

CableFAX Daily™

Tuesday — February 26, 2008

What the Industry Reads First

Volume 19 / No. 037

For the Block: Comcast Front & Center at FCC Hearing

Mon's FCC network management hearing provided the **Comcast** grilling many expected, with FCC chmn *Kevin Martin* pushing for greater transparency from broadband providers. The highly publicized meeting in Boston was jam-packed, with a crowd of 60-100 people unable to get in because of fire-safety regulations. Protestors lined the hallways. And while other companies like **Verizon** are accused of similar blocking, Comcast drew the most attention. (Are you really surprised that Martin focused much of his questioning on cable?). **The Free Press** and other have filed a complaint that the MSO blocked/impeded **BitTorrent** traffic. Comcast says it doesn't block traffic, but may delay it under certain circumstances as part of its bandwidth management practices. Martin wanted to know why the MSO blocks peer-to-peer file-sharing traffic when customers are acting "within the constraints you sold them." Comcast evp *David Cohen* stressed that the MSO doesn't block applications or Websites, and has recently updated its disclosure policy to make it more transparent. "Comcast may on a limited basis temporarily delay certain peer-to-peer traffic when that traffic is projected to have an adverse effect on other customers' use of service," he said. "We're crystal clear to customers today on what we're doing." But Free Press gen counsel *Marvin Ammori* was quick to argue that the policy doesn't go far enough. "It's not clear when high periods of congestion are, or what they mean by a delay," he said, adding he didn't know how anyone could design software to those specifications. Martin, who was joined by Dems *Michael Copps* and *Jonathan Adelstein* in his concerns, issued a warning, saying the FCC is "ready, willing and able" to punish network providers that block legal content. "These are very significant issues, and we don't take these allegations lightly," he said. Not surprisingly, Martin also found a way to work a la carte into Mon's hearing, saying that the industry's opposition to a-la-carte programming seems to run contradictory to its bandwidth management because customers purchase a certain amount of bandwidth but then are prevented from using too much of that bandwidth. Cohen replied that consumers were paying for speeds up to a maximum amount, not specific speeds, and that they were also informed that the MSO could manage the network. Verizon public affairs, policy evp *Tom Tauke* was also present—although he didn't face as many questions as Cohen. His main point was that transparency should be key so that customers know what they're getting. "The one caveat about transparency is that every minute, every hour of every day... [there are people] trying to attack the network," he said. "You have to be careful that you don't require so much disclosure that it prevents us from providing network security."

Model Tweaking: Pleased with early results from a trial in **Cox's** Orange County, CA, market, **Disney-ABC TV Group** said it will allow cable MSOs, DBS ops and telcos to participate in a local ad-supported VOD initiative if they agree to disable "fast-forwarding" capabilities. **ABC** will provide net programs to participating affils, who may insert 1 locally-sold, 30-second spot within each half hour of programming in those markets where ABC VOD is available. The total number of ads to appear in the VOD eps is not yet determined. The Cox trial, initially announced at The Cable Show last year,

REAL-LIFE ACTION. REAL BUSINESS OPPORTUNITIES.



Put the REAL POWER of truTV to work for you!

truTV

NOT REALITY. ACTUALITY.™

Go to TurnerResources.com

© and TM 2008. truTV. A Time Warner Company. All Rights Reserved.

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/Columnist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

involves disabling of the fast-forward option for all on demand ABC content. Market research from **Knowledge Nets/Statistical Research** shows that 93% of trial participants find advertising acceptable in exchange for free access to content, and that 27% would not have watched the content at all without on demand availability.

Wireless World: Qwest wants a wireless partner, and certain participants in the recent **FCC** spectrum auction are expressing interest, said chmn/CEO *Ed Mueller* during the telco's Mon analyst meeting. "We must have a play in wireless broadband," said Mueller, noting that a retail-related initiative is desired. "In the end, voice will just be a tagalong [service]." Mueller conceded that wireless may not be a financial boon but argued that related offerings lead to customer "stickiness." Meanwhile, Qwest continues to focus on broadband and business services. A trial of increased Internet speeds in Colorado Springs shows great customer uptake of 7-20Mbps following Qwest's area FTTN buildout, said Mueller. The 23-market buildout is a "billion dollar opportunity" that will help the telco wrest subs from other providers, he said. He said Qwest delivered \$4bln in business service rev last year has already increased devoted sales staff by 15%. "We are now a true, true player [in the business market]," said Mueller. Qwest shares closed Mon at \$5.60, up 6.3%.

Over The Rainbow: The *Dolan* family's \$36/share privatization bid last year didn't go over well with many **Cablevision** shareholders, who seem similarly displeased by the MSO's alleged plan to enhance its stock value through segment sales or acquisitions. After the *NY Post* reported strategic talks between CVC and **Bear Stearns** and a possible sale of the MSO's **Rainbow Media** unit, **Wall St** sent CVC shares down 1.8% Mon to close at \$27.41. CVC officials declined comment. With **AMC**, **IFC** and other assets, Rainbow has been valued by many at approx \$3bln, although it could fetch more based on AMC's recent success. **Sanford Bernstein** believes Cablevision should sell instead of buy and that the former option could help the Dolan's fund yet another privatization play. "We believe asset sales, not asset acquisitions, are not only preferable, but also much more likely," wrote analyst *Craig Moffett*. "Notwithstanding the unpredictability of the Dolans as fiduciaries... we view Cablevision as the most attractively valued name in our coverage universe."

Competition: U-verse TV added **Players Network's** Vegas on Demand to its VOD library. -- *Joan Lunden* hosts **DirecTV's** new original "DirecTV Hometown Heroes" (Apr 6), highlighting some customers doing community service.

VOD: **Popcorn Home Ent** has tapped **TVN** for VOD distribution of its movie service that offers customers on demand access to feature films on their DVD release dates after ordering a DVD. **Cablevision** agreed earlier this month to offer the Popcorn service. -- **Comcast** and **Bresnan** are the 1st cable ops to team up with CBS Sports for a VOD offer surrounding **NCAA March Madness**. CBS Sports and **CSTV** plan to produce customized highlights of 63 tourney games and will offer them free to partners along with historical tourney vignettes, with all the content to be available in HD and SD. -- **Comcast's** eastern div VOD service has partnered with the DE State Police to offer **Police Blotter On Demand**, offering updated video profiles of bank robbers, missing persons and individuals on the DSP's most wanted list.

Online: **HBO** has launched a branded channel on **YouTube**, with full-length eps and clips from various shows.

Programming: **Nickelodeon** has tapped singer *Phil Collins'* 18-year-old daughter *Lily Collins* for reporting duties on the net, including interstitial reports from the sets of net series and updates on music and movie news. -- **Travel Channel's** "America: The Wright Way" (Mar 17) features a focus by Briton *Ian Wright* on American destinations such as Nashville and New Orleans. -- **MASN** will air all available Washington Nationals and Baltimore Orioles game for the 2nd straight



EXCLUSIVE MMA

MAXIMUM FIGHTING CHAMPIONSHIP LIVE FRIDAY!
STRIKEFORCE AT THE DOME LIVE SATURDAY!

IFL LIVE 2/29 Followed by the MMA debut of Kim Couture

HDNet

The reason HDTV was invented.

Call Bill Padalino at 973-835-3780 or bpadalino@hd.net to add HDNet and HDNet Movies to your HD line-up today.

BUSINESS & FINANCE

season, and will present select contests in HD for the 1st time.

Editor's Note: Don't forget to go to www.cable360.net to check out the latest episode of "The CableFAX Show." See Mike and Seth pontificate about **Comcast**, Blu Ray and the glut of therapy shows—all while Mike tries to wean himself off his last vacation.

On the Circuit: CableLabs dir, DOCSIS specs **Matt Schmitt** and **Rogers Cable** svp, network engineering and ops **Dermot O'Carroll** will deliver keynotes at *Light Reading's* "DOCSIS 3.0 Strategies: From Product Development to Service Deployment" conference on Mar 19 in Denver.

People: **NBCU** appointed **Elizabeth Asencio** svp, TV nets distribution, and promoted **Heather McCallon** to vp, affil sales. -- **Discovery Nets** tapped **Catherine Mullen** as svp, strategy and digital media, and **Alden Mitchell** as vp, strategy. -- **Jerry Dow** has joined **Suddenlink** as chief marketing and sales officer.

Business/Finance: Citing few client commitments, **Nielsen** and **Arbitron** have terminated "Project Apollo," a national marketing research service that sought to link Arbitron's Portable People Meter system with **ACNielsen's** Homescan and other technologies. -- **Motorola** has acquired the digital cable set top assets of **Zhejiang Dahua Digital Technology** to address growth opportunities in China.

CableFAX Daily Stockwatch

Company	02/25 Close	1-Day Ch	Company	02/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	47.00	0.30	AMPHENOL:	38.28	0.88
DIRECTV:	26.16	0.29	APPLE:	119.74	0.28
DISNEY:	32.89	0.32	ARRIS GROUP:	6.07	0.07
ECHOSTAR:	30.66	(0.59)	AVID TECH:	23.35	0.51
GE:	34.21	0.66	BIGBAND:	6.10	(0.17)
HEARST-ARGYLE:	22.59	0.06	BLNDER TONGUE:	1.55	(0.05)
ION MEDIA:	1.45	0.00	BROADCOM:	19.34	0.07
NEWS CORP:	20.13	0.38	CISCO:	23.80	0.20
MSOS					
CABLEVISION:	27.41	(0.51)	COMMSCOPE:	40.58	0.53
CHARTER:	1.06	0.05	CONCURRENT:	0.82	(0.08)
COMCAST:	20.31	0.16	CONVERGYS:	14.97	0.02
COMCAST SPCL:	20.03	0.16	CSG SYSTEMS:	11.81	0.02
GCI:	6.07	0.03	ECHOSTAR HOLDING:	37.26	0.52
KNOLOGY:	12.09	0.26	GEMSTAR TVG:	4.78	0.09
LIBERTY CAPITAL:	117.57	2.42	GOOGLE:	486.44	(21.36)
LIBERTY GLOBAL:	37.69	(0.45)	HARMONIC:	8.94	0.04
LIBERTY INTERACTIVE:	15.29	(0.06)	JDSU:	13.43	0.52
MEDIACOM:	4.61	0.23	LEVEL 3:	2.23	(0.07)
ROGERS COMM:	42.97	0.00	MICROSOFT:	27.84	0.16
SHAW COMM:	20.31	0.03	MOTOROLA:	11.16	(0.2)
TIME WARNER CABLE:	27.38	0.06	NDS:	49.92	(0.17)
VIRGIN MEDIA:	14.41	0.22	NORTEL:	10.98	0.00
WASH POST:	725.80	(1.21)	OPENTV:	1.28	(0.02)
PROGRAMMING					
CBS:	25.00	0.24	PHILIPS:	39.83	0.27
CROWN:	5.58	(0.05)	RENTRAK:	12.00	0.26
DISCOVERY:	23.34	0.38	SEACHANGE:	6.38	0.30
EW SCRIPPS:	42.98	0.51	SONY:	47.98	1.21
GRUPO TELEVISA:	23.07	0.18	SPRINT NEXTEL:	8.95	0.04
INTERACTIVE CORP:	22.06	0.36	THOMAS & BETTS:	40.44	1.02
LIBERTY:	1.00	0.00	TIVO:	8.87	0.07
LODGENET:	10.86	0.57	TOLLGRADE:	5.55	(0.1)
NEW FRONTIER:	5.01	0.04	UNIVERSAL ELEC:	21.25	(0.19)
OUTDOOR:	7.60	(0.18)	VONAGE:	2.05	(0.01)
PLAYBOY:	8.19	0.13	VYYO:	1.40	0.16
TIME WARNER:	16.57	0.08	WEBB SYS:	0.05	(0.01)
UNIVISION:	36.23	0.00	YAHOO:	28.13	(0.29)
VALUEVISION:	5.98	0.24	TELCOS		
VIACOM:	42.40	1.22	AT&T:	35.50	0.52
WWE:	17.80	0.02	QWEST:	5.60	0.33
TECHNOLOGY					
3COM:	2.83	(0.01)	VERIZON:	36.52	0.32
ADC:	14.17	0.61	MARKET INDICES		
ADVANTAGE:	4.24	(0.04)	DOW:	12570.22	189.20
ALCATEL LUCENT:	6.17	0.10	NASDAQ:	2327.48	24.13
AMDOCS:	30.81	(0.38)			

Recession-Proofing Your Cable Customers

Tuesday, March 18, 2008
1:30-3:00 p.m. (ET)

Speakers:

Colleen Abdoulah, CEO, President — Wide Open West
Dave Keefe, CEO — Atlantic Broadband
Tony Maldonado, VP — Acquisition Marketing & Sciences, Cox

Register Your Team Today!

www.Cable360.net/cfax/webinars | Questions: Contact webinar coordinator, Rachel Smar at (301) 354-1613





APRIL 16, 2008
THE BEVERLY HILTON HOTEL
BEVERLY HILLS, CALIFORNIA

REGISTER ONLINE
AT:
www.namic.com

**PRESENTING
SPONSOR:**



■ **A daylong educational forum focused on creating, delivering and marketing content across multiple platforms for the multi-ethnic consumer**

■ **Get the inside track on careers on the content development side of the business**

■ **Target audience: current and aspiring executives in the broadcast, cable, digital, entertainment and film industries**

WEST COAST CREATIVE SUMMIT

- Rich educational agenda: opening general session, panel discussions and networking opportunities
- Opportunity for attendees to hone their craft, learn insider tips about the business and meet industry colleagues and peers
- Attended by professionals of all levels, as well as those aspiring to enter the business
- Direct access to top executives within the entertainment arena

VISION AWARDS LUNCHEON CEREMONY

- 14th annual presentation of the only competition recognizing outstanding achievements in original, multi-ethnic cable programming
- 29 programming networks competing for top honors in 14 categories

NAMIC WRITER'S WORKSHOP

- A day-and-a-half workshop focused on writing for multiple platforms: digital, screen and television
- Limited to 15 participants
- Visit www.namic.com for application process, eligibility criteria and deadline

CAREER EXPO

For recruiters...

- A diversity recruitment opportunity to attract talented African-Americans, Asians and Latinos and bilingual and culturally competent professionals who are ideal prospective candidates to fill key positions at your company

For job seekers...

- Featuring a veritable Who's Who of the broadcast, cable, digital, entertainment and film industries, including top companies looking to meet, greet and hire multi-ethnic professionals at various levels

IMPORTANT INFORMATION

View the agenda/speaker line-up for the West Coast Creative Summit:
VISIT www.namic.com

Reserve a space at the Career Expo:
CONTACT Danny McGlone at (212) 594-5985, ext. 13 or danny.mcglone@namic.com

Register for the Career Expo:
VISIT www.namic.com

For more information about the NAMIC Writer's Workshop:
CONTACT Jim Jones at (212) 594-5985, ext. 14 or jim.jones@namic.com

Interested in sponsorship opportunities?

CONTACT Danny McGlone at 212-594-5985, ext. 13 or danny.mcglone@namic.com

Have questions about registration or interested in purchasing a table or tickets to the Vision Awards Luncheon?
CONTACT Sandra Girado at 212-594-5985, ext. 23 or sandra.girado@namic.com

NATIONAL ASSOCIATION FOR MULTI-ETHNICITY IN COMMUNICATIONS
NAMIC's mission is to educate, advocate and empower for multi-ethnic diversity in the communications industry.