

CableFAX Daily™

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What the Industry Reads First

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Wait Ad Minute: Cable Attacks TVB's Assertions

Cable vehemently denied Mon the accuracy of a **TVB** claim that US wired cable penetration has fallen to a 17-year low. "This is not spin—more like desperation," said **NCTA's Brian Dietz**, who joined **CAB** in scoffing at TVB's analysis of **Nielsen** statistics. "I think they skipped the paragraph that highlights how cable ratings have dominated broadcasting in recent years." Citing data from Nielsen NTI, TVB said wired cable penetration from Feb '06-Feb '07 slid 2.8% to 61.3%—the lowest percentage since '90—while DBS and ADS both grew 4.2% over the same period, to 25.2% and 25.8%, respectively. "Advertisers who buy cable locally need to know that local wired cable systems' ability to deliver commercials continues to erode," said TVB svp, research **Susan Cuccinello** in the release. Cuccinello failed to return calls by deadline. In any event, cable's quick reaction Mon highlights sensitivities pervading the cutthroat TV ad market these days. "It's bunk when they put it out like this," said CAB's **Chris Jones**. "This is the end of a tail positioned in an advantageous way." The data is a reflection of a long-term change in Nielsen's household measurement, said CAB's **Ira Sussman**. Nielsen finished rolling out last year active passive meters in areas without prior measurement solutions, he said, and 40% of the new homes subscribe to satellite. That skews cable's numbers downward. "The bottom line is we're not happy about the [release's] headline. Internal data shows wired cable is actually beginning to grow again," said Sussman.

Play Ball: **Cox** has started sending out letters to all of its 2006 **MLB** Extra Innings customers offering them a rebate of \$89.95—the base price of the yearly **MLB.TV** broadband package—if they order the broadband package this season (see: www.cox.com/promotions/mlb). The offer, first reported in *Sports Business Daily*, looks to be a work-around if a deal for the out-of-market TV package isn't reached between **MLB** and cable, as many predict. "We're doing it because we care about our customers, and we understand how much people love the game," said a spokesman. "At this point, we're continuing to negotiate... but we don't know how that's going to turn out." If a deal is reached for the package, the rebate offer would not be taken away, he said. **Cox** appears to be the only **MSO** with such a deal on the table. **Charter** is working out the details for an **MLB** broadband deal that is "a homerun for our customers who shouldn't have to miss out when we can bring the games to them others have taken away," a spokeswoman said. **Comcast** said "we are not making this offer [ie, **Cox's**] at this time," while **Time Warner Cable** hasn't announced any plans regarding **MLB** Extra Innings yet. **Cablevision** had no comment.

Customer Satisfaction: A new survey finds that consumers are more satisfied with **DirectTV** and **DISH Network** than any cable operator. The survey was excerpted from **Solution Research Group's** "Digital Life America" study and is based on online and phone interviews with 2600 Americans between June and Sept. 55% of **DirectTV** subs said they were very satisfied, and 54% of **DISH** subs said the same. **Cox** was close behind at 53%, especially noteworthy given the 2.4% +/- margin of error. It's downhill from there though, with the rest of the operators falling below



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50%: **Bright House** (47%), **Cablevision** (41%), **Comcast** (36%), **Time Warner Cable** (35%), **Adelphia** (35%) and **Charter** (30%). Solution Research's *Kaan Yigit* believes some of the discrepancy is because of the single, focused message DBS providers can provide vs cable's triple- and quad-plays. "If you go to a cable company's Website, the first thing you see is you have to make some choices," he said. "The value proposition is significant... but it's also pretty complex and complicated to manage all those things and maintain satisfaction levels."

Branding: Outdoor Channel will unveil a new logo and on-air look at an ad sales event Mar 22. The on-air look will debut in May; a new tag line comes later this year. The network will drop the word "The" from its name and feature a black-and-green logo with angular shapes to convey a "more contemporary, action-oriented programming philosophy."

Competition: Ahead of a statewide franchise bill introduced by WI legislators earlier this month, **AT&T** and Milwaukee officials have forged a deal allowing the telco to roll out in the city its U-Verse service. The temporary 3-year pact calls for AT&T to pay the city 5% of its gross revenue related to the video service, and faces further approval hurdles.

Affil Relations: Style Net's "Style 21-Day Wedding Party" incentive program returns this summer. It offers affils the chance to receive online shopping points for items such as camcorders and outdoor speakers in return for cross-channel spots running from May 26-Jun 25. Affils must register by Apr 20 at **Styleweddingparty.com**.

Where Are They Now? We stumbled across a couple familiar cable names in recent weeks. *Paul FitzPatrick*, former **Crown** COO/evp, has been consulting, including for **RHI Ent**, which purchased Crown's film library last year for \$160mln. -- Former **ESPN** Mobile svp, gm *Manish Jha* last month became CEO of **Vantrix**, a Montreal-based mobile media firm.

Lenfest Landfest: Cable mogul turned philanthropist *Gerry Lenfest*, who sold **Suburban Cable** to **Comcast** in '99, is donating 568 acres of PA land and \$5mln to the **Natural Lands Trust**, according *The Philadelphia Inquirer*. The tract will be combined with 500 acres owned by Chester County, PA, to create a nature preserve in southeastern PA, while the \$5mln endowment will help the NLT build trails, parking lots and access points to create a public park.

In the States: Time Warner Cable notched a deal to become the exclusive provider of information and entertainment services to the **NHL's** Columbus Blue Jackets, the **Arena Football League's** Columbus Destroyers and the city's Nationwide Arena.

Ratings: The 2nd season premiere of **TV Guide Channel's** "Idol Tonight" delivered a 0.5 coverage rating, up 25% over last year's inaugural season. Increases of 50% were achieved in the women 18-34, 18-49 and 18-54 demos.

Programming: **HBO's** doc "Barbaro" (Jun 6) will explore the titular thoroughbred's trials and tribulations, especially those endured following a leg injury sustained in last year's Preakness Stakes. -- **Showtime** ordered 12 eps of an untitled comedy series starring *David Duchovny*, with production set to commence in June. -- *James Brown* hosts **Discovery Health's** "Baby Madness" (Sat, 6pm), in which babies aged 10-30 months battle **NCAA** basketball tourney coverage by engaging in a diaper derby, obstacle course, dancing and eating. -- **Sundance Film Festival** dir *Geoffrey Gilmore* will guest-host **ReelzChannel's** "Secret's Out with Leonard Maltin" (Fri, 8pm ET) this week, offering his personal picks for movies that deserve greater exposure. -- Season 3 of **Disney's** "The Doodlebops" (Apr 9) expands the show's dance instruction to further focus on movement and steps.

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BUSINESS & FINANCE

Honors: BendBroadband CEO Amy Tykeson and Comcast chmn/CEO Brian Roberts will receive Vanguard Awards for "Distinguished Leadership" at the Cable Show, May 8, Vegas. Other Vanguard winners: **MTV Nets** Alicin Reidy-Williamson, **Cablevision's** John Bickham, **Turner's** Phil Kent, **Cox's** Chris Bowick, **A&E Nets' Libby O'Connell**, Cablevision's Patricia Gottesman and **Broadband Library's** Cathy Wilson.

People: Scripps tapped former **Yahoo!** vet Deanna Brown to fill the newly created position of pres, interactive. -- **Bravo** appointed former **AOL** exec Mari Katsunuma vp, digital. -- **Cablevision** promoted James Nuzzo to evp, business planning. - - Jessica Rosenworcel has left **FCC** commish Michael Copps' office to join the Sen Commerce Cmte as sr legal counsel for communications and media issues.

Business/Finance: Comcast CEO Brian Roberts received approx 208K restricted stock units, which will vest over the next 5 years and are worth approx \$5.3mln, according to an SEC filing. Roberts also received an option to buy 548K Class A shares at \$25.44/share. -- Following approval by 87.4% of **Tandberg's** shareholders, **Ericsson** said it has waived the 90% acceptance condition related to its proposed \$1.4bln acquisition of Tandberg and will "as soon as practically possible proceed" with the deal.

CableFAX Daily Stockwatch

Company	03/19 Close	1-Day Ch	Company	03/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDs					
ALCATEL LUCENT:	11.85	(0.11)	AMDOCS:	35.36	0.35
BRITISH SKY:	43.85	0.25	AMPHENOL:	64.85	0.75
DIRECTV:	22.38	0.34	ARRIS GROUP:	13.33	0.19
DISNEY:	34.09	0.48	AVID TECH:	32.90	0.02
ECHOSTAR:	43.32	0.62	BLNDER TONGUE:	1.82	0.02
GE:	34.67	0.31	BROADCOM:	33.61	(0.51)
HEARST-ARGYLE:	26.12	0.35	C-COR:	12.80	0.37
ION MEDIA:	1.32	(0.02)	CISCO:	26.30	0.31
NEWS CORP:	24.19	0.42	COMMSCOPE:	42.82	0.72
TRIBUNE:	29.05	(0.01)	CONCURRENT:	1.39	(0.01)
MSOS					
CABLEVISION:	30.18	0.18	CONVERGYS:	25.19	0.21
CHARTER:	2.93	0.05	CSG SYSTEMS:	24.95	0.37
COMCAST:	25.90	0.46	GEMSTAR TVG:	4.18	0.08
COMCAST SPCL:	25.55	0.35	GOOGLE:	447.23	6.38
GCI:	14.29	(0.21)	HARMONIC:	10.40	0.08
KNOLOGY:	14.52	0.02	JDSU:	15.00	(0.17)
LIBERTY CAPITAL:	108.50	1.24	LEVEL 3:	6.22	0.04
LIBERTY GLOBAL:	31.15	0.34	MICROSOFT:	27.83	0.50
LIBERTY INTERACTIVE:	22.19	0.55	MOTOROLA:	18.29	0.10
MEDIACOM:	7.74	0.04	NDS:	48.17	0.10
NTL:	28.22	0.00	NORTEL:	26.15	(0.88)
ROGERS COMM:	33.01	0.61	OPENTV:	2.52	(0.05)
SHAW COMM:	35.11	0.13	PHILIPS:	37.67	0.47
TELEWEST:	24.20	0.00	RENTRAK:	15.63	0.64
TIME WARNER CABLE:	38.00	0.35	SEACHANGE:	8.00	0.05
WASH POST:	761.90	2.02	SONY:	52.32	1.03
PROGRAMMING					
CBS:	30.65	0.44	SPRINT NEXTEL:	19.06	0.02
CROWN:	5.16	0.17	THOMAS & BETTS:	49.58	(0.05)
DISCOVERY:	17.29	0.18	TIVO:	5.97	(0.04)
EW SCRIPPS:	43.90	0.31	TOLLGRADE:	11.90	0.26
GRUPO TELEVISA:	27.88	0.11	UNIVERSAL ELEC:	27.64	0.26
INTERACTIVE CORP:	37.02	0.43	VONAGE:	3.98	(0.02)
LIBERTY:	8.32	0.06	VYYO:	4.75	0.31
LODGENET:	27.49	0.27	WEBB SYS:	0.05	0.00
NEW FRONTIER:	8.84	0.07	WORLDGATE:	0.66	(0.1)
OUTDOOR:	10.03	0.08	YAHOO:	30.03	0.15
PLAYBOY:	10.30	0.02	TELCOS		
TIME WARNER:	19.64	0.16	AT&T:	37.58	0.60
UNIVISION:	36.16	0.11	QWEST:	8.80	0.20
VALUEVISION:	12.08	0.41	VERIZON:	36.75	0.43
VIACOM:	40.96	0.92	MARKET INDICES		
WWE:	15.68	0.08	DOW:	12226.17	115.76
TECHNOLOGY					
3COM:	3.89	0.00	NASDAQ:	2394.41	21.75
ADC:	16.22	(0.14)			
ADDVANTAGE:	3.38	0.11			

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Symonds Says...

Years ago, legendary Chicago columnist Mike Royko, who at the time had written a series of columns urging Illinois to raise its drinking age to 21, received a letter from an irate 19-year old which ended with an acerbic, "Anyway, what makes you such an expert?"



Curtis Symonds

Royko's response, one of his finest moments as a writer, began with a qualifier that read something like: "Young lady,

there are countless things about which I know absolutely nothing. There are many other things about which I know very little. But if there is one thing about which I qualify as an absolute authority, it is drinking."

That's how I felt last week when I read that Jim Dolan had renewed the contract of beleaguered New York Knick coach Isiah Thomas. I have been playing and coaching basketball my entire life and I, indeed, may be one of the few 50-something year old men you'll ever meet still working on his crossover dribble.

But on to my point: as you know, Cablevision owns the Knicks. And since the departure of the team's president a few years back, Dolan has emerged as the face of the club's ownership.

As for Thomas... as general manager of the Knicks he has assembled a

roster of unproductive, extraordinarily expensive players, many of whom are long past their expiration date.

He's also a guy whose one-time mismanagement of the Toronto Raptors could have doomed that franchise, much like its namesake, to extinction; and a guy who once purchased the Continental Basketball Association, which had operated for nearly 50 years, and within months drove it into bankruptcy.

In fact, the team Thomas assembled for Dolan is so flawed, the man who guided it last season, Larry Brown—a coach whose ability to come into any situation and win immediately earned him a spot in the Hall of Fame—was fired after one year, while still being owed a reported \$40 million.

So when the miserable Knicks won a few games over the course of 10 days to climb into playoff contention, Thomas suddenly got a hefty contract extension.

Now, I know you're wondering; what does this have to do with cable? Besides, you say, this is stuff I could learn in the *New York Post*.

Exactly my point.

The NBA is a league in which millions get thrown in salaries around like so many nickels and dimes, and every barfly, every commuter, every junior high school kid from Bayonne to East Hampton knows how much the Knicks are spending.

They also know where that money is coming from. It's seen as subscription television money—money Cablevision pockets every time someone writes a check for Optimum TV or HBO.

And every time Dolan is seen throwing more good money at bad, it reflects all the way back to those cable bills that come every month, all the way back to those rate increases that seem to pop up every year, and all the way back to those trucks that roll up and down the streets of Long Island and Westchester.

Look, I like Jim Dolan, and I like Cablevision. I think they've both been good for cable.

But I also think it's time he hired someone to run the Knicks. It's time to distance himself from the millions in cable money being spent on NBA salaries; time to make it harder for New Yorkers to connect the dots.

And if you think Cablevision would only benefit in the public relations arena, think again. In 1987, after meddling in player decisions of his Atlanta Braves and helping turn them into a laughing stock, another cable exec, Ted Turner, finally got frustrated and let his baseball people start calling the shots.

Symonds says let me remind you: that was 20 years and 15 pennants ago.

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