

CableFAX Daily™

Monday — February 11, 2008

What the Industry Reads First

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More Martin: FCC To Tackle Liberty-News Corp, LPTV Must-Carry Question

FCC chmn *Kevin Martin*—determined to quiet critics who say his FCC lacks transparency—on Fri summoned the DC media to the Portals yet again, this time to unveil items on circulation he plans to put on the agenda for the Feb 26 meeting. Planned items include his proposal to approve the **Liberty-News Corp** deal for **DirectTV** (he declined to discuss any potential new conditions but said he'll go forward even if the **Justice Dept** hasn't finished its own review this month) and changes to the low-power TV rules that would allow approx 500 Class-A LPTV stations to apply for full-power status (by extension, giving them must-carry rights on cable systems). Martin said the LPTV change "encourages" carriage of LPTV stations "at least during the timeframe before the low-power community has had the opportunity to go all digital." LPTV stations are now under no obligation to go digital like their full-power cousins, but the item proposes requiring they do so by 2012. Meanwhile, many digital converter boxes designed for the transition have no analog pass-through. NCTA has argued that educating consumers to buy boxes with such pass-through capability is more efficient than burdening capacity-starved cable systems with more must-carry obligations. That, of course, assumes that Class-A LPTV stations would indeed flood the FCC with full-power license requests if given the chance. There's reason to believe they would, as full-power status would greatly enhance the financial value of those licenses and in turn open up capital markets to many of those entities as they transition to digital. "I think that it gives them a more valuable asset which will help them finance some of that construction going to... digital," Martin said. "I think that's one of our goals... to figure out how we can help the low-power stations make that transition to digital." Interestingly, LPTV stations may not even need to increase power output to get full-power status as long as they meet the various full-power license obligations. "There's a possibility they may be able to do that—when they make that transition to digital—even at lower power levels so they don't interfere with any of the other broadcasters around them," he said. — Other highlights: Addressing dissent over FCC meetings that famously start hours late, Martin said the other commissioners need to respond more quickly to his proposals if they want meetings to start on time. "If they don't like the proposal that I've put forth, then they have to propose what they would do differently," he said. "If you propose edits the night before the meeting... and then you say don't want to start the meeting until you see a redline that incorporates those edits, it's going to take the staff sometimes hours to produce it."

Deals: Comcast Spotlight acquired 100% ownership of multiplatform car-buying network **Vehix**. The **Comcast** ad sales arm previously owned a minority interest in 12-year-old Vehix, which distributes automotive content through Comcast Spotlights VOD and broadband offerings, as well as through other platforms. Comcast bought the interest from a shareholder group led by the **Ken Garff Automotive Group**.

Bouncing (Eye)Balls: **Turner's** new partnership with the **NBA** (*Cfax*, 1/18) served to strengthen the cable/pro basketball relationship that's pouring in many high scores this season. With its 12 hours of **NBA All-Star Weekend** tipping off

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Acct Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

Feb 15 (9pm ET), **TNT** is enjoying through 31 games double-digit viewership growth in households (+12%) and several important demos: adults 18-49 (+19%), men 18-34 (+26%) and men 18-49 (+21%). Also impressive is the performance of the **Comcast SportsNet** team, 6 members of which are collectively delivering a 70% ratings surge. Leading the charge are Comcast's 3 first-year partners, the Blazers (+294%), Celtics (+100) and Warriors (+60%). The teams' solid records are certainly playing a *Kevin Garnett*-like role in the improvement, but the implementation of pre- and post-game shows in Portland and Boston also stand tall, said a spokesman. Through 38 tilts, **ESPN's** league tune-in hasn't likewise exploded, although avg rating is up 1%, at 1.2. 13 Wed games are up 4%, and net games on **ABC** are up 8%. **FSN's** 15-franchise stable, meanwhile, is down 3%, although the numbers should rebound with a turnaround in Cleveland. The Cavaliers, led by perhaps the world's best player in *LaBron James*, are inexplicably down 28%, and that should change down the stretch. Notably, viewership for the Magic is up 19% amid an ongoing carriage dispute in Orlando between **FSN FL** and **Bright House**. The net picked up 35 Magic games this year (its sibling **Sun Sports** carries 43), but approx 900K area Bright House subs have yet to see 1 of them.

5Qs with Investigation Discovery interim gm Clark Bunting: There's a lot of investigative programming out there. How will you own the category? We're going to continue to provide in-depth documentaries and series that are going to challenge viewers on important issues shaping our culture and defining our world. The interpretation of Investigation Discovery is a broad mandate, and a lot of folks are focusing in very narrow areas. We'll look at history, archaeology... it's not going to be a single-focused investigation. It's going to be those big questions that people ask, back to the DNA of **Discovery**, to help satisfy their curiosity. **Your title is interim gm. What does that mean?** It means I'm the president of studios currently, and helping oversee I.D., Science and Military on an interim basis. **Is there a plan to bring someone else in?** [Bunting was mum, but a PR rep later told us that he will be named pres of the newly created Emerging Nets group on Mon. He'll lead programming for I.D., Science and Military. No immediate word on who will oversee Discovery Studios]. **Is Discovery pursuing a partner for this channel following the NY Times' pull out?** **There's a fair amount of NBC "Dateline" programming on the schedule, could NBC be a partner?** I can't speculate on that. We're in a quiet period, so any potential partnership I can't talk about. I can talk about the programming. "Dateline" on ID is an important component of what we have. *Lester Holt* is the host of that. "48 Hours" is another important partnership with another news organization, **CBS News**. I think what those really speak to is the overall quality of what we're trying to achieve here, which is the best high-quality documentary that we can find with the best partners we know. **Who's your favorite detective?** *Sherlock Holmes*.

Competition: **AT&T** snagged **Discovery** svp, media planning and partnership *Chris Schembri* to oversee its media budget. Schembri's unique campaigns at Discovery included a "Future Weapons" promo in which **Microsoft** gave away downloadable content for Xbox game "Gears of War." -- Superstar music producer *Timbaland* signed on to exclusively provide **Verizon** with a mobile album for distribution across **V Cast**-enable handsets, kicking off the telco's "Mobile Producer in Residence" program. Video will also be included.

Obama-Martin '08?: What could Democratic presidential candidate *Barack Obama* and Republican **FCC** chmn *Kevin Martin* possibly have in common? As it turns out, they played hoops together at Harvard Law School in the early '90s. No, seriously. They did. "He's a much better basketball player than I am," recalled Martin during a light moment of his Fri



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*Research conducted Fall 2007 by Frank N. Magid Associates

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presser in DC. "I played with him a lot." The courts were right across from Martin's pad—so he found himself matched up against Obama in many an Ivy League scrimmage. "He was a very nice guy... a good guy," noted Martin. "I think he was a nice guy because he was patient with my poor basketball skills." All of this collegiality got us thinking: Maybe **CableFAX** should sponsor a friendly game of hoops between Martin and **NCTA** pres/CEO *Kyle McSarrow*. The winner gets his way on must-carry. We'll keep our readers posted.

Research: Nearly 141mln US Internet users watched more than 10bln online videos during Dec, according to **comScore**, representing the most heavily trafficked month since usage has been tracked. As comScore cites the writer's strike as a key contributing factor, **Google** earned 33% of that Dec traffic, squashing runner-up **Fox Interactive** (3.5%). Other notables: **Viacom** (2.3%), **Time Warner** (1.7%), **Disney** (1.2%) and **ESPN** (0.8%).

On the Hill: House Commerce leaders distributed a letter to all House members asking them to reject retroactive immunity from lawsuits for phone companies that participated in the *Bush* admin's warrantless wiretapping programming.

Intl: **Comcast Intl Media Group** inked Latin American licensing deals covering more than 110hrs of **Style Net** programming, including series "Kimora: Life in the Fab Lane" and "Style Star."

Programming: **Retirement Living TV** launches "Another Chance for Romance," a dating show for seniors and baby boomers, Mon at 2pm. *Rodger Lodge* of "Blind Date" fame hosts. -- **CN8** and DC pub *Roll Call* have partnered for "Roll Call TV with Robert Traynham" (Sun, 10pm), offering insight on legislative issues and political races. -- **WWE** is negotiating with other nets for the carriage of its "SmackDown" franchise, ending a partnership with **The CW** that dates back to Sept '06. The net's exclusive negotiation period expired Jan 31, after which the pair agreed to a split. The show will continue on the net through the end of the '07-'08 broadcast season. -- It's a Lincoln-palooza at **C-SPAN**, which features live coverage from our 16th president's birth place Tues at 10:30am ET. The event's the kickoff of the Abraham Lincoln Bicentennial Celebration, a 2-year long commemoration of Lincoln's life sponsored by the Abraham Lincoln Bicentennial Commission. C-SPAN will devote coverage to other major events scheduled during the 2-year celebration and will dedicate the first Sat of each month to Lincoln-related original programming starting April 5.

On the Circuit: **The Cable Center's** "Cable Mavericks" lecture series kicks off Tues with **NBCU** cable investments pres *Doug Holloway* speaking at his alma mater, Emerson College in Boston. **Scripps Nets'** *Doug Hurst* and *Annette Brun* will talk marketing Mar 4 at the U of TN Knoxville. **USA Net's** *Jeff Wachtel* is slated to speak to UCLA's Anderson School of Management Mar 11. -- More than 30 broadband experts have been chosen by **NCTA** to author the '08 Technical Papers and to lead the technical sessions at this year's **The Cable Show**. Topics slated for discussion at the show include advanced advertising and mobile content delivery, and the papers are available for purchase at **NCTATechnicalPapers.com**. -- The **Assoc of Cable Communicators** will stage its 4th annual Cable Comm Institute Jun 1-4 in NYC, with Syracuse Univ as the graduate level program's new academic partner. -- **ACA** celebrates its 15th year of representing small cable ops this year. Activities are planned this year under the banner "15 Years Fighting for Independents." ACA recently launched an online gallery of photos and milestones at <http://www.americancable.org/acasummit>.

Honors: Among NY nets getting **Emmy** nods are **MSG** (50) and **Cablevision's News 12** (73), both net records, **YES** (25) and **SNY** (16).

Editor's Note: Last time, *Mike* and *Seth* obsessed about *Oprah*. Now, they've moved on to the 700MHz auction, **Microsoft's** play for **Yahoo!** and the writers' strike. See the latest installment of "The CableFAX Show" at www.cable360.net.

Business/Finance: **UBS** analyst *John Hodluk* initiated coverage of **Comcast**, **Cablevision**, **Time Warner Cable** and **DISH** with "neutral" ratings, and **DirectTV** with a "buy" rating.

Call For Entries

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CableFAX Week in Review

Company	Ticker	x/xx Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	42.92	(2.6%)	(12.3%)
DIRECTV:	DTV	23.13	(3.5%)	0.00%
DISNEY:	DIS	32.12	4.70%	(0.5%)
ECHOSTAR:	DISH	29.18	(6.4%)	(14.1%)
GE:	GE	33.84	(6.4%)	(6.2%)
HEARST-ARGYLE:	HTV	22.02	(1.5%)	0.20%
NEWS CORP:	NWS	20.30	1.40%	(4.5%)

MSOS				
CABLEVISION:	CVC	25.07	0.30%	2.30%
CHARTER:	CHTR	1.00	(21.9%)	(14.5%)
COMCAST:	CMCSA	17.06	(8%)	(6.6%)
COMCAST SPCL:	CMCSK	16.86	(8.3%)	(7%)
GCI:	GNCMA	7.00	(2.9%)	(20%)
KNOLOGY:	KNOL	10.46	(10.1%)	(18.2%)
LIBERTY CAPITAL:	LCAPA	109.04	(2.9%)	(0.7%)
LIBERTY GLOBAL:	LBTYA	37.41	(8.7%)	(4.5%)
LIBERTY INTERACTIVE:	LINTA	15.37	(6.9%)	(19.4%)
MEDIACOM:	MCCC	4.65	(6.6%)	1.30%
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	20.02	(1.8%)	(13.7%)
TIME WARNER CABLE:	TWC	24.10	(6.4%)	(12.7%)
VIRGIN MEDIA:	VMED	14.63	(12.3%)	(11.1%)
WASH POST:	WPO	732.00	(3.5%)	(7.5%)

PROGRAMMING				
CBS:	CBS	24.58	(3.6%)	(9.8%)
CROWN:	CRWN	5.08	(13.9%)	(21.8%)
DISCOVERY:	DISCA	22.08	(5.5%)	(12.2%)
EW SCRIPPS:	SSP	42.06	1.10%	(6.6%)
GRUPO TELEVISA:	TV	21.33	(5.2%)	(10.3%)
INTERACTIVE CORP:	IACI	22.11	(15.8%)	(17.8%)
LIBERTY:	L	1.00	(90.6%)	(90.6%)
LODGENET:	LNET	16.20	2.50%	(7.1%)
NEW FRONTIER:	NOOF	4.78	7.70%	(6%)
OUTDOOR:	OUTD	7.63	(2.7%)	10.60%
PLAYBOY:	PLA	8.57	0.20%	(6%)
TIME WARNER:	TWX	15.59	(3%)	(5.6%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	6.03	(1.6%)	(4.1%)
VIACOM:	VIA	39.68	(0.4%)	(9.8%)
WWE:	WWE	15.32	(0.5%)	7.00%

TECHNOLOGY				
3COM:	COMS	3.99	(1.5%)	(11.7%)
ADC:	ADCT	13.82	(6.6%)	(11%)
ADVANTAGE:	AEY	5.99	3.30%	(2.9%)
ALCATEL LUCENT:	ALU	6.02	(8.8%)	(17.8%)
AMDOCS:	DOX	31.44	(5.9%)	(8.8%)
AMPHENOL:	APH	37.45	(5.9%)	(19.1%)
APPLE:	AAPL	125.48	(6.2%)	(36.7%)
ARRIS GROUP:	ARRS	8.53	(6.9%)	(14.5%)
AVID TECH:	AVID	20.68	(1%)	(27%)
BIGBAND:	BBND	5.81	(6.4%)	13.00%
BLNDER TONGUE:	BDR	1.79	12.60%	7.80%
BROADCOM:	BRCM	21.45	(8.4%)	(17.9%)
CISCO:	CSCO	23.54	(5.6%)	(13%)

Company	Ticker	x/xx Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	45.47	1.30%	(7.6%)
CONCURRENT:	CCUR	0.85	(2.3%)	2.40%
CONVERGYS:	CVG	14.64	(8.3%)	(11.1%)
CSG SYSTEMS:	CSGS	12.12	(5.2%)	(17.7%)
ECHOSTAR HOLDING:	SATS	32.08	3.30%	(2.5%)
GEMSTAR TVG:	GMST	4.34	(2.9%)	(8.8%)
GOOGLE:	GOOG	516.69	0.20%	(25.3%)
HARMONIC:	HLIT	9.43	(12.4%)	(10%)
JDSU:	JDSU	11.94	12.00%	(10.2%)
LEVEL 3:	LVLTL	3.00	(11.8%)	(1.3%)
MICROSOFT:	MSFT	28.56	(6.2%)	(19.8%)
MOTOROLA:	MOT	11.28	(11.1%)	(28.7%)
NDS:	NNDS	51.42	(1.9%)	(13.2%)
NORTEL:	NT	11.07	(13%)	(26.8%)
OPENTV:	OPTV	1.04	(14.8%)	(21.2%)
PHILIPS:	PHG	37.91	(5%)	(11.3%)
RENTRAK:	RENT	11.51	7.30%	(20.2%)
SEACHANGE:	SEAC	6.36	(9.5%)	(12%)
SONY:	SNE	43.06	(7%)	(20.7%)
SPRINT NEXTEL:	S	9.43	(9.7%)	(28.2%)
THOMAS & BETTS:	TNB	42.42	(7.2%)	(13.5%)
TIVO:	TIVO	8.48	(2.8%)	1.70%
TOLLGRADE:	TLGD	5.85	(6.1%)	(27.1%)
UNIVERSAL ELEC:	UEIC	22.90	(2.1%)	(31.5%)
VONAGE:	VG	1.99	(0.5%)	(13.5%)
VVYO:	VVYO	1.47	(36.4%)	(53.2%)
WEBB SYS:	WEBB	0.04		
YAHOO:	YHOO	29.20	2.90%	25.50%

TELCOS				
AT&T:	T	36.35	(0.9%)	(8.7%)
QWEST:	Q	5.12	(12.6%)	(27%)
VERIZON:	VZ	36.39	(1.6%)	(12.7%)

MARKET INDICES				
DOW:	INDU	12182.13	(4.4%)	(8.2%)
NASDAQ:	COMPX	2304.85	(4.5%)	(13.1%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.79	12.60%
2. JDSU:	11.94	12.00%
3. NEW FRONTIER:	4.78	7.70%
4. RENTRAK:	11.51	7.30%
5. DISNEY:	32.12	4.70%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. LIBERTY:	1.00	(90.6%)
2. VVYO:	1.47	(36.4%)
3. CHARTER:	1.00	(21.9%)
4. INTERACTIVE CORP:	22.11	(15.8%)
5. OPENTV:	1.04	(14.8%)

MaxFAX...

Political Fallout?

EEEEWWWWW... what do you suppose it all means? So *John McCain* is now the presumptive Republican nominee? Will *Hillary Clinton* and *Barack Obama* still be trading wins and losses until they meet in Denver in August with a mess of



Paul S. Maxwell

Democratic delegates?

Mitt Romney blew it? Big time.

But, hey! What about *Huckabee*? He didn't "go away" as I thought he would! He's proof

that a great sense of humor and disarming smile go a long way... not to mention good country music chops.

Meanwhile, not much gets reported on how the narrowing roster of candidates feels about cable... Remember 2000? We all knew *Al Gore* didn't like cable. We all thought *George Bush* was really a "compassionate conservative," and the only thing we knew about his cable thinking was that the Texas Rangers always wanted more TV revenue and his friends included *Hicks, Muse* and *Marcus*.

This time, not much is really known about any deep thinking by any of the candidates regarding cable, broadcasting or other telecommunications matters... except regarding ad placement. Still, *President Clinton* (Bill, that

is) appointed *Heedless Hundt* to the Federal Confusion Commission.

Clinton and Obama support net neutrality legislation. McCain doesn't. Huckabee waffles, and Romney ducked the question. (For details, see **CNET's** 2008 Voters Guide).

On most other issues, the candidates routinely ducked the question. So we'll be making donations a little bit blindly. For whom are you pulling?

Random Notes:

• **Who Is the "World's Fittest CEO"?** Well, **Comcast** knows! Or, at least, Colorado Biz Magazine (02/08) says it is Denver's *Scott Binder*... (for the record, he's "just" SVP of Comcast Colorado). Seems Scott won the title by winning the CEO Ironman Challenge World Championship in Kona, HI last fall. Cool. This year he's only tackling the chair of the Mile High United Way campaign. Easier said than done.

• **Two Years from Tuesday:** The Winter Olympics will debut in Vancouver. Ah, let's plan ahead! Wish they had an "over 65" slalom competition! Might just try out the venues and try the downhill for myself... all but the sliding stuff is open on Whistler and Blackcomb already.

• **Mavericks:** Plenty of them in this business (maybe not as many as a few years ago; but still plenty). On the Mon, Feb 11, the **Cable Center's** cool series of speakers at colleges

continues with our friend *Doug Hol-loway* of **NBCU** speaking at his alma mater Emerson College in Boston. Next month, **Scripps' Doug Hurst** will hit the University of Tennessee (FYI: *Charles Ergen's* college) with **HGTV's Annette Brun**. And on the 11th, **USA's Jeff Wachtel** will regale students at UCLA.

• **The Vice Question:** Given the roster of candidates and the continued uncertainty about just who WILL (as opposed to who might) win... well, thoughts turn to who would make the best vice presidential running mate for each candidate? For Clinton, who needs to balance herself with someone more moderate and market savvy: how about former Treasury Secretary *Bob Rubin*? For Obama, who needs to bring some gravitas and "experience" to the table: how about *Michael Bloomberg*? For McCain, who needs to shore up the conservative, evangelical wings of his party: how about purpose-driven pastor *Rick Warren*?... or Romney? For Huckabee, who needs to prove he isn't the reincarnation of *William Jennings Bryan*: how about *Steve Forbes*?

Just kidding, of course.

Paul Maxwell
T: 303/271-9960
F: 303/271-9965
maxfax@mediabiz.com