

CableFAX Daily™

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What the Industry Reads First

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Retrans Roars: Deal's Done, Now Comes the Fight

How quickly things change... **Comcast** and **Sinclair**'s retrans negotiations have been relatively quiet. The back-and-forth barbs we saw with **Mediacom** weren't there. We never even spotted an ad on a Sinclair station's Website warning viewers that they may lose the signal, as was the case in some **Time Warner Cable** markets. But once Comcast started crowing Fri that the newly minted 4-year retrans deal doesn't include cash for carriage, the gloves came off. Sinclair revised its 2007 retrans revenue to \$53mln from \$48mln, based on the Comcast deal and recent deals with smaller independent cable companies. It now claims Comcast mischaracterized the deal, saying that it does not enter into retrans pacts without receiving compensation for retrans rights. "We believe that [evp *David*] *Cohen*'s statement that Comcast did not pay 'cash for broadcast carriage that would need to be passed on to [Comcast's] customers,' is not a denial that Comcast agreed to pay cash, but instead represents a claim that any such payments will not need to be passed on to subscribers," said Sinclair vp, gen counsel *Barry Faber*. Asked about Faber's statement, a Comcast spokeswoman said, "We have not paid cash for carriage; comparable value is being exchanged." The MSO maintains the deal, which provides for continued carriage of the analog and digital signals of 37 stations in 23 markets owned or operated by Sinclair, is consistent with its other retrans agreements (including its previous Sinclair deal). The agreement also provides for the carriage of digital multicast channels that Sinclair is currently broadcasting in Baltimore and Richmond, as well as certain other multicast channels that the stations located in Comcast markets may broadcast in the future. While Comcast said the deal does not reflect a sea change in retrans agreements, Sinclair CEO *David Smith* said it "does in fact represent a shift in the retransmission consent paradigm." Smith went so far as to say he'd be happy to waive the deal's confidentiality clause to disclose specifics. **Who's Next? Cox** and **Charter** look to be Sinclair's next targets. The broadcaster said its \$53mln in projected revenue "does not include potential retransmission revenues from Charter or Cox with whom the company is negotiating." Cox said it still has a month-to-month retrans arrangement in place with Sinclair. Mediacom did a deal last month in which it is paying an undisclosed amount for carriage (estimates range from 25-50 cents/sub). In Jan, Sinclair inked a deal with Time Warner Cable that the 2 called a "mutually acceptable economic agreement."

Multicast Martin: Leased Broadcast Plan to Hit 8th Floor

FCC chmn *Kevin Martin* said Fri he hoped to circulate his multicast plan to the other 4 commissioners that day (He already has the Media Bureau working on an Notice of Proposed Rulemaking). It's still probably quite a ways off from a vote though, as commissioners haven't begun reviewing it. Martin's proposing that broadcasters voluntarily lease their extra spectrum to independent broadcasters, who would have the same public interest obligations and carriage rights as existing broadcasters. In other words, this would likely revive the multicast must carry debate. "It would be incumbent on broadcasters to try and seize this opportunity," Martin told the receptive crowd at the **American Women in Radio**

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and Television's conference Fri, pointing specifically to the opportunities that it could afford businesses owned by women and minorities. Fellow commissioners *Jonathan Adelstein* and *Robert McDowell*, also at the conference, said the idea sounded "intriguing." Republican McDowell said it "seems like a terrific idea" for bringing in new voices, though he said he still needed to study the issue—including whether there would be cable carriage obligations. Adelstein also said it's too early to have formed an opinion but that he "appreciates the creative thinking" and looks forward to working with the chmn. Martin has spoken publicly on the plan several times in recent weeks. On Fri, he held up **LATV's** Jan deal for carriage on **Post-Newsweek** multicast channels in Miami, Orlando, Houston and San Antonio as an example for how this would work. Look for cable to note that the LATV deal happened without any govt intervention or promise of must-carry rights. LATV is currently negotiating for cable carriage when it launches this spring.

Roll Credits: TCM evp/GM *Tom Karsch* is leaving the net to pursue "other challenges," the 15-year Turner vet told colleagues through an internal memo. "My time at Turner Classic Movies and the success we created have made me think and dream bigger, for our business and for myself," wrote Karsch, who joined **TNT** as dir, sports marketing in '92. "My wish for our network and the company is continued success." No word on successor candidates, but sources said a review of TCM's leadership structure is underway.

New on 360: Not everyone can attend Monday's **CableWorld-CTPAA** Public Affairs Programming Awards ceremony at CTPAA Forum in Washington, D.C., but anyone can see video clips of the winning shows at: www.cable360.net.

Lucky Number: Comcast-Sony Pictures-Liongate's VOD/broadband channel **FEARnet** had a record 6.66mln (creepy, eh?) VOD views in Feb. Since its Oct 31 launch, FEARnet has notched a total of 26.6mln views.

On the Circuit: Congrats to **Fox News** chmn *Roger Ailes*, who on Thurs night accepted the **Radio and Television News Directors Foundation's** First Amendment Leadership Award at a Washington DC gala. After poking fun at himself, politicians and even France, Ailes called for more diversity of opinions in newsrooms and also thanked competing news organizations for their support when 2 Fox News journalists were kidnapped in Gaza last year (**Cfax**, 8/15). "I just want you to know that if any of your people are in trouble, Fox will be there too," he said. -- Another shout-out to RTNDF First Amendment Service Award recipient *Philip Balboni*, who basically built **New England Cable News** from a tiny operation to the huge Comcast-owned force it is today. In a video shown to the audience, Comcast pres *Steve Burke* said NECN is "one of the shining examples of how to do it right." We agree. Hats off, Philip!

Public Affairs: The Comcast Foundation granted \$300K to the **US Hispanic Chamber of Commerce** to support a new program to assist chamber members to leverage growth opportunities for their companies.

People: Time Warner Cable promoted *David Gray* to vp, west region. -- **Concurrent** appointed *Emory Berry* CFO.

Business/Finance: Yahoo! shares plunged 5.2% Fri to \$29.12 on AT&T's reported desire to negotiate the pair's agreement covering the sale of co-branded broadband DSL service. Under the current deal, which began in '01 and reportedly nets Yahoo! approx \$200 annually, both parties split DSL revenues. Now, with broadband demand up and new **Bell-South** assets on tap, AT&T wants more favorable terms. -- **Vonage** shares also plummeted, to \$4.17 (-14%), following a federal ruling of infringement on 3 **Verizon** patents and a \$58mln damage award. Vonage said in a Fri release that it has the "utmost confidence" it will stay in business and that customers will not endure any loss of or change in service.

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CableFAX Week in Review

Company	Ticker	3/09 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	43.71	1.60%	6.10%
DIRECTV:	DTV	22.87	1.60%	(8.3%)
DISNEY:	DIS	34.37	1.20%	3.00%
ECHOSTAR:	DISH	43.32	3.60%	13.90%
GE:	GE	34.32	(1.6%)	(5.5%)
HEARST-ARGYLE:	HTV	26.09	0.00%	3.10%
ION MEDIA:	ION	1.29	(0.8%)	158.00%
NEWS CORP:	NWS	23.55	1.40%	5.80%
TRIBUNE:	TRB	30.55	1.70%	(0.7%)

Company	Ticker	3/09 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	30.03	2.80%	5.40%
CHARTER:	CHTR	2.87	(3.7%)	(6.2%)
COMCAST:	CMCSA	26.12	2.70%	(7.4%)
COMCAST SPCL:	CMCSK	26.00	3.00%	(6.9%)
GCI:	GNCMA	15.02	3.50%	(4.5%)
KNOLOGY:	KNOL	14.50	1.50%	36.30%
LIBERTY CAPITAL:	LCAPA	108.25	(0.2%)	10.50%
LIBERTY GLOBAL:	LBTYA	30.40	(0.2%)	4.30%
LIBERTY INTERACTIVE:	LINTA	22.17	(2.1%)	2.80%
MEDIACOM:	MCCC	7.80	(3.7%)	(3%)
NTL:	NTLI	28.22		11.80%
ROGERS COMM:	RG	32.28	0.30%	8.60%
SHAW COMM:	SJR	35.55	3.80%	13.40%
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	36.80	(2.1%)	(3.9%)
WASH POST:	WPO	746.12	(2.5%)	0.90%

Company	Ticker	3/09 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	30.67	3.80%	(1.6%)
CROWN:	CRWN	4.92	15.00%	35.50%
DISCOVERY:	DISCA	17.24	7.90%	7.10%
EW SCRIPPS:	SSP	44.23	(1.5%)	(11.4%)
GRUPO TELEVISIA:	TV	28.34	5.90%	4.90%
INTERACTIVE CORP:	IACI	37.43	(1.2%)	0.80%
LIBERTY:	L	8.32		
LODGENET:	LNET	25.06	(0.2%)	0.10%
NEW FRONTIER:	NOOF	8.69	(1.4%)	9.20%
OUTDOOR:	OUTD	10.26	2.00%	(20%)
PLAYBOY:	PLA	10.40	2.90%	(9.2%)
TIME WARNER:	TWX	19.87	(0.3%)	(8.8%)
UNIVISION:	UVN	36.02	0.10%	1.70%
VALUEVISION:	VVTV	11.97	(0.8%)	(8.9%)
VIACOM:	VIA	39.14	(0.1%)	(0.8%)
WWE:	WWE	15.93	0.80%	2.10%

Company	Ticker	3/09 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	3.62	(3.7%)	(11.9%)
ADC:	ADCT	16.27	4.70%	14.00%
ADDVANTAGE:	AEY	3.47	(0.3%)	24.40%
ALCATEL LUCENT:	ALU	12.00	(1.7%)	(7.8%)
AMDOCS:	DOX	34.40	0.90%	(11.2%)
AMPHENOL:	APH	64.73	2.40%	4.40%
ARRIS GROUP:	ARRS	13.45	3.80%	7.50%
AVID TECH:	AVID	33.45	1.50%	(10.2%)
BLNDER TONGUE:	BDR	1.81	(1.1%)	6.50%
BROADCOM:	BRCM	33.66	2.90%	4.20%

Company	Ticker	3/09 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.64	2.40%	13.50%
CISCO:	CSCO	26.08	3.10%	(4.6%)
COMMSCOPE:	CTV	39.09	5.40%	28.20%
CONCURRENT:	CCUR	1.50	(8%)	(17.1%)
CONVERGYS:	CVG	25.58	2.20%	7.60%
CSG SYSTEMS:	CSGS	24.54	0.30%	(8.2%)
GEMSTAR TVG:	GMST	4.06	(0.7%)	1.20%
GOOGLE:	GOOG	452.96	3.30%	(1.6%)
HARMONIC:	HLIT	10.36	8.80%	42.50%
JDSU:	JDSU	15.48	1.60%	(6.7%)
LEVEL 3:	LVLTL	6.32	0.50%	12.90%
MICROSOFT:	MSFT	27.28	(1.7%)	(8.6%)
MOTOROLA:	MOT	18.47	(0.9%)	(9.4%)
NDS:	NNDS	48.42	3.20%	0.40%
NORTEL:	NT	28.08	(0.7%)	5.00%
OPENTV:	OPTV	2.57	2.40%	10.80%
PHILIPS:	PHG	37.12	3.10%	(1.2%)
RENTRAK:	RENT	14.91	2.50%	(3.8%)
SEACHANGE:	SEAC	9.80	(0.2%)	(4.1%)
SONY:	SNE	52.49	6.20%	22.60%
SPRINT NEXTEL:	S	19.47	(2.5%)	3.10%
THOMAS & BETTS:	TNB	50.30	1.80%	6.40%
TIVO:	TIVO	6.24	6.30%	21.90%
TOLLGRADE:	TLGD	12.26	5.00%	16.00%
UNIVERSAL ELEC:	UEIC	27.25	9.30%	29.60%
VONAGE:	VG	4.17	(20.1%)	(39.9%)
VYYO:	VYYO	4.16	(6.1%)	(8.2%)
WEBB SYS:	WEBB	0.05	25.00%	25.00%
WORLDGATE:	WGAT	0.85	(19%)	(36.6%)
YAHOO:	YHOO	29.12	(4.3%)	14.00%

Company	Ticker	3/09 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	36.55	0.30%	5.20%
QWEST:	Q	8.70	0.20%	3.90%
VERIZON:	VZ	36.45	(0.1%)	1.20%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	12276.32	1.30% (1.5%)
NASDAQ:	COMPX	2387.55	0.80% (1.1%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.05	25.00%
2. CROWN:	4.92	15.00%
3. UNIVERSAL ELEC:	27.25	9.30%
4. HARMONIC:	10.36	8.80%
5. DISCOVERY:	17.24	7.90%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VONAGE:	4.17	(20.1%)
2. WORLDGATE:	0.85	(19%)
3. CONCURRENT:	1.50	(8%)
4. VYYO:	4.16	(6.1%)
5. YAHOO:	29.12	(4.3%)

**THE TOP 10 NETWORK
WITH 67 CONSECUTIVE MONTHS OF
YEAR-TO-YEAR HOUSEHOLD GROWTH**

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. Aug '01 - Feb '07 Total Day delivery. Further qualifications available upon request.



MaxFAX...

Tipping Point?

Harry Jessell, he of clip and sometimes report e-letter *TV Newsday*, writes:

“Nothing less than the financial health of TV broadcasting is at stake. Stations need retrans revenue to offset

the loss of network comp and the inexorable decline in national spot...

If ESPN is worth \$2.50 per sub per month, surely the local CBS affiliate (NFL, The Masters, March Madness) is worth 50 cents.



Paul S. Maxwell

Cable operators say that paying retrans fees will cause them to raise rates. Nonsense. They can find money for broadcasters simply by cutting fees that they inexplicably pay to cable networks that hardly anybody watches. Better yet, they can drop those networks and send broadcasters an even bigger check. [Emphasis mine].

“Satellite TV operators and telephone company offering the exact same service as cable are willingly paying retrans fees. No fuss. They enter a market, and the first thing they do is lock up the best programming in town the programming they need to compete with cable. If the new entrants can pay, entrenched

cable can pay.”

Interesting argument.

As Harry points out... time to gear up for a big fight between the **NCTA's Kyle McSillarow & Company** against the National Association of Bullies' *David Rehr* et al. And, as sort of a legal help for his broadcasters (and for ya'll now), take a look at <http://www.tvnewsday.com/articles/2007/03/09/daily.3/>.

And here's what Harry suggests Congress do for those poor, hard-working local broadcasters: “An antitrust exemption that allows all the stations in a market to negotiate together for retrans fees.” And: “A minimum retrans fee for every TV signal.”

You've been warned. Battle lines have been drawn.

Random Notes:

- **Wrong Mayor?** Was in New York last week for the annual Spring Break (Fling? Cold snap?) and the well-attended *Multichannel News Wonder Women* luncheon (thanks, Larry), the *Positively Time* tribute to bonus-baby *Glenn Britt* (who did yeoman work with *Bonnie Hathaway* and the rest of **Time Warner** to really deliver for *Cable Positive*) and so on... saw much coverage of Presidential candidate and former New York mayor *Rudy Giuliani*... and, I think the wrong New York mayor is running... the current one might make a better president. Smarter, anyway. And not quite so

pugnacious. Not quite.

- **WICT Wonder Women?** Well, not exactly. It's a *McNews*-gig (and a nice gig at that). Their editors picked the 10 (coverage elsewhere; but cool to see so many successful women!). That's why a deserving lady such as our friend *Colleen Abdoulah* got chosen—even if she is an over-builder—along with **Verizon's Marilyn O'Connell**. So, don't be mad at WICT. It's not only a small world now, it's a mutliplatform one, too.

- **Congrats to the FCC!** The *Kevin Martin*(et)-led Federal Confusion Commission—in a landmark ruling!—made it a Federal OK to redline! And, in a truly humanitarian gesture toward the really, really needy, made it easier for those long-suffering telephone companies to get into the video franchise holding community! And they even capped the local fees! Congratulations! Well done! What a tribute for the American government!

- **Turner Solar?** Well, of course. After bison burgers, what else? *Ted Turner* has made an investment in New Jersey-based *DT Solar*. No word on whether *DT* powers his TV sets, though.

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