

# CableFAX Daily™

Monday — February 25, 2008

What the Industry Reads First

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## 7th Inning Stretch: Arbitrator Removed in MASN-Time Warner Case

With opening day just over a month a way, will Time Warner Cable have to carry MASN in its NC systems? The MSO scored a victory late Thurs when the American Arbitration Association granted its request to remove Jerome Sussman as the arbitrator in the case. But just how the decision will affect ongoing arbitration remains cloudy. Sussman ruled in Jan that Time Warner discriminated against MASN by refusing to carry it in NC, partly because it was trying to protect its own RSN (TW's News 14 Carolina carries Bobcat games—at least for now. It's negotiating with Fox to move the games to FSN South). MASN maintains that Sussman's removal does not vacate his ruling. "The AAA did not grant Time Warner's request to vacate the finding of discrimination but rather appointed a new arbitrator to determine how to proceed going forward," a MASN rep said. "MASN remains confident that we will prevail and be allowed to return nightly MLB to millions of viewers in NC." The AAA's letter removing Sussman doesn't discuss his previous ruling at all. AAA declined to comment on the particulars of the case. "We have rules to protect the confidentiality of the arbitration process by restricting the disclosure of information related to cases filed to the AAA by AAA employees," said AAA vp, corp communications. However, Sussman has been quoted in several publications on the ruling—raising questions over whether that is why he was removed. Time Warner said it was "very pleased" with the AAA's decision and continues to believe "we will prevail in the long run on this dispute." According to the MSO, AAA acted pursuant to a rule that states that any "arbitrator shall be impartial and independent and shall perform his or her duties with diligence and in good faith, and shall be subject to disqualification for (i) partiality or lack of independence, (ii) inability or refusal to perform his or her duties with diligence and in good faith, and (iii) any grounds for disqualification provided by applicable law. AAA has asked both parties to agree on a new arbitrator by Thurs or the association will appoint one. MASN and Time Warner are currently in stage 2 of the arbitration process, "baseball-style arbitration," in which the arbitrator picks the best carriage offer from either side.

**Lassoed Deal:** After months of negotiations, The mtn. sports network has finally forged with DirecTV its 1st satellite distribution deal. Plans call for national carriage by the satcaster, but it's unknown in what programming package the net will be offered. The mtn. is slated to hit DirecTV's lineup by Sept 1 at the latest, and importantly before football season kicks off. Currently available in approx 1.2mln homes through partners such as part-owner Comcast, Cox and Bresnan, the net could see its distribution jump by nearly 17mln homes. Problematic to the net has been Time Warner Cable's resistance to carriage, leaving distribution holes in Mountain West Conference cities such as Fort Worth and San Diego. DirecTV will help with that issue, and will also provide net access to the large rural populations in parts of the West. Many factors helped grease the deal's wheels, sources said,

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including a lot of direct lobbying by conference schools and their fans. But it's also plausible to believe that CBS' recent intensified backing of CSTV—also a part owner of The mtn.—provided the tipping point. Now under the CBS Sports umbrella and set to become CBS College Sports Net next month, CSTV split time with both Versus and The mtn. in airing conference football games last year. Sources said distribution discussions between The mtn. and DISH are ongoing.

**5Qs with Damon Phillips, vp, ESPN360.com:** What is your strategic vision for the product? I look at this as an amazing opportunity to take our technology and more than 2.5K live events and bring fans closer to the action than ever before. We're trying to really serve that displaced fan, the underserved fan, and through the content and programming that we're acquiring and the technology that we have we're going to be able to achieve that mission. What types of content have been working particularly well? You have your domestic sports like college football and college basketball that have done extremely well for us. Then you also you have niche sports like cricket and rugby, and we're making investments in those sports to be able to aggregate those audiences. In addition, you look at the Australian Open and our ability to take over 450 hours of live programming and to put some of that online. Tennis fans were able to see multiple courts and follow the action at different times of the day. What are some other plans to increase synergies between ESPN360 and family platforms? We're looking at ways to enhance the viewing experience around content that you see on ESPN2 or ESPN Classic. You'll see stats integration and other things to expand and enhance the coverage of what you see on our linear nets. What's new on the technology side? Right now we are working on HD offerings for our NBA programming. We had our first live HD stream Wed night with the Suns/Lakers game, and we're pleased with the quality of the picture. We'll continue to increase the number of [HD] games we do with the NBA, and we're investigating what other content will get the technology. This is a good example of how we're really doing things from a tech standpoint to advance this [product]. How can you drive additional value to fans and your ISP partners? As we look at this opportunity, programming and content are going to drive decision-making when someone is going to purchase their ISP. We firmly believe that. So exclusive content and enhancements to the user experience will drive that value to our partners and fans.

**DTV Doings:** The FCC is reportedly close to releasing some requirements for the DTV transition. Broadcasters appear to have won their fight to have a "safe harbor" option, letting broadcasters either follow the FCC's mandates or the guidelines set forth by NAB. Cable ops would have to notify customers of the transition at least once a month, according to a Washington Post report. "Cable, satellite TV and telco multichannel providers... appear likely to gain greater latitude to use existing billing materials, rather than new inserts as apparently proposed, to inform customers, which should save them money," Stifel Nicolaus noted Fri.

**At the Portals:** The Progress & Freedom Foundation, US Chamber of Commerce and the Institute for Policy Innovation have asked for a 2-week extension to file comments regarding Free Press and Vuze's petitions to limit providers' network management practices. Meanwhile, House Telecom Chmn Ed Markey, plans to speak at Mon's Boston hearing on the issue. -- Meanwhile, everyone keeps expecting the FCC to approve Liberty's acquisition of News Corp's DirecTV stake any minute. Word is the 3 Republicans have already signed off on the deal. Liberty is



ReelzChannel Viewers Buy  
More VOD Movies\*

\*Research conducted Fall 2007 by Frank N. Magid Associates

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**BATTLE 360**  
ENGAGE IN VICTORY. FRIDAYS 10/9C STARTING FEB. 29



Andrew Zimmern, host of Bizarre Foods, taking in the local colors in Delhi, India.

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expected to have to adhere to the same program access conditions as News Corp, and there may be some divestiture of Liberty's Puerto Rican cable properties. -- **Champion Cable**, the former operator of a cable system in Holly, CO, agreed to make a voluntary \$1K contribution to the **US Treasury** after the **FCC's** Enforcement Bureau found its system in violation of cable signal leakage standards in '06. The FCC released the information on Fri.

**In the States:** **SportsTime OH** is going all-HD Apr 1, allowing the net's **Cleveland Indians** telecasts to join only a handful of other **MLB** teams that expect to completely eschew SD games this season.

**Earnings:** **Hearst-Argyle** reported 4Q retrans rev of \$5.5mln, up 20% over last year. However, 4Q rev fell 8% to \$216.6mln, with the broadcaster saying the economy and writers' strike are partly to blame.

**Research:** LCD TVs brought in nearly \$250mln in US retail sales during the week of the Super Bowl, reports **The NPD Group**. That's a volume increase of 41% from the prior week. The avg sales price for an LCD set today is \$978, down from \$1032 last year.

**Programming:** **BBC America** snatched up 2 seasons of prehistoric thriller "Primeval" to add to its Sat sci-fi and adventure block. BBC A also picked up a reality competition about recycling, appropriately titled "Dumped." -- **MSNBC** will televise Tues' Clinton-Obama debate live from Cleveland State, with **NBC News'** *Brian Williams* moderating (9pm ET). -- *Jacqueline Bisset* will star in **Hallmark Channel** original movies "An Old Fashioned Thanksgiving" (Nov), based on *Louisa May Alcott's* "Little Women." -- **Lifetime** original movie "Fab Five: The Texas Cheerleader Story" (summer) stars *Tatum O'Neal* and is based on a true story. -- **Disney** expands its newest preschool series, "Bunnytown," to a daily telecast beginning Mar 24 (10am). -- **Nat Geo** ships out Apr 6 "America's Port", an 8-part weekly series spotlighting the Port of Los Angeles, America's largest container port. The show is from the producers of **History Channel's** "Ice Road Truckers" and **Discovery Channel's** "Deadliest Catch."

**Public Affairs:** **Liberty Media** is aiding this year underprivileged and at-risk youth in CO through its **LibertyGives Foundation**, which is accepting grant proposals from public charitable orgs for \$1K-\$150K.

**Editor's Note:** The writer's strike is over, but evolving attitudes about the ad-sales game could make this year's cable Upfront season especially fascinating to watch. Good thing **Cfax** will expand its cable Upfront coverage this year, with dedicated space devoted to the season starting on Mar 3, and special distribution at the **Cable Positive Power Awards** in NYC and the **AAAA** conference in Orlando (come visit us at Booth 403 at AAAA). **Cfax** will also offer a special Upfront section on Mar 21, Apr 4, Apr 18, May 2, May 16 and May 30... so be on the lookout for special previews, wrap-ups and analysis! We're also looking for guest columnists and interview subjects to give us their Upfront-related insight. So if you think you fit the bill, please contact executive editor *Michael Grebb* at [mgrebb@accessintel.com](mailto:mgrebb@accessintel.com).

**People:** Former **MTVN** exec *Allan Infeld* has joined **fuse** as svp, ad sales. He'll oversee all ad platforms, including TV, mobile, online, VOD and interactive. This is the 2nd senior hire at the music net in recent weeks. *Matt Farber* was recently named evp, programming, development and digital, reporting directly to fuse pres *Eric Sherman*. -- **Argo** upped *Eric Levitan* to COO.

**Business/Finance:** **TV One** and Internet initiatives comprise much of the small bright spot at **Radio One**, which reported a \$388mln operating loss in Q4. The net targeting African-Americans "remains significantly ahead of our original plan," said Pres/CEO *Alfred Liggins* in a release, noting that Q4 Internet rev increased 32%. -- **WWE's** 50% boost in stockholder dividends, to 36 cents/share, is official, with the initial payment set for Mar 25 to holders of Class A common stock as of Mar 14.

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Source: Travel Channel HD Landscape Study, Frank N. Magid Assoc., Nov 2007  
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CableFAX Week in Review

Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg	Company	Ticker	2/22 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>					<b>CISCO:</b> .....CSCO.....23.60.....1.30%.....(12.8%)				
BRITISH SKY:	BSY	46.70	2.60%	(4.5%)	COMMSCOPE:	CTV	40.05	0.50%	(18.6%)
DIRECTV:	DTV	25.87	1.50%	11.90%	CONCURRENT:	CCUR	0.90	5.90%	8.40%
DISNEY:	DIS	32.57	0.30%	0.90%	CONVERGYS:	CVG	14.95	0.20%	(9.2%)
ECHOSTAR:	DISH	31.25	2.70%	(8%)	CSG SYSTEMS:	CSGS	11.79	(3.2%)	(19.9%)
GE:	GE	33.55	(2.4%)	(7%)	ECHOSTAR HOLDING:	SATS	36.74	(8.5%)	11.70%
HEARST-ARGYLE:	HTV	22.53	3.10%	2.50%	GEMSTAR TVG:	GMST	4.69	(0.4%)	(1.5%)
ION MEDIA:	ION	1.45		12.40%	GOOGLE:	GOOG	507.80	(4.1%)	(26.6%)
NEWS CORP:	NWS	19.75	(1.5%)	(7.1%)	HARMONIC:	HLIT	8.90	0.50%	(15.1%)
<b>MSOS</b>					JDSU:	JDSU	12.91		(3%)
CABLEVISION:	CVC	27.92	0.70%	14.00%	LEVEL 3:	LVLTL	2.30	(7.3%)	(24.3%)
CHARTER:	CHTR	1.01	(2.9%)	(13.7%)	MICROSOFT:	MSFT	27.68	(2.6%)	(22.2%)
COMCAST:	CMCSA	20.15	(0.2%)	10.40%	MOTOROLA:	MOT	11.36	0.70%	(28.2%)
COMCAST SPCL:	CMCSK	19.87	(0.5%)	9.70%	NDS:	NNDS	50.09	(1.9%)	(15.4%)
GCI:	GNCMA	6.04	(2.7%)	(31%)	NORTEL:	NT	10.98	(1.3%)	(27.2%)
KNOLOGY:	KNOL	11.83	2.20%	(7.4%)	OPENTV:	OPTV	1.30	25.00%	(1.5%)
LIBERTY CAPITAL:	LCAPA	115.15	0.10%	4.80%	PHILIPS:	PHG	39.56	4.40%	(7.5%)
LIBERTY GLOBAL:	LBTYA	38.14	(2.1%)	(2.7%)	RENTRAK:	RENT	11.74	0.50%	(18.6%)
LIBERTY INTERACTIVE:	LINTA	15.35	(0.8%)	(19.5%)	SEACHANGE:	SEAC	6.08	2.00%	(15.9%)
MEDIACOM:	MCCC	4.38	(12.2%)	(4.6%)	SONY:	SNE	46.77	4.40%	(13.9%)
ROGERS COMM:	RG	42.97			SPRINT NEXTEL:	S	8.91	(6.9%)	(32.1%)
SHAW COMM:	SJR	20.28	(3.2%)	(12.6%)	THOMAS & BETTS:	TNB	39.42	(2.1%)	(19.6%)
TIME WARNER CABLE:	TWC	27.32	1.70%	(1%)	TIVO:	TIVO	8.80	2.10%	5.50%
VIRGIN MEDIA:	VMED	14.19	(0.8%)	(13.8%)	TOLLGRADE:	TLGD	5.65	0.70%	(29.6%)
WASH POST:	WPO	727.01	(0.4%)	(7.1%)	UNIVERSAL ELEC:	UEIC	21.44	6.60%	(35.9%)
<b>PROGRAMMING</b>					VONAGE:	VG	2.06	(0.5%)	(10.4%)
CBS:	CBS	24.76	(2.4%)	(9.1%)	VYYO:	VYYO	1.24	(11.4%)	(60.5%)
CROWN:	CRWN	5.63	(0.5%)	(13.4%)	WEBB SYS:	WEBB	0.06	50.00%	50.00%
DISCOVERY:	DISCA	22.96	0.90%	(8.7%)	YHOO:	YHOO	28.42	(4.2%)	22.20%
EW SCRIPPS:	SSP	42.47	(0.6%)	(5.6%)	<b>TELCOS</b>				
GRUPO TELEVISIA:	TV	22.89	0.60%	(3.7%)	AT&T:	T	34.98	(7.7%)	(12%)
INTERACTIVE CORP:	IACI	21.70	(0.8%)	(19.4%)	QWEST:	Q	5.27	(0.4%)	(22.5%)
LIBERTY:	L	1.00		(90.6%)	VERIZON:	VZ	36.20	(4.3%)	(13.2%)
LODGENET:	LNEN	10.29	(36.8%)	(41%)	<b>MARKET INDICES</b>				
NEW FRONTIER:	NOOF	4.97	3.30%	(2.5%)	DOW:	INDU	12381.02	0.30%	(6.7%)
OUTDOOR:	OUTD	7.78	(1.4%)	12.80%	NASDAQ:	COMPX	2303.35	(0.8%)	(13.2%)
PLAYBOY:	PLA	8.06	(1.2%)	(11.6%)	<b>WINNERS &amp; LOSERS</b>				
TIME WARNER:	TWX	16.49	(1.3%)	(0.1%)	<b>THIS WEEK'S STOCK PRICE WINNERS</b>				
UNIVISION:	UVN	36.23			<b>COMPANY</b>	<b>CLOSE</b>	<b>1-WK CH</b>		
VALUEVISION:	VVTV	5.74	(4.3%)	(8.7%)	1. WEBB SYS:	0.06	50.00%		
VIACOM:	VIA	41.18	1.30%	(6.4%)	2. OPENTV:	1.30	25.00%		
WWE:	WWE	17.78	5.60%	23.70%	3. ARRIS GROUP:	6.00	9.10%		
<b>TECHNOLOGY</b>					4. UNIVERSAL ELEC:	21.44	6.60%		
3COM:	COMS	2.84	(28.8%)	(37.2%)	5. CONCURRENT:	0.90	5.90%		
ADC:	ADCT	13.56	(1%)	(12.8%)	<b>THIS WEEK'S STOCK PRICE LOSERS</b>				
ADVANTAGE:	AEY	4.28	(2.9%)	(30.6%)	<b>COMPANY</b>	<b>CLOSE</b>	<b>1-WK CH</b>		
ALCATEL LUCENT:	ALU	6.07	(1%)	(17.1%)	1. LODGENET:	10.29	(36.8%)		
AMDOCS:	DOX	31.19	(2.1%)	(9.5%)	2. 3COM:	2.84	(28.8%)		
AMPHENOL:	APH	37.40	(2.5%)	(19.2%)	3. MEDIACOM:	4.38	(12.2%)		
APPLE:	AAPL	119.46	(4.1%)	(39.7%)	4. VYYO:	1.24	(11.4%)		
ARRIS GROUP:	ARRS	6.00	9.10%	(39.9%)	5. ECHOSTAR HOLDING:	36.74	(8.5%)		
AVID TECH:	AVID	22.84	3.50%	(19.4%)					
BIGBAND:	BBND	6.27	3.10%	22.00%					
BLNDER TONGUE:	BDR	1.60	(6.4%)	(3.6%)					
BROADCOM:	BRCM	19.27	(3.6%)	(26.3%)					

MaxFAX...

Way Down Yonder in...

...New Orleans.

Anybody else remember Gary U. S. Bonds?

If you don't, check out the song... it's gotta be available someone other



Paul S. Maxwell

than a moldy 45 rpm record.

This is your planning reminder wake up call for the last of the standalone national shows... in New Orleans sort of from Saturday

May 17th thru the crowded flight departure terminals Tues evening and Wed morning.

This is also a reminder the NCTA and Cox New Orleans have been working together to help place cable cares volunteers with the right—and perhaps neediest—organizations doing some good in the ravaged—but bouncing back—town.

Check out www.VolunteerNewOrleans.org... and sign up now.

Shout out here for Brad Grundmeyer and Greg Bicket of Cox.

Let's not all show up at Habitat for Humanity (I won't go there; I'd hit my thumb with a hammer). But let's all pitch in way down yonder...

Random Notes:

• **Cable TV Pioneers:** It's that time again... Mar 7 is the deadline to get your nominations in for the Class of '08. Forms and instructions are available from that great, sonorous Pioneer *Les Read* at cabletpioneers@optonline.net or 516.944.0444. Or send me an email. Be sure to include your name, request and mailing address. Any Pioneer (with dues current, Class of '03 or earlier and not a Board member) can nominate or co-sponsor an individual who has over 20 years of direct and significant involvement with the cable industry.

• **Speaking of Old Guys & Gals:** This year's Pioneer Dinner is set for the sort of first day of the NCTA confab on Sunday evening, May 18 at the World War II Museum (take that any way you like) in N'awlins... and if you're a member of the Class of '83, be sure to attend your 25th anniversary. Invitations in the mail soonest (says Les).

• **Pioneer Board Update:** Last year we changed some rules to add a board member from each new class to serve a two-year term. New chmn *Jim Faircloth* then welcomed HBO's *John Hagerty* from '06 and **Bend Broadband's Amy Tykeson** from '07.

• **Rank Speculation:** Motorola's got handset. Tyco needs a dominant

focus. Voila! Tyco should take over Moto. Hey, Ed... paying attention here? Make a nice fit with ADT, huh?

• **Spring Fling!** Ah, New York... the Cable Positive Dinner on Mar 4 (another award for *Bill Roedy*; best one he's gotten since we shared one at the old, late, lamented Hawaiian Cable Convention)... *Multichannel News'* Wonder Women... and jockeying for next year's slots by the myriad associations. I think I'll go skiing. Lots and lots and lots of snow out here.

• **Jargon Alert:** Make note of femtocells... perhaps even coming to a set-top box or cable modem near you (someday, maybe). It's a tiny, wireless base station that was the rage at Barcelona's Mobile World Congress. A femto is the "metric prefix denoting one quadrillionth (million billionth) of a unit." Now you know.

• **Nominations Still Being Accepted for the MaxFAX CEO Competitions:** Got almost three dozen; keep 'em coming. Some are almost too, too funny. Hottest competition is for the Best Martini Drinker.

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 JONATHAN RHYS MEYERS IS HENRY 8  
**THE TUDORS**  
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