

CableFAX Daily™

Monday — March 19, 2007

What the Industry Reads First

Volume 18 / No. 053

Retrans Talk: McSarrow Says Govt Mandated Binding Arbitration Not on Table

With NCTA engaged in the retrans dialogue, the assoc's board has tasked pres/CEO Kyle McSarrow with trying to analyze the scope of the problem and determining what types of solutions the assoc might or might not be able to embrace. "There are issues which are very clearly off the table for us," he told *Cfax* Fri. "The best example of that is the concept of binding arbitration, which, in my view, is a very poor solution to posed problems and a poor solution to the issue of retransmission consent." Binding arbitration, particularly in the absence of any standards, is an "outsourcing of responsibility from the gov't" and an "unnecessary intrusion into what marketplace negotiations might exist," McSarrow said. On the other hand, elimination of rules requiring subs to purchase broadcast stations before they can buy any cable network looks like something the industry would support, especially since it fits with its mantra of parity with DBS (*Cfax*, 3/16). "There are a variety of ideas, and it's not just the differences among ... broadcast networks and operators. I think even operators see the issue of retransmission consent for broadcast carriage differently depending on where they are," McSarrow said. Earlier this year, **Mediacom** lobbied unsuccessfully for the **FCC** to force **Sinclair** to enter into binding arbitration of their carriage dispute. "My job is, in a careful way and I hope a thoughtful way, to pull people together and try to identify the problem and see if we can work toward a solution. Ideally, it would be a win-win for everybody, but we'll cross that bridge when we come to it," said McSarrow. Another issue the industry wants to examine is local marketing agreement that allow broadcasters to come to the negotiating table for stations they don't own, even if that means they are representing 2 stations in the same market. The NCTA chief said the issue is broader than retrans and actually encompasses the whole "broadcast carriage" arena, including must-carry and network non-duplication. "That's why I don't think you can rifle shot in on retransmission consent and say ... here's the silver bullet that fixes it," he said. "It's a lot more complicated than that."

A Long Beach Story: **Time Warner Cable's** not the only MSO in the midst of West Coast changes. **Charter's** West Division pres *Eric Brown* has decided to pursue other opportunities, *Cfax* learned. A spokeswoman confirmed his pending departure, saying Brown's currently in a state of transition. "We're in the process of identifying his replacement," she added. *Steve Apodaca*, corporate vp, ops support, is filling in during the interim. Brown was one of Charter's remaining division heads after it decided to eliminate the Southeast div last year and move from 4 to 3 geographic divisions.

HD and Crackerjacks: One of the best sports brands in the world—the *NY Yankees*—is about to become more clearly defined. After 5 years of programming (Mar 19), **YES Net** is launching Apr 1 a standalone HD channel, just in time to catch *Jeter, A-Rod & Co* open the '07 season the following day. **DirectTV**, **Comcast**, **Time Warner Cable** and **Cablevision** will all carry the net. Every Yankee and *NJ Nets* contest, plus pre- and post-game coverage, will hit the new channel, which begins with roughly 8 programming hours/day, said COO *Ray Hopkins*. YES is also ex-

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MARCH 31 AT 11PM ET

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LEAVING LAS VEGAS

& THE COOLER

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panding its interactive baseball app on **DirectTV**, overall usage of which jumped 27% during last season. Added will be more real-time stats, score updates and access to a “bonus camera” during away games, as well. “Over the next 5 years you’ll see us morphing into a digital company,” said Hopkins. To that end, the net inked a deal with **Google** for a dedicated channel, slated to offer a variety of YES content.

Cable Chiefs Speak Out: The **Viacom-YouTube** lawsuit and the general migration of content to the Web elicited varied opinions from a heavy-hitting group of media execs gathered in L.A. this week. “It’s about getting paid. That’s really the issue for us,” said *Doug Herzog*, pres of Viacom’s **MTVN Ent Group**. He and other execs spoke at the **Hollywood Radio & Television Society’s** “Cable Chiefs 2007” luncheon Thurs. “Our content travels terrifically over all of these video platforms,” he continued. “We’re very happy to be out there. We just feel we need to be paid.” *Ted Harbert*, pres/CEO of **Comcast Ent Group**, however, suggested content owners can’t expect to benefit from the exposure YouTube and other such sites generate without giving up some control. “Do you want the brand extension?” he asked. “Or are you going to have your legal department send out 8 million cease-and-desist letters?” Harbert also joked that Viacom chmn *Sumner Redstone’s* quest to get paid is “because he needs it so badly.” *Bonnie Hammer*, pres of **USA** and **Sci-Fi**, said the desire to get maximum exposure must be balanced with “a certain amount of constraint,” while *Abbe Raven*, pres/CEO of **A&E TV Networks**, said “we have to play a little loose here with experimenting with other platforms. And the smart companies are doing it.” **Showtime** chmn/CEO *Matt Blank* said non-advertising supported nets like his might “feel more comfortable in this world than others” but “everybody sees what happened to the music business. And we don’t want to be there.”

MOJO Working: **In Demand** sent word to affils Fri that HD net **INHD** will change its name to **MOJO** as of May 1. **MOJO** launched in June as a primetime programming block aimed at affluent males.

VOD: For the 1st time, **Showtime** is making a show available 2 weeks in advance of the linear premiere on free VOD and **Showtime On Demand** simultaneously. The VOD debut of “The Tudors” is set for Mon (Mar 19), with **Comcast, Time Warner Cable, Cox, Cablevision, Atlantic Broadband, RCN, Mediacom** and **Bright House** among those offering the first 2 eps free to digital subs, even if they don’t subscribe to Showtime. The original dramatic series makes its linear bow Apr 1, 10pm.

At the Portals: With the **FCC** considering an order that would impose a 30% cap on cable ownership, **NCTA** is once again telling the FCC that it’s unlikely any cap would be deemed reasonable. “With no cap on the number of voice subscribers telephone companies may have, the FCC will give **AT&T** and **Verizon** an ongoing advantage to market their triple play because they start with a larger existing base of customers than cable operators, whose video customers will be capped,” NCTA said in an FCC filing Fri.

Competition: **DirectTV** removed **Gospel Music Channel** from its lineup in 10 cities, including Denver and Minneapolis, where the net was carried on the satcaster’s local broadcast package. Discussions to find another carriage slot are ongoing, sources said.

People: **The History Channel** appointed former **Discovery Channel** exec *David McKillop* svp, development and programming, series. -- *Jeff Krolik* was promoted to evp, **Fox Sports Regional Nets**.

BEHOLD THE SECOND COMING

GENE SIMMONS' FAMILY JEWELS

SUNDAYS AT 9PM/8C **A&E** SEASON 2 MARCH 25

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CableFAX Week in Review

Company	Ticker	3/16 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	43.60	(0.3%)	5.80%
DIRECTV:	DTV	22.04	(3.6%)	(11.6%)
DISNEY:	DIS	33.61	(2.2%)	0.80%
ECHOSTAR:	DISH	42.70	(1.4%)	12.30%
GE:	GE	34.36	0.10%	(5.4%)
HEARST-ARGYLE:	HTV	25.77	(1.2%)	1.90%
ION MEDIA:	ION	1.34	3.90%	168.00%
NEWS CORP:	NWS	23.77	0.90%	6.80%
TRIBUNE:	TRB	29.06	(4.9%)	(5.6%)

Company	Ticker	3/16 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	30.00	(0.1%)	5.30%
CHARTER:	CHTR	2.88	0.30%	(5.9%)
COMCAST:	CMCSA	25.44	(2.6%)	(9.9%)
COMCAST SPCL:	CMCSK	25.20	(3.1%)	(9.7%)
GCI:	GNCMA	14.50	(3.5%)	(7.8%)
KNOLOGY:	KNOL	14.50		36.30%
LIBERTY CAPITAL:	LCAPA	107.26	(0.9%)	9.50%
LIBERTY GLOBAL:	LBTYA	30.81	1.30%	5.70%
LIBERTY INTERACTIVE:	LINTA	21.64	(2.4%)	0.30%
MEDIACOM:	MCCC	7.70	(1.3%)	(4.2%)
NTL:	NTLI	28.22		11.80%
ROGERS COMM:	RG	32.40	0.40%	9.00%
SHAW COMM:	SJR	34.98	(1%)	12.30%
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	37.65	2.30%	(1.7%)
WASH POST:	WPO	759.88	1.80%	2.70%

Company	Ticker	3/16 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	30.21	(1.5%)	(3.1%)
CROWN:	CRWN	4.99	1.40%	37.50%
DISCOVERY:	DISCA	17.11	(0.8%)	6.30%
EW SCRIPPS:	SSP	43.59	(0.9%)	(12.2%)
GRUPO TELEVISIA:	TV	27.77	(2%)	2.80%
INTERACTIVE CORP:	IACI	36.59	(2.2%)	(1.5%)
LIBERTY:	L	8.32		
LODGENET:	LNET	27.22	8.60%	8.70%
NEW FRONTIER:	NOOF	8.77	0.90%	10.00%
OUTDOOR:	OUTD	9.95	(3%)	(22.4%)
PLAYBOY:	PLA	10.28	(1.2%)	(10.3%)
TIME WARNER:	TWX	19.48	(2%)	(10.6%)
UNIVISION:	UVN	36.05	0.10%	1.80%
VALUEVISION:	VVTV	11.67	(2.5%)	(11.2%)
VIACOM:	VIA	40.04	2.30%	1.50%
WWE:	WWE	15.60	(2.1%)	0.10%

Company	Ticker	3/16 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	3.89	7.50%	(5.4%)
ADC:	ADCT	16.36	0.40%	14.50%
ADDVANTAGE:	AEY	3.27	(5.8%)	17.20%
ALCATEL LUCENT:	ALU	11.96	(0.3%)	(8.1%)
AMDOCS:	DOX	35.01	1.80%	(9.7%)
AMPHENOL:	APH	64.10	(1%)	3.40%
ARRIS GROUP:	ARRS	13.14	(2.3%)	5.00%
AVID TECH:	AVID	32.88	(1.7%)	(11.8%)
BLNDER TONGUE:	BDR	1.80	(0.6%)	5.90%
BROADCOM:	BRCM	34.12	1.40%	5.60%

Company	Ticker	3/16 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.43	(1.7%)	11.60%
CISCO:	CSCO	25.99	(0.3%)	(4.9%)
COMMSCOPE:	CTV	42.10	7.70%	38.10%
CONCURRENT:	CCUR	1.40	(6.7%)	(22.7%)
CONVERGYS:	CVG	24.98	(2.3%)	5.00%
CSG SYSTEMS:	CSGS	24.58	0.20%	(8%)
GEMSTAR TVG:	GMST	4.10	1.00%	2.20%
GOOGLE:	GOOG	440.85	(2.7%)	(4.3%)
HARMONIC:	HLIT	10.32	(0.4%)	42.00%
JDSU:	JDSU	15.17	(2.1%)	(8.7%)
LEVEL 3:	LVL	6.18	(2.2%)	10.40%
MICROSOFT:	MSFT	27.33	1.30%	(7.5%)
MOTOROLA:	MOT	18.19	(1.5%)	(10.8%)
NDS:	NNDS	48.07	(0.7%)	(0.4%)
NORTEL:	NT	27.03	(3.7%)	1.10%
OPENTV:	OPTV	2.57		10.80%
PHILIPS:	PHG	37.20	0.20%	(1%)
RENTRAK:	RENT	14.99	0.50%	(3.3%)
SEACHANGE:	SEAC	7.95	(18.9%)	(22.2%)
SONY:	SNE	51.29	(2.3%)	19.80%
SPRINT NEXTEL:	S	19.04	(2.2%)	0.80%
THOMAS & BETTS:	TNB	49.63	(1.3%)	5.00%
TIVO:	TIVO	6.01	(3.7%)	17.40%
TOLLGRADE:	TLGD	11.64	(5.1%)	10.10%
UNIVERSAL ELEC:	UEIC	27.38	0.50%	30.30%
VONAGE:	VG	4.00	(4.1%)	(42.4%)
VYVO:	VYVO	4.44	6.70%	(2%)
WEBB SYS:	WEBB	0.05		25.00%
WORLDGATE:	WGAT	0.76	(10.6%)	(43.3%)
YAHOO:	YHOO	29.88	2.60%	17.00%

Company	Ticker	3/16 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	36.98	1.20%	6.50%
QWEST:	Q	8.60	(1.1%)	2.70%
VERIZON:	VZ	36.32	(0.4%)	0.80%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	12110.41	(1.4%) (2.8%)
NASDAQ:	COMPX	2372.66	(0.6%) (1.8%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. LODGENET:	27.22	8.60%
2. COMMSCOPE:	42.10	7.70%
3. 3COM:	3.89	7.50%
4. VYVO:	4.44	6.70%
5. ION MEDIA:	1.34	3.90%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. SEACHANGE:	7.95	(18.9%)
2. WORLDGATE:	0.76	(10.6%)
3. CONCURRENT:	1.40	(6.7%)
4. ADDVANTAGE:	3.27	(5.8%)
5. TOLLGRADE:	11.64	(5.1%)

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

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. Further qualifications available upon request.



MaxFAX...

'Regulating by Press Release?'

Indeed.

That's just what – in Rep *John Dingell's* words – the **Federal Confusion Commission** has been doing.

Legislating, too.

Even micro managing a vendetta ... targeted at cable television companies no less.

A rogue regulator is roaming the Republic!

Best news from the Commission's command performance before

the **House Subcommittee on Telecommunications and the Internet?**

Easy ... the threat to hold monthly meetings to track what that peculiar agency is up to each day! What are they today? Choose at least one from among the following:

- **The Federal Filth Commission?**
- **The Federal Commission on Too Much Violence Before 10 PM?**
- **The Federal Anti-Cable Crusaders?**
- **The Federal TV Nanny?**
- **The Federal Friends of NAB?**
- **The Federal Aide to Telephone Companies?**
- **The Federal Confusion**



Paul S. Maxwell

Commission?

Oh, never mind. This entire administration has been one of "do as I say, not as I do" and "cause I said so."

Random Notes:

• **Just Desserts:** Noticed the other day that cable "pioneer" (NOT the official kind) *Charles Hermanowski*, 73, had been sentenced to three years and a fine of \$4 million for tax fraud and over-billing the US govt ... seems he ran some cable systems on military bases. Hermanowski had, as *Variety* might say, ankled under a new moniker landing in the Caribbean, Canada and eventually Australia ... where they found him and finally extradited him and then convicted him.

• **Diversifying the Mix:** Join Denver's **NAMIC** chapter this Wednesday evening at the **Cable Center** for a reception followed by a panel discussing "Marketing and Programming to a Multi-Ethnic Audience." For info email michelle.ellis@starz.com. Sponsors are **Comcast** and **Sportsman Channel**.

• **It Is Almost Ski-TAM Time:** *Cox's Joe Rooney* and (the usually over-worked but still willing) *ESPN's Steve Raymond* are awaiting your arrival in Vail 10 days from now ... better be ready. Gonna be crowded; sold out again. This is a great annual effort and provides the bulk of the funding for the US disabled ski team ... [I don't suppose *Kevin Martin*(et) skis, but he

and the other Commissioners should know about yet another good thing the folks of this industry do for others] ... For my part, I'm going snow cat skiing outside of Monarch this Friday.

• **Busy Day – April 4th in Denver:** Start the morning with Colorado Gov *Bill Ritter* at the **Comcast** call center for the **WICT Rocky Mountain** meeting (admin@wictm.org) and end the day with **CTAM of the Rockies** at 4:30 pm at the Pepsi Center for a Nuggets game preceded by "food and beverages" ... Register at http://www.ctamm.com/registration_Apr2007_Mixer-Nuggets.htm.

• **Sing for Your Summit?** This you need to see and hear. Go to <http://www.acasummit.org/> and get ready for the **ACA Summit** in DC in mid-April ... a Keystone barbershop event. I'll be there at the Summit; and I promise not to sing. But maybe we can get *Matt* to warble?

• **Kudos:** To the **NCTA** board and *Kyle McSarrow & Co* for judiciously entering the retransmission consent conversation. With his board, Kyle might just be able to help develop a solution that resurrects the beneficial symbiosis that once dominated ... well, we can hope.

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CableFAX databriefs



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