

CableFAX Daily™

Monday — April 14, 2008

What the Industry Reads First

Volume 19 / No. 071

Digital Divide: NHL, Cable At Odds Over Content

By nearly all accounts, the NHL had a fabulous regular season: TV ratings were up virtually across the board, merchandise sales increased, and a new attendance record was posted. But while these important exploits have elicited a cascade of good feelings, the league's launch this week of broadband media service **NHL Network Online** underscores the gauntlet ahead. Having seized control of all team Web sites and the lion's share of league-related digital rights—not unlike other pro sports leagues—the NHL has angered some media partners and left others waiting to see which way the digital puck will slide. The goal with NHL Net Online, positioned as the one-stop shop for all league content on the Web, is to “monetize [online content] on a national level to build scale,” said NHL svp, media sales *Larry Gelfand*. Then, he said, the content will be “transitioned to all team sites” in an effort to enhance local sales/marketing opportunities for RSNs and other media partners. But the plans aren't yet set in ice, causing unrest among certain cable teammates. An obvious example is **MSG**, which has an antitrust suit pending against the league over the control of the NY Rangers' site. MSG believes the portal is an important competitive tool used to generate fan interest, and that the NHL's overall Web plan discounts local opportunities in favor of national growth. After a few setbacks, MSG remains “confident in the merits of our case [and] fully committed to pursuing this case through its resolution at trial.” Others are skeptical, if not litigious. “If the goal is a national footprint, [the NHL] is never going to get there,” said one programming exec. Localism is key to hockey's continued growth, said several sources, many of whom would benefit from NHL-related VOD, broadband and wireless content. “There's certainly money being left on the table,” said another programming exec. Others are conscious of the important situation, yet remain willing to grant the league some latitude, at least for now. After all, pro hockey was nearly left-for-dead after its lockout debacle in '04-'05. “Ultimately we have the same end goal,” said **Versus** svp, programming *Marc Fein*, whose net will air a raft of NHL games nationally through '11 with few digital rights. “We make it work.”

In the Courts: A federal appeals court denied **EchoStar's** request to overturn a ruling that found it had violated **TiVo** DVR patents and owes the DVR maker \$94mln. TiVo said it was “extremely pleased.” But DISH Network pledged to take its appeal to the US Supreme Court. DISH also reassured customers that the decision will not impact its customers. DISH “engineers have developed and deployed ‘next-generation’ DVR software to our customers’ DVRs. This improved software is fully operational, has been automatically downloaded to current customers, and does not infringe the TiVo patent at issue in the Federal Circuit's ruling,” DISH said. -- **DISH Network** dismissed its complaint involving sports legends *John Madden* and *Charles Barkley*, indicating a settlement has been reached. In Feb, DISH asked the US District Court for CO to declare its ad campaign featuring parodies of the 2 former athletes doesn't violate trademark or common law rights. DISH said reps for the 2 had threatened legal action over the campaign featuring impersonations

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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Acct Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

by comedian *Frank Caliendo* of **TBS** series "Frank TV." No word on whether DISH will keep running the spots.

Competition: **DirectTV** reached a deal to carry **FSN Northwest's** additional 45 **Mariners** game package. In a press release, the DBS provider boasted that it's the largest provider in AK to carry every '08 Mariners game, as area cable op **GCI** doesn't currently have a deal for the additional game package.

Worth A Try: *Cris Collinsworth* needs a new broadcast booth partner now that *Bryant Gumbel* has decided to relinquish his play-by-play duties at **NFL Net**. "We've agreed that we'd all be better served going in different directions," said Gumbel at NFL.com. The net will immediately begin the search for a replacement.

DTV Doings: **MSTV** slammed a recent **Centris** study that claims one-quarter of US consumers residing in difficult reception areas will need to upgrade antennas to get any signals (*Cfax*, 4/11). **MSTV** pres *David Donovan* said the study "exaggerates" potential DTV coverage problems by relying on a database for predictions, instead of conducting a spectrum analysis or test of signal strengths. "Consumers should not be misled by 'proprietary analysis' asserting that they must purchase antennas that are more expensive or shift to pay cable, satellite or telecom video services," Donovan said.

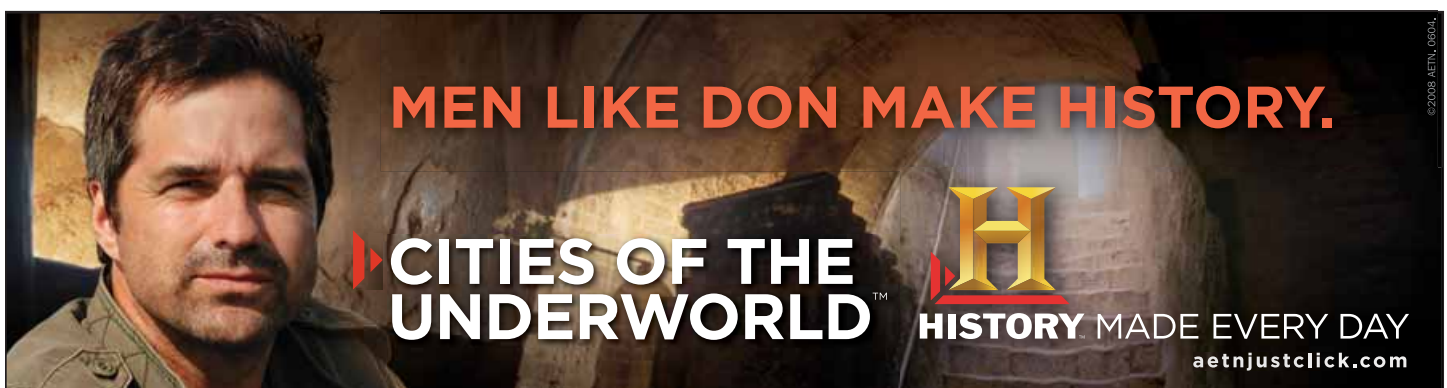
In the States: **Cablevision** is no longer in the running to acquire *NY Newsday*, report TheDeal.com. -- **Rainbow** signed a multi-year deal on **Intelsat's** Galaxy 14 for HD programming in the N American cable market. -- **SES Americom** declared its AMC-14 satellite a complete loss after last month's launch put it in the wrong orbit. **DISH Network** was going to use the bird to expand its HD offerings. Americom said it's out of options for repositioning the satellite. It should receive \$150mln in insurance proceeds and said there will be no negative impact from the accelerated write-down.

On the Hill: The House Telecom Subcmte will hold a hearing Tues on the **FCC's** 700Mhz auction. All 5 commissioners are slated to testify, as well as **Media Access Project's** *Harold Feld* and **Verizon Wireless** gen counsel *Steven Zipperstein*. -- Sen Commerce looks at the future of the Internet, including network operation, Apr 22, 10am ET.

Programming: **History** and **The Library of Congress** are creating a multimedia partnership to showcase The Library of Congress' collections. Co-branded content will be featured on history.com as well as original specials and short- and long-form historical documentary programming on the History Channel. History will also produce a short film and new content for the new Library of Congress Experience, opening publicly Sat (4/12) in the Library's Thomas Jefferson Building and online at myLOC.gov. -- **Gospel Music Channel** celebrates Tax Day with a marathon of uplifting music dubbed "GMC's Many Happy Returns," Apr 15, 7am-3am ET. -- **ESPN** canceled boxing reality series "The Contender," which it rescued from **NBC** a couple years ago. -- **Sunflower Broadband** COO and ACA chmn *Patrick Knorr* appears on **C-SPAN's** "The Communicators," Sat, 6:30pm ET (encores on **C-SPAN 2** Mon at 8am and 8pm).

Doing Good: **AmericanLife TV** gave proceeds (\$7,182) from DVD sales of "A Journey to Darfur" to the **Intl Rescue Committee** for relief efforts in Darfur. The doc chronicled *George Clooney* and father's visit to the Sudan border in '06.

Business/Finance: **GE** reported weaker-than-expected 1Q results numerous businesses, but **NBCU** was a notable exception. The segment delivered a 3% increase in rev to \$3.58bln and 3% profit growth to \$712mln, the segment's 6th straight Q of profit growth. NBC's performance was fair, with cable nets such as **USA**, **Bravo** and **MSNBC** driving the segment.



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*Nielsen Media Research (3/30/2008-3/31/2008) Live + same day Persons 2+ reach (000)s, 1 minute qualifier. 1. Nielsen Media Research (12/31/2007-3/31/2008) Live + same day F25-54 coverage area rating rank of original movie premieres on ad-supported cable. 2. Nielsen Media Research Live + same day 1/29/01-3/31/2008 HH, F18-49, F25-54, F18+, P18-49, P25-54, P2+ AA(000)s. 3. Nielsen Media Research Live + same day September 2007 - March 2008 percent increase versus same month prior year average monthly coverage are ratings for Total Day (M-Su 6a-6a) and Prime (M-Su 8p-11p).

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CableFAX Week in Review

Company	Ticker	4/11 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	43.35	(4.3%)	(11.4%)
DIRECTV:	DTV	25.74	(2.6%)	11.30%
DISNEY:	DIS	30.18	(3.4%)	(6.5%)
ECHOSTAR:	DISH	30.82	4.00%	(9.2%)
GE:	GE	32.05	(14.7%)	(8.5%)
HEARST-ARGYLE:	HTV	19.90	(3.3%)	(9.4%)
ION MEDIA:	ION	1.45		12.40%
NEWS CORP:	NWS	19.00	(3.9%)	(9.7%)
MSOS				
CABLEVISION:	CVC	22.43	(3%)	(8.4%)
CHARTER:	CHTR	0.94	3.30%	(19.7%)
COMCAST:	CMCSA	19.65	(3.2%)	7.60%
COMCAST SPCL:	CMCSK	19.41	(2.8%)	7.10%
GCI:	GNCMA	6.22	(3.7%)	(28.9%)
KNOLOGY:	KNOL	12.97	(3.7%)	1.50%
LIBERTY CAPITAL:	LCAPA	15.81	(5.3%)	(28%)
LIBERTY ENT:	LMDIA	24.82	(0.2%)	2.60%
LIBERTY GLOBAL:	LBTYA	34.74	(1.1%)	(11.4%)
LIBERTY INTERACTIVE:	LINTA	15.51	(7.7%)	(18.7%)
MEDIACOM:	MCCC	4.37	(9.9%)	(4.8%)
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	20.71	2.20%	(9.5%)
TIME WARNER CABLE:	TWC	26.53	(2.9%)	(3.9%)
VIRGIN MEDIA:	VMED	12.38	(14.1%)	(24.3%)
WASH POST:	WPO	678.50	(0.2%)	(13.2%)

Company	Ticker	4/11 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	21.40	(4%)	(18.7%)
CROWN:	CRWN	4.49	(9.3%)	(30.9%)
DISCOVERY:	DISCA	21.68	(0.2%)	(13.8%)
EW SCRIPPS:	SSP	41.42	(3.4%)	(7%)
GRUPO TELEVISIVA:	TV	23.52	(4.5%)	(1.1%)
INTERACTIVE CORP:	IACI	20.60	(3.8%)	(23.5%)
LIBERTY:	L	1.00		(90.6%)
LODGENET:	LNET	5.75	(10%)	(67%)
NEW FRONTIER:	NOOF	5.04	12.40%	5.80%
OUTDOOR:	OUTD	7.01	(5.7%)	1.60%
PLAYBOY:	PLA	8.41	(3.2%)	(7.8%)
TIME WARNER:	TWX	14.27	(2.3%)	(12.5%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	4.88	(9.3%)	(22.4%)
VIACOM:	VIA	39.62	(2.1%)	(9.9%)
WWE:	WWE	18.91	2.50%	36.20%

Company	Ticker	4/11 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.33	(2.1%)	(48.5%)
ADC:	ADCT	12.50	(0.6%)	(19.6%)
ADVANTAGE:	AEY	3.71	1.60%	(39.9%)
ALCATEL LUCENT:	ALU	5.85	(7.4%)	(20.1%)
AMDOCS:	DOX	27.42	(1.8%)	(20.5%)
AMPHENOL:	APH	41.09	(0.1%)	(11.2%)
APPLE:	AAPL	147.14	(3.9%)	(25.7%)
ARRIS GROUP:	ARRS	6.15	0.50%	(38.4%)
AVID TECH:	AVID	24.32	(1.5%)	(14.2%)
BIGBAND:	BBND	6.41	8.60%	24.70%
BLNDER TONGUE:	BDR	1.35	(3.6%)	(18.7%)

Company	Ticker	4/11 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	21.00	(1.9%)	(19.7%)
CISCO:	CSCO	23.38	(4.1%)	(13.6%)
COMMSCOPE:	CTV	36.52	(3.9%)	(25.8%)
CONCURRENT:	CCUR	0.72	(15.3%)	(13.3%)
CONVERGYS:	CVG	14.98	(3.4%)	(9%)
CSG SYSTEMS:	CSGS	10.98	(4.6%)	(25.4%)
ECHOSTAR HOLDING:	SATS	28.37	(9.2%)	(13.8%)
GEMSTAR TVG:	GMST	4.80	0.60%	0.80%
GOOGLE:	GOOG	457.45	(2.9%)	(33.8%)
HARMONIC:	HLIT	7.58	(5.4%)	(27.7%)
JDSU:	JDSU	13.46	(10.6%)	1.20%
LEVEL 3:	LVT	2.07	(1.9%)	(31.9%)
MICROSOFT:	MSFT	28.28	(3%)	(19.6%)
MOTOROLA:	MOT	9.05	(6.4%)	(41.7%)
NDS:	NNDS	46.51	(6.7%)	(21.5%)
NORTEL:	NT	7.00	(10.8%)	(53.6%)
OPENTV:	OPTV	1.09	(11.4%)	(17.4%)
PHILIPS:	PHG	37.31	(5%)	(12.7%)
RENTRAK:	RENT	12.94	3.20%	(10.3%)
SEACHANGE:	SEAC	6.89	(3.9%)	(4.7%)
SONY:	SNE	40.76	(2.7%)	(24.9%)
SPRINT NEXTEL:	S	6.47	(0.8%)	(50.7%)
THOMAS & BETTS:	TNB	38.25	(3.7%)	(22%)
TIVO:	TIVO	8.91	(0.6%)	6.80%
TOLLGRADE:	TLGD	4.99	(12.5%)	(37.8%)
UNIVERSAL ELEC:	JEIC	24.90	(4.7%)	(25.5%)
VONAGE:	VG	1.81	(6.7%)	(21.3%)
YAHOO:	YHOO	28.34	(0.1%)	21.80%

Company	Ticker	4/11 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	37.30	(3.1%)	(6.4%)
QWEST:	Q	4.65	2.40%	(30.2%)
VERIZON:	VZ	35.59	(4.7%)	(14.6%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	12325.42	(2.3%)	(7.1%)
NASDAQ:	2290.24	(3.4%)	(13.7%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.05	25.00%
2. NEW FRONTIER:	5.04	12.40%
3. BIGBAND:	6.41	8.60%
4. ECHOSTAR:	30.82	4.00%
5. CHARTER:	0.94	3.30%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CONCURRENT:	0.72	(15.3%)
2. GE:	32.05	(14.7%)
3. VIRGIN MEDIA:	12.38	(14.1%)
4. TOLLGRADE:	4.99	(12.5%)
5. OPENTV:	1.09	(11.4%)

Television is part of the family room.
Univision is part of the family.



MaxFAX...

FCC Watch Redux...

Amazing!

The Federal Confusion Commission's Chairman *Martin*(et) did the right thing by the **American Cable Association** as they met last week... albeit grandstanding more than a little bit. Kudos

to *Matt Polka* and company for pulling off a well-deserved mini-triumph. Good 15th Anniversary dinner; good meetings; good things.



Paul S. Maxwell

Now, about retransmission consent...

Random Notes:

• All Booked for New Orleans?

Some of us will be heading down a day or two early to actually do some real good on the ground... I think my friends at the **NCTA** have big plans for me at a couple of schools... carrying out the garbage resulting from some repairs and new construction (again and again and again and again and again). The Cable Cares focus, I'm told, will be on the state of New Orleans' schools. Good thing.

• "Avoiding Armageddon"? It is a new **PBS** series from **Ted Turner Documentaries** featuring former **CNN** star *Frank Sesno* and Professor of Public Policy and Communications at George Mason University.

One way to avoid Armageddon is to avoid interviewing Ted (anyone remember the bit I did with him for the **Cable Center** at the late, lamented Western Show?). Nevertheless, Frank interviewed Ted at George Washington University the other evening... and, according to one witness, gave him a cold bison burger from Ted's Montana Grill (pretty good value restaurants, by the way). Ted also complained about getting a GWU basketball instead of one from Kansas University. Ted did say he wouldn't be running for president.

• **Cable Apprentice Again:** EmCee-ing again... The 2nd Annual Cable Apprentice Competition will be at the **Comcast Media Center** from 8-11 am on Fri, Apr 25. This is a cool exercise pitting teams of MBA students from the Daniels' College of Business working from a case study on the digital transition... which should result in some interesting suggestions, points of view and weird mistakes (that we should be sure we don't then make!).

• **The Mangers' CCTA 50th Anniversary!** And retirement ceremony. Bummer. One of cable's better guys—and superb lobbyist and policy wonk—is retiring... *Dennis Mangers*, **California Cable & Telecommunications Association** president, will be feted Mon evening, Apr 28... for info: abby@calcable.org. Wish I could be there... Dennis will be missed.

• **Dallas and Finance?** I think *Jeff*

Marcus is in New York or Florida most of the time now; but the **Broadcast Cable Financial Management Assn** is meeting there anyway (info@bcfm.com). Interesting city; I went to college and seminary there. BCFM meets there May 13-15 and will bestow its top management Avatar Award on *Ken Lowe*, president and CEO of **The E. W. Scripps Co.** I think he should also get an award for best cuff links.

• **Rocky Mountain WICT Walk of Fame:** I've promised to again promote **WICT's** May 13th Walk of Fame Gala... details at www.wictrm.org.

• **Things We Like To Read:** From a letter to the editor in *The New York Times* from *Sumner Redstone*: "I love my daughter, and no amount of press speculation will change that."

• **Springtime in the Rockies:** Half the ski areas closed Sunday the 13th. Ah, but the back country beckons.

• **Back Door Mergers?** It is finally going to happen—by way of **AOL + Yahoo!**. That isn't what is going to happen, though, before the end of this Presidential term, **News Corp**, **Time Warner**, **Yahoo!**, **Microsoft** and **Google** will merge.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

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