

CableFAX Daily™

Wednesday — March 7, 2007

What the Industry Reads First

Volume 18 / No. 045

Ready to Make Nice? Roberts, Smith Predict Retrans Resolution

It looks like **Comcast** may not have to pull out those antennas after all. Speaking at the **Bear Stearns** media conference, both Comcast CEO *Brian Roberts* and **Sinclair** CEO *David Smith* expressed optimism they could forge a retrans pact before the Mar 10 deadline. Sinclair's guidance of \$48mln in retrans rev for '07 includes expected remuneration from Comcast, Smith said, because the company always felt—and still does—that the 2 will be able to hammer out a deal. Roberts said Comcast is "very close" to announcing a retrans deal but didn't name the broadcaster involved. He also poked fun at published reports putting the 2 sides far apart. "I've chuckled that perhaps there are other business motivations in talking about negotiations," he said. Roberts isn't chortling about his unwillingness to cave to broadcasters' demands, which he said would likely lead to charging subs for free channels. "We're not interested and will not pay cash for retransmission [consent]," said Roberts. "That line is drawn. That is not changing." Comcast's top dog envisions some mix of cash and joint marketing initiatives, or some other mutually beneficial concoction, in future deals. Some 4mln Comcast subs in 23 markets could lose Sinclair stations if the 2 can't reach accord by this weekend's deadline.

Bear Stearns Notebook: *Brian Roberts* responded Tues to some investment firms' grumbling about **Comcast's** greater-than-expected '07 capex guidance, calling the expected outlays "success-based capital." He said the outlay will spur further rev growth through continued triple-play sub expansion and create an important pipeline into the lucrative SME market, which is expected to yield \$2.5bln in rev within 5 years. "I have a feeling that the competition won't be as great as people are saying," he said.

Capturing Eyeballs: Increasingly fractured audiences create huge challenges for content providers and distributors—but also unprecedented opportunity. That was the theme of **Horowitz Assoc's** 7th annual forum on multicultural media in NYC on Tues as speakers said technology and changing consumer habits are forcing the media industry to adapt or risk irrelevance. **Turner** vp, multicultural market development *Sandra Weber* said the "large maze of segmentation" out there means content owners must realize that each segment has "a different expectation of that brand." *Philip Polk*, **Cox's** dir, segmentation marketing, said defining and reaching those specific segments can be tough. "We haven't found the Grail, so to speak, but that continues to be a large part of our work," he said. He warned against trying to make assumptions based on zip codes or neighborhood profiles because then "you send someone Spanish-language info when they don't speak Spanish," risking damage to that customer relationship. Switched digital video could help distributors "drill down a little bit more," said *Bob Watson*, vp, programming and new business development at **Time Warner Cable NYC**, which is looking at ways to create targeted bundled offerings. One example: Watson said a bundle might include Asian-themed TV content along with an international voice calling plan focused on Asian countries.

EXPERIENCE MOVIES

Blade Runner (DIRECTOR'S CUT) Friday 8:00 PM ET

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

HDNet
MOVIES
www.hd.net

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: Dave Dekker, 301/354-1750, ddeker@accessintel.com ● 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 ● Scott Gentry/VP and Group Publisher ● Online Publisher, Alison Johns, 212/621.4642 ● Paul Maxwell/Columnist. Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

In the States: DirecTV and EchoStar have formed a coalition with Intel, Yahoo, Google, Skype and Access Spectrum urging the FCC to keep 1 key principle in mind when taking action on the upcoming 700 MHz auction: that any changes to the auction's rules should not violate Feb 17, '09 as the hard date for DTV transition and Jan 28, '08 as the auction's deadline. -- USDTV is pulling the plug after four years of trying to provide an alternative to cable and satellite TV service providers. The first over-the-air terrestrial digital subscription TV service blamed new owner NexGen Telecom's financial difficulties. -- Comcast launched Bloomberg TV in NJ. -- Bresnan will be the 1st cable op to offer BlueHighways TV's 24/7 linear channel when it launches Sun.

Competition: AT&T rolled out U-verse TV in the Dallas-Fort Worth area, the 14th market across 5 states to receive the service. Middleware problems slowed the service's introduction plans, but AT&T vp, network Ernie Carey Tues at the Bear Stearns media conference said the telco has fixed the glitches and will ramp up its rollout. -- AT&T will include Akimbo titles in its "Homezone" service, which now allows customers to manage their TV recordings via wireless hand sets.

Franchising: House Commerce ranking member Joe Barton (R-TX) called the FCC's just-published video franchising order a step in the right direction, though he expressed disappointment that the Commission did not grant similar franchise relief to existing cable companies. "My hope is that the FCC will remedy this inequity quickly in its ongoing proceeding," he said.

Wonder Lunch: It's impressive to see the Wonder Women lunch, started 7 years ago, fill the same ballroom that the annual Kaitz Foundation dinner uses for its Sept fundraiser. "When I started, women in senior management were the exception, not the rule," said Comedy Central evp, gm Michele Ganeless, who was among the 10 honorees Tues. The event brought its fair share of Women Woman jokes—from History Channel evp, gm Nancy Dubuc's quip that she was hoping to get the superhero's invisible jet to WideOpenWest CEO Colleen Abdoulah boldly appearing in a full Wonder Woman get-up in a photo shoot. The biggest laughs came when Bravo evp, programming, production Frances Berwick suggested that a better name for the honor might be the "Lucky Bitch Award." A little rivalry reared its head—in a friendly way—when honoree Cathy Avgiris, svp, gm of Comcast Voice, joked about eating her competition's lunch. "No offense," she said as she turned to fellow Wonder Woman Marilyn O'Connell of Verizon. O'Connell did stick out on a stage full of cable execs. She drew laughs as she thanked programmers, as opposed to her cable operator competition. "Thanks for cheering us on, even if it is behind closed doors," she told programmers.

Insight Earnings: Insight's '06 total rev jumped 13% to \$1.3bln, powered by rev growth in basic (7%), HSD (26%), digital (24%) and telephone (43%) services. The MSO's total RGUs grew 13% to 2.68mln, strongly aided by sub expansion across basic (3% to 1.32mln), digital (20% to 622K), HSD (30% to 611K) and telephone (37% to 123K). ARPU was \$80.53, compared to \$73.30 last year.

Deals: TiVo and Earthlink have partnered to offer bundled Internet and TV through TiVo's "Series2" DVR and service and Earthlink-branded dial-up, DSL or digital voice services. EarthLink will begin marketing the bundles later this year.

In the Courts: Americable founder Charles Hermanowski received a 3-year prison sentence Mon in FL and a \$4mln

ABC Family's Best February Ever!

- Our **Best Ever** in P12-34
- Our **Best Ever** in A18-49
- Our **Best Ever** in Total Viewers

Source: Nielsen N1, Live 000s. Primetime (M-Sun 8-11p) and Total Day (M-Sun 6a-6a), excluding non-commercial programming. ABC Family launched Nov 2001.

abc family
a new kind of family

BUSINESS & FINANCE

fine for tax evasion and overbilling the US govt. Former co comptroller *Alice Pirchesky* was sentenced 2 years ago to 78 months in prison.

Ratings: **Discovery** put its faith in *Jesus* and it paid off. Its controversial "The Lost Tomb of Jesus" pulled down a 3.2/2.99mIn on Sun, good for 9th place on the weekly cable telecast list. Rival **Nat Geo's** entire Sun prime lineup – comprised of "Aryan Brotherhood" (1.54), "Lockdown: Gangland" (1.38) and "Lockdown: Predators Behind Bars" (1.31) – earned a 1.0+ HH rating. -- **USA** carried its Feb win into Mar, besting **Disney** (2.0/1.82mIn), **TNT** (1.8/1.70mIn), **Fox News** (1.4/1.31mIn) and **TBS** (1.3/1.18mIn) for last week's prime supremacy.

Programming: **CSTV** will air next Thurs and Fri a pair of 1st-round, out-of-market games of the **NCAA Men's Basketball Championship**, both of which will be produced by **CBS Sports**. -- **Comedy Central** is offering members of **Xbox 360's** "Xbox Live" free access for 2 weeks to the 1st HD ep of "South Park."

Business/Finance: **Entrepreneurs John Stanton and Terry Gillespie** have agreed to purchase from **Verizon** approx 1.3mIn shares of **GCI Class B** common shares, representing 15.25% of voting interest in the Alaskan MSO. -- Citing lower '07 capex for **CVC** and a resulting increase in FCF, **Sanford Bernstein** upgraded the stock to 'out-perform' and raised the price target from \$31 to \$40.

CableFAX Daily Stockwatch

Company	03/06 Close	1-Day Ch	Company	03/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ALCATEL LUCENT:	12.05	0.13	AMDOCS:	34.10	0.31
BRITISH SKY:	42.96	0.91	AMPHENOL:	63.17	0.72
DIRECTV:	22.66	0.55	ARRIS GROUP:	13.38	0.59
DISNEY:	34.37	0.65	AVID TECH:	33.79	1.01
ECHOSTAR:	43.05	0.78	BLNDER TONGUE:	1.81	0.00
GE:	34.72	0.17	BROADCOM:	33.24	0.85
HEARST-ARGYLE:	26.12	0.70	C-COR:	12.78	0.12
ION MEDIA:	1.30	0.00	CISCO:	25.96	0.50
NEWS CORP:	23.38	0.48	COMMSCOPE:	38.71	1.66
TRIBUNE:	30.21	0.20	CONCURRENT:	1.55	0.03
MSOS					
CABLEVISION:	29.45	0.79	CONVERGYS:	25.59	0.51
CHARTER:	2.88	0.13	CSG SYSTEMS:	24.68	0.44
COMCAST:	25.88	0.58	GEMSTAR TVG:	4.10	0.06
COMCAST SPCL:	25.73	0.58	GOOGLE:	457.55	16.60
GCI:	14.51	0.48	HARMONIC:	9.44	0.27
KNOLOGY:	14.36	0.17	JDSU:	15.33	0.43
LIBERTY CAPITAL:	106.92	(0.08)	LEVEL 3:	6.24	0.14
LIBERTY GLOBAL:	30.08	0.36	MICROSOFT:	27.83	0.28
LIBERTY INTERACTIVE:	22.51	(0.09)	MOTOROLA:	18.84	0.34
MEDIACOM:	7.88	0.13	NDS:	47.01	0.40
NTL:	28.22	0.00	NORTEL:	28.23	0.35
ROGERS COMM:	31.86	0.31	OPENTV:	2.63	0.22
SHAW COMM:	34.60	0.55	PHILIPS:	36.43	1.07
TELEWEST:	24.20	0.00	RENTRAK:	14.97	0.72
TIME WARNER CABLE:	36.39	0.39	SEACHANGE:	9.92	0.25
WASH POST:	755.54	(0.07)	SONY:	50.65	1.65
PROGRAMMING					
CBS:	30.94	1.32	SPRINT NEXTEL:	19.69	0.08
CROWN:	4.35	0.15	THOMAS & BETTS:	49.42	0.94
DISCOVERY:	16.79	0.83	TIVO:	5.94	0.23
EW SCRIPPS:	44.50	0.05	TOLLGRADE:	12.09	0.37
GRUPO TELEVISIA:	27.23	0.88	UNIVERSAL ELEC:	26.77	0.87
INTERACTIVE CORP:	37.67	0.20	VONAGE:	5.22	0.13
LIBERTY:	8.32	0.06	VYYO:	4.28	(0.07)
LODGENET:	25.01	0.75	WEBB SYS:	0.04	0.00
NEW FRONTIER:	9.00	0.48	WORLDGATE:	0.92	0.07
OUTDOOR:	10.08	0.09	YAHOO:	30.80	0.49
PLAYBOY:	10.07	0.12	TELCOS		
TIME WARNER:	19.98	0.25	AT&T:	36.00	0.28
UNIVISION:	35.96	0.04	QWEST:	8.37	(0.15)
VALUEVISION:	12.00	0.01	VERIZON:	36.48	0.35
VIACOM:	39.23	0.15	MARKET INDICES		
WWE:	16.01	0.19	DOW:	12207.59	157.18
TECHNOLOGY					
3COM:	3.72	0.11	NASDAQ:	2385.14	44.46
ADC:	16.10	0.83			
ADDVANTAGE:	3.48	0.03			



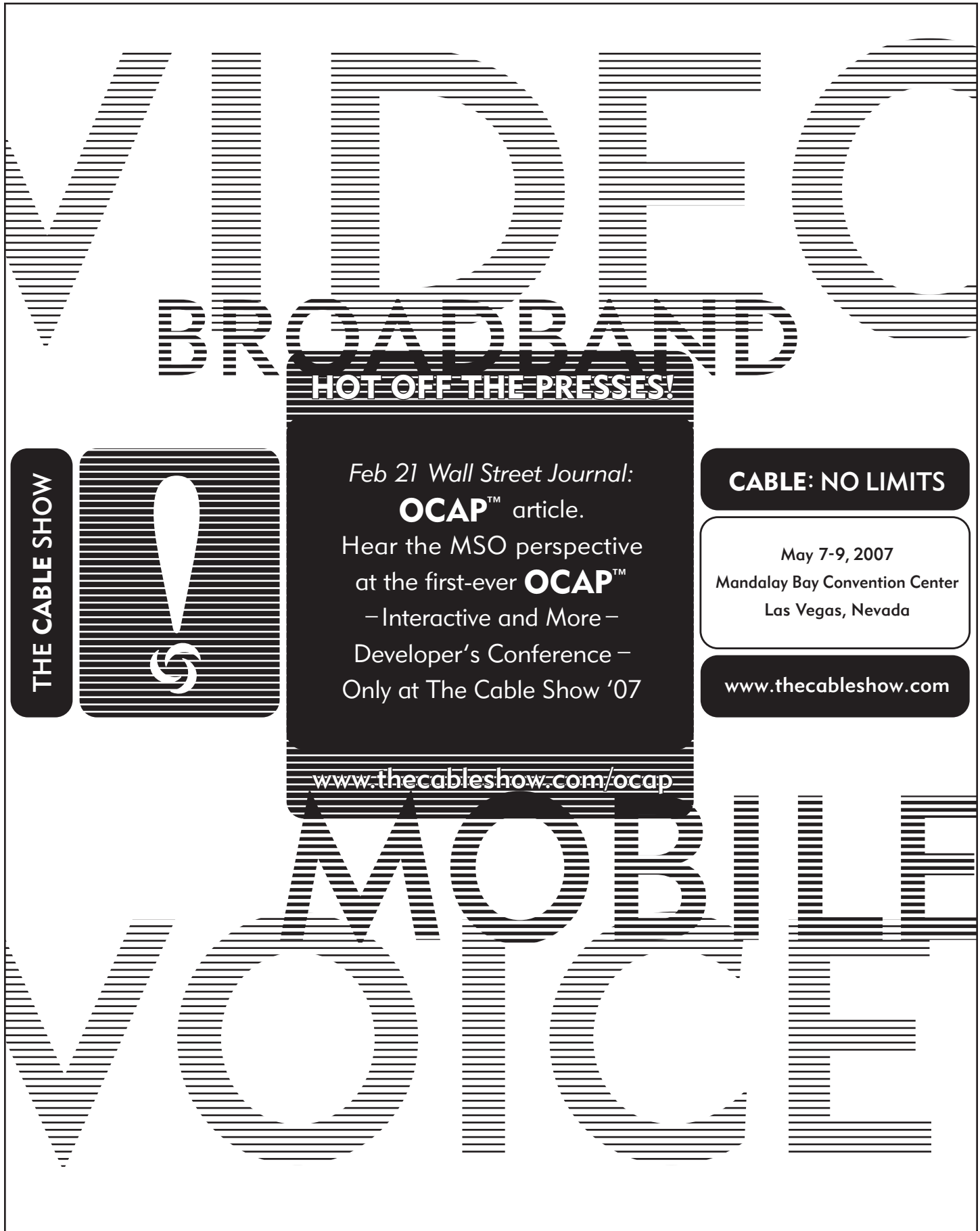
More Content New Look Same Great Character

Subscribe Now!

Don't Miss Another Issue of **CableWorld** with its new look and sharpened editorial focus!

Renew or subscribe today at www.ameda.com/cbw1.

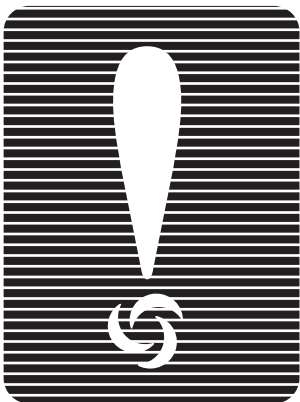
Do you have a colleague who would benefit? Tell them about us!



BROADBAND

HOT OFF THE PRESSES!

THE CABLE SHOW



Feb 21 Wall Street Journal:
OCAP™ article.
Hear the MSO perspective
at the first-ever **OCAP™**
– Interactive and More –
Developer's Conference –
Only at The Cable Show '07

www.thecableshow.com/ocap

CABLE: NO LIMITS

May 7-9, 2007
Mandalay Bay Convention Center
Las Vegas, Nevada

www.thecableshow.com

MOBILE