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8 Pages Today

CableFAX Daily™

Monday — March 3, 2008

What the Industry Reads First

Volume 19 / No. 041

5Qs with ACA: A Chat with Group's 1st DC-based Lobbyist

You're ACA's first man on the ground in D.C. How has being located in the nation's capital helped further the group's cause? Certainly having somebody that's local makes me more accessible to address issues as they come up. *Matt [Polka]* and our staff have done a great job over the last 15 years in addressing the issues, but the time has come in terms of the growth of our association that having someone that can just be there to respond on short notice... was important for the ACA. **What's keeping you most busy these days?** For small cable operators, the biggest issues now are their inability to provide choice and value to consumers. Their ability to purchase programming at fair prices, terms and conditions. At the **FCC**, there is the recent rulemaking on retransmission consent and program access... which looks at the wholesale programming market, which is particularly troublesome. **Speaking of that proceeding, ACA's suggestion that the FCC get involved on program bundling and tying matters didn't set well with everyone. A few of your larger members even left over it. Has their departure been felt?** We have over 1K members. The decision to file was fully supported by the vast majority of our members. While there were a few members that had concerns, those members were unique from the vast majority of small independent cable operators because of other business interests. It hasn't been a problem for us, and if anything, we've gotten much support for the actions that we're doing. **2008 is a retransmission election year. What are your predictions?** Small cable operators are going to face a very challenging year. More and more broadcasters are asking for money, and the amounts they are asking for are far exceeding the amounts small operators have paid in the past. Often times, small cable operators are paying 2, 3 times more than what other larger operators are paying in the same market without indiscernible difference in the cost of delivering that service to the small operator. **Who do you think will be our next president? Are you rooting one way?** My guess is as good as anybody's... I've played on both sides of the fence—I previously was with satellite, now working for the cable industry. So I'm open to either side and am just looking forward to seeing the results.

Retrans Row: As of Fri afternoon, **Cox** still had not reached a retrans renewal deal with Topeka **CBS** affil **WIBW**. The Gray-owned station said that both sides "remain positive that an agreement can be reached" but reiterated plans to yank the signal if a deal is not struck by 12:01am Sat (3/1). "WIBW will be taken off the Cox lineup early Sat morning if there is no new contract," said a scroll on the station's Website. Cox was still hopeful a deal would be reached Fri. Meanwhile, the 2 were at odds over what Cox would lose. A Cox rep said that WIBW's HD signal would still be available to customers, but WIBW's gm has told the local press that the station won't be available in any form on Cox.

Earnings: Viacom reported a strong 4Q, with net income increasing 16% to nearly \$560mln. The writer's strike was a ratings boon for **MTV** shows such as "A Shot at Love" and "The Hills." The cable nets saw profit grow 15% to \$915.5mln.

At the Portals: Get ready for the lawsuits. The **FCC's** new rules preventing a cable company from serving more than

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30% of pay TV subs nationally was published in the Federal Register Fri, thus opening the door for legal challenges. The same 30% cap was thrown out by a federal appeals court in '01. **Comcast**, which has about 27% market share, has said it will challenge the rule. Republican FCC commish *Robert McDowell*, who voted against the cap, still has doubts that the cable ownership rule will withstand legal scrutiny. "The court is sure to strike down that cap again," he said.

New Fuse? *Billboard* is reporting that **Cablevision** is close to acquiring about 49% of **AEG Live**, the live entertainment arm of **Anschutz Ent Group**. Part of the deal is reportedly to give music net **fuse** a multimillion dollar facelift.

LPTV Drama: The **Community Broadcasters Association**, which represents low-power TV stations that want the right to apply for full-power status (and, by extension, cable must-carry rights), may take the word "scam" out of a PSA criticizing the DTV converter box program. But commenting on **CEA** pres/CEO *Gary Shapiro's* recent charge that CBA's PSAs are "mean spirited," a CBA spokeswoman called the "scam" reference a "side issue... We think people should forget the coupons and buy boxes with analog tuners, or better yet, just buy a new TV set that has both an analog and digital tuner built in," she said. "The investment in the television will last them much longer than the converter box anyway." LPTV stations, which aren't covered under the DTV mandate, worry that boxes aren't required to pass through their analog signals. As for the PSAs, "whether the spots will also refer to analog pass-through boxes as a less desirable alternative remains to be determined," she said. "Basically, if governmental and full power industry educational materials continue to ignore or inadequately explain the Class A/LPTV situation, and the burden is placed on Class A/LPTV stations to do all the education for their viewers, I don't think that anyone can tell the Class A/LPTV stations what to say or even insist that they be gentle or positive in what they say. The licensees will decide what to say, not the lawyers."

Programming: Where are the frogs? **Animal Planet** and **Clorox** have teamed up to find out with multimedia project, "The Vanishing Frog." The *Jeff Corwin* doc will premiere this fall. More info at www.savethefrog.com. -- **Starz** original "Starz Inside" returns Apr 22 (10pm) with a look at animation giant **Pixar**.

Online: Disney-ABC TV Group launched **Stage 9 Digital Media**, a new media content studio. The 1st release is **Toyota**-sponsored comedy series "Squeegees," which bowed Thurs on **ABC.com** and **YouTube**.

On the Circuit: Cable Positive extended the Positively Outstanding Programming Awards deadline to Mar 21 (www.cablepositive.org/programs-pop). -- **Gospel Music Channel** pres *Charles Hubbard* and GMC vice chmn *Brad Siegel* will ring the closing bell at the **NYSE** on Mon.

Honors: Animal Planet's "Animal Planet Expo 2007," **Nick's** "Let's Just Play" and **Discovery's** "Planet Earth" are the 3 nominees for **ACC's** highest honor, the Golden Beacon. The winner will be announced at the Beacon Awards Gala, Apr 1, DC. -- **FCC** commish *Deborah Taylor Tate* was honored with the "Communications Good Scout Award" by the **Natl Capital Area Council of the Boy Scouts of America**.

People: FTC chmn *Deborah Platt Majoras* will leave the Commission in late Mar. -- Kudos to *Danielle Coppola*, who was promoted to vp, client and candidate relations for **Carlson Resources**. -- **AmericanLife TV** welcomed back *Carla Lewis-Long*. She'll serve as svp, affil sales. Lewis-Long left the net a few years ago to work at **Oxygen**.

Oops: IFC Films' Festival Direct reaches 4—not 5—MSOs: **Comcast**, **Time Warner Cable**, **Cox** and **Cablevision**.

H
is for happy hour

February marks the 21st consecutive month we're happily at home as a Top 10 network in primetime.



High tech CGI Brings Evidence to Life.

CRIME 360

New Series Premiere March 6 @ 10PM/9C



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

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Some things are meant for HD.™



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CableFAX Week in Review

Company	Ticker	2/29 Close	1-Week % Chg	YTD %Chg	Company	Ticker	2/29 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS					BROADCOM: BRCM 18.91 (1.9%) (27.6%)				
BRITISH SKY:	BSY	44.77	(4%)	(8.5%)	C-COR:	CCBL	11.00		
DIRECTV:	DTV	25.05	(3.2%)	8.30%	CISCO:	CSCO	24.39	3.30%	(9.9%)
DISNEY:	DIS	32.41	(0.5%)	0.40%	COMMSCOPE:	CTV	41.88	4.60%	(14.9%)
ECHOSTAR:	DISH	29.65	(5.1%)	(12.7%)	CONCURRENT:	CCUR	0.80	(11.1%)	(3.6%)
GE:	GE	33.14	(1.2%)	(8.1%)	CONVERGYS:	CVG	14.44	(3.4%)	(12.3%)
HEARST-ARGYLE:	HTV	21.92	(2.7%)	(0.2%)	CSG SYSTEMS:	CSGS	11.35	(3.7%)	(22.9%)
ION MEDIA:	ION	1.45		12.40%	ECHOSTAR HOLDING:	SATS	40.06	9.00%	21.80%
NEWS CORP:	NWS	19.11	(3.2%)	(10.1%)	GEMSTAR TVG:	GMST	4.74	1.10%	(0.4%)
MSOS					GOOGLE:	GOOG	471.18	(7.2%)	(31.9%)
CABLEVISION:	CVC	26.79	(4%)	9.30%	HARMONIC:	HLIT	8.91	(17.7%)	(15%)
CHARTER:	CHTR	0.96	(20%)	(17.9%)	JDSU:	JDSU	13.15	1.90%	(1.2%)
COMCAST:	CMCSA	19.54	(3%)	7.00%	LEVEL 3:	LVL	2.23	(3%)	(26.6%)
COMCAST SPCL:	CMCSK	19.35	(2.6%)	6.80%	MICROSOFT:	MSFT	27.20	(1.7%)	(23.6%)
GCI:	GNCMA	5.79	(4.1%)	(33.8%)	MOTOROLA:	MOT	9.97	(12.2%)	(36.9%)
KNOLOGY:	KNOL	12.22	3.30%	(4.4%)	NDS:	NNDS	50.65	1.10%	(14.5%)
LIBERTY CAPITAL:	LCAPA	116.11	0.80%	(0.3%)	NORTEL:	NT	8.60	(21.8%)	(43%)
LIBERTY GLOBAL:	LBTYA	37.60	(1.4%)	(4.1%)	OPENTV:	OPTV	1.34	3.10%	1.50%
LIBERTY INTERACTIVE:	LINTA	14.36	(6.4%)	(24.7%)	PHILIPS:	PHG	38.92	(1.6%)	(9%)
MEDIACOM:	MCCC	4.37	(0.2%)	(4.8%)	RENTRAK:	RENT	11.10	8.50%	(23.1%)
ROGERS COMM:	RG	42.97			SEACHANGE:	SEAC	5.90	(3%)	(18.4%)
SHAW COMM:	SJR	19.48	(3.9%)	(16%)	SONY:	SNE	47.21	0.90%	(13.1%)
TELEWEST:	TLWT	24.20			SPRINT NEXTEL:	S	7.11	(20.2%)	(45.8%)
TIME WARNER CABLE:	TWC	27.30	(0.1%)	(1.1%)	THOMAS & BETTS:	TNB	40.15	1.90%	(18.1%)
VIRGIN MEDIA:	VMED	15.00	5.70%	(8.9%)	TIVO:	TIVO	8.68	(1.4%)	4.10%
WASH POST:	WPO	724.00	(0.4%)	(7.4%)	TOLLGRADE:	TLGD	5.52	(2.3%)	(31.2%)
PROGRAMMING					UNIVERSAL ELEC:	UEIC	22.70	5.90%	(32.1%)
CBS:	CBS	22.81	(7.9%)	(16.3%)	VONAGE:	VG	1.85	(10.2%)	(19.6%)
CROWN:	CRWN	5.54	(1.6%)	(14.8%)	VYVO:	VYVO	1.45	16.90%	(53.8%)
DISCOVERY:	DISCA	22.57	(1.7%)	(10.2%)	WEBB SYS:	WEBB	0.05	(16.7%)	25.00%
EW SCRIPPS:	SSP	41.77	(1.6%)	(7.2%)	WORLDGATE:	WGAT	0.30		
GRUPO TELEVISIA:	TV	22.00	(3.9%)	(7.4%)	YAHOO:	YHOO	27.78	(2.3%)	19.40%
INTERACTIVE CORP:	IACI	19.90	(8.3%)	(26.1%)	TELCOS				
LIBERTY:	L	8.32			AT&T:	T	34.83	(0.4%)	(12.3%)
LODGENET:	LNET	9.31	(38.6%)	(46.6%)	QWEST:	Q	5.40	2.50%	(20.7%)
NEW FRONTIER:	NOOF	5.05	1.60%	(1.1%)	VERIZON:	VZ	36.32	0.30%	(12.9%)
OUTDOOR:	OUTD	7.35	(5.5%)	6.50%	MARKET INDICES				
PLAYBOY:	PLA	8.06		(11.6%)	DOW:	INDU	12266.39	(0.9%)	(7.5%)
TIME WARNER:	TWX	15.61	(5.3%)	(5.5%)	NASDAQ:	COMPX	2271.48	(1.4%)	(14.4%)
UNIVISION:	UVN	36.23			WINNERS & LOSERS				
VALUEVISION:	VVTV	5.26	(8.4%)	(16.4%)	THIS WEEK'S STOCK PRICE WINNERS				
VIACOM:	VIA	39.80	(3.4%)	(9.5%)	COMPANY			CLOSE	1-WK CH
WWE:	WWE	17.70	(0.4%)	23.20%	1. VYVO:		1.45	16.90%	
TECHNOLOGY					2. 3COM:		3.29	15.80%	
3COM:	COMS	3.29	15.80%	(27.2%)	3. ECHOSTAR HOLDING:		40.06	9.00%	
ADC:	ADCT	13.67	1.00%	(11.9%)	4. RENTRAK:		11.10	8.50%	
ADDVANTAGE:	AEY	4.25	(0.7%)	(31.1%)	5. AVID TECH:		24.37	6.70%	
ALCATEL LUCENT:	ALU	5.94	(2.1%)	(18.9%)	THIS WEEK'S STOCK PRICE LOSERS				
AMDOCS:	DOX	31.01	(0.6%)	(10%)	COMPANY			CLOSE	1-WK CH
AMPHENOL:	APH	36.97	(1.1%)	(20.2%)	1. LODGENET:		9.31	(38.6%)	
APPLE:	AAPL	125.02	4.70%	(36.9%)	2. NORTEL:		8.60	(21.8%)	
ARRIS GROUP:	ARRS	5.75	(4.2%)	(42.4%)	3. SPRINT NEXTEL:		7.11	(20.2%)	
AVID TECH:	AVID	24.37	6.70%	(14%)	4. CHARTER:		0.96	(20%)	
BIGBAND:	BBND	6.23	(0.6%)	21.20%	5. HARMONIC:		8.91	(17.7%)	
BLNDER TONGUE:	BDR	1.66	1.80%						

And our viewers can't wait.

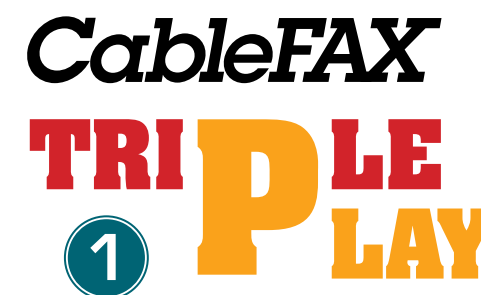
Travel Channel is the #1 anticipated HD network among HD subscribers
 Travel Channel is the #2 anticipated HD network among HD shoppers
 91% of HD shoppers say they are likely to watch Travel Channel in HD

Source: Travel Channel HD Landscape Study, Frank N. Magid Assoc., Nov 2007
 Among ad-supported cable networks not currently available in HD at the time of the study
 HD shoppers defined as those who intend to have both an HDTV and HD service

See clearly why Travel and HD are a perfect fit at Travelchannel.com/HD

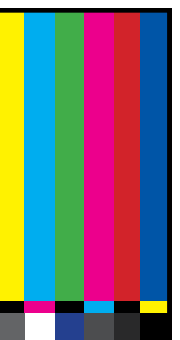


For more information, contact Rori Peters at 818-788-4019 or Rori.Peters@travelchannel.com



CableFAX Daily in COLOR!

Now accepting 4C strip ads as of March 1st
 Color Fees are waived for all ad placements confirmed before 3/21/08



MaxFAX...

Frustrating!

Reminds me of an old *Rolling Stone* ad campaign: Perception v. Reality.

That campaign wanted to convince the advertising community that all readers of the iconic music magazine weren't necessarily stoned



Paul S. Maxwell

24/7. Reality, of course, didn't necessarily track with perception... and, I might add, vice versa.

Cable operators providing broadband service find themselves in the

same boat today.

Comcast and its ilk might be right... are, in fact, quite right... but... well... so what? Does that even matter? If you look at the blogosphere, you'd think that Comcast was the evil empire. And maybe they are?

Which raises the burning question: did all of those hard-working, waiting-line-holding Comcast employees sleeping through the Federal Confusion Commission hearing at Harvard Law School get paid overtime?

How did Comcast execs wake them up to applaud at the right time? Is there a technology we don't know about? Comcast is taking a beating.

On the merits, this is clearly undeserved. On the margin, they've

been asking for it. All because *Kevin Martin*(et) is marginally more photogenic than *David Cohen*? No. But because they thought they could argue past the confrontations.

They really didn't take it seriously! Net neutrality. Nice idea. Impractical. Well... no. Instead, it has become a rallying cry.

Cable operators—particularly Comcast—sell video. So, naturally, cable operators will do all they can to impede competition.

(Never mind all that competition that actually exists out there. Never mind that it is cable's pipes that carry all that data, and who wants to throttle the service that saved the business?)

Which leads to grandstanding politicians. (Which attorney general will be next to follow *Andrew Cuomo's* lead? Easy... which other state has so few Comcast broadband subscribers?)

This political silly season is going to make this a campaign issue yet.

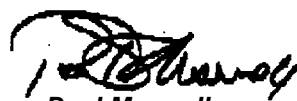
Random Notes:

• **Spring Fling!** Have a wonderful, successful New York week! May Cable stay Positive... may the Wonder Women bask ... and may every meeting be productive. (I've gone skiing. For a cause. I'm practicing my silent auction bidding for Ski-TAM!)

• **The CIO:** Don't miss this: <http://www.cable360.net/cablefaxmag/operators/msos/25049.html>. (And

check out www.cable360.net often.) This bit in particular is worth a detailed look. *Mike Grebb* talked with a pas-sel of chief information officers, and his discussion with them highlighted something critical to everyone in this business: running these businesses is complicated... and getting more so every day. Next week in Austin, I'll be talking with some CIOs at the **Argo** conference. Integrating all of the "opportunities" ain't getting simpler.

• **A Billion Cell Phones Sold:** This is the major contribution to the decline in usage of turn signals by distracted drivers—if not the major reason for the decline of civilization! Ban the handheld versions from use while driving! Gotta give some kudos to **Microsoft** (and **Ford**) for the "Sync" voice activated service in some new cars... but that really needs to be further developed so that drivers on cell phones, drinking lattes or texting messages can activate the turn signals with voice commands. Right after passing the 2nd car tilted onto its side along I-70 just east of the Continental Divide during one of our regular snow storms, I counted 6 SUV drivers in a row on their cell phones.



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UPFRONT

People Get Ready...

The Upfronts are coming! For a bit of perspective, we asked CAB pres/CEO Sean Cunningham to give us his take on this year's Upfront season—and what it all means for cable nets, media buyers and of course those advertisers who ultimately write the checks.

5Qs: CAB Pres/CEO Sean Cunningham

Attitudes seem to be evolving. How will this year's Upfront be different, if at all? I think what has evolved is an understanding of what the Upfront is and what it's not by those peripheral to the TV market. Each Upfront season is unique, and the conditions ramping to this year's season, such as the impact of the WGA strike, another year with commercial ratings and the 2008 quadrennial inventory-tighteners (political/presidential/olympic ad spending) should set the stage for increased demand for cable networks. **How exactly will the strike—and its recent resolution—factor in?** I believe the WGA strike forces advertisers to take an even closer look at the value proposition and disparity between the continuously growing cable audience and the continuously shrinking broadcast audience. On the whole, TV viewing stayed healthy during the strike due in large part to cable's audience growth outpacing broadcast audience decline. In effect, we may see the strike accelerating the audience advantage to cable networks—thus cable's value as a ratings/reach foundation for achieving an advertiser's sales goals will likely stand at an all-time high. **Some seem to think the Upfronts have outlived their usefulness. What's the prevailing opinion among advertisers, media buyers and cable nets?** The television marketplace is active 52 weeks of the year; however, the need for a common annual time for buyers/sellers to set price on a bulk of multi-quarter inventory for each advertiser's specific needs will endure as a best practice. **How are Upfront presentations evolving to account for the shift to multiplatform advertising,**

as well as new media like VOD? Multiplatform deals have become the rule rather than the exception for cable networks in both the Upfront and scatter markets. The success of these deals naturally leads to them being taken to center stage as "here's what's possible" in Upfront presentations. The popularity of these multiplatform plays are also increased by the metrics these deals can generate as proof of campaign effectiveness. The fact that these types of deals have become more the norm speaks volumes for the primacy of cable television as an on-going centerpiece in selling goods and services. **How is CAB working with its members to make the Upfronts a more efficient and fruitful process?** We are constantly seeking to identify the unanswered television/video questions that intrigue advertisers and agencies. We conduct a considerable amount of consumer research designed to help find those answers. In recognizing the industry questions and assisting our members in finding the answers, we're focused on keeping the buyer/seller dialogue as productive and forward-looking as possible for both our national and local members.

UPFRONT EVENTS

March 5	Gospel Music Channel	Chicago	Breakfast
March 10-13	Telemundo	LA	Bfst/Lunch
March 13	Nickelodeon	NYC	Breakfast
March 13	The Weather Channel	NYC	Evening
March 14	Telemundo Dev Meeting	Dallas	Bfst/Lunch
March 17	Telemundo Dev Meeting	Miami	Bfst/Lunch
March 18	Sci Fi	NYC	Evening
March 24-28	Telemundo Dev Meeting	NYC	Bfst/Lunch
March 25	Hallmark Channel	NYC	Night (Press)
March 25	Scripps	Boston	Lunch
March 26	USA Network	NYC	TBD
March 31	Discovery Networks	Chicago	Evening
March 31-April 4	Telemundo Dev Meeting	Chicago	Bfst/Lunch
April 1	FUSE	NYC	Evening
April 1	Scripps	Detroit	Breakfast
April 1	USA	Chicago	TBD
April 2	Scripps	Chicago	Lch/Cktails
April 2	fuse	NYC	Evening
April 2	BET Networks	LA	Evening
April 3	USA	LA	TBD



CableFAX UPFRONT

Cable Positioned to Garner Greater Share of the Media Mix, CableFAX Daily Announces 2008 Upfront Coverage.

- › Special Distribution at AAAA Conference, Orlando Florida
- › Preview and Analysis of Upfront Season continued with dedicated Bi-weekly Coverage in CableFAX Daily
- › Dates: 3/21, 4/4, 4/18, 5/2, 5/16 and 5/30

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CableFAX opportunities to get you BIG exposure at the show.

- › CableFAXIES Magazine Awards Issue – May 2008 (ad close 3/21)
- › Pre-show – Electronic daily sent each day the week of May 12th
- › CableFAX Daily
 - Special HD sections available
 - Show Issues starting Sunday, May 18th through Tuesday, May 20th
 - Distribution at the BIG Show
- › Post-show – Special Issue on Wednesday, May 21st



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