

CableFAX Daily™

Friday — February 9, 2007

What the Industry Reads First

Volume 18 / No. 28

Murdoch Musings: Mogul Cites Triple Play As Reason for DirecTV Sale

With stocks soaring, cable has taken comfort in its triple play push. But the industry on Thurs got even more confirmation that its strategy is working—and inflicting pain on the DBS industry. Speaking at the Media Summit NY, **News Corp** chmn *Rupert Murdoch* said his decision to unload DirecTV to **Liberty Media's John Malone** had a lot to do with satellite's inability to match competitors on data and VoIP. "The problem is broadband; I don't think the answer is WiMax," he said. "The appeal of the triple play is going to be very hard to compete with." Murdoch did, however, forecast "2 to 3 good years ahead" for DirecTV, with its HD capacity expansion a likely boon as falling HD set-top prices spur decreasing churn. On the channel front, Murdoch said the Big Ten Network, scheduled to launch in Aug, is a property that cable MSOs "will absolutely have to have." He said Fox's proposed business channel launching this fall will provide a more business-friendly environment than CNBC, which he said dwells on the negative and scandals [see "All Business" item below]. News Corp's Internet properties will likely provide 10% of overall revenues within 5 years, Murdoch predicted, up from 1% currently. He said one key driver is **MySpace**, noting that News Corp is spending roughly \$2m/week on tech upgrades to keep pace with surging traffic while netting \$25m in ads each month. In the 6-7 week period after Cingular began offering mobile MySpace access for \$3/month, 200K customers have signed up, said Murdoch. Are additional marriages between Web and mobile properties likely? "It's the next great platform coming," he said. Murdoch also expects further moves from Fox Nets and others into India, Eastern Europe and Indonesia. -- **Media Summit Notebook: Charter** is using tech from **Navic Nets** in its L.A. market to overlay 30-sec spots with interactive elements such as viewer polling questions. The MSO is combining some data gleaned from these elements with its database and info from 3rd parties to "deliver specific, relevant ads to individual households," said **Charter Media** dir, business development, West/Midwest Div *Dean Scheu*. -- **YES Network** COO *Ray Hopkins* said all YES programming will be delivered in HD by Apr.

Mobile: ESPN Mobile is back, with the sports programmer inking a multi-year exclusive deal with **Verizon Wireless** for the Mobile ESPN Content Application, alerts, fantasy team app and other branded content. Mobile ESPN will be carried on **Verizon's V CAST** service. ESPN had offered the service under its own wireless brand but shut it down last year, citing low adoption. ESPN is also launching its 1st ever 24/7 channel for mobile using **MediaFLO** (expected to be available in 1Q on V CAST). It'll feature live, simulcast sports events, commentary and more. -- **CBS** launched 3 Websites catering to mobile users—one catering to sports, another to news and the CBS Mobile Store (wallpaper, games, ringtones).

All Business: News Corp got a little more specific on the launch of its highly anticipated **Fox Business Channel** Thurs, revealing that it will rollout in 4Q. Some 30m homes are set to receive the net, with deals in place with **Time Warner Cable, Comcast, Charter** and **DirecTV**. **Fox News** chmn/CEO *Roger Ailes* will develop and oversee the network, which will go after **CNBC** and **Bloomberg TV's** audiences. FBC is expected to launch in major markets across



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The Tennis Channel appreciates the MSO partners who brought our Aussie Mania Sweepstakes to subscribers from coast to coast. We couldn't have done it without **Charter, Comcast, Cox, Insight** and **Time Warner**.

P.S. Congratulations **Serena Williams**
for winning the Australian Open!

TENNIS
CHANNEL

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the country, including on expanded basic in NY. As previously announced, Fox News evp Kevin Magee will oversee day-to-day ops. Fox News svp, managing ed Neil Cavuto will oversee content and business news coverage.

In the Courts: Time Warner Cable's latest salvo in its lawsuit against DirecTV's ad campaign targets assertions that DirecTV will have more HD capacity than TW or cable and that it offers all the "best" HD channels. TW's complaints are directed at the DBS provider's recently launched "Back to the Future" commercials. This week, a judge enjoined DirecTV from using ads featuring Jessica Simpson and William Shatner that allege its HD picture quality beats TW's.

Emmys: Discovery Kids leads cable nets in children's programming Emmy nominations. It's 15 noms puts it behind only PBS (18). Nick received 3 nods, and Discovery earned 2. Cartoon, Disney and Lifetime each received 1 nom.

Competition: Verizon's newest commercials are aimed at consumers considering VoIP. Tagged "It's On," the telco says the spots stress the peace of mind that cable and VoIP can't provide. "Verizon handles over 1.2bln calls a day with over 99.99% reliability. Now there's something cable can't say," says 1 ad.

Crack(berry)heads Beware: As cable operators contemplate the wireless quad-play, they may want to take note of New York State Sen Carl Kruger's (D-Brooklyn) new campaign to ban iPod and cell phone/Blackberry use near NYC intersections. He warns of "iPod oblivion" in which unaware pedestrians could get mowed down by traffic while jamming out to Coldplay and/or checking their Crackberrys. Note to our NYC-based CableFAX subscribers: if you're reading this on a Blackberry right now, look up! Whew. That bus just missed you!

In the States: Doesn't sound like statewide franchising is headed to Colorado anytime soon. A state House panel voted Thurs to postpone such a bill indefinitely—the kiss of death in the world of politics. -- MTV Nets and Hearst Argyle selected TNS as their primary provider of competitive ad intelligence in multi-year agreements. -- RCN completed its digital simulcasting upgrade in DC, thus finishing the upgrade to all its markets. -- Mediacom plans to boost from 5 to 8Mbps the maximum download speed of its residential HSD service, and double the max upload speed to 512Kbps.

Programming: The news nets jumped from their wall-to-wall astronaut coverage Thurs to the death of Anna Nicole Smith. Smith, 39, died after collapsing in a S FL hotel Thurs. The former Playmate had a popular reality show on E! a few years ago. "E! Networks is deeply saddened by the tragic news of Anna Nicole Smith's death. Our thoughts are with her family and loved ones," E! said. -- Disney Channel's "High School Musical's" latest incarnation is theatrical movie, "Haunted High School Musical" to be released next year. "High School Musical 2" will debut on the cable net this summer. -- Tennis Channel and Versus will provide complete coverage of the US Davis Cup team's 1st-round match this weekend (Fri-Sun). Versus will carry matches beginning at noon each day, followed by primetime replays on Tennis each night at 8pm. -- BET will host the "Top 25 Events that (mis)Shaped Black America," Feb 20, 10pm. Hurricane Katrina, the assassinations of MLK and Malcolm X and the "bling" phenomenon are all on the list. -- BET viewers will "probably see a scripted show from us for the 1st time very soon, something people have been asking for for a long time," BET Nets chwmn, CEO Debra Lee said in an interview for C-SPAN's "The Communicators" series. She said there's no title for the show yet but that a pilot is almost ready for taping. Check out the interview on C-SPAN at 6:30pm Sat (encores Mon on C-SPAN 2 at 8am and 8pm). -- TNT announced a multi-year contract with NASCAR NEXTEL Cup Series driver Kyle Petty to serve as an analyst for the its NEXTEL Cup Series race coverage. -- SOAPnet acquired the rights to "The O.C."

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BUSINESS & FINANCE

and "One Tree Hill" from Warner Bros. Domestic Cable Distribution. Terms weren't disclosed. The shows will debut on the net Apr 9.

On the Circuit: Journalist *Dan Rath-er*, now on HDNet, will host **Cable Positive's** annual fundraising dinner Mar 6. *Trombone Shorty and Orleans Avenue* will provide the tunes. **Time Warner Cable** and *Glenn Britt* are the night's honorees. -- **Cable in the Classroom** announced a new advisory board to counsel it on strategic direction and to serve as liaison to the CIC board. **A&E Nets** pres/CEO *Abbe Raven* is the advisory board's chair. **Charter** pres/CEO *Neil Smit* is vice chair. Other members include execs from **Time Warner, Comcast, Disney Channel, Discovery Education, Cox, ESPN** and **CableLabs**. -- Former *Pres Bill Clinton* will deliver the keynote address at **Promax/BDA's** annual conference, June 12-14 in NYC.

People: **Cisco's Mike Volpi**, a potential successor to CEO *John Chambers*, resigned Thurs, citing personal reasons. Volpi is well known in cable circles, having been in charge of Cisco's strategy for the communications service provider market.

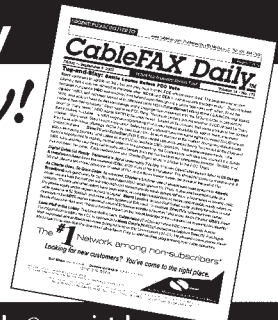
Business/Finance: **Promptu** (formerly **AgileTV**) closed an additional round of \$5.6mln in funding. The money will be used to further develop voice-powered search and navigation applications and to expand business development efforts globally.

CableFAX Daily Stockwatch

Company	02/08 Close	1-Day Ch	Company	02/08 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
AMDOCS:	34.36	(0.14)	AMPHENOL:	68.21	(0.01)
BRITISH SKY:	44.39	(0.13)	ARRIS GROUP:	14.78	0.20
DIRECTV:	25.43	0.08	AVID TECH:	32.85	(0.17)
DISNEY:	35.29	(0.19)	BLNDER TONGUE:	1.82	(0.03)
ECHOSTAR:	42.32	0.25	BROADCOM:	33.67	0.17
GE:	35.74	(0.36)	C-COR:	14.00	(0.1)
HEARST-ARGYLE:	26.20	(0.02)	CISCO:	28.14	0.05
ION MEDIA:	1.23	0.02	COMMSCOPE:	34.00	0.45
NEWS CORP:	25.34	0.64	CONCURRENT:	1.41	0.05
TRIBUNE:	30.92	(0.03)	CONVERGYS:	26.54	0.43
MSOS					
CABLEVISION:	29.16	(0.5)	CSG SYSTEMS:	25.15	0.31
CHARTER:	3.25	(0.11)	GEMSTAR TVG:	4.15	0.02
COMCAST:	41.42	(1.13)	GOOGLE:	471.03	1.02
COMCAST SPCL:	40.84	(1.05)	HARMONIC:	9.28	(0.07)
GCI:	15.51	0.12	JDSU:	16.76	0.32
KNOLOGY:	13.68	0.09	LEVEL 3:	6.09	(0.48)
LIBERTY CAPITAL:	107.00	0.18	MICROSOFT:	29.26	(0.11)
LIBERTY GLOBAL:	30.01	(0.1)	MOTOROLA:	19.86	(0.05)
LIBERTY INTERACTIVE:	24.20	(0.43)	NDS:	47.86	1.64
MEDIACOM:	7.85	(0.04)	NORTEL:	29.20	0.94
NTL:	28.22	0.00	OPENTV:	2.62	0.02
ROGERS COMM:	31.32	0.02	PHILIPS:	38.49	(0.25)
SHAW COMM:	35.43	0.38	RENTRAK:	14.99	(0.91)
TELEWEST:	24.20	0.00	SEACHANGE:	10.52	(0.18)
TIME WARNER:	21.42	(0.34)	SONY:	48.37	(0.38)
WASH POST:	766.50	7.55	SPRINT NEXTEL:	17.92	(0.13)
PROGRAMMING					
CBS:	32.09	0.30	THOMAS & BETTS:	50.25	0.60
CROWN:	4.13	(0.04)	TIVO:	5.90	(0.07)
DISCOVERY:	16.16	0.03	TOLLGRADE:	12.00	0.12
EW SCRIPPS:	48.85	(0.08)	UNIVERSAL ELEC:	21.06	0.00
GRUPO TELEVISA:	28.59	(0.37)	VONAGE:	5.81	0.04
INTERACTIVE CORP:	39.91	0.08	VYYO:	4.21	(0.14)
LIBERTY:	8.32	0.06	WEBB SYS:	0.04	0.00
LODGENET:	26.93	(0.35)	WORLDGATE:	1.23	0.00
NEW FRONTIER:	9.04	(0.53)	YAHOO:	30.08	0.19
OUTDOOR:	12.97	(0.43)	TELCOS		
PLAYBOY:	10.23	(0.16)	AT&T:	37.38	0.22
UNIVISION:	35.89	0.03	QWEST:	8.16	(0.09)
VALUEVISION:	12.26	(0.26)	VERIZON:	37.95	(0.14)
VIACOM:	40.72	(0.17)	MARKET INDICES		
WWE:	16.18	(0.02)	DOW:	12637.63	(29.24)
TECHNOLOGY					
3COM:	4.02	(0.02)	NASDAQ:	2488.67	(1.83)
ADC:	17.10	0.32			
ADDVANTAGE:	3.07	0.01			
ALCATEL LUCENT:	13.67	0.58			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

We Will Not Exhibit A Lie

The headline's play on American mythology relates to **History Channel's** "Save Our History: The Search for George Washington" (Feb 17, 10pm) on intriguing levels. What characterized the 1st US president at his early ages, and what did he look like? Is perhaps the founding father's most iconic image—the \$1 bill—a truly precise representation? The net's captivating program chronicles a 2-year research project to ascertain the true look of the 1st US president at ages 19, 45, and 57, with the goal of accurately depicting GW in a new exhibit at historic Mount Vernon. And the processes involved mirror what the net's programming is all about. "Our viewers are fascinated by the intersection of history and technology," said History's chief historian *Libby O'Connell*. "There's a sense of excitement, much like a detective show." Historians, forensic anthropologists and computer technicians from 4 continents helped uncover GW at pivotal stages: as a young surveyor full of ambition, as the commanding general of the Continental Army at Valley Forge, and as the new head of a fledgling and upstart nation. The team used computer imaging of historic sculptures to nail down facial features, examination of his clothes housed at the Smithsonian for exact proportions, even comparison of famous GW portraits to establish truthful renderings. Of course, most of what's left of the man is from his later years, and permission to access his Mount Vernon grave was denied. So producers relied on computer imaging and other high-tech methods to flesh out data from the unknown periods. Even Blueskin, 1 of GW's 2 horses, played an important part in the project. The results now stand sentry at the VA estate's museum, a stunning testament to the symbiosis between science, technology and history. "People were overwhelmed" by both the show and the completed project, said O'Connell, during a recent presentation. Net viewers will be, too. There is immeasurably more to GW than can be deduced from artwork and a greenback. *CH*

Highlights: "Nixon: A Presidency Revealed," Thurs, 8pm, **History**. Don't look for huge revelations, although the interviews with *Al Haig* and *Alexander Butterfield* are terrific. This is still excellent watching, especially for viewers younger than 35, because it's a terrifically even-handed look at a man and a presidency whose mention usually produces polarization. – "How to Eat Watermelon in White Company (and Enjoy It)," Thurs, 9pm ET, **IFC**. This doc proves *Melvin Van Peebles'* life story rivals that of *Robert Evans* for richness. *SA*

Worth a Look: "Wallis & Edward," Mon, 9pm ET, 10pm PT, **BBC A**. It's easy to see why the King of England would fall for *Joely Richardson's* Mrs Simpson. The film's production values, particularly its costumes, are gorgeous, too. – "Tim and Eric Awesome Show," Sun, 11:45pm, **Adult Swim**. The pilot ep that launches these 2 comedians' series didn't seemed far more original than funny, although at 11:45pm it might be. -- "Kim Possible," 4th season premiere, Sat, 8pm, **Disney** and **Toon Disney**. Part of the Disney formula calls for spreading its stars around its properties, so we have the voice of "HS Musical's" *Ashley Tisdale* debuting on this hit cartoon series. *SA*

Basic Cable Rankings
(1/29/07-2/4/07)
Mon-Sun Prime

1	USA	2.1	1977
2	DSNY	1.9	1719
3	TNT	1.7	1591
4	LIFE	1.5	1421
5	A&E	1.4	1269
6	FOXN	1.3	1190
6	NAN	1.3	1161
8	TBSC	1.2	1144
8	TOON	1.2	1107
10	FX	1.1	983
10	CORT	1.1	874
10	HALL	1.1	848
13	HIST	1	946
13	HGTV	1	892
15	DISC	0.9	815
15	MTV	0.9	813
15	ESPN	0.9	810
15	SCIF	0.9	788
15	FAM	0.9	788
15	AMC	0.9	767
21	SPK	0.8	778
21	TLC	0.8	720
21	CMDY	0.8	717
21	TVLD	0.8	708
25	VH1	0.7	631
25	FOOD	0.7	607
25	LMN	0.7	354
28	CNN	0.6	548
28	BET	0.6	492
28	BRAV	0.6	490
31	CMT	0.5	436
31	APL	0.5	423
31	SOAP	0.5	287
34	MSNB	0.4	361
34	TTC	0.4	353
34	EN	0.4	350
34	ESP2	0.4	333
34	WGNC	0.4	295
34	NGC	0.4	257
34	GSN	0.4	241
41	TWC	0.3	306
41	TVGC	0.3	254
41	HLN	0.3	252
41	CNBC	0.3	237
41	OXYG	0.3	198

*Nielsen data supplied by ABC/Disney



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A18-49 #5



Source: Nielsen Media Research; January '07, Primetime Mon-Sun 8pm-11pm Live SD, A18-49 AA%, A25-54 AA%. Rank among ad-supported cable networks. Qualifications available upon request. ©2007 AETN. 0142.