

CableFAX Daily™

Monday — March 5, 2007

What the Industry Reads First

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Don't Look at Us: DirecTV Defends MLB 'Extra Innings' Deal

Leave it to **DirecTV** to defend its much-criticized, exclusive deal with the **MLB** by knocking cable. In a letter to **FCC** Media Bureau chief *Monica Shah Desai* Fri, the DBS provider said it will transform the MLB's out-of-market "Extra Innings" package into a more compelling product (the deal, by the way, still hasn't been officially announced). No baseball fans will be denied access to the package as they can switch to DirecTV for free, it said. Approx 230K Extra Innings subs last year were non-DirecTV subs. It estimated that no more than 3% of total cable subs (180K people) won't be able to receive its satellite service, adding that they can instead watch the games via **MLB.com**. Then, in true dish-head-form, DirecTV proceeded to bash cable as providing the "only real barriers" to cable customers wanting to switch to its service. "Cable penalizes such customers by increasing the price of Internet service if the customer drops cable's video service," said DirecTV, which has no broadband service. "Furthermore, if cable did not prohibit a direct connection between the Internet and set-top box, MLB.com could easily be viewed on TV sets." It also couldn't pass up an opportunity to bellyache about terrestrially delivered **Comcast Sports Net Philly**, which isn't available to DirecTV or **DISH Network**. The provider noted that MLB initiated discussions about an exclusive deal several months ago with multi-channel providers, and only DirecTV showed an interest in carrying the package on terms acceptable to MLB—which includes carriage of **The Baseball Channel** to all basic subs, something cable's been unwilling to agree to (see **NFL Net**). DirecTV said the arrangement is going to be a "big win for consumers, and is consistent with Congress' and the FCC's pro-competitive policies." New plans for the package include a mosaic channel and **Strike Zone** channel that will deliver live cut-ins of games throughout the country. "DirecTV expects to provide most, if not all, games in high definition for the 2008 baseball season—an innovation that most cable operators cannot match," the letter said. It pointed to its recently revamped, exclusive "**NASCAR Hotpass**," saying that the cable industry had the NASCAR rights for years but did little with the programming. DirecTV said it already has more than 3 times the subs for this programming than cable ever had, even though the season has just begun.

Discovery Planet: Nature Conservancy Signs on as Ally

Just when you thought the **Discovery Channel** hype was over, here comes "Planet Earth." March is a big month for the net, with the 11-part series on some of the world's most beautiful places to air just 2 weeks after the net's much-talked about "The Lost Tomb of Jesus," (Mar 4, 9pm). Planet Earth's already on its publicity tour, with series creators making a stop on *Oprah's* couch Wed. On Mon, Discovery will announce an alliance with **The Nature Conservancy** that includes the launch a multi-platform public affairs campaign aimed at generating awareness and providing resources for people interested in global conservation. Of course, this all ties in nicely with Planet Earth's Mar 25 debut, though a rep points out that there are several projects in the pipeline that could feed into a continued

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relationship. Campaign components include the airing of Conservancy PSAs during the series and private screenings at more than 25 Nature Conservancy chapters. An interesting interactive element lets viewers take an online tour that's synchronized to the show and chat with *M. Sanjayan*, lead scientist for the Conservancy. Conservancy will develop in-depth Web content for www.nature.org to educate visitors about the threats facing places featured in the program. "The Nature Conservancy is a leader in protecting the world's awe-inspiring places—exactly the kind of places that Discovery has been bringing into homes for more than 20 years," said Discovery pres, gm *Jane Root*. "Together we will protect the Earth's greatest resources and diminishing natural habitats."

Retrans: **Cox** and **Belo** were still negotiating at press time Fri. The 2 have until midnight to reach a retrans pact for analog and digital signals in New Orleans (Cox now is only carrying **CBS** affil **WWL-TV's** analog signal, which it could lose if a deal is not reached). The 2 are also negotiating digital carriage rights for stations in Phoenix; Tucson, AZ; Hampton Roads, VA; and Sun Valley, ID. Cox doesn't now have digital rights in those markets. Cox and Belo reached a 30-day extension last month to continue their talks. One of the sticking points has been Belo's desire to be paid for its HD signals.

State Franchising: The **CA PUC** created Thurs a statewide video franchise program requiring the agency to determine whether a franchise app is complete within 30 days of its submission. Incumbent cable ops with expired franchises may apply for statewide authority in '08, and may also apply for franchises covering areas they don't currently serve. The **Foundation for Taxpayer and Consumer Rights** blasted the PUC's decision, saying the commission won't oversee the app process nor consider discriminatory practices such as redlining.

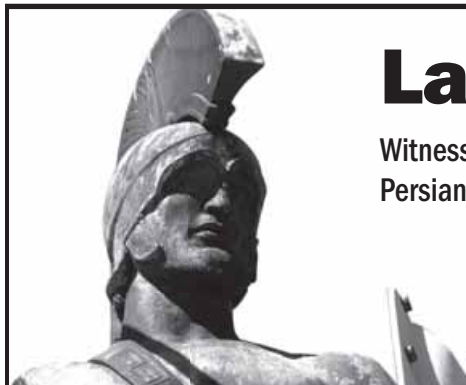
YouTube Goes British: The **BBC** has launched short-form content on **YouTube** to help introduce more people to its programming. "It's a great medium to showcase the breadth and depth of our network," said BBC Worldwide managing dir, digital media *David Moody*, who also expects "significant ad revenue" from 2 of the 3 planned channels over the next couple of years. The BBC Worldwide channel, currently offering video clips from series such as "Top Gear" and "Spooks," will join the BBC World channel, slated to feature 30 daily news clips by summer, in generating rev through a variety of ad types. The BBC channel offers series clips and video diaries but no ads. All 3 are global in scope, at least until YouTube can segment certain markets/countries, said Moody. The BBC's "two-way relationship" with the U-G site allows for user feedback and content viewing metrics, said BBC Worldwide pres *Garth Ancier*, with the potential to post tailored content in the future. "This is really about reaching out and servicing the brand," said Ancier.

Technology: **CableLabs** is developing cable interface specs that would enable devices to receive digital off-air TV signals and deliver them through a cable set top, allowing for an integrated viewing experience.

Honors: Congrats to **Discovery**, **Nat Geo**, **Discovery Times**, **Cable Positive**, **Cox New England**, **The Pentagon Channel**, **Bravo** and **Time Warner Cable**, winners of the **CableWorld-CTPAA** Public Affairs Programming awards. For more on the winners and honorable mentions, see today's **CableWorld**.

Obit: We were saddened to learn that *Cynthia Upson*, a longtime **CEA** hand and classy woman, passed away on Feb 17 from cancer. Memorial contributions can be made to the **Lung Cancer Alliance** at www.lungcanceralliance.org.

People: **WWE** promoted *Frank Serpe* to CFO. -- *Irv Kalick*, application div, pres of **TVWorks**, is leaving the **Comcast-Cox** joint venture to pursue other opportunities.



Last Stand of the 300

Witness the epic battle of Thermopylae, where 300 Spartans fought back a million Persian soldiers with a strategy so brilliant, it's still studied at West Point today.

Premieres March 8 at 9/8C



CableFAX Week in Review

Company	Ticker	3/02 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	43.03	(3.6%)	4.40%
DIRECTV:	DTV	22.50	(1.7%)	(9.8%)
DISNEY:	DIS	33.95	(3.4%)	1.80%
ECHOSTAR:	DISH	41.82	(1.6%)	10.00%
GE:	GE	34.87	(0.7%)	(4%)
HEARST-ARGYLE:	HTV	26.08	(2.2%)	3.10%
ION MEDIA:	ION	1.30	1.60%	160.00%
NEWS CORP:	NWS	23.23	(6.5%)	4.40%
TRIBUNE:	TRB	30.05	(2.1%)	(2.4%)

Company	Ticker	3/02 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	29.22	(0.2%)	2.60%
CHARTER:	CHTR	2.98	(6.6%)	(2.6%)
COMCAST:	CMCSA	25.44	(6.2%)	(9.9%)
COMCAST SPCL:	CMCSK	25.24	(6.4%)	(9.6%)
GCI:	GNCMA	14.51	(1.1%)	(7.8%)
KNOLOGY:	KNOL	14.29	(2.6%)	34.30%
LIBERTY CAPITAL:	LCAPA	108.48	3.20%	10.70%
LIBERTY GLOBAL:	LBTYA	30.47	2.40%	4.50%
LIBERTY INTERACTIVE:	LINTA	22.65	(5.2%)	5.00%
MEDIACOM:	MCCC	8.10	1.30%	0.70%
NTL:	NTLI	28.22		11.80%
ROGERS COMM:	RG	32.17	(6%)	8.30%
SHAW COMM:	SJR	34.25	(8.1%)	9.30%
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	37.60	(1.8%)	(1.8%)
WASH POST:	WPO	765.60	(2.9%)	3.50%

Company	Ticker	3/02 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	29.54	(5.7%)	(5.3%)
CROWN:	CRWN	4.28	0.70%	17.90%
DISCOVERY:	DISCA	15.98	(1.4%)	(0.7%)
EW SCRIPPS:	SSP	44.90	(7.6%)	(10.1%)
GRUPO TELEVISIA:	TV	26.75	(10.1%)	(1%)
INTERACTIVE CORP:	IACI	37.89	(6.6%)	2.00%
LIBERTY:	L	8.32		
LODGENET:	LNET	25.12	(8.4%)	0.40%
NEW FRONTIER:	NOOF	8.81	(5.7%)	10.40%
OUTDOOR:	OUTD	10.06	(16.2%)	(21.6%)
PLAYBOY:	PLA	10.11	(6.5%)	(11.8%)
TIME WARNER:	TWX	19.93	(7.3%)	(8.5%)
UNIVISION:	UVN	35.98		1.60%
VALVEVISION:	VVTV	12.07	(5.8%)	(8.1%)
VIACOM:	VIA	39.17	(3%)	(0.7%)
WWE:	WWE	15.81	(3.1%)	1.40%

Company	Ticker	3/02 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	3.76	(7.6%)	(8.5%)
ADC:	ADCT	15.55	(11%)	8.80%
ADDVANTAGE:	AEY	3.48	(3.3%)	24.70%
ALCATEL LUCENT:	ALU	12.21	(8.6%)	(6.2%)
AMDOCS:	DOX	34.11	(3.9%)	(12%)
AMPHENOL:	APH	63.22	(6.8%)	2.00%
ARRIS GROUP:	ARRS	12.96	(15.2%)	3.60%
AVID TECH:	AVID	32.95	(2.7%)	(11.6%)
BLNDER TONGUE:	BDR	1.83	(16.1%)	7.60%
BROADCOM:	BRCM	32.72	(10.1%)	1.30%

Company	Ticker	3/02 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.34	(16.3%)	10.80%
CISCO:	CSCO	25.30	(8%)	(7.4%)
COMMSCOPE:	CTV	37.10	(5.2%)	21.70%
CONCURRENT:	CCUR	1.63	6.50%	(9.9%)
CONVERGYS:	CVG	25.04	(6.7%)	5.30%
CSG SYSTEMS:	CSGS	24.47	(4.1%)	(8.5%)
GEMSTAR TVG:	GMST	4.09	(3.8%)	2.00%
GOOGLE:	GOOG	438.68	(6.8%)	(4.7%)
HARMONIC:	HLIT	9.52	4.60%	30.90%
JDSU:	JDSU	15.31	(9.5%)	(8.2%)
LEVEL 3:	LVLTL	6.29	(4%)	12.30%
MICROSOFT:	MSFT	27.76	(3.9%)	(7%)
MOTOROLA:	MOT	18.64	(2.7%)	(8.6%)
NDS:	NNDS	46.94	(8.5%)	(2.7%)
NORTEL:	NT	28.29	(9.9%)	5.80%
OPENTV:	OPTV	2.51	(11.3%)	8.20%
PHILIPS:	PHG	36.00	(7.8%)	(4.2%)
RENTRAK:	RENT	14.55	(4.2%)	(6.1%)
SEACHANGE:	SEAC	9.82	(8.6%)	(3.9%)
SONY:	SNE	49.43	(5.4%)	15.40%
SPRINT NEXTEL:	S	19.96	3.60%	5.70%
THOMAS & BETTS:	TNB	49.41	(8.2%)	4.50%
TIVO:	TIVO	5.87	(7%)	14.60%
TOLLGRADE:	TLGD	11.68	(7.8%)	10.50%
UNIVERSAL ELEC:	UEIC	24.93	(10.6%)	18.60%
VONAGE:	VG	5.22	(3.2%)	(24.8%)
VYYO:	VYYO	4.43	5.50%	(2.2%)
WEBB SYS:	WEBB	0.04	(33.3%)	
WORLDGATE:	WGAT	1.05	(8.7%)	(21.6%)
YAHOO:	YHOO	30.42	(5.2%)	19.10%

Company	Ticker	3/02 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	36.44	(1.5%)	4.90%
QWEST:	Q	8.68	1.60%	3.70%
VERIZON:	VZ	36.48	(5%)	1.30%

Index	Value	1-Week % Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	12114.10	(4.2%) (2.8%)
NASDAQ:	COMPX	2368.00	(5.8%) (2%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS				
COMPANY	CLOSE	1-WK CH		
1. CONCURRENT:	1.63	6.50%		
2. VYYO:	4.43	5.50%		
3. HARMONIC:	9.52	4.60%		
4. SPRINT NEXTEL:	19.96	3.60%		
5. LIBERTY CAPITAL:	108.48	3.20%		

THIS WEEK'S STOCK PRICE LOSERS				
COMPANY	CLOSE	1-WK CH		
1. WEBB SYS:	0.04	(33.3%)		
2. C-COR:	12.34	(16.3%)		
3. OUTDOOR:	10.06	(16.2%)		
4. BLNDER TONGUE:	1.83	(16.1%)		
5. ARRIS GROUP:	12.96	(15.2%)		

THE LEADER IN ORIGINAL MOVIE PRODUCTION

Mystery Franchise Premieres

MCBRIDE: DOGGED Saturday, MARCH 10 at 9/8c

JANE DOE: TIES THAT BIND Saturday, MARCH 17 at 9/8c



MaxFAX...

Free TV?

Not any more.

All that free spectrum assigned to the public interest isn't free to the users who get better pictures.

And one broadcaster now wants his local hardware, **Radio Shack** and big box stores to cut his company in for 15% of the price of rabbit ears. Another wants 20% of the price of new television sets. And another wants 10% of the **TiVo** subscriptions!



Paul S. Maxwell

Not really, but would you be surprised?

American media has a new bully... well, a bounty of bullies? A band of bullying broadcasters?

Sinclair wrested real money from **Mediacom** (of course, now that Congress has decided the NFL's Super Bowl is a premium television event, what did you expect?). Now it is trying to do the same with **Comcast**.

We'll see another lesson in leverage.

Meanwhile, the fight on Capitol Hill is heating up as—maybe—the other cable association quietly joins in the fight. *TV Newsday* reported last week that the **NAB** (National Association of Bullies?) believes the **NCTA** has joined—somewhat, a little bit—with the **ACA** to fight

retransmission consent. Kind of an “enough-is-enough” position. The semi-ancient tensions between network programmers (those owned by broadcasters) and cable MSOs may be tightening. Or maybe lots of folks are coming to their senses? Never mind. Just watch the leverage battle.

Random Notes:

• **Eleemosynary?** Yep. We (that is, English-speakers) got that word from the French... who got it from the Romans via the Italians. In the late 16th Century, lots of English-speaking Saxon folks loved the French language. Originally, it meant a place to beg for alms. Now, it is a fancy word for doing good works... “of, relating to or being dependent upon charity.” As the March 5-19 edition of *CableWorld* notes, the cable industry is pretty good at this part of life... and can take a short bow... so be sure to show up tomorrow night for *Glenn Britt* at Positively Time (and to be harangued by *Steve Villano*... articulately)... and then get back to work ... and doing some good. -- Meanwhile, the **Daniels Fund** will disperse about \$38million in grants and \$13million in college scholarships this year.

• **Up, not Down!** *Sophia Whitten*, 3, has Down Syndrome. This cute kid also has an energetic mother, *Michelle Sie Whitten* (yep, John and Anna's kid). Michelle's been hosting the second symposium for educators and parents of the **Rocky**

Mountain Down Syndrome Educational Fund, truly worthwhile.

• **Closure?** Speaking of odd words (well, I was, closure is Olde English from the French, too, meaning conclusion), this is one that really doesn't make a lot of sense to me... especially when I hear it during some grief-driven TV or radio report. This past month or so, more than a couple of friends have lost close loved ones (and, with parents in their 90s, I'm due for the same someday). There's nothing wrong with mourning. What might be wrong is forgetting. Memory is a door worth keeping open.

• **Denver Wednesday:** Comcast's *Scott Binder*, svp of **Comcast Colorado**, gets honored as the Denver Telecom Professional's Communications Executive of the Year at the 7th annual DTP dinner. Despite being a graduate of the University of Nebraska, Scott is on the **Metro Denver Chamber of Commerce**, **Denver Metro Sports Commission**, **Denver Public Schools Foundation Board** and is pres of the **Colorado Cable TV Association**. In his spare time he runs ops for Comcast Colorado.

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- **Gerry Laybourne**, Chairman & CEO, Oxygen Media LLC
- **Debra Lee**, Chairman & CEO, BET Holdings, Inc.

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