannel has become to many the home of Belushi-sized movie content. *CH*

**Highlights:** "Marc Jacobs & Louis Vuitton," Mon, 8pm, **Sundance**. The feature of Sundance's Fashion Week bloc is this doc from *Loïc Prigent*, who used guile to gain access to *Marc Jacobs*' life. The result is a witty look at genius and jet-setting. *SA*

**Worth a Look:** "Down Home with the Neelys," Sat, 11am, **Food**. Purveyors of barbeque at two restaurants, the *Neelys* are one of *Food*'s first African-American hosts and the first heterosexual couple to host a series. Their informal style highlights the joys of team cooking. And their playful banter—she's an extrovert, he's not—is entertaining TV. Their main dishes were standard fare; yet spicy slaw and barbecue spaghetti were intriguing variations. We're anxious to see the second course. — "Last Restaurant Standing," Thurs, 9pm, **BBC A**. Excellent synergy as BBC America cleverly pairs restaurant resurrection series "Ramsay's Kitchen Nightmares" (8pm) with this engaging reality/competition series, where 9 couples attempt to open and run their own restaurant. While the views of the English countryside and the music are excellent, the couples are clueless about being restaurateurs. One couple is eliminated weekly—their restaurant is closed—by host/chef *Raymond Blanc*, who's a softie compared to *Gordon Ramsay*. [A review of *Delta Burke* in *Hallmark*'s "Bridal Fever" is at: [cable360.net/blog](http://cable360.net/blog)] *SA*

Basic Cable Rankings (1/21/08-1/27/08) Mon-Sun Prime			
1	USA	2.4	2277
2	DSNY	2.1	2011
3	TBSC	1.7	1633
4	TNT	1.5	1468
4	HIST	1.5	1404
6	FOXN	1.4	1332
6	HALL	1.4	1148
8	NAN	1.3	1259
8	CNN	1.3	1228
10	A&E	1.2	1167
10	FX 1.2	1161	
10	TRU	1.2	1059
13	LIFE	1.1	1072
14	SPK	1	1002
14	AMC	1	980
14	ESPN	1	973
14	HGTV	1	957
14	CMDY	1	936
14	SCIF	1	889
20	TOON	0.9	905
20	DISC	0.9	897
20	MTV	0.9	823
23	TLC	0.8	808
23	VH1	0.8	745
23	BRAV	0.8	676
23	LMN	0.8	463
27	MSNB	0.7	676
27	FAM	0.7	656
27	TVLD	0.7	652
27	ESP2	0.7	647
27	FOOD	0.7	634
27	BET	0.7	614
33	EN 0.6	530	
34	APL	0.5	444
35	HLN	0.4	427
35	TTC	0.4	346
35	NGC	0.4	297
35	SOAP	0.4	277
35	WGNC	0.4	258
40	CMT	0.3	299
40	TWC	0.3	257
40	OXYG	0.3	256
40	TVGN	0.3	242
40	DHLT	0.3	225
40	VS 0.3	200	
40	GSN	0.3	198

\*Nielsen data supplied by ABC/Disney

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