

CableFAX Daily™

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What the Industry Reads First

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Cable's Pinch Hitter: HD Content May Prevent Baseball Strike Out

Cable execs at press time were toiling furiously to prevent MLB's out-of-market package from going exclusively to **DirectTV** (see story below), but if they strike out, how might the industry best assuage disgruntled fans? One effective way is to expand baseball-related HD programming, even if most of this content is derived locally from RSNs. "DirecTV is obviously trying to be the king of sports programming, and a large part of that is providing more HD content to differentiate," said **YES Network COO Ray Hopkins**. "It is incumbent upon cable operators to continue to invest in HD offerings." Of course, Hopkins isn't exactly unbiased. His YES Net launched a stand-alone HD channel on Sun (Apr 1), with **Cablevision, Time Warner Cable, Comcast** and others agreeing to carry it. But the numbers do support cable valuing HD offerings—98% of YES' sub universe will have access to the new offering, according to Hopkins. That's a stark contrast to 5 years ago when YES was fighting for standard def carriage. "When we did our first deal with DirecTV, everyone in the marketplace realized the power of HD programming. It certainly helped clear the path," said Hopkins. RSNs around the country confirm that fans' clamoring for HD content continues to intensify. "Local viewers really want that nuance inherent to HD programming," said **FSN evp, production Doug Sellers**. To this end, FSN has nearly doubled the number of HD baseball games it will telecast this year across its 18 RSNs, which collectively hold exclusive cable/satellite rights to 16 MLB teams. **Comcast SportsNet** will present more than 200 MLB games in HD this year and continues to ramp up its HD telecast of away games in local markets.

Play Ball? At our deadline, cable still had no deal for MLB's "Extra Innings" out-of-market package, but execs were in serious discussions with sources indicating a last-minute agreement is possible. **In Demand**, which represents cable, and **EchoStar** had until 11:59pm Sat (3/31) to match DirecTV's deal for the package and the yet-to-launch **Baseball Channel**. DirecTV has agreed to pay \$700mln over 7 years and will launch the Baseball Channel to at least 80% of its digital subs. A possibly good sign for cable Extra Innings fans: We haven't seen any MSOs follow **Cox's** suit and offer a free rebate for MLB.tv's broadband package.

In the States: On Fri, the CA PUC approved **AT&T's** application to provide video services in the state, which also granted **Verizon** a statewide franchise earlier this month under the new law. -- A federal judge late Thurs gave the final OK to 2005's **SBC-AT&T** and **Verizon-MCI** mergers. -- **NTN Buzztime** closed the sale of its **NTN Wireless** subsidiary to **HM Electronics** and expects to receive \$2mln in net proceeds from the deal. -- **Comcast** has launched digital phone in several central CA cities, including Sacramento, Nevada City and Davis. The MSO expects to offer phone to the remaining majority of Central CA communities during the next 1-2 months.

Four! *Page Thompson*, svp/gm video services for **Comcast**, is the frontrunner for the **Golf Channel** president gig,

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reports *Sports Business Daily*. Another candidate said to be in the running is *Wayne Becker*, who heads the net's intl biz. Golf has been looking to fill the gig since the fall, when CEO *David Manougian* announced plans to step back from day-to-day operations.

Outdoor Game Plan: **Outdoor Channel** is focused on increasing its sub base, hence the hiring of *Roger Werner* as CEO and its upcoming new on-air look. But outside consultants also suggest that Outdoor reduce sub fees for all a distributor's subs and provide marketing support in exchange for greater distribution, rather than offering them launch support only for the subs added, according to an **SEC** filing. Outdoor said it adopted these new strategies and is also ramping up its Website to become the leading authority on outdoor activities, including the future delivery of much of its content via broadband.

Local Heroes: Kudos to 2 **Amtec** contractors who are credited with calling 911 and helping to evacuate tenants from a burning apartment building in Warrington, PA, earlier this month. Sr level execs from **Comcast**, the MSO they were working for, have called to express their gratitude. So far, Amtec has only identified one of the employees, *E.J. White*. It took 150 firefighters to get the blaze under control, and nearly 50 tenants were left homeless.

Programming: Oh, how the beauty queen has fallen. **CMT**, which rescued the Miss America pageant after **ABC** gave it the boot in 2004 for low ratings, will not exercise its option to televise it in 2008 and beyond. "As a network, CMT is now in a more aggressive position to build off of existing series and launch more original series and music-centric special events," evp/gm *Brian Philips* said. CMT had the option to extend the rights through 2011. The '06 and '07 pageants were the highest rated programs in CMT's history. Miss America said it's talking to other potential TV partners. -- **TV Guide Channel** renewed signature series "Watch This!" and signed *Nikki Boyer* as a new co-host.

Online: **Apple** is adding **MLB** video highlights and other content from the '07 season to its iTunes roster. Included will be "MLB.com Daily Rewind," a 25-min daily highlight feature, and full versions of a pair of weekly "Games of the Week," 1 each from the National and American Leagues. Single eps run \$1.99, a month of Daily Rewind shows costs \$7.99 and a season pass for every Game of the Week runs \$19.99. -- **AOL's Advertising.com** will provide ad management services for **NBC** and **News Corp's** recently announced Internet video distribution network. Advertising.com will use its Lightningcast video-ad-serving platform to deliver and manage advertising for the free programming, movies and video clips that will be available on the network.

Doggone It: Ad agencies in NY will get some puppy love Thurs and Fri. A clear **WE** truck featuring 13 dogs will make stops in front of several NYC ad agencies for a promotional stunt called "Cutest Agency Puppy" those days. Each dog will be assigned a number that represents an agency and the dog with the most votes wins the cutest agency puppy title. WE street teams will hand out tune-in cards, and passerbys can text in their vote. It's all to promote upcoming WE original series "Adventures in Doggie Daycare" and "America's Cutest Puppies."

Business/Finance: **NBCU** and **Citadel** have amended their stock restructuring proposal for **ION**. The modified offer includes an additional \$100mln capital investment by Citadel. The 2 also said they have "significantly improved the recovery and upside participation." ION has a week to respond. -- **Motorola** completed its \$39mln acquisition of **Tut Systems**, which provides content processing and distribution products for deploying next-gen video and IP services.

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CableFAX Week in Review

Company	Ticker	3/30 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	44.80	(0.5%)	8.70%
DIRECTV:	DTV	23.07	1.50%	(7.5%)
DISNEY:	DIS	34.43	(1.6%)	3.20%
ECHOSTAR:	DISH	43.43	0.20%	14.20%
GE:	GE	35.36	(1.3%)	(1.2%)
HEARST-ARGYLE:	HTV	27.19	1.60%	7.50%
ION MEDIA:	ION	1.33	2.30%	166.00%
NEWS CORP:	NWS	24.47	(0.4%)	9.90%
TRIBUNE:	TRB	32.11	5.20%	5.50%

Company	Ticker	3/30 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	30.40	0.50%	6.70%
CHARTER:	CHTR	2.79	(2.4%)	(8.8%)
COMCAST:	CMCSA	25.95	(2.1%)	(8%)
COMCAST SPCL:	CMCSK	25.47	(2.6%)	(8.8%)
GCI:	GNCMA	14.00	(1.2%)	(11%)
KNOLOGY:	KNOL	15.83	7.50%	48.80%
LIBERTY CAPITAL:	LCAPA	110.59	0.80%	12.90%
LIBERTY GLOBAL:	LBTYA	32.93	2.20%	13.00%
LIBERTY INTERACTIVE:	LINTA	23.82	1.80%	10.40%
MEDIACOM:	MCCC	8.14	2.10%	1.20%
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	32.76	(0.2%)	10.20%
SHAW COMM:	SJR	36.92	(0.2%)	18.40%
TIME WARNER CABLE:	TWC	37.47	(1.9%)	(2.2%)
WASH POST:	WPO	763.50	(0.5%)	3.20%

Company	Ticker	3/30 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	30.59	1.10%	(1.2%)
CROWN:	CRWN	5.33	0.40%	46.80%
DISCOVERY:	DISCA	19.13	6.90%	30.80%
EW SCRIPPS:	SSP	44.68	0.20%	(10.1%)
GRUPO TELEVISIA:	TV	29.80	(0.1%)	10.30%
INTERACTIVE CORP:	IACI	37.71	(1.3%)	1.50%
LODGENET:	LNET	30.72	9.30%	22.70%
NEW FRONTIER:	NOOF	9.00	(1.5%)	12.40%
OUTDOOR:	OUTD	10.22	(1.7%)	(20.3%)
PLAYBOY:	PLA	10.29	(0.1%)	(10.2%)
TIME WARNER:	TWX	19.72	(0.4%)	(9.2%)
UNIVISION:	UVN	36.23	0.20%	2.30%
VALUEVISION:	VVTV	12.36	2.10%	(5.9%)
VIACOM:	VIA	41.06	(2.2%)	(4.8%)
WWE:	WWE	16.30	3.90%	4.40%

Company	Ticker	3/30 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	3.91	1.00%	(4.9%)
ADC:	ADCT	16.74	0.40%	2.10%
ADVANTAGE:	AEY	3.42	(3.4%)	22.60%
ALCATEL LUCENT:	ALU	11.82	2.50%	(9.2%)
AMDOCS:	DOX	36.48	1.30%	(5.9%)
AMPHENOL:	APH	64.57	(2.5%)	4.20%
ARRIS GROUP:	ARRS	14.08	4.70%	12.60%
AVID TECH:	AVID	34.88	(0.1%)	(6.4%)
BLNDR TONGUE:	BDR	1.95	8.90%	14.70%
BROADCOM:	BRCM	32.07	(0.8%)	(0.7%)
C-COR:	CCBL	13.86	1.90%	24.40%
CISCO:	CSCO	25.53	(2.5%)	(6.6%)

Company	Ticker	3/30 Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	42.88	(0.8%)	40.70%
CONCURRENT:	CCUR	1.57	6.80%	(13.3%)
CONVERGYS:	CVG	25.41	(1.2%)	6.90%
CSG SYSTEMS:	CSGS	25.02	0.40%	(6.4%)
GEMSTAR TVG:	GMST	4.19	(2.6%)	4.50%
GOOGLE:	GOOG	458.16	(0.8%)	(0.5%)
HARMONIC:	HLIT	9.82	(5.5%)	35.10%
JDSU:	JDSU	15.23	(1.6%)	(8.7%)
LEVEL 3:	LVLTL	6.10	(1.3%)	8.90%
MICROSOFT:	MSFT	27.87	(0.5%)	(5.7%)
MOTOROLA:	MOT	17.67	(0.5%)	(13.3%)
NDS:	NNDS	49.94	(0.4%)	3.50%
NORTEL:	NT	24.05		(10.1%)
OPENTV:	OPTV	2.45	(4.7%)	5.60%
PHILIPS:	PHG	38.10	(2.1%)	1.40%
RENTRAK:	RENT	15.63	(0.1%)	0.80%
SEACHANGE:	SEAC	8.14	(0.6%)	(20.4%)
SONY:	SNE	50.49	(4.9%)	17.90%
SPRINT NEXTEL:	S	18.96	(1.2%)	0.50%
THOMAS & BETTS:	TNB	48.82	(0.2%)	3.30%
TIVO:	TIVO	6.35	2.30%	24.00%
TOLLGRADE:	TLGD	12.56	4.60%	18.80%
UNIVERSAL ELEC:	UEIC	27.86	(3%)	32.50%
VONAGE:	VG	3.45	15.00%	(50.3%)
VVYO:	VVYO	8.21	14.70%	81.20%
WEBB SYS:	WEBB	0.04	(20%)	
WORLDGATE:	WGAT	0.70	(15.7%)	(47.8%)
YAHOO:	YHOO	31.29	(0.2%)	22.50%

Company	Ticker	3/30 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	39.43	1.40%	13.30%
QWEST:	Q	8.99	0.80%	7.40%
VERIZON:	VZ	37.92	(0.5%)	5.10%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	12354.35	(1%)	(0.9%)
NASDAQ:	2421.64	(1.1%)	0.30%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VONAGE:	3.45	15.00%
2. VVYO:	8.21	14.70%
3. LODGENET:	30.72	9.30%
4. BLNDR TONGUE:	1.95	8.90%
5. KNOLOGY:	15.83	7.50%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.04	(20%)
2. WORLDGATE:	0.70	(15.7%)
3. HARMONIC:	9.82	(5.5%)
4. SONY:	50.49	(4.9%)
5. OPENTV:	2.45	(4.7%)

WANT SOME PERSPECTIVE?



CABLE360.NET, THE BIG PICTURE NETWORK.

MaxFAX...

Things We Don't Understand...

In Washington, DC, inside that Beltway where all of those legislators and regulators make a mess of our lives, **Comcast** drops a **C-SPAN** channel the same month that **Verizon** launches a local news channel on FiOS.



Paul S. Maxwell

Those decisions resulted in the rash of statewide telco video franchises and other political problems.

Makes that decision to drop the Texas and Western Shows look smart, huh?

Now, I do understand economic decisions, the concepts of limited bandwidth and contractual obligations that impact final decisions... so, how about thinking ahead? I've got some well-worn copies of *David Hume* around if you need them.

Meanwhile, let's all get together in Las Vegas in May and think of other ways to shoot ourselves in the foot.

Those decisions resulted in the rash of statewide telco video franchises and other political problems.

Random Rants:

- **Driving:** Should be fun.
- **Driving:** Sometimes isn't.
- **Commuting:** Isn't.
- **Drivers' Education:** Isn't. It's a relic of the past. Let's cut some more

taxes so we can build more helicopters to evacuate crash victims.

• **Cell phones:** Seem to have rendered left hands disabled and now unable to do simple things... such as signal a turn or lane change... much less pay attention to the traffic the cell phone user is endangering. (NOTE: for handheld cell users only).

• **Flicked Hi-Beams:** Are NOT an invitation to road rage...

• **Flicked Hi-Beams:** Are a polite and gentle way to signal a slow driver in the left lane to get out of the way!

• **That Left Lane:** In Colorado, believe it or not, the left lane is by law to be used only to pass a slower moving vehicle that is in the right lane. The law says: get over!

• **Speed Limited Left Lane Drivers:** Are the 65 mph equivalent of a speed bump.

• **Passing on the Right?** Dumb; and not even a political statement.

• **Walk Facing Traffic?** You've got to be kidding. They might see me aiming at them!

• **Satellite Radio:** Is nice for long drives between terrestrial signals. So, how come neither **Sirius** nor **XM** can figure out how to compensate **NPR** and its local affiliates for "Morning Edition" or "All Things Considered"?

• **Satellite Radio Merger:** Well, why not? Let's allow *Mel Karmazin* to pander to the Federal Confusion

Commission and test a la carte audio? Not to mention price controls? Or whatever else will salvage the service! Or else make it possible for me to download and listen live to the iTunes on my Mac while I'm driving a continent away.

• **Cell Phones II:** I hate 'em; and need 'em.

• **Cable Opportunity for PSAs:** Cable does a spectacular job with public service (though we often don't get much credit for it). There's **Kaitz**, **NAMIC** and diversity. There's **Cable Positive** and AIDS awareness. There's **C-SPAN**... a true gift to the nation (all parts of it, take a note Comcast). There's all the free time given to **MADD**, et al and dozens of other do-good "on-air" efforts. Safety is always a good idea... so, let's start a new program (maybe with a big auto or truck advertiser, **Sprint** as **Pivot** launches, or another do-gooder group) of PSAs that discourage handheld mobile telephony use while driving... and encourage hands-free auto accessories (another chance to sell some ads or find a "sponsor"). Might make commuting safer for all of us. Might even prevent a little bit of churn.



Paul Maxwell
T: 303/271-9960
F: 303/271-9965
maxfax@mediabiz.com

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For group subscriptions to CableFAX Daily

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