

# CableFAX Daily™

Friday — March 9, 2007

What the Industry Reads First

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## Curveballs and All: DirecTV-MLB Deal Tries to Appease, Cable Balks

Cable hasn't been sent packing from spring training just yet, at least according to one team. **DISH** and cable's **In Demand** will have the opportunity through Apr 1 to receive MLB's "Extra Innings" package and carry a 24/7 MLB channel ('09) pursuant to the same terms agreed upon by **DirecTV**, CEO *Chase Carey* and MLB execs said Thurs. Although both parties said they will be satisfied if incumbent carriers don't step up to the plate, they feel the offering will appease legislators concerned about the deal's exclusivity. "We certainly believe this should help in that area," said MLB commissioner *Bud Selig*. **In Demand**, however, took a swing at the pact. "Major League Baseball has chosen to cut a de facto exclusive deal—including conditions for carriage that MLB and DirecTV designed to be impossible for cable and DISH to meet—with one satellite operator, and disenfranchise baseball fans in the 75 million multi-channel households who do not subscribe to DirecTV," read a company statement. As batted around since Jan, the deal gives DirecTV 7-yr carriage rights to MLB's out-of-market game package for an unconfirmed but expected \$700mln price tag, and a slot in the basic tier batting order for the baseball net. But the deal also includes a curveball: DirecTV will be a minority partner in the channel and will work with the league on development. Both parties declined to give specifics about the offer to incumbents, but DirecTV will receive a price break if others enter the game, Carey said. "The issue will be whether incumbents want to pay the freight," said MLB evp, business *Tim Brosnan*. Telcos and other operators won't be shut out either, but the current focus remains on **In Demand** and **DISH**, execs said. MLB's exec council has endorsed the deal as announced, but it remains subject to club approval. Sen *John Kerry*, who has opposed the idea of a DirecTV-MLB exclusive deal, said he's "encouraged that Major League Baseball may be willing to provide broader access to their games than what was initially proposed. I will be watching closely to ensure the league works in good faith so that America's pastime is available to all fans."

## Juggling Act: Women Speak On the Family, Work Shuffle

Forget about life-work balance. That's just another one of those buzz words, like glass ceiling, being slung around by the media these days that hurts working women, **Oxygen** chmn/CEO *Gerry Laybourne* told **WICT's** Leadership Conference Thurs. **ABC/Disney's** *Anne Sweeney*, who admitted she's forgotten to pick the kids up from school before, called balance "the new 'b-word.' Take it out of your vocabulary... You can't live in balance. It's not the human experience." *Shelly Lazarus*, chmn/CEO of **Ogilvy&Mather Worldwide**, made similar remarks in her closing keynote, saying she worries about girls coming of age today who think they're supposed to become vice presidents, wonderful mothers, attentive wives, board members, etc—and throw a nice dinner party at the same time. "It's really, really hard, and I worry they will think it was they who are inadequate," she said. So, how should women—and men for that matter—confront work and home issues? Think "integration," said **Motorola** evp, CTO *Padmasree*



# NICE JOB MATE!

Congratulations, **Lleyton Hewitt**, winner of the second annual **Tennis Channel Open** in Las Vegas. See you on **Tennis Channel** during **Roland-Garros** (the French Open), live May 27-June 10.

Panasonic  
presents  
**TENNIS  
CHANNEL  
OPEN.**

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**Warrior.** "I hate the word balance. It implies that you have many things in conflict," she said. Instead, integrate family and work—ask for your kids' input on a project, make time to attend that school play during office hours ("School plays only last 20 mins," Lazarus lectured). -- Other takeaways from the final day of WICT's inaugural leadership conference: New **Time Warner Cable** programming chief **Melinda Witmer** offered some encouraging words for networks. "We're trying very hard to build bridges and offer these new technologies that customers want," she said. "We really need to have a close partnership with our programmers so we can all make more money." **BET** chmn/CEO **Debra Lee** said one of the biggest challenges is the changing technology. Cable operators wanted digital content, so everyone created all these diginets; now they want VOD, so a lot of those channels fall by the wayside, she said. Witmer's take: it all comes back to the customer. "It requires constant evaluation," she said.

**State Franchising:** The **CA PUC** approved **Verizon** for the 1st statewide video franchise granted under recent legislation. The telco may now offer FiOS TV in 45 state communities, including parts of Huntington Beach and Santa Monica, and plans a phased roll out based on build out capabilities. Verizon currently offers the service in 18 other communities under local franchise agreements. -- **WI Rep Phil Montgomery** (R) and **Sen Jeff Plale** (D) are co-sponsoring a statewide video franchise bill introduced Thurs. As written, the bill prohibits redlining with build out requirements to low-income communities and contains cable-friendly opt-in clauses, said **Thomas Moore**, dir, regulatory affairs, **WI Cable Comm Assoc**.

**Competition:** **Crown Media** renewed its distribution pact with **DISH** for **Hallmark Channel** and **Hallmark Movie Channel**, with the former's sub base now eclipsing 80mln. As a result of the deal, Hallmark Channel will move to a more popular DISH tier, and Hallmark Movie Channel now broaches the 5mln sub mark. -- **AT&T** will team with **WWE** on mobile initiatives to create a WWE-branded portal offering a library of content, themed videos, ringtones and graphics, and text-based programs allowing interactivity for users.

**Earnings:** **Crown Media's** net '06 rev inched up 2% to \$201mln, powered by notable growth in ad rev (+19% to \$174mln) and sub fees (+33% to \$25mln), but offset by a precipitous fall in license and sublicensing fees. **Hallmark Channel** delivered its highest rated Q ever in 4Q, as well as its highest rated month, week, day and telecast in history. -- Although **TiVo's** 4Q numbers improved over last year, the co's full-year results (ended Jan 31) show a net loss of \$47mln, versus \$37mln last year, and just 80K net sub additions, versus 1.36mln. The good news? Service and tech rev jumped 28% to \$218mln, total cumulative subs rose 2% to 4.44mln and a 3-yr extension with **DirectTV** allows for the continued receipt of sub fees from 2.7mln subs.

**Research:** Ouch! **Cablevision** (7th) was the only MSO to hit the top 10 of **The Customer Respect Group's** Q1 rankings of telecom cos' customer service efficiency. Rankings are based on a Customer Respect Index, comprised of 6 sub-indices: simplicity, attitude, responsiveness, principles, transparency and privacy. Some other list notables include **AT&T** (4th), **Verizon Wireless** (5th), **Verizon** (9th), **Qwest** (26th), **Cox** (31st), **Comcast** (37th), **Time Warner Cable** (39th) and **Charter** (48th). Among US telecom cos, Cablevision placed 2nd in the simplicity category measuring general Website usability and 3rd in "attitude" for site accessibility and inclusiveness. Cox took 2nd in the email responsiveness category.

**Programming:** **Showtime** picked up a 5th season ('08) of "The L Word." -- **Nickelodeon's** comedy series "iCarly" (Sept) will invite viewers to post original content online, which may be either scripted into a series ep or become part of an online

## 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 NTI, Live 000s. Primetime (M-Sun 8-11p) and Total Day (M-Sun 6a-6a), excluding non-commercial programming. ABC Family launched Nov 2007.

# BUSINESS & FINANCE

webcast. The net also greenlit a 2nd season for "The Naked Brothers Band" and "Just Jordan," and added to its '08 schedule 3 new animated series, "The Umizumiz," "Bubble Guppies" and "Making Fiends." -- **CNBC's** "Fast Money" (M-F, 8pm ET) is using real-time webcams in a new "Face 2 Face" Q&A segment, allowing viewers with an Internet connection to participate in the stock trading program.

**People:** Lifetime evp, marketing & enterprise development *Martha Pease* is vacating her post, effective Fri, to return to the consulting firm she founded. -- **USA** svp, sports *Gordon Beck* will leave the net and **NBCU** this month to form an independent production and consulting service, as well as embark on indie documentary projects. -- As part of an affil sales reorganization, **Showtime** promoted *Ken Kay* to svp/GM, eastern zone, and appointed *Anne Droste* to svp/GM, western zone.

**Oops:** Some versions of **Cfax** mis-identified the network responsible for those **Cable Positive** program ads poking fun at its low licensing fees. Of course, that was **Hallmark Channel's** doing. Everywhere we turn, we hear *Henry Schleiff* lamenting the sort of rates his net, consistently in the top 10, is pulling in. In fact, Henry told us he was amazed how many MSO execs he schmoozed at the CP dinner were unaware of Hallmark's top 10 status. Where's *Rodney Dangerfield* when you need him?

## CableFAX Daily Stockwatch

Company	03/08 Close	1-Day Ch	Company	03/08 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
ALCATEL LUCENT:	12.12	0.26	AMDOCS:	34.06	0.12
BRITISH SKY:	43.48	(0.06)	AMPHENOL:	63.29	0.57
DIRECTV:	22.70	(0.01)	ARRIS GROUP:	13.31	0.26
DISNEY:	34.69	0.26	AVID TECH:	33.54	0.29
ECHOSTAR:	44.43	0.49	BLNDER TONGUE:	1.86	0.03
GE:	34.45	0.12	BROADCOM:	33.28	0.16
HEARST-ARGYLE:	26.05	0.38	C-COR:	12.86	0.01
ION MEDIA:	1.29	0.00	CISCO:	26.15	0.28
NEWS CORP:	23.82	0.40	COMMSCOPE:	38.36	0.12
TRIBUNE:	29.93	(0.14)	CONCURRENT:	1.52	(0.04)
<b>MSOS</b>					
CABLEVISION:	29.82	0.04	CONVERGYS:	25.80	0.29
CHARTER:	2.88	0.04	CSG SYSTEMS:	24.47	0.09
COMCAST:	26.03	0.25	GEMSTAR TVG:	4.02	(0.01)
COMCAST SPCL:	25.90	0.32	GOOGLE:	454.72	(0.92)
GCI:	14.67	0.05	HARMONIC:	10.43	0.57
KNOLOGY:	14.53	0.24	JDSU:	15.46	0.23
LIBERTY CAPITAL:	107.92	(0.18)	LEVEL 3:	6.22	0.00
LIBERTY GLOBAL:	30.75	0.32	MICROSOFT:	27.32	(0.29)
LIBERTY INTERACTIVE:	22.44	0.23	MOTOROLA:	18.63	(0.38)
MEDIACOM:	7.80	(0.07)	NDS:	48.29	0.28
NTL:	28.22	0.00	NORTEL:	28.03	0.42
ROGERS COMM:	31.85	(0.05)	OPENTV:	2.60	(0.01)
SHAW COMM:	34.35	(0.2)	PHILIPS:	36.70	0.59
TELEWEST:	24.20	0.00	RENTRAK:	14.95	0.05
TIME WARNER CABLE:	36.74	(0.16)	SEACHANGE:	9.95	0.08
WASH POST:	748.50	(3.06)	SONY:	51.38	1.28
<b>PROGRAMMING</b>					
CBS:	30.48	(0.1)	SPRINT NEXTEL:	19.54	(0.27)
CROWN:	4.64	0.28	THOMAS & BETTS:	50.29	0.14
DISCOVERY:	17.15	0.14	TIVO:	6.09	(0.05)
EW SCRIPPS:	44.13	(0.04)	TOLLGRADE:	12.28	(0.07)
GRUPO TELEVISA:	28.03	0.94	UNIVERSAL ELEC:	26.54	0.24
INTERACTIVE CORP:	37.60	0.07	VONAGE:	4.86	(0.19)
LIBERTY:	8.32	0.06	VYYO:	4.30	0.03
LODGENET:	24.43	(0.01)	WEBB SYS:	0.05	0.01
NEW FRONTIER:	8.89	0.02	WORLDGATE:	0.87	(0.03)
OUTDOOR:	9.74	(0.22)	YAHOO:	30.71	0.32
PLAYBOY:	10.17	0.08	<b>TELCOS</b>		
TIME WARNER:	19.80	(0.06)	AT&T:	36.51	1.08
UNIVISION:	35.97	0.07	QWEST:	8.63	0.13
VALUEVISION:	11.74	(0.02)	VERIZON:	36.48	0.80
VIACOM:	38.73	0.17	<b>MARKET INDICES</b>		
WWE:	16.10	0.05	DOW:	12260.70	68.25
<b>TECHNOLOGY</b>					
3COM:	3.66	(0.04)	NASDAQ:	2387.73	13.09
ADC:	16.24	(0.05)			
ADDVANTAGE:	3.41	0.01			

# THE TOP 10 NETWORK UP 23% AMONG WOMEN 25-54



[www.insidehallmarkchannel.com](http://www.insidehallmarkchannel.com)

Source: Nielsen Galaxy Explorer (1/29-2/25/07), Live+SD HH coverage area Prime time rating (M-Su 8-11p), ranked among all measured ad-supported cable networks. (1/29-2/25/07 vs 1/30-2/26/06) W25-54 Total Day delivery. Qualifications available upon request.

**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Can You See Me Now?**

A reiteration of public broadcasters' Spanish-language multicast network **Viva TV** launched Mon under a new moniker, **V-me**, derived from the Spanish word "veme," meaning see me. The rebranded digital net, a partnership between private investors and public broadcasters, now hits 28mln cable homes in 18 US cities, including L.A., NYC, Chicago and Miami, and expects to add a dozen additional markets and satellite distribution within 1 year. "There was a strong sense [from focus groups] that Latinos are seen as a monolithic group, and are not appreciated for their intellectual curiosity or their educational aspirations," said net pres *Carmen DiRienzo*. "V-me respects where people are from, but it's also about where they are and where they are going." Focus groups also prompted the net's decision to offer Spanish-language programming in lieu of English-language content targeting Latinos, a la **Si TV**. Research showed that two-thirds of US Latinos are either bilingual or Spanish-language dominant, said DiRienzo, and exhibited an underlying belief that "the preservation of Spanish language is part of preserving Latino culture." As for competitors such as Si TV, **Galavision**, **MTV Tr3s** and others, DiRienzo is conscious of them but not worried. "There is a lot more room in the market for real diversity programming," she said. The net's offerings are organized into 4 distinct segments: kids, lifestyle, factual, and movies and specials. 36 hours/week are devoted to programming for preschoolers, 1 movie airs daily, and "Viva Voz," a nightly interview show with various hosts and celebrities delving into Latino themes, is the net's flagship program. The content mission is two-fold: build on existing production of originals and partner with well-known content providers. **BBC** and **Nat Geo** are already on board, and **Food Net** recently agreed to collaborate on a 1-hr, net-branded programming block to air Mon-Fri. The **V-me.tv** site will complement linear programs as it tries to build community among viewers. Viewers that want to be seen. *CH*

**Highlights:** "Decoding the Dead Sea Scrolls," Sun 9pm, **Nat Geo**. Interesting review of the oldest biblical texts, and how computer tech is extending their life, 60 years after their discovery. -- "Life Support," Sat, 8pm, **HBO**. Besides spotlighting addiction in this 1st installment in HBO's multi-platform project, the film has extraordinarily truthful-sounding dialogue and an excellent ensemble, including *Queen Latifah*. *SA*

**Worth a Look:** "The Riches," Mon, 10pm, **FX**. In a world of formulaic episodic television, "The Riches" is anything but. Its pilot rivals HBO's upcoming "John From Cincinnati" as among the strangest TV we've seen this year. Mea culpa: we're vamping here as we try to make sense of this piece about a grifter family, although admittedly it's entertaining to watch *Minnie Driver* playing a southern scoundrel, and *Shannon Marie Woodward* as Di Di Malloy is excellent. -- "Kings of South Beach," Mon, 9pm, **A&E**. The network's attempt to lure fans of "The Sopranos" begins well but suffers a bit after true identities are revealed. -- "Cain & Abel," Sun, 10pm, **Nat Geo**. A little hokey, but becomes interesting some 20 minutes in, expanding on the fratricidal tale. *SA* [More reviews, including *Jon Stewart* on TV Land, at [www.cable360.net](http://www.cable360.net)]

Basic Cable Rankings (2/26/07-3/04/07) Mon-Sun Prime			
1	USA	2.2	2042
2	DSNY	2	1817
3	TNT	1.8	1701
4	FOXN	1.4	1313
5	TBSC	1.3	1181
6	LIFE	1.2	1134
6	TOON	1.2	1119
6	A&E	1.2	1107
6	HALL	1.2	903
10	DISC	1.1	1040
10	ESPN	1.1	994
10	CORT	1.1	971
13	HIST	1	956
13	NAN	1	953
13	SPK	1	883
16	MTV	0.9	824
16	HGTV	0.9	798
16	AMC	0.9	795
16	CMDY	0.9	794
16	FX	0.9	778
16	TVLD	0.9	774
22	FAM	0.8	758
22	SCIF	0.8	739
24	CNN	0.7	677
25	TLC	0.6	598
25	NGC	0.6	366
27	VH1	0.5	497
27	FOOD	0.5	480
27	APL	0.5	452
27	EN	0.5	424
27	BET	0.5	409
27	BRAV	0.5	392
27	SOAP	0.5	311
27	LMN	0.5	291
35	MSNB	0.4	397
35	ESP2	0.4	384
35	HLN	0.4	371
35	TTC	0.4	355
35	CMT	0.4	307
40	TWC	0.3	270
40	TVGC	0.3	248
40	CNBC	0.3	245
40	WGNC	0.3	235
40	OXYG	0.3	227
40	GSN	0.3	213
40	TDSN	0.3	203

\*Nielsen data supplied by ABC/Disney

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