

CableFAX Daily™

Monday — April 7, 2008

What the Industry Reads First

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15 Years: ACA Still Fighting for Little Guys

As ACA members descend on Washington this week for the group's annual **Summit**, we wondered what has changed in ACA's 15 years of existence—and perhaps more importantly—what hasn't. "What hasn't changed is the fact that what we seek and what we do as an organization still comes back to the very earliest stages of our assoc, where we formed to try to fix laws and regulations that had a disproportionate impact on smaller independent companies and their customers," said ACA CEO *Matt Polka*. "What also hasn't changed is telecom issues are still today often times defined by the largest companies." As Washington frets about providing advanced services to rural areas, he said the Beltway crowd often doesn't realize it's usually smaller, independent companies that go that last mile. That's why ACA keeps holding its annual DC confab, in which independent ops canvas the Hill to tell their stories. With '08 a retrans election year for broadcasters, many will tell anecdotal tales of retrans negotiations and the rising cost of programming. ACA has lobbied for govt intervention on both issues, something larger ops have opposed (as well as a couple of its members, which left the assoc over the issue earlier this year). So, what has changed? "I wish I had a nickel for every time over the last 15 years that someone said there aren't any small operators left or they won't survive over the next 1, 2, 3, 4, 5 years. They're still going strong, and we think we've had something to do with that success," Polka said, noting that the ACA has laid the groundwork over the years so it can now be proactive rather than just reactive. Another hot topic at the DC Summit will be ACA's continued petition for a blanket exemption for small ops from the **FCC's** dual carriage order requiring cable to carry must-carry broadcasters' analog and digital signals post-DTV transition. FCC commissioners *Michael Copps* and *Jonathan Adelstein* have signaled their support. "I think there's been some misperception that what we're trying to do is get out of carrying broadcast signals. That's not the case at all. Mandating both analog and digital carriage imposes undue cost and capacity constraints on smaller cable systems," Polka said. "I think that issue has become clearer. I'm very hopeful that this coming week even... we hopefully can move forward and maybe actually solve this."

Advertising: **NCTA** rolls out the newest phase of its industry image campaign in DC Mon. The ads carry the tagline, "Cable. Broadband in the blink of an eye," and emphasize how cable invested more than \$100bln to build a national broadband network. The campaign also touts cable's phone offering, noting that **J.D. Power** ranked cable companies #1 in customer satisfaction in all 6 US regions last year. The campaign, created by **Strategic Perception**, will initially include print and Web ads in consumer and Capitol Hill pubs. Previous ads have featured the tag "Cable Delivers." -- Following collaboration on a similar trial in Huntsville, AL, **Comcast Spotlight** and media agency network **Starcom MediaVest Group** plan to test addressable TV advertising through a Baltimore trial launching in 3Q. The initial trial delivered across 8 cable nets thousands of ads addressed to various groups within HHs based on characteristics selected by the participating advertisers such as **GM**, **Hallmark** and **Miller Brewing**. Results suggest that viewers who received those ads

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were less likely to change channels, and that homes receiving addressable ads turned away 38% less of the time available than non-receiving HHs. -- Former Boston Red Soxer *Jim Rice* has signed on as a spokesman for **RCN**, and will make several appearances and represent the overbuilder in radio, TV and online ads.

Sayonara AZN: Comcast's plans to shutter **AZN** become official Wed at noon ET when the Asian net goes off the air (*Cfax*, 1/28). Affiliates could yank AZN from their lineups earlier if desired. Most of its 13.9mln subs are in Comcast's major Asian-American markets, but it does have some carriage with **Time Warner Cable** and **Cox**. Comcast said some systems have already replaced AZN with other channels. Time Warner Cable said removal of AZN was up to divisions, and that it has no direct replacement. Cox will lose the channel Wed. It's up to systems what, if anything, to put in that channel spot. AZN still has about 15 employees, and Comcast is working with them to find jobs inside the company, a spokeswoman said. GM *Rod Shanks* is leaving, while svp, affil sales *Bill Georges* left last fall for a job outside of cable. Network dev svp *Scott Wheeler* will remain in his post as he also heads up development for the **International Networks**. AZN has been directing viewers to sister net **E!**, where its popular "Asian Excellence Awards" will move on May 24.

On the Hill: FCC chmn *Kevin Martin* and **NTIA's Meredith Attwell Baker** are among the witnesses for Tues' Sen Commerce hearing on the DTV transition (2:30pm ET). The converter box program will take center stage, but we expect Martin to field some questions on the push for a blanket dual carriage exemption for small cable operators.

Actionable Auction: **AT&T** and **Verizon** each spent billions on spectrum through the **FCC** auction to bolster wireless broadband initiatives. AT&T's acquired B Block spectrum covering 100% of the top 200 US markets and 87% of the population will combine with spectrum purchased from **Aloha Partners** for a move to 4G tech and to provide new wireless broadband platforms such as HSPA+ and LTE. Verizon plans to deploy a LTE network around '10. Meanwhile, tight-lipped **Cox** said its FCC spectrum buy covers 76% of its footprint as it pushes for "product convergence and mobility."

Competition: **AT&T** expanded **U-verse TV** in Hartford, CT. It now offers the service to more than 230K CT homes.

Online: **Nickelodeon/MTVN Kids and Family Group** has commenced development of virtual worlds based on **Nick's** "SpongeBob SquarePants" and new original properties like "Monkey World," and expects virtual destination **World of Neopia** to launch over the next year. -- **Comcast's Fancast.com** has added full eps of "The Office" and "Doogie Howser," as well as content from the 50th Grammy Awards, bringing to more than 100 the site's number of content partners.

Ratings: **Spike** got some ratings punch Wed night with **UFC** content and the premiere of original series "DEA," which drew 1.3mln viewers, including 786K men 18-49 and 300K men 25-34. "UFC Fight Night" peaked with 1.8mln viewers.

Programming: **Science Channel's** "Mythbusters Young Scientist Special" (Apr 26) follows the 4 finalists of **Discovery Channel's** Young Scientist Challenge as they visit the "Mythbusters" HQ in San Francisco.

Public Affairs: **Time Warner Cable** pres/CEO *Glenn Britt* will sponsor a new program series at his Dartmouth College's Tuft School of Business, his alma mater. The **Britt Technology Impact Series** will examine the impacts of tech on corporations and related business strategies.

People: **Cox** promoted *Mimi Thigpen* to svp, strategy and *Montie Pace* to vp, business operations. -- **Qwest** evp/ CFO *John Richardson* is leaving the telco but will remain until a successor search is complete.

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CableFAX Week in Review

Company	Ticker	4/04 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	45.37	1.90%	(7.3%)
DIRECTV:	DTV	26.44	7.30%	14.40%
DISNEY:	DIS	31.24	0.80%	(3.2%)
ECHOSTAR:	DISH	29.65	4.40%	(12.7%)
GE:	GE	37.56	2.60%	6.30%
HEARST-ARGYLE:	HTV	20.54	0.30%	(6.5%)
ION MEDIA:	ION	1.45		12.40%
NEWS CORP:	NWS	19.78	6.50%	(6.1%)

Company	Ticker	4/04 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	23.12	7.90%	(5.6%)
CHARTER:	CHTR	0.91	1.10%	(22.2%)
COMCAST:	CMCSA	20.29	6.90%	11.10%
COMCAST SPCL:	CMCSK	19.98	7.50%	10.30%
GCI:	GNCMA	6.46	6.10%	(26.2%)
KNOLOGY:	KNOL	13.47	4.80%	5.40%
LIBERTY CAPITAL:	LCAPA	16.69	5.60%	(24%)
LIBERTY ENT:	LMEDIA	24.86	8.60%	2.80%
LIBERTY GLOBAL:	LBTYA	35.14	4.20%	(10.3%)
LIBERTY INTERACTIVE:	LINTA	16.81	4.00%	(11.9%)
MEDIACOM:	MCCC	4.85	13.60%	5.70%
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	20.29	14.40%	(11.5%)
TIME WARNER CABLE:	TWC	27.32	9.40%	(1%)
VIRGIN MEDIA:	VMED	14.42	6.30%	(11.9%)
WASH POST:	WPO	680.02	6.10%	(13%)

Company	Ticker	4/04 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	22.29	1.60%	(15.4%)
CROWN:	CRWN	4.95	(5.9%)	(23.8%)
DISCOVERY:	DISCA	21.72	7.90%	(13.6%)
EW SCRIPPS:	SSP	42.90	4.10%	(3.8%)
GRUPO TELEVISIVA:	TV	24.63	1.50%	3.60%
INTERACTIVE CORP:	IACI	21.41	4.50%	(20.4%)
LIBERTY:	L	1.00		(90.6%)
LODGENET:	LNET	6.39	1.60%	(63.4%)
NEW FRONTIER:	NOOF	4.83	4.50%	(5.1%)
OUTDOOR:	OUTD	7.43	2.90%	7.70%
PLAYBOY:	PLA	8.69	2.20%	(4.7%)
TIME WARNER:	TWX	14.60	5.30%	(10.5%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	5.38	1.50%	(14.5%)
VIACOM:	VIA	40.45	3.80%	(8%)
WWE:	WWE	18.42	4.80%	32.90%

Company	Ticker	4/04 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.38	8.20%	(47.3%)
ADC:	ADCT	12.56	5.00%	(19.1%)
ADVANTAGE:	AEY	3.65	(0.5%)	(40.8%)
ALCATEL LUCENT:	ALU	6.32	12.10%	(13.7%)
AMDOCS:	DOX	27.91	(1.4%)	(19%)
AMPHENOL:	APH	41.13	12.30%	(11.1%)
APPLE:	AAPL	153.08	7.00%	(22.7%)
ARRIS GROUP:	ARRS	6.12	8.30%	(38.7%)
AVID TECH:	AVID	24.69	1.70%	(12.9%)
BIGBAND:	BBND	5.90	2.80%	14.80%
BLNDER TONGUE:	BDR	1.40		(15.7%)

Company	Ticker	4/04 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	21.41	12.40%	(18.1%)
CISCO:	CSCO	24.39	1.30%	(9.9%)
COMMSCOPE:	CTV	38.01	7.80%	(22.8%)
CONCURRENT:	CCUR	0.84	33.30%	1.20%
CONVERGYS:	CVG	15.51	2.60%	(5.8%)
CSG SYSTEMS:	CSGS	11.51	2.00%	(21.8%)
ECHOSTAR HOLDING:	SATS	31.23	3.40%	(5.1%)
GEMSTAR TVG:	GMST	4.77	2.60%	0.20%
GOOGLE:	GOOG	471.09	7.50%	(31.9%)
HARMONIC:	HLIT	8.01	6.20%	(23.6%)
JDSU:	JDSU	15.00	14.60%	13.30%
LEVEL 3:	LVL3	2.11	(0.9%)	(30.6%)
MICROSOFT:	MSFT	29.16	4.50%	(17.2%)
MOTOROLA:	MOT	9.67	6.60%	(37.8%)
NDS:	NNDS	49.86	6.70%	(15.8%)
NORTEL:	NT	7.82	21.90%	(48.3%)
OPENTV:	OPTV	1.23	2.50%	(6.8%)
PHILIPS:	PHG	39.31	4.80%	(8%)
RENTRAK:	RENT	12.54	4.90%	(13.1%)
SEACHANGE:	SEAC	7.17	1.60%	(0.8%)
SONY:	SNE	41.90	3.10%	(22.8%)
SPRINT NEXTEL:	S	6.52	1.70%	(50.3%)
THOMAS & BETTS:	TNB	39.79	12.20%	(18.9%)
TIVO:	TIVO	8.96	3.00%	7.40%
TOLLGRADE:	TLGD	5.70	5.60%	(28.9%)
UNIVERSAL ELEC:	UEIC	26.13	9.80%	(21.9%)
VONAGE:	VG	1.94	3.70%	(15.7%)
WEBB SYS:	WEBB	0.04	33.30%	
YAHOO:	YHOO	28.36	(2.2%)	21.90%

Company	Ticker	4/04 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	38.48	2.20%	(3.5%)
QWEST:	Q	4.54	(1.3%)	(31.8%)
VERIZON:	VZ	37.34	4.20%	(10.6%)

Index	4/04 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	12609.42	3.20%	(4.9%)
NASDAQ:	COMPX	2370.98	4.90%	(10.6%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. CONCURRENT:	0.84	33.30%
2. WEBB SYS:	0.04	33.30%
3. NORTEL:	7.82	21.90%
4. JDSU:	15.00	14.60%
5. SHAW COMM:	20.29	14.40%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CROWN:	4.95	(5.9%)
2. YAHOO:	28.36	(2.2%)
3. AMDOCS:	27.91	(1.4%)
4. QWEST:	4.54	(1.3%)
5. LEVEL 3:	2.11	(0.9%)

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MaxFAX...

FCC Watch...

Think the Federal Confusion Commission will do the right thing by the **American Cable Association** as they meet this week?

Think anyone at the Portals can even find where they filed the request for waivers?



Paul S. Maxwell

Random Notes:

- **Schuss!** Another successful **SkiTAM...** gets better every year. Some of it should be on one of the **ESPN** channels,

don't you think? (The competition, I mean, not the...) Or how about doing coverage in VOD for on **The Ski Channel** next year? Some of those classic race runs could live forever.

- **Speaking of Programming:** Got the DVD of 300 SportsCenter ads. Actually watched (most of) them. Funny stuff. And "cable" (well, multi-media, multiplatform) channels keep doing better... note the Peabody Awards this year. **HBO** has a winner with "John Adams"—real history — even semi-vetted on **History**, too. And, **Showtime** has a real winner with "The Tudors"—history skewed for fun—loved the *O'Toole* Pope. Most deserving Peabodys though, in my opinion, went to **Discovery**

for "Planet Earth" (absolutely stunning... should be in every elementary and middle school on Earth) and **Comedy** for "The Colbert Report."

- **Kudos:** Wideband deployment is underway from **Comcast...** now, how about launching it in Summit County, Colorado next week?

- **Cable Stock Rebound?** Should be underway by now... last week's story in *The Wall Street Journal* indicated the bounce off the bottom had begun. We—along with cable analytical guru *Paul Kagan*—have been saying for years that Wall Street would give up (probably too soon) on the telco build-outs. While I still think **Verizon** is building the right thing, it sure does cost a bundle. Meanwhile, **AT&T** remains beholden to **DISH** for any real video upside.

- **CTAM Cable Apprentice:** Coming in Denver (again) on the 25th from the Rocky Mountain **CTAM** Chapter... great fun, worthy cause and really useful information... this year's case study revolves around the digital transition. More details soon.

- **Censorship @ The Cable Show?** **The Cable Channel**, which is affiliated with **Reed Elsevier** (*McNews*, *B&C*), along with the **NCTA**, did a way cool thing for New Orleans in cooperation with all the hotels that will be showing the channel... a buck a room goes to Cable Cares via the Room To Care project (because the hotels aren't charging

for carriage this year). Very nice. This year, in affiliation with **adgorilla** and **whereishd.com**, I was set to do the video introductions at a press conference and for an ad on the Cable Channel during the show (**MBC**, my company, developed and owns **whereishd.com**; we work closely with *Dan Ryan* and *adgorilla* on a number of projects). Too bad that Cable Channel's *Steve Nelson* vetoed my participation. (I used to do a closing daily stand-up bit for Steve's channel for years). And I'm hawking his do-good project here in *CableFAX Daily* today. As a board member of the Cable TV Pioneers, I get to welcome Steve into the Pioneers this year; a deserved award. And he is doing something good for N'awlins.

- **The N'awlins Pioneer:** Another Pioneer coming into the fold this year is **Cox** GM *Greg Bicket* of the New Orleans system... cool. Bringing him some Rocky Mountain Oysters (just kidding).

- **Cable TV Pioneer Dinner:** Sponsorships still available. Email *Les Read* at cabletvpioneers@optonline.net.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

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Contact: Debbie Vodenos, Publisher
at (301) 354-1695 or dvodenos@accessintel.com
Erica Gottlieb, Account Manager,
at (212) 621-4612 or egottlieb@accessintel.com

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