

CableFAX Daily™

Friday — April 4, 2008

What the Industry Reads First

Volume 19 / No. 065

In Transition: Important Questions Still Plague Digital Conversion

Governmental discord continues over the dollar amounts earmarked for the DTV transition. At CEA's Forum Thurs, Rep *Rick Boucher* (D-VA) said attendees' may need to help out (i.e., provide lobbying support and/or additional money). But when **CEA's Gary Shapiro** at a later luncheon asked **NTIA** acting sec, comm and information *Meredith Baker* about the supposed money crunch, she replied: "We don't need any more money. We just need people to step up and do what they've been doing." Increasingly, volunteers and non-govt players such as cable, **NAB** and CEA have done just that, said *Tony Wilhelm*, dir, consumer education and public information, NTIA's TV converter coupon program. Add to the list actress *Florence Henderson*, who will headline CEA's "Convert Your Mom" transition campaign targeting elderly persons' children and slated to launch before Mother's Day. Henderson seems to be the unofficial transition spokeswoman, collaborating with **Retirement Living TV** on a transition mailer offered to cable ops last year. NTIA's heavy reliance on outside help begs the question: just how much will cable benefit from the hundreds of millions it has committed to transition marketing/education? **NCTA's Rob Stoddard** said "the odds are pretty good that 1-2mln [households] will select a pay-TV operator" as a result of the transition, but it's unclear whether most of those HHs will choose cable over satellite/telcos, or that the projection is accurate. Some may even choose free digital signals. **NAB vp, DTV transition Jonathan Collegio** said a converter box allows him to access approx 30 broadcast stations at his VA home. As of Thurs morning, 9.5mln converter box coupons have been ordered from 5mln HHs, said Wilhelm; Baker said approx 210K have been redeemed. He added that 48% of the requests have come from pay-TV homes. Meanwhile, Boucher didn't reveal the status of House Commerce Cmte discussions to request **FCC** spectrum auction monies for the transition (*Cfax*, 3/14).

Upping the Stake: **Liberty** bought up 78.3mln common shares of **DirecTV** in a private transaction raising its stake to 48%. "These transactions reaffirm our belief in DirecTV, the quality of its service, and the performance of *Chase Carey* and his management team," said Liberty pres/CEO *Greg Maffei*. "The additional shares and equity collar each increase our exposure to DirecTV's equity and further align Liberty's interests with those of the DirecTV shareholders."

HD Nation: **Time Warner Cable** of NY and NJ said Thurs they will carry 100 HD channels and 250 HD VOD choices by the end of the year. 50 HD channels will bow Apr 30, including **Hallmark Movie Channel HD** (which just launched Wed) and **Weather Channel HD**. Over the next year, TW NY/NJ will launch its Start Over service area-by-area. -- **Comcast** bumped up its HD lineup in Philly, adding **AMC HD, Animal Planet HD, CNN HD, History HD** and **TLC HD**.

In the Courts: A St Clair County, IL, judge granted preliminary approval to a national class-action settlement against **DirecTV** on Mar 25, according to the *St Clair Record*. Anyone who entered into a programming contract with DirecTV and hasn't received a portable DVD player with at least the value advertised could submit a claim. Each eligible class member can get one portable DVD player of a current generation with an approx value of \$129. DirecTV denies any liability.



ReelzChannel Viewers Buy More VOD Movies*

*Research conducted Fall 2007 by Frank N. Magid Associates

affiliate.reelzchannel.com

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At the Portals: ACA doesn't like News Corp's suggestion that it should be exempt from conditions imposed on it by the FCC in '04 as part of its purchase of DirectTV because it sold its stake to Liberty (Cfax, 4/3). The small and independent cable group believes the conditions should remain in effect through '10, as originally set forth. "The time for News Corp to have requested modification of their conditions was at the time that they sought FCC approval of their sale of DirectTV," ACA CEO Matt Polka said. "The fact that they have now sold DirectTV does not eliminate the benefits that News Corp has received as a vertically integrated distributor for the last four years." -- The FCC's 2nd hearing on Network Management practices will kick off at noon PT, Apr 17 at Stanford Univ. Still no word on panelists, but the Commission plans 2 panel discussions—one on network mgmt and consumer expectations, and another on consumer access to emerging Internet technologies and apps. The FCC has set aside 2 hours, starting at 4:30pm, for public comment.

Online: Bresnan joined the Messaging Anti-Abuse Working Group as part of efforts to improve Internet security. -- Mojo HD is premiering series "Three Sheets" on online video service Hulu, 1 week before its linear season premiere.

Survey Time: CableFAX and survey partner ACC are gathering input on the state of digital PR and marketing in the cable industry. As a participant in the survey, you'll get the full results. Check it out at <http://www.cable360.net/cfax/accsurvey.html>.

In the States: Time Warner Cable launched in L.A. a new programming package targeting area Latinos and a flat-rate intl calling plan that includes approx 100 countries. The "Paquetazo" package encompasses 105 English-language nets, 52 Spanish-language channels, and runs \$35/month. The calling plan is \$20/month and allows up to 3K minutes of call time. -- RCN became an official corporate sponsor of the Washington Nationals for this season and next. -- Cox signed a master purchase agreement to deploy Concurrent's "MediaHawk 4500" VOD servers across its VOD-enabled sub base, replacing other server brands and integrating with SeaChange's "AXIOM" back office.

Programming: "The Steve Harvey Show," "Family Feud" and "Quantum Leap" joins ION's weekday lineup Mon at 5pm. -- News Corp CEO Rupert Murdoch's talk to Georgetown's School of Business on Thurs will air on C-SPAN, Sat at 10pm ET. The media tycoon talked about the WSJ, Fox News and MySpace.

Upfronts: George Lucas made an appearance at Cartoon's upfront presentation Thurs, unveiling a 1st look at upcoming series "Star Wars: The Clone Wars." The net announced an upcoming Sun night movie franchise and a sequel to its record-breaking, original live-action flick, "Ben 10: Race Against Time."

Public Affairs: Si TV linked up with voter registration group Voto Latino to engage young Latinos in the election. "Crash the Parties" is a nationwide search to find 2 young Latinos to cover the Democratic and Republican National Conventions as reporters for the net (www.crashtheparties08.com). -- Weather Channel and youth marketing company By Kids for Kids are sponsoring the "Akitas to Zebras (A2Z) Animal Challenge," asking young people to submit ideas for protecting the welfare of animals. The winner gets a \$10K grand prize.

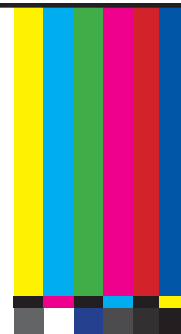
On the Circuit: Shaun Robinson of "Access Hollywood" hosts the 14th Annual NAMIC Vision Awards, Apr 16, Beverly Hills.

People: Hallmark Channel parent Crown added 3 to its board: Cella Group chmn/CEO Bill Cella, Hallmark Cards assoc gen counsel Dwight Arn and Hallmark Hall of Fame Productions pres Brad Moore. -- NBCU appointed Salil



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13510

BUSINESS & FINANCE

Dalvi svp, mobile platform development in its digital distribution group. -- *Andy Singer* was promoted to vp, programming at **DIY**. *Laura Sillars* was named **HGTV's** vp, programming. *Freddy James* becomes vp, site director for **HGTV.com**. -- **Scripps Nets** svp, research *Mike Pardee* will join the board of the **Advertising Research Foundation**. -- **NAMIC** is upping its director level staff positions to the rank of vp. That makes *James Jones* vp, education; *Daphne Leroy*, vp, marketing & communications and *Daniel McGlone*, vp, fund development. -- *Casey Patterson* was named svp, event production and talent dev for **Spike** and **TV Land**.

Business/Finance: After Thurs' *WSJ* story suggesting that now might be the time to get back into cable stocks, some MSO stocks showed gains. **Cablevision** closed up nearly 2% at \$22.94. **Mediacom** was up 3.7% at close. **Comcast** inched up 0.16%. However, **Charter's** 1 cent loss meant it closed down 1.4%—and still under the necessary \$1 share price. **Time Warner Cable** also closed down 0.82% for the day. -- **Motorola** said Thurs it would take a 1Q net pre-tax charge of about \$104mln related to it trimming about 2600 workers. The vendor said all business segments, including set tops, were affected. Moto's severance costs totaled \$113mln but was partially offset by \$9mln of reversals for accruals from prior periods that are no longer needed.

CableFAX Daily Stockwatch

Company	04/03 Close	1-Day Ch	Company	04/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	45.65	0.05	ALCATEL LUCENT:	6.17	0.06
DIRECTV:	26.42	0.42	AMDOCS:	28.66	0.37
DISNEY:	31.53	(0.03)	AMPHENOL:	40.31	1.28
ECHOSTAR:	29.91	(0.14)	APPLE:	151.61	4.12
GE:	37.84	(0.18)	ARRIS GROUP:	6.08	0.12
HEARST-ARGYLE:	20.84	(0.11)	AVID TECH:	25.46	0.42
ION MEDIA:	1.45	0.00	BIGBAND:	5.98	0.30
NEWS CORP:	20.17	0.17	BLNDER TONGUE:	1.45	0.00
MSOS					
CABLEVISION:	22.94	0.44	BROADCOM:	20.94	1.17
CHARTER:	0.90	(0.01)	C-COR:	11.00	0.00
COMCAST:	20.44	(0.04)	CISCO:	24.23	(0.73)
COMCAST SPCL:	20.03	0.03	COMMScope:	38.34	(0.62)
GCI:	6.48	(0.07)	CONCURRENT:	0.83	0.02
KNOLOGY:	13.57	0.02	CONVERGYS:	15.38	(0.08)
LIBERTY CAPITAL:	16.39	0.31	CSG SYSTEMS:	11.47	(0.1)
LIBERTY ENTERTAINMENT:	24.29	1.17	ECHOSTAR HOLDING:	31.44	1.01
LIBERTY GLOBAL:	35.46	0.31	GEMSTAR TVG:	4.84	(0.06)
LIBERTY INTERACTIVE:	16.86	(0.07)	GOOGLE:	455.12	(10.58)
MEDIACOM:	4.76	0.17	HARMONIC:	8.03	0.14
ROGERS COMM:	42.97	0.00	JDSU:	14.18	0.25
SHAW COMM:	19.72	0.19	LEVEL 3:	2.15	0.09
TELEWEST:	24.20	0.00	MICROSOFT:	29.00	(0.16)
TIME WARNER CABLE:	27.15	(0.71)	MOTOROLA:	9.77	0.16
VIRGIN MEDIA:	14.40	(0.02)	NDS:	48.93	(2.38)
WASH POST:	668.00	(17)	NORTEL:	7.87	0.00
PROGRAMMING					
CBS:	22.63	(0.16)	OPENTV:	1.19	(0.02)
CROWN:	5.07	(0.03)	PHILIPS:	39.35	0.00
DISCOVERY:	21.41	(0.13)	RENTRAK:	12.48	0.23
EW SCRIPPS:	42.90	0.06	SEACHANGE:	7.45	0.03
GRUPO TELEvisa:	24.63	(0.56)	SONY:	42.11	0.14
INTERACTIVE CORP:	21.77	0.38	SPRINT NEXTEL:	6.64	0.04
LIBERTY:	8.32	0.06	THOMAS & BETTS:	39.65	0.62
LODGENET:	6.60	0.03	TIVO:	9.17	0.20
NEW FRONTIER:	4.70	0.03	TOLLGRADE:	5.71	0.31
OUTDOOR:	7.19	(0.13)	UNIVERSAL ELEC:	25.57	0.00
PLAYBOY:	8.68	(0.14)	VONAGE:	1.95	0.04
TIME WARNER:	14.52	(0.12)	WEBB SYS:	0.04	0.01
UNIVISION:	36.23	0.00	WORLDGATE:	0.30	0.00
VALUEVISION:	5.39	(0.19)	YAHOO:	28.13	0.31
VIACOM:	40.52	(0.26)	TELCOS		
WWE:	18.51	(0.02)	AT&T:	39.01	0.29
TECHNOLOGY					
3COM:	2.47	0.05	QWEST:	4.71	0.06
ADC:	12.66	0.04	VERIZON:	38.07	0.11
ADVANTAGE:	3.60	(0.19)	MARKET INDICES		
			DOW:	12626.03	20.20
			NASDAQ:	2363.30	1.90



CableFAX UPFRONT

Cable Positioned to Garner Greater Share of the Media Mix, CableFAX Daily Announces 2008 Upfront Coverage.

Special Distribution at AAAA Conference, Orlando Florida
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13510

PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Getting Offensive

Make no mistake, the NHL's popularity still trails America's other pro sports leagues by a somewhat embarrassing margin, but the league has made important strides in the past few seasons—and cable has benefited nicely. **Versus** gave hockey a vote of confidence in Jan by exercising a contract option to continue airing NHL games through '11. The net's regular season slate wrapped up this week, and viewership numbers exhibit steady growth over the past 3 seasons. Avg HH rating came in at 0.3, a 50% increase over both '05-'06 and '06-'07; avg HH impressions tallied 193K (up 65% and 20%, respectively); and avg total viewership was 272K (up 68% and 28%). **HDNet** boss *Mark Cuban* didn't disclose numbers but is pleased with the net's hockey performance this year. "It's definitely up according to our **TNS** research, and the fan response has been great," said Cuban of NHL viewership. Reasons for the growth are manifold: **NHL Net's** bow in the US this year, adding to the increased league exposure through the aforementioned nets; the league's deft foray into the digital world, including streaming video at **Hulu.com** and a branded **YouTube** channel; and *Alexander Ovechkin*. Yes, my D.C. nativity may mean I'm slightly biased, but consider the importance of star power in all sports. The probable league MVP has reinvigorated a league recently plagued with stagnant offense and has brought much-needed exuberance to the ice. **CSN Mid-Atlantic** can thank Ovechkin for its own numbers this season: local Caps ratings are up 50% Y-over-Y, and a game this week locally outdrew women's college basketball on **ESPN** and NIT action on **ESPN2**, even another NHL game on **Versus**. Need more? Ratings of **Versus'** Caps games were up 150% this year in the D.C. market, and national total viewership of those games rose more than 100%. Do yourself a favor: watch Ovechkin in action if the Caps make the playoffs. Cable will thank you. *CH*

Highlights: "Wire in The Blood," season 5 premiere, Sun, 8pm, **BBC America**. There are many good crime shows, a slew of them on BBC America. Yet it's worth your subs' time to make room for "Wire in The Blood," one of Britain's best. Tonight *Robson Green*, as crime psychologist Tony Hill, heads to the colonies, namely Austin, Texas, where a soldier is accused of murdering his wife and young kids. Often when series change locations, they've run thin on plotlines. Not so here, as this premiere's a dark, mysterious gem. -- "Battlestar Galactica," final season, Fri, 10pm, **SciFi**. What we write means zilch to loyal BSG fans. They'd watch these final eps even if we said they were frakin' awful, which they're not. Heck, the zealots have probably already seen these eps illegally already. While there are problems with this first one, its multiple plots, which we've been asked not to reveal, are deliciously complex. *SA*

Worth a Look: "America's Port," season premiere, Mon 10pm, **Nat Geo**. Who knew? L.A. is our largest container port. That you didn't makes it fertile ground for exec prod *Thom Beers* of "Deadliest Catch" and "Ice Road Truckers" fame to investigate its niches and the people who work there. -- "DeGrassi Spring Break Movie," Fri, 8pm, **The N**. Can you say road trip? *SA*

Basic Cable Rankings (3/24/08-3/30/08)

Mon-Sun Prime (HHs)

1	DSNY	2	1939
1	USA	2	1896
3	TBSC	1.6	1538
3	TNT	1.6	1514
5	NAN	1.5	1476
6	FOXN	1.4	1297
7	HALL	1.2	1003
8	LIFE	1.1	1088
8	A&E	1.1	1050
8	ESPN	1.1	1040
8	MTV	1.1	1018
8	SPK	1.1	1013
8	TRU	1.1	959
14	HIST	1	938
14	LMN	1	559
16	TOON	0.9	911
16	FX	0.9	896
16	CMDY	0.9	889
16	HGTV	0.9	850
16	FAM	0.9	826
16	SCIF	0.9	824
22	DISC	0.8	790
22	VH1	0.8	735
22	AMC	0.8	715
25	TLC	0.7	684
25	ESP2	0.7	668
25	CNN	0.7	658
25	FOOD	0.7	637
29	TVLD	0.6	588
29	BRAV	0.6	539
31	MSNB	0.5	491
31	BET	0.5	474
31	EN	0.5	471
31	APL	0.5	461
31	NOGG	0.5	303
31	NGC	0.5	297
37	TTC	0.4	387
37	WGNC	0.4	314
37	OXYG	0.4	308
37	SOAP	0.4	263
37	HI	0.4	195
42	HLN	0.3	321
42	CMT	0.3	233
42	GSN	0.3	232
42	WE	0.3	215
42	VS	0.3	196

*Nielsen data supplied by ABC/Disney



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13510

UPFRONT

Precise Talk from Starcom

Starcom USA wants to quash the practice of negotiating cable buys from unrated networks based on ratings estimates. *Natalie Conway*, Starcom svp, cable activation director, sat down with **Cfax** to explain why the media buying firm will negotiate upfront deals only with nets applying precision metrics and why more accountability is critical to the smaller (i.e., non-Nielsened) networks Starcom targets.

Why this commitment to quantitative metrics? Last year, we saw major minute-by-minute guarantees. Twenty five percent of our deals were guaranteed on the exact minute, and we had the industry's first second-by-second deal, with **Discovery HD**, which really opened the door. **Those deals were based on data from TNS Media Research using set-top data from Charter's digital cable system in LA. Now Starcom has a deal to get DirecTV set-top data from TNS.** Everyone is trying to move to increased accountability, and we think this is going to be a big year. The TNS and DirecTV data is out there and accessible, and that's really great. To the extent that someone is willing to share that kind of data with us, that's exciting. **And now Starcom is conducting the industry's first-ever HD-dedicated upfront.** Yes, a large group of networks we think are very important and not rated would be those of the HD variety. We have just successfully negotiated the industry's first HD upfront that includes a bunch of stand-alone networks and a fleet of simulcast networks offered by DirecTV. **Yet many cable operators traditionally have kept that level of data closer to the vest.** Our relationships with the MSOs are very important, and we want to make sure this is a targeted message. But we are big fans of increasing granularity in all ways possible, across all media. This is not just a cable thing and not just a video thing. We are definitely open to all players and all opportunities. **What kind of nets will most benefit from precision metrics?** We think this initiative will allow us to more easily partner with fledgling networks. It's definitely a pro for some of the younger networks because

a lot of them tend to be niche-oriented and are linked to special passions that some of our clients target. **What about nets that aren't ready or able to bring precision metrics to their negotiations?** There are some cases where networks may not be in Charter LA or DirecTV, and so this type of second-by-second data is not yet available. We are approaching those partners and trying to come up with creative ways to learn together. We need to be creative and find a level of accountability that works. This is all about being inclusive, not exclusive.

UPFRONT EVENTS

April 8	Scripps	NYC	Breakfast
April 8	Discovery Networks	LA	Evening
April 9	BET Networks	Chicago	Lunch
April 9	VH1 Development Meeting	NYC	Breakfast
April 10	Scripps	Minneapolis	Lunch
April 10	BET Networks	Detroit	Lunch
April 10	fuse	NYC	Evening
April 10	VH1 Development Meeting	NYC	All Day
April 11	VH1 Development Meeting	NYC	All Day
April 13	National Geographic	Chicago	12-3pm
April 14	Scripps	Atlanta	Lunch
April 15	Scripps	Dallas	Lunch
April 16	Discovery Networks	Detroit	Evening
April 17	NBC Primetime Presentation	LA	Morning
April 17	BET Networks	NYC	Evening
April 22	Scripps	LA	Lunch
April 22	MTV	San Fran	Cocktails
April 23	Oxygen	NYC	Breakfast
April 23	Discovery Networks	NYC	Evening
April 24	NFL Network	NYC	Evening
April 27	National Geographic	NYC	12-3:30pm
April 28	A&E Networks	NYC	Evening
April 29	Discovery Networks	Atlanta	Evening
April 29	VH1 Development Meeting	LA	Cocktails
April 30	VH1 Development Meeting	San Fran	Cocktails
April 30	A&E Networks	Dallas	Cocktails
May 12	NBC	NYC	Afternoon
May 13	ESPN	NYC	Morning
May 13	ABC	NYC	Afternoon
May 13	Fox Sports En Espanol	NYC	Lunch
May 13	Telemundo	NYC	Evening
May 14	Turner Entertainment	NYC	Breakfast
May 14	Go!TV	NYC	Breakfast
May 14	Univision/TeleFutura/Galavision	NYC	Lunch
May 14	ESPN Deportes	NYC	Evening
May 14	Adult Swim	NYC	Evening

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