

CableFAX Daily™

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What the Industry Reads First

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You've Got a Friend: EchoStar Wants to Be There for Broadcasters

Bring on the retrans battles, says **EchoStar's Charlie Ergen**. "We will help any broadcaster in a retransmission situation where they might lose a distributor," Ergen said during DISH's 4Q earnings call Thurs. Ergen talked up the good relationship EchoStar has built with broadcasters over the years. "I think what will probably happen is that for the 1st time, cable operators will start to pay the kind of money we pay to broadcasters. Our costs don't go up but our competitors do... It levels the playing field in an area where we've had a disadvantage." Ergen made the comments the same day that **Comcast** and **Sinclair** announced an extension in their retrans talks. Comcast has said it won't pay for carriage of broadcast stations. EchoStar brass didn't provide any new info on broadband plans. "We haven't found anything that we find particularly compelling at this point. We do understand that we probably need to get further along," said EchoStar pres *Carl Vogel*. Ergen downplayed the impact of DISH losing the right to offer distant network signals to 900K customers during the Q, noting that churn actually went down Y-over-Y to 1.53%. DISH beat analyst estimates, adding 350K net subs—the highest number since 4Q04. Subscriber acquisition costs continue to be a problem though, coming in at \$704/sub for the Q. **Sanford Bernstein** called the results mixed. "The subscriber strength and modest churn rate are clear positives," a research note said. "But the sequential reversal in Steady State Cash Flow—the best available all-in measure of the business' health—is still worrisome." DISH also expressed its displeasure (again) with a long-awaited deal that would give **DirectTV** exclusive rights to **MLB's** "Extra Innings" package. Unlike "NFL Sunday Ticket" which DirectTV created, the out-of-market baseball package has been around on various multichannel providers for years. "If a customer on any platform has enjoyed that product, it shouldn't be taken away from them. We generally don't like exclusives," Vogel said. -- 4Q revenue climbed 17% to \$2.58bln. Net income climbed to \$153mln from \$133mln a year ago.

Ford's Flight: National Geographic Channel evp, programming *John Ford* will leave the net this summer to pursue his own projects, including fact-based theatricals and interactive media. Ford, whose tenure included "The Dog Whisperer" and "Inside 9/11," plans to leave at the end of Aug and will assist in the search for his successor. He's especially interested in creating a fact-based feature film, already creating **Bassett Ridge Productions LLC** and mulling over doing something about his father's experiences as a WWII aviator. Ford joined Nat Geo in 2003 soon after retiring from **Discovery**. There's been constant chatter that Ford might return to his old stomping ground, especially with new chief *David Zaslav* looking to fill posts. Ford dismissed the notion, saying, "I have not had any discussions with them, and none are on the books." Net pres *Lauren Ong* said the search for his successor will begin Fri. "We're looking for someone who has a passion for the non-fiction genre. You can't just pluck someone out of entertainment," she said. In the running are Ford's top 3 lieutenants—*Heather Moran*, svp, programming; *Juliet Blake*, svp, production/dev and *Michael Cascio*, svp, special programming.

ANOTHER SEASON
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Nice Ring: Time Warner Cable scored a victory at the FCC, with the Wireline Bureau granting it permission to use 3rd party wholesalers, like Sprint and MCI, to exchange voice traffic with incumbent telcos. The MSO filed the petition a year ago after SC and NE determined that incumbent telcos didn't have to interconnect with TW's wholesalers (*Cfax*, 3/3/06). "Our decision will enhance consumers' choice for phone service by making clear that cable and other VoIP providers must be able to use local phone numbers and be allowed to put calls through to other phone networks," said FCC chmn Kevin Martin (we're betting he'll point to this during the Mar 14 House Telecom FCC oversight hearing). Time Warner said it will now be able to deploy its digital phone service to areas that "have been denied the benefits of competition."

Competition: Verizon launched FiOS TV service in 62 additional NJ communities, bringing to 168 the state total. The telco also filed with the NJ PUC its intention to expand its service territory from 316 to 344 communities. FiOS TV will be available in 200 of them by year's end. -- Verizon Wireless launched Thurs "V Cast Mobile TV," a jv with Qualcomm's MediaFlo, in 20 US markets, including Chicago, Las Vegas and Seattle. 8 channels including a live feed of MTV and programming from Comedy Central and ESPN are available for \$15/month.

Sour Notes at MTVN: Amid a multitude of layoffs and structural changes, Viacom's media nets segment reported Thurs a 7% increase in Y-over-Y '06 rev to \$7.24bln, led by an 11% jump in affil rev to \$2bln. Not too shabby, but "a great deal of our [4Q rev] growth was due to... acquisitions," CFO Thomas Dooley said during an earnings call, and "domestic ad revenues (+4%) came in lower than we expected, primarily because of ratings shortfall at Nick at Nite and TVLand and, to a lesser extent, at MTV." Pres/CEO Philippe Dauman confirmed speculation of troubled waters across the nets. "Without question, we are passing through a period of substantial transformation," he said. "That is precisely why we are putting an intensified focus on execution in all areas." Restructuring will cost \$70mln this year, Dooley said, of which \$50mln will be charged against Q1 results. But there is some sweet music, as strengthening 1Q domestic ad sales growth and continued success in the digital space—Viacom expects to deliver \$500mln in digital rev by year's end—are providing optimism. As MTVN's 4Q digital ad rev rose nearly 60% and the number of digital advertisers grew 60% in the Q, MTV.com's unique visitors in Jan surged 55% Y-over-Y, and Comedycentral.com was up a whopping 90%, said Dauman. Still, Merrill Lynch maintained its 'neutral' rating on Viacom shares, citing "the potential for further negative announcements" in the near term.

DTV Doings: Ex-House Commerce chmn Joe Barton (R-TX) fired back after new chmn John Dingell (D-MI) said earlier this week that the Feb 17, '09, DTV transition may need to be postponed. Barton said that would "undo years of work and break our promise to the firefighters, police officers and paramedics who need that vacated broadcast spectrum."

Advertising: Turner has agreed to stop advertising TV-MA or TV-14 programs on the children's section of its shopping site Bamzu.com. The Children's Advertising Review Unit of the Council of Better Business Bureaus made the recommendation after coming across banner ads through its routine monitoring of advertising directed at kids.

Retrans: For a moment, it looked like Comcast might have to make use of those antennas it bought a few weeks back. But in the end, Comcast and Sinclair agreed to extend negotiations on a retrans deal until Mar 10. Some 3mln subs in 23 markets could lose their Sinclair stations if a new deal isn't reached. -- Nexstar reported that total cash retrans compensation and retrans advertising grew to \$4.1mln in 4Q vs \$1mln a year earlier. For the year, the broadcaster had

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\$13.7mln in retrans rev, up from \$2.9mln in '05. With many of its cable retrans deals reached in 2005, the company expects to begin its 2nd round of retrans negotiations with cable operators by mid-next year.

Online: Fox Broadcasting, Fox Interactive Media and 20th Century Fox are extending TV programming to affil websites for download purchase by local viewers, with transactional and advertising revenues to be shared by affils and Fox.

On the Circuit: The nomination deadline for NAMIC's "Next Generation Leaders Awards" is Mar 14, and information is available at Namic.com.

Programming: ESPN inked an 8-year extension deal with the USGA to remain the exclusive cable partner of the US Open, US Women's Open and US Senior Open golf tournaments. -- WE tv's original series "Designer to the Stars: Kari Whitman" (Sat, 10pm ET) features the L.A. world inhabited by Whitman, who has helped *Jessica Alba* and *Virginia Madsen* with interior design.

Business/Finance: Fitch assigned a 'B' rating to Charter's proposed \$8.35bln secured credit facility, and affirmed the 'CCC' issuer default rating. -- Outdoor Channel Holdings has emerged from the NASDAQ doghouse (*Cfax*, 11/22), as the exchange found the firm in compliance with its rules and cleared the continued listing of OCH stock (ticker: OUTD).

CableFAX Daily Stockwatch

| Company | 03/01 Close | 1-Day Ch | Company | 03/01 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| AMDOCS: | 34.62 | (0.03) | AMPHENOL: | 64.40 | (0.22) |
| BRITISH SKY: | 43.45 | (0.48) | ARRIS GROUP: | 13.13 | (0.01) |
| DIRECTV: | 22.93 | 0.38 | AVID TECH: | 32.75 | (0.65) |
| DISNEY: | 34.39 | 0.14 | BLNDER TONGUE: | 1.91 | (0.01) |
| ECHOSTAR: | 42.68 | 2.08 | BROADCOM: | 33.78 | (0.31) |
| GE: | 35.00 | 0.09 | C-COR: | 12.92 | (0.73) |
| HEARST-ARGYLE: | 26.10 | 0.06 | CISCO: | 25.85 | (0.09) |
| ION MEDIA: | 1.34 | 0.07 | COMMSCOPE: | 38.54 | 0.07 |
| NEWS CORP: | 23.42 | (0.42) | CONCURRENT: | 1.60 | 0.02 |
| TRIBUNE: | 30.14 | 0.11 | CONVERGYS: | 25.41 | (0.33) |
| MSOS | | | | | |
| CABLEVISION: | 29.49 | 0.03 | CSG SYSTEMS: | 24.75 | 0.09 |
| CHARTER: | 3.02 | 0.01 | GEMSTAR TVG: | 4.22 | 0.18 |
| COMCAST: | 25.54 | (0.18) | GOOGLE: | 448.23 | (1.22) |
| COMCAST SPCL: | 25.38 | (0.07) | HARMONIC: | 9.41 | 0.60 |
| GCI: | 14.58 | (0.25) | JDSU: | 15.66 | (0.55) |
| KNOLOGY: | 14.50 | 0.25 | LEVEL 3: | 6.33 | (0.24) |
| LIBERTY CAPITAL: | 109.39 | 1.51 | MICROSOFT: | 28.09 | (0.08) |
| LIBERTY GLOBAL: | 29.91 | 1.12 | MOTOROLA: | 18.83 | 0.31 |
| LIBERTY INTERACTIVE: | 23.50 | (0.07) | NDS: | 48.48 | (0.3) |
| MEDIACOM: | 8.05 | 0.05 | NORTEL: | 29.43 | (0.55) |
| NTL: | 28.22 | 0.00 | OPENTV: | 2.56 | (0.06) |
| ROGERS COMM: | 32.10 | (0.55) | PHILIPS: | 36.03 | (0.69) |
| SHAW COMM: | 34.76 | 0.25 | RENTRAK: | 14.81 | (0.07) |
| TELEWEST: | 24.20 | 0.00 | SEACHANGE: | 9.99 | (0.21) |
| TIME WARNER: | 20.14 | (0.2) | SONY: | 51.87 | 0.14 |
| WASH POST: | 767.50 | 1.50 | SPRINT NEXTEL: | 19.95 | 0.65 |
| PROGRAMMING | | | | | |
| CBS: | 29.97 | (0.4) | THOMAS & BETTS: | 50.80 | (0.02) |
| CROWN: | 4.21 | 0.07 | TIVO: | 5.91 | 0.04 |
| DISCOVERY: | 16.18 | 0.12 | TOLLGRADE: | 11.71 | (0.28) |
| EW SCRIPPS: | 45.00 | (0.31) | UNIVERSAL ELEC: | 25.95 | (0.17) |
| GRUPO TELEVISA: | 27.00 | (0.29) | VONAGE: | 5.21 | 0.01 |
| INTERACTIVE CORP: | 38.63 | (0.57) | VYYO: | 4.32 | 0.02 |
| LIBERTY: | 8.32 | 0.06 | WEBB SYS: | 0.04 | 0.00 |
| LODGENET: | 25.14 | (0.42) | WORLDGATE: | 1.14 | 0.01 |
| NEW FRONTIER: | 9.09 | 0.02 | YAHOO: | 30.86 | 0.00 |
| OUTDOOR: | 10.56 | (0.35) | TELCOS | | |
| PLAYBOY: | 10.33 | (0.01) | AT&T: | 36.71 | (0.09) |
| UNIVISION: | 35.99 | 0.00 | QWEST: | 8.74 | (0.14) |
| VALUEVISION: | 12.51 | 0.00 | VERIZON: | 37.10 | (0.3) |
| VIACOM: | 38.61 | (0.95) | MARKET INDICES | | |
| WWE: | 15.94 | 0.04 | DOW: | 12234.34 | (34.29) |
| TECHNOLOGY | | | | | |
| 3COM: | 3.83 | (0.04) | NASDAQ: | 2404.21 | (11.94) |
| ADC: | 16.17 | (0.25) | | | |
| ADDVANTAGE: | 3.51 | (0.04) | | | |
| ALCATEL LUCENT: | 12.36 | (0.45) | | | |

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

(H)eed (I)ts (V)oice

Those involved with HBO's "Life Support" (Mar 10, 8pm) hope the film's strong voice and message impel people—particularly African Americans—to recognize the dangers and many causes of HIV. The CDC reports that African Americans aren't getting the message; half of those diagnosed with HIV/AIDS in '05 were black even though the ethnic group comprises just 12% of the US population. "The urgency couldn't be greater," said Cable Positive pres/CEO Steve Villano, who lauded the film's cogent thrust at a Tues screening at NCTA's headquarters. "This film will save a lot of lives. It's such a powerful teaching tool." Writer/dir Nelson George was inspired to embark on the project by his sister, who in '92 told him she had contracted HIV. "Having this virus woke her up in a profound way," George said. "Life doesn't end when you get the news." Queen Latifah plays her as a Brooklynite struggling to cope with HIV's toll on herself, her community and her family—all the while striving to educate people about the virus through community outreach. The film's casting is good and the performances decent, but its real achievement is a storyline that seamlessly integrates characters affected by the virus in myriad ways. Queen's character and her husband contracted HIV through needle-sharing, and now face scorn and distrust from a daughter as a result. A teenaged character whose mother passed the virus to him during pregnancy flirts with death. HIV-infected women of all ages are candid in support group scenes. And then there are the lesser-publicized realisms of people living with HIV: widespread health concerns, piles of medication, massive misunderstanding and malice from others. George does an excellent job of providing didacticism on an epidemic that is far too close to home. CH

Highlights: "Explorer: Aryan Brotherhood," Sun, 8pm, **Nat Geo**. This is mesmerizing television. How can it not be as it explores the ruthless, prison-based gang whose priorities seem to be criminal activity and profits—not white power. -- "Robin Hood," Sat, 9pm, ET, **BBC Am**. A new hood, indeed, whose arrow is aimed at various demos as it judiciously mixes modern convention with the tale's ancient elements for a resoundingly good romp. Evidence: In keeping with tradition, Maid Marian (*Lucy Griffiths*) is usually passive, but then there are the modern touches. In ep 1, Robin (*Jonas Armstrong*) tells Marian she'd be surprised how often his charm works on women. With perfect timing, Marian responds, "Amazed." -- "Battlestar Galactica," 10pm, Sun, **Sci Fi**. This ep, beginning a 4-part, season-ending arc, should sate fans who've been bellyaching for action in recent eps. But has Starbuck gone frakkin' nuts? SA

Worth a Look: "Sacrifices of the Heart," Sat, 9pm, **Hallmark**. With predictions that Alzheimer's will overwhelm the U.S. health system, Hallmark gets props for producing a drama about the disease. Yes, it's a predictable tear-jerker but informative and heart-felt, as the script comes from Reagan daughter Patti Davis, and Ken Howard's performance was influenced by his own dad's battle with the disease. SA [More reviews, including **Discovery's** "The Lost Tomb of Jesus," at: www.cable360.net]

| Basic Cable Rankings (1/29/07-2/25/07) Mon-Sun Prime | | | |
|--|------|-----|------|
| 1 | USA | 2.2 | 1993 |
| 2 | DSNY | 2 | 1822 |
| 3 | TNT | 1.7 | 1582 |
| 4 | LIFE | 1.4 | 1293 |
| 4 | FOXN | 1.4 | 1282 |
| 4 | TBSC | 1.4 | 1274 |
| 7 | A&E | 1.3 | 1186 |
| 8 | TOON | 1.2 | 1108 |
| 8 | CORT | 1.2 | 924 |
| 10 | NAN | 1.1 | 989 |
| 10 | HALL | 1.1 | 825 |
| 12 | ESPN | 1 | 907 |
| 12 | FX | 1 | 891 |
| 14 | HIST | 0.9 | 852 |
| 14 | HGTV | 0.9 | 847 |
| 14 | SPK | 0.9 | 845 |
| 14 | AMC | 0.9 | 836 |
| 14 | DISC | 0.9 | 833 |
| 14 | MTV | 0.9 | 804 |
| 14 | SCIF | 0.9 | 786 |
| 14 | CMDY | 0.9 | 777 |
| 14 | TVLD | 0.9 | 765 |
| 23 | FAM | 0.8 | 756 |
| 23 | TLC | 0.8 | 691 |
| 25 | CNN | 0.7 | 659 |
| 25 | VH1 | 0.7 | 607 |
| 27 | FOOD | 0.6 | 572 |
| 27 | BET | 0.6 | 470 |
| 27 | SOAP | 0.6 | 326 |
| 27 | LMN | 0.6 | 311 |
| 31 | BRAV | 0.5 | 443 |
| 31 | MSNB | 0.5 | 399 |
| 31 | NGC | 0.5 | 301 |
| 34 | ESP2 | 0.4 | 397 |
| 34 | APL | 0.4 | 390 |
| 34 | EN | 0.4 | 377 |
| 34 | HLN | 0.4 | 360 |
| 34 | TTC | 0.4 | 343 |
| 34 | CMT | 0.4 | 333 |
| 34 | WGNC | 0.4 | 272 |
| 34 | SPD | 0.4 | 250 |
| 34 | GSN | 0.4 | 231 |
| 43 | TWC | 0.3 | 300 |
| 43 | TVGC | 0.3 | 240 |
| 43 | OXYG | 0.3 | 213 |

*Nielsen data supplied by ABC/Disney

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