

CableFAX Daily™

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What the Industry Reads First

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Say YES: Yankees Net, Time Warner Still Talking Baseball

It has been more than a year since **YES** sued **Time Warner Cable**, claiming the MSO owes it at least \$1.5mln in licensing fees, but little has been heard of it since. The lawsuit is still alive and is making its way through the NY Supreme Court system, with Thurs morning tentatively slated to be the 1st status conference between the 2 parties and Justice *Bernard Fried* in more than a year. While the hearing appears to be status quo, the lack of filings and noise seems to indicate that the 2 could be close to working out a deal on their own—chalk it up to a case of, no news is good news. In its lawsuit, filed Dec '06, YES claimed that the contract dispute stemmed from the MSO miscalculating licensing fees since Feb 1, '05. The \$1.5mln figure has presumably grown, as the programmer claimed the discrepancy was increasing each month. Time Warner Cable had no comment on the suit or Thurs' hearing, and YES didn't respond to queries by press time.

NFL Shuffle: **Time Warner Cable**, **Cablevision** and other MSOs that continue to push to carry **NFL Net** on a sports tier may have more ammunition for their cause. **DISH Network**, one of the net's biggest supporters, moved NFL to its America's Top 200 package from its America's Top 100 package late Tues. While the 200 package is a far cry from a sports tier, it doesn't further NFL Net's case for wider distribution. "We are aware of Dish's unfortunate decision, which is not in the best interest of its many subscribers who are football fans," said an NFL Net rep. The package change up drops NFL's distribution by about 4mln subs, according to *Sports Business Daily*, which reported the news Wed afternoon. The trade pub, citing anonymous sources, said one reason for the change was that DISH was upset over the net's decision to carry the historic, season-ending Patriots-Giants game on broadcast. The over-the-air play meant cable customers without NFL didn't miss out on the Pats' undefeated regular season. DISH confirmed the programming change but declined further comment.

At the Portals: The **FCC** nixed a scheduled Tues meeting and will instead only hold a public en banc hearing in Boston on network management. That Mon hearing will include testimony from **Comcast** evp *David Cohen*, **Verizon's** *Tom Tauke*, **Free Press** gen counsel *Marvin Ammori* and Columbia Law prof *Timothy Wu*. Also on the schedule is a technology demo by **Vuze**, a **BitTorrent**-based content distribution platform. It appears likely that no items will be voted on Mon, which means the proposed **Liberty-DirectTV** transaction and an item about low-powered TV stations will probably be voted on circulation. With a vote on Liberty's acquisition of **News Corp's** DirecTV stake expected shortly, **NAB** continues to press the Commission to require the satcaster to carry "true" local-into-local DBS of broadcast signals in all 210 TV markets by year-end. DirecTV currently carries local-into-local in 144 markets, according to NAB. DirecTV has proposed that instead of delivering local stations by satellite, it will use an integrated antenna system. NAB is concerned the antenna plan won't live up to its '03 promise to provide local in all 210 markets by Dec 31, '08.

Tight Fisted: **Bright House** continues to selectively spend its distribution dollars, whether cable- or broadcast-re-

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lated. Still locked in a carriage stalemate with **FSN FL** that goes back to '07, the MSO is now engaged in a highly-publicized retrans fee dispute with **CBS** affil **WKMG** in Orlando. The **Post/Newsweek** station is threatening to pull its signal if a cash-for-carriage deal isn't reached by Mar 17. It has even aired commercials apprising viewers of the possibility. Spokesperson *Jennifer Moody* said the MSO is "optimistic that this situation will be resolved," although she declined to say whether the MSO is considering a fee structure. Bright House currently doesn't pay any local broadcast affil a retrans fee. And although **FSN FL** picked up 35 Orlando Magic games this season, Bright House remains content offering 43 tilts locally through **Sun Sports**, said *Moody*.

Competition: Innovative sports content continues to bloom on **DirectTV** like azaleas in spring, with a **Masters Mix Channel** set to join the satcaster's lineup for special coverage of the famed golf tourney (Apr 10-13). The channel will tee up 4 different views of **Augusta Natl**, including shots of specific holes, updated highlights and the natl broadcasts from **CBS** and **ESPN**. Viewers will also be able to access tourney stats and trivia by clicking an on-screen icon. -- **SES Americom** on Mar 15 plans to launch a satellite aimed at expanding **EchoStar's** bandwidth resources for HD delivery. -- The city of Chesapeake, VA, approved a video franchise for **FiOS TV** covering approx 81K homes.

Complaint Dept: The **FCC's** Enforcement Bureau found **AT&T** apparently liable for a \$96K fine for failing to respond to 24 informal complaints served on it by the Consumer & Govt Affairs Bureau. The bureau's complaint process lets consumers have their complaints addressed through informal mediation and resolution by bureau staff. The forfeiture represents a fine of \$4K per violation. **AT&T** will have an opportunity to submit its case and argue against the fine, if it chooses.

On the Circuit: Cable is nicely represented in the Gracie Awards, which the **American Women in Radio and TV** will bestow at its annual NY ceremony, May 28. National winners include **Disney's** *Miley Cyrus* ("Hannah Montana"), **TNT's** *Holly Hunter* ("Saving Grace") **CNN's** "Heroes: An All Star Tribute", **Lifetime's** "Army Wives," **Oxygen's** "Who Cares About the Girls," **CNBC's** "The Suze Orman Show," **WE's** "Wedding Central" and **Nick/MTV's** "Half of Us" special. -- **Cable Positive's** annual benefit dinner is just a couple week's away. **MTVN** vice chmn *Bill Roedy* will receive the *Joel A Berger* Award at the Power Awards, Mar 4, Manhattan Marriott Marquis. **CARE** pres/CEO *Helene Gayle* will receive the Humanitarian Award, and **Insight's** *Michael Willner* will be given the Leadership Award.

Ratings: *Tony Shalhoub's* character in **USA's** "Monk" was last seen Fri falling off a pier, apparently shot. But even as the popular detective remains submerged in water, the show's ratings remain buoyant: Fri's ep, the 1st of a season-ending 2-parter, earned a 4.0/3.88mln, good for 2nd among prime cable shows. Add critical acclaim and multiple Emmy awards for Shalhoub, and the net's renewal of the series for a 7th season doesn't come as a shock. It returns in Jul to **USA** (2.4/2.32mln), which also used **WWE** ent and original "Psyche" to take home the prime trophy. **TNT** (2.2/2.10mln) was next, powered by its **NBA All-Star** coverage, followed by **Disney** (1.9/1.77mln). **TBS** (1.5/1.47mln) and **Fox News** (1.5/1.38mln) tied for 4th to complete the top 5. -- **Brag Book:** A sterilized version of **Showtime's** "Dexter" premiered Sun on **CBS** and narrowly missed inclusion on the broadcast net's list of top 10 weekly programs. The show slashed through programming such as series "Criminal Minds" and a *Celine Dion* special to notch 11th, earning a 5.2 and garnering 8.21mln total viewers. -- The TV premiere of *Clint Eastwood's* "Letters from Iwo Jima" on **AMC** earned a 2.5/2.35mln.

Programming: **Style Net** picked up a 2nd season of "Kimora: Life in the Fab Lane" for an Apr premiere. -- **TBS** will

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BUSINESS & FINANCE

again present The Comedy Festival (Nov) from Las Vegas, and has inked a deal to launch "Just for Laughs: A Very Funny Special," offering coverage of a comedy festival slated for Chicago in '09. *Ellen DeGeneres* has signed up to host variety specials from both events. -- **TV Land** original "High School Reunion" (Mar 5) centers on JJ Pearce HS (TX) alums who haven't seen each other in 20 years.

People: Mediacom promoted *Steve Litwer* to svp, **OnMedia** ad sales. Litwer replaces the retiring *Sonja Ferrand*. -- **Bright House** appointed *Mike Robertson* pres, Tampa Bay.

Business/Finance: ION Media Nets has completed the reverse stock split of its Class A and Class B Stock announced last week, with all stockholders now slated to receive \$1.46/Class A share. Also, the **American Stock Exchange** suspended trading of the A shares Tues, and ION plans to file with the **SEC** on Feb 29 privatization forms pursuant to an agreement with **NBCU, CIG Media** and others. -- **Credit Suisse** has downgraded **Comcast** to neutral from outperform and cut the target price by \$1, to \$22. Among analyst *Bryan Kraft's* concerns: a lack of earnings momentum and a risk of dilution from potential wireless investments. -- **NexHorizon Comm** has completed its purchase of **Chula Vista Cable's** assets and customers and the stock of **National City Cable**.

CableFAX Daily Stockwatch

Company	02/20 Close	1-Day Ch	Company	02/20 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	45.48	(0.33)	AMPHENOL:	37.57	(0.03)
DIRECTV:	25.55	0.10	APPLE:	123.82	1.64
DISNEY:	32.58	0.39	ARRIS GROUP:	5.91	0.21
ECHOSTAR:	30.74	0.41	AVID TECH:	22.19	0.45
GE:	34.36	0.08	BIGBAND:	6.19	0.07
HEARST-ARGYLE:	21.90	0.03	BLNDER TONGUE:	1.64	(0.02)
ION MEDIA:	1.45	0.00	BROADCOM:	19.53	0.57
NEWS CORP:	19.85	(0.12)	CISCO:	23.20	0.32
MSOS					
CABLEVISION:	27.71	0.09	COMMSCOPE:	40.72	0.84
CHARTER:	1.02	(0.01)	CONCURRENT:	0.85	(0.02)
COMCAST:	20.15	(0.32)	CONVERGYS:	15.06	0.18
COMCAST SPCL:	19.90	(0.33)	CSG SYSTEMS:	12.28	0.18
GCI:	6.20	(0.07)	ECHOSTAR HOLDING:	38.90	0.89
KNOLGY:	11.86	0.36	GEMSTAR TVG:	4.72	0.04
LIBERTY CAPITAL:	115.00	(0.81)	GOOGLE:	509.00	0.05
LIBERTY GLOBAL:	38.83	0.94	HARMONIC:	8.97	(0.03)
LIBERTY INTERACTIVE:	15.68	(0.06)	JDSU:	12.63	(0.2)
MEDIACOM:	4.37	(0.48)	LEVEL 3:	2.25	(0.18)
ROGERS COMM:	42.97	0.00	MICROSOFT:	28.22	0.05
SHAW COMM:	20.26	(0.5)	MOTOROLA:	11.46	0.17
TIME WARNER CABLE:	26.68	0.10	NDS:	52.67	0.56
VIRGIN MEDIA:	14.23	0.21	NORTEL:	11.47	(0.12)
WASH POST:	740.96	4.96	OPENTV:	1.06	0.00
PROGRAMMING					
CBS:	25.24	0.10	PHILIPS:	39.09	0.29
CROWN:	5.50	(0.07)	RENTRAK:	11.94	0.79
DISCOVERY:	22.62	(0.17)	SEACHANGE:	6.39	(0.1)
EW SCRIPPS:	43.26	0.58	SONY:	46.73	(0.23)
GRUPO TELEVISA:	22.90	0.00	SPRINT NEXTEL:	8.71	(0.52)
INTERACTIVE CORP:	22.01	0.34	THOMAS & BETTS:	40.24	0.23
LIBERTY:	1.00	0.00	TIVO:	8.91	0.32
LODGENET:	16.32	(0.24)	TOLLGRADE:	5.74	0.06
NEW FRONTIER:	4.84	(0.02)	UNIVERSAL ELEC:	19.25	0.39
OUTDOOR:	7.90	(0.08)	VONAGE:	2.04	0.01
PLAYBOY:	8.43	0.43	VYYO:	1.30	(0.01)
TIME WARNER:	16.49	(0.15)	YAHOO:	28.83	(0.18)
UNIVISION:	36.23	0.00	TELCOS		
VALUEVISION:	5.87	0.08	AT&T:	34.02	(1.87)
VIACOM:	41.04	0.40	QWEST:	5.37	(0.01)
WWE:	16.99	(0.21)	VERIZON:	35.24	(0.1)
TECHNOLOGY					
3COM:	2.87	(0.86)	MARKET INDICES		
ADC:	13.70	0.12	DOW:	12427.26	90.04
ADVANTAGE:	4.32	(0.08)	NASDAQ:	2327.10	20.90
ALCATEL LUCENT:	6.04	0.04			
AMDOCS:	31.54	(0.3)			

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 Putting Info Online In Drips And Drops Causes Messages To Run Dry

About two years ago, when the New York Times reported that the U.S. Postal Service was planning to launch a new website, it was a big deal. The Postal Service is a massive organization, and its website is a critical part of its operations. The launch of the new website was a major event, and it was widely expected that it would be a success. However, the launch was a disaster. The website was slow, buggy, and difficult to use. It was a complete failure, and it caused a lot of frustration among the public. The Postal Service had to quickly shut down the website and start over. This was a major embarrassment for the Postal Service, and it showed that even a large organization can make a big mistake. The lesson learned was that it's important to test a website thoroughly before launching it. The Postal Service should have done more testing and made sure that the website was user-friendly and easy to navigate. This would have prevented the launch from being a disaster.

Think about that for a minute...

Taking the Low Power Low Road

We're suddenly hearing an awful lot about "low power" television. These are television broadcasters with special licenses allowing for low-power transmission and fewer obligations than "full power" broadcasters. Some are considered "community" broadcasters because they transmit specialized programming to a smaller, targeted area.

There is also another type of "low power" broadcaster: the "translator station" or the "repeater" used by existing full-power broadcasters to either extend their range or to deal with specific holes in their coverage area.



Steve Effros

Up until now, we have generally never heard about low-power broadcasters. The FCC has said little if anything about them for many years. They have not been considered significant enough to be counted when an issue

like broadcast consolidation is debated, and they have basically existed as an ancillary broadcast service.

Now, all of a sudden, they are at the heart of the "DTV Transition." Why? Because they are not required, like full power broadcasters, to switch to totally digital transmission after Feb. 17, 2009. They can continue to transmit their analog signals.

Ooops. The FCC, the NTIA, and all the rest of the government agencies and members of Congress fussing about the DTV transition forgot about that. They have sent out the message that everyone has to be ready for the digital transition and get their television sets, or cable service all set up with converters for the magic Feb 2009 date when "everything" will become digital.... Except that's not what's going to happen to the "community" "low power" broadcasters, and they're starting to scream about it.

Now there are solutions to all this. Folks can get a specialized converter box that also has an analog tuner

in it, or a pass-through for the analog signal, or an A/B switch. But of course all of that becomes very messy. It confuses what was a clear message. So, predictably, Chairman Martin of the FCC has come up with another idea; for the bigger "low power" broadcasters, the "Class A" licensed ones... about 567 of them, why not just magically declare them "must carry" stations and require that the cable companies carry them all?

At least he limited this outrage to just the Class A license holders! There are an additional 2200 "community broadcasters" so far as I can figure it, and another 4500 or so translators and repeaters. Just imagine the effect on our bandwidth! But who cares? The FCC is auctioning the reclaimed government spectrum for billions. Let cable clean up the mess.

Of course, all of this is predicated on the idea that there's a problem, and that the government has the right to keep taking private cable property—our bandwidth—to solve their problems! I don't think so. If the Commission seriously considers converting stations that heretofore they had ignored as irrelevant into "must carry" stations, I suspect the Fifth Amendment implications will be clear to any court, and we could finally kill off the entire notion of "must carry."

The DTV transition is being done for the benefit of broadcasters, manufacturers and the government. The broadcasters are being given free new spectrum supported by government-subsidized tuners. Now the "community broadcasters" are getting grants to pay for their transmitters. But they still need cable to once again use its bandwidth to make the government plan work. No talk of subsidies for us. No talk of paying for new boxes, or financing new bandwidth. Just a low road, "low power" taking. It won't succeed.

Steve

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Speakers:

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Dave Keefe, CEO — Atlantic Broadband

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