

# CableFAX Daily™

Wednesday — March 14, 2007

What the Industry Reads First

Volume 18 / No. 050

## It's Baaaaack: Martin Proposing 30% Cable Ownership Cap

FCC chmn *Kevin Martin* has circulated an order that would reinstitute a 30% ownership cap for cable operators. The cap was thrown out by a federal court in 2001 for violating the 1st Amendment, but the court didn't prevent the FCC from creating a new cap. What's different this time around is that the chairman's office is also circulating a Notice of Proposed Rulemaking that would explore attribution (when a cable op owns at least 5% of another cable company, their sub totals are combined), *Rudy Brioché*, media legal adviser for FCC commish *Jonathan Adelstein*, said after a panel at **CTPAA** Forum in DC Tues. While a cable operator could own no more than 30% of all multichannel subs, the number of subs allowed could vary based on how the FCC attributed an operator's ownership stake in another multichannel provider. The country's largest cable operator, **Comcast**, is below 30% even after last year's **Adelphia** transaction. It had 26.1mln subs at the end of last year, or 27% of pay TV HHS, when its attributable subs are included. The number drops to 24.2mln basic subs if the customers attributed to its stakes in other companies are removed. Earlier in the day, **NCTA** pres/CEO *Kyle McSlarrow* told the CTPAA crowd that he thought reinstating the 30% cap "would be astonishing," especially in light of the size of telcos. The order is not expected to make this month's open meeting agenda. -- *Brioché* noted that a host of items are being circulated to Commissioners in advance of Wed's (3/14) House Telecom FCC oversight hearing, including the multicast NPRM Martin promised (*Cfax*, 3/12). *Brioché* said he was still wading through the stack, but the multicast proposal seems to create a qualified entity that could lease a stream from a local broadcaster and receive the same rights as a broadcaster, including mandatory carriage by cable operators.

## Seeing Green: Content Owners Look to Monetize Social Networking, UGC

On the same day **Viacom** filed a \$1bln lawsuit against **Google's YouTube** for copyright violations, digital gurus convened in Hollywood to, among other things, figure out how content owners can monetize the social networking and user-generated content craze. Some gathered at **iHollywood Forum's** Digital Media Summit on Tues questioned whether the Viacom-YouTube suit will solve anything. "The winner won't be either one of these companies," said **AOL** Video svp *Fred McIntyre*. "The company that figures out a business model around that will win. That's what Apple did... There's a tremendous opportunity to build a business." *Keith Richman*, CEO of user-generated site **Break.com**, echoed long-held suspicions among dot-commers when he said there's a "reasonable chance" that many clips uploaded to U-G content sites come from people within those companies' own marketing depts. Most agreed that monetization is the key to bringing parties together. *Josh Felser*, pres of **Sony-owned Grouper Networks**, said his U-G site grouper.com will start running interstitial ads in April but admitted that pre-roll ads attached to video clips have been "difficult" to foist on consumers. He suggested that advertisers cut from 15 secs to 10 secs the typical pre-roll spot. *Donald Wong*, vp of **Sony Pictures Ent's** digital media initiative, said one frustration for big media execs is that authorizing content for dozens of online

Superstation WGN is a network on the rise

NOW IN OVER **71** MILLION HOMES  
Nielsen March 2007  
 with greater reach than ever before!



Bill Shaw President/GM | Chris Gilpatric SVP/Affiliate Sales | Chris Manning VP/General Sales Manager (212) 210-5900

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, ddekker@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

communities would require encoding clips several times to fit all the different filtering systems. "We don't want to have to fingerprint our library 14 times," he said, noting that "everyone needs to come together" to create one filtering system that all U-G content/social networking sites could use. He said that would also lead to easier ad serving across platforms. *Matthew Evans*, NBCU's vp, digital media, said all sides face challenges but are already "making some headway... We're all working together to figure out the best way to overcome them."

**Set-Top Ban:** Cable should apprise customers of its case that the July 1 set-top integration ban will raise cable rates in order to make the issue "primetime" for the FCC's 5 commissioners, said an adviser to Democratic commissioner *Jonathan Adelstein*. *Rudy Brioché*, Adelstein's media adviser, said that his boss hadn't been consulted about the waiver requests as the items have been handled by the Media Bureau. "Make a very clear case outside the policy arena," he told a **CTPAA** crowd, adding that he expects the issue to come up at Wed's House Telecom hearing. Under the rule, cable operators are prevented from deploying set-tops with integrated security after July 1.

**Digital Media Summit Notebook:** Look for an announcement from **NBCU** regarding a content deal with user-generated content site **Break.com**. NBCU Chief Digital Officer *George Kliavkoff* on Tues told an audience at **iHollywood Forum's** Digital Media Summit in L.A. that the deal is complete and to expect a press release on Wed. -- **Facebook's** deal with **Comcast's Ziddio** to create a show based on its user-generated video for the MSO's VOD platform (**Cfax**, 2/7) may only be the beginning. *Dan Rose*, Facebook vp, biz dev, said at **iHollywood Forum's** Digital Media Summit on Tues that the social networking site is "also in discussions with linear TV channels to produce something like this." He didn't give details but said the company continues to look at deals that bring U-G content to the TV platform. "We're doing something that's really different and unique, and a potentially new paradigm," he said.

**Competition:** **DirecTV** will add to its channel lineup in '08 **ABC Family HD, Disney Channel HD, ESPNEWS HD** and **Toon Disney HD**. The satcaster will also launch **ESPN Deportes** this month.

**In the Courts:** **Viacom** sued **YouTube** in a federal NY court for "massive intentional" copyright infringement of its entertainment properties, a bold legal move following a Feb request that YouTube remove Viacom clips from its site. Nearly 160K unauthorized clips have been viewed at Youtube.com more than 1.5bln times, according to Viacom.

**Court Adjourned:** **Court TV's** viewership skews slightly male and desires real-life programming, according to research by the net, which will accordingly cater to these "real engagers" by re-launching in Jan with a new name and look, and an expansion of action-oriented programming. Among the new series currently in production are "The Real Hustle," in which grifters scam unsuspecting marks, and "Most Daring," spotlighting dangerous rescues.

**Research:** Cable TV ad spending rose 3.4% in '06 to \$16.75bln, a haul representing 26% of overall TV ad spending of \$65.37bln (+5.3%), according to **TNS Media**.

**Online:** **Bravo** added to its growing digital portfolio **Televisionwithoutpity.com**, a TV criticism site that "mirrors the exact attributes of Bravo's core audience," said net pres *Lauren Zalaznick*. The deal also includes the acquisition of smaller site **Fametracker.com**. -- **ESPN** founder *Bill Rasmussen* launched **CampusFans.com**, a site that offers sports fans the opportunity to host their own sports talk show.

# EXPERIENCE SPORTS



Exclusive High-Def Replay  
Tomorrow 6PM ET / 8PM PT



# HDNet

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

The reason HDTV was invented.

# BUSINESS & FINANCE

**Programming:** Limited series "The Company" (Aug), starring *Chris O'Donnell*, and "The Talisman" ('08), based on *Stephen King* and *Peter Straub's* book and to be exec produced by *Steven Spielberg*, join the 3rd-season premiere (June) of "The Closer" as highlights of **TNT's** forthcoming content slate.

**On the Circuit:** To drive home awareness of the **ACA's** Washington Summit (Apr 17-18) and its baseball theme, **ACA pres/CEO Matt Polka** produced with his former barbershop quartet a parody of the "Take Me Out to the Ballgame" song. Hear it at **ACAsummit.org**.

**Public Affairs:** **Oxygen** is expanding its Mentors program into 3 elements: awareness walks around the US, VOD content and a mentoring group on social network site **Oomph.net**. -- **VH1 Classic** will kick off Apr 1 "Rock Autism," a campaign to raise awareness of the disorder.

**Business/Finance:** **CBS** revised *Sumner Redstone's* compensation package, with total remuneration now determined by the performance of **CBS' stock** and shareholder returns. Redstone's annual salary fell \$750K to \$1mln while \$1.3mln in annual deferred compensation has been axed, and his target cash bonus was reduced from \$6.1mln/yr to \$3.5mln. -- **LFC Online** and **Grubb & Ellis** are selling through online auctions **Adelphia's** remaining real estate assets. Properties in 17 states are up for grabs.

## CableFAX Daily Stockwatch

Company	03/13 Close	1-Day Ch	Company	03/13 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
ALCATEL LUCENT:	11.87	(0.14)	AMDOCS:	34.76	(0.51)
BRITISH SKY:	43.18	(0.4)	AMPHENOL:	63.86	(1.61)
DIRECTV:	22.50	(0.59)	ARRIS GROUP:	13.11	(0.06)
DISNEY:	33.62	(0.58)	AVID TECH:	32.89	(0.45)
ECHOSTAR:	42.93	(1.35)	BLNDER TONGUE:	1.92	(0.01)
GE:	34.09	(0.35)	BROADCOM:	33.43	(0.4)
HEARST-ARGYLE:	25.96	(0.68)	C-COR:	12.59	(0.32)
ION MEDIA:	1.30	(0.01)	CISCO:	25.50	(0.67)
NEWS CORP:	23.77	(0.21)	COMMSCOPE:	37.84	(1.48)
TRIBUNE:	30.56	0.23	CONCURRENT:	1.40	(0.13)
<b>MSOS</b>					
CABLEVISION:	30.65	(0.22)	CONVERGYS:	24.67	(0.92)
CHARTER:	2.89	(0.03)	CSG SYSTEMS:	24.36	(0.3)
COMCAST:	25.51	(0.66)	GEMSTAR TVG:	3.98	(0.11)
COMCAST SPCL:	25.43	(0.57)	GOOGLE:	443.03	(11.72)
GCI:	14.96	(0.14)	HARMONIC:	10.52	(0.5)
KNOLOGY:	14.51	(0.07)	JDSU:	15.07	(0.21)
LIBERTY CAPITAL:	107.99	0.39	LEVEL 3:	6.16	(0.18)
LIBERTY GLOBAL:	30.67	(0.27)	MICROSOFT:	26.72	(0.72)
LIBERTY INTERACTIVE:	21.44	(0.64)	MOTOROLA:	18.24	(0.25)
MEDIACOM:	7.74	(0.17)	NDS:	46.70	(1.23)
NTL:	28.22	0.00	NORTEL:	26.77	(1.4)
ROGERS COMM:	31.53	(0.7)	OPENTV:	2.65	0.07
SHAW COMM:	34.96	(0.83)	PHILIPS:	36.30	(0.92)
TELEWEST:	24.20	0.00	RENTRAK:	14.67	(0.31)
TIME WARNER CABLE:	36.46	(0.02)	SEACHANGE:	9.60	(0.03)
WASH POST:	746.61	0.51	SONY:	51.27	(1.61)
<b>PROGRAMMING</b>					
CBS:	30.56	(0.73)	SPRINT NEXTEL:	19.04	(0.43)
CROWN:	4.80	(0.09)	THOMAS & BETTS:	48.76	(1.4)
DISCOVERY:	16.97	(0.24)	TIVO:	5.92	(0.12)
EW SCRIPPS:	43.10	(1.15)	TOLLGRADE:	12.16	(0.34)
GRUPO TELEVISIA:	27.77	(0.68)	UNIVERSAL ELEC:	26.53	(1.15)
INTERACTIVE CORP:	36.52	(0.83)	VONAGE:	4.16	(0.15)
LIBERTY:	8.32	0.06	VYYO:	4.16	(0.11)
LODGENET:	25.47	(0.75)	WEBB SYS:	0.05	0.00
NEW FRONTIER:	8.48	(0.1)	WORLDGATE:	0.95	0.09
OUTDOOR:	9.93	(0.55)	YAHOO:	29.56	(0.43)
PLAYBOY:	10.05	(0.35)	<b>TELCOS</b>		
TIME WARNER:	19.42	(0.36)	AT&T:	37.26	0.20
UNIVISION:	35.99	(0.04)	QWEST:	8.57	(0.17)
VALUEVISION:	11.61	(0.38)	VERIZON:	36.13	(0.45)
VIACOM:	39.50	(0.05)	<b>MARKET INDICES</b>		
WWE:	15.58	(0.23)	DOW:	12075.96	(242.66)
<b>TECHNOLOGY</b>					
3COM:	3.76	0.04	NASDAQ:	2350.57	(51.72)
ADC:	15.88	(0.37)			
ADDVANTAGE:	3.42	(0.06)			

Any network can change names.  
 Not many can change lives.  
 Mag Rack is now LIFESKOOL.

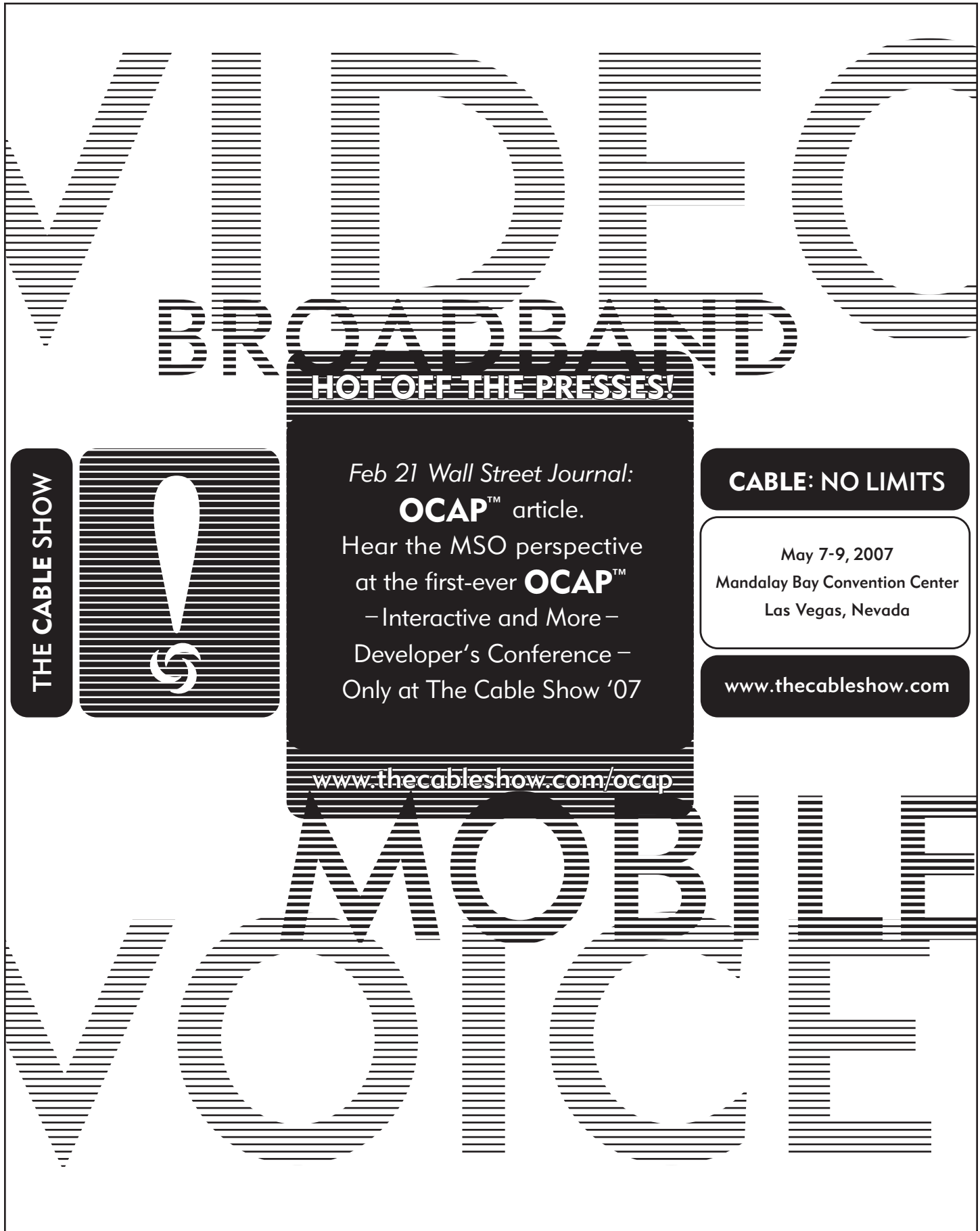


**LIFESKOOL**  
 JUMP-START YOUR LIFE

ON DEMAND TV

www.lifeskoolltv.com

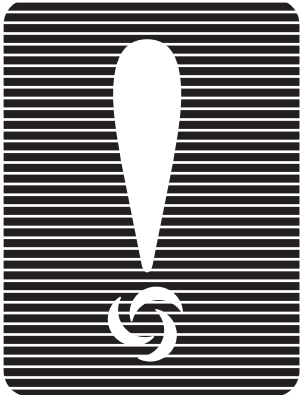




# BROADBAND

**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](http://www.thecableshow.com/ocap)

**CABLE: NO LIMITS**

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

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

# MOBILE