

# CableFAX Daily™

Thursday — April 26, 2007

What the Industry Reads First

Volume 18 / No. 081

## Bye-Bye, Betty: Who's Next to Head Lifetime?

Outgoing **Lifetime** pres/CEO *Betty Cohen* had a tough act to follow in *Carole Black*. Perhaps that's why few were surprised to hear of her resignation Wed after almost exactly 2 years on the job. It seems like she just never quite cohered to the women's net the way Black did. The trades have portrayed Cohen as distant, and Lifetime has failed to return to the ratings heyday it enjoyed under her predecessor. The usual names were being bandied about Wed as possible replacements, including ad sales chief *Lynn Picard*. Another name getting mileage is *Dawn Ostroff*, credited with helping to usher in Lifetime's reign at the top of prime-time ratings in 2002. She left in '02 to become pres of **UPN** (she now heads CW). Lifetime parents **Disney** and **Hearst** have not named a replacement nor even announced plans for search, sparking buzz that a candidate may be waiting in the wings. Cohen's resignation, effective immediately, came just 1 day after Lifetime's upfront pitch to advertisers. "The past two years have been fantastic, but it's time for me to take on new challenges," she said. "Having just shepherded the company through this year's upfront presentation, with a fantastic slate of original programming that advertisers and media buyers responded to enthusiastically, I felt that the time was right for this transition." The net has struggled to find original series that garnered the kind of eyeballs "Strong Medicine" and "The Division" once did. It's trying again, launching 3 new originals on Sun nights this summer (*Cfax*, 4/25). Other challenges besides sagging ratings during Cohen's tenure included a messy, public carriage fight with **EchoStar** last year. The former **Cartoon** pres said to "stay tuned" in terms of what's next for her. "There is an amazingly talented, hard-working team in place at Lifetime, and I wish them all continued success and great luck in the future," she said.

## Big Wait: Once Again, FCC Meeting Fails to Start on Time

In what's becoming standard operating procedure, an **FCC** meeting originally slated to start at 9:30am Wed still hadn't gotten underway at 6pm. An item setting up rules for the auction of 700Mhz spectrum, which houses analog TV, was thought to be causing the delay. Another item on Wed's agenda of interest to the cable industry: a rulemaking on requiring cable operators to carry must-carry broadcasters' digital and analog signals after the Feb '09 DTV transition if their systems were not all-digital. It's an item that House Commerce chmn *John Dingell* (D-MI) promised to watch closely. "Not only do we have to see to it that the rulemaking is conducted in a fair fashion in connection to these matters, but, very frankly, we have to see to it that the results of any governmental action is first of all something which solves the problems, which enables you to function properly and compete fairly in areas where you have concerns and business interests," he told some 300 cable execs attending **NCTA's** "Key Contact Conference" Wed morning. Dingell said he understood how the industry might feel picked on by the FCC—a refrain repeated by many lately. While he said he couldn't say whether industries were targeted, he noted that when the FCC is less than open and transparent, it can result in "less than perfect regulation." Dingell pledged continued oversight of the Commission, adding that his "ability to

**SPACE WEEK** PREMIERING IN MAY

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DISCOVERY NETWORKS...PROVIDING GROUND-BREAKING PROGRAMMING TO DRIVE YOUR BUSINESS.

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bring matters to the attention of FCC is probably a little better than yours.” Dingell also expressed concern over the US's fall to 15th place in a global ranking of broadband penetration and called for legislation for a national broadband policy. He raised concerns that cable modem service and other services have been classified as “information services,” noting the FCC still hasn't determined what consumer protections apply to those services. As for that 700Mhz auction item, which the FCC still hadn't been resolved by our presstime, Dingell would prefer fairly small sales of spectrum “so we don't wind up with a few great big folks having it all.” -- There was also buzz late in the day that the FCC's TV violence report would hit sometime Wed night.

**Competition:** DISH will unveil in 2Q an interactive app from TV Guide Channel that allows viewers to interact with expert programming recommendations while they watch the net. DISH subs will also be able to set program reminders, schedule digital video recording and order pay-per-view programming. In addition, all TV Guide Channel programming on DISH will be full screen beginning May 2. -- NBCU's daytime drama “Passions” is moving to DirecTV for its 9th season, beginning Sept 17.

**On the Hill:** The Sen Commerce Cmte approved several bills Wed, including the IP-Enabled Voice Communications and Public Safety Act of 2007, which grants IP-enabled voice providers the right of access to essential 911 components comparable to the rights of access granted to commercial mobile service providers. It also creates a statutory obligation on the providers to provide 911 and E911 service to their subs.

**In the States:** Cox announced widespread deployment of “PowerBoost,” which gives HSD subs speed boosts when they are downloading large files. Cox borrowed the trademarked name from Comcast—the 1st MSO to launch the tech. -- Bright House bowed in its Tampa and Orlando markets “YOU on Demand,” a VOD category featuring viewer-generated content, including funny videos, family events, child performances and pet tricks. Customers may submit content via 2 Websites. -- The city of Lowell, MI, has approved the sale of its municipal cable system to Comcast, which will pick up roughly 1,800 video subs in the deal. -- A bill aimed to levy sanctions and fines up to \$50K at cable ops for airing ads for racy products died in the TN House Tues. The legislation, introduced last month by Sen Doug Jackson (D).

**State Franchising:** The WI Assembly preliminarily approved Tues a state franchising bill and plans a vote for May 8.

**Ratings:** This past weekend tipped off the NBA playoffs, typically a ratings bonanza for ESPN and TNT. Although the opening tilts failed to deliver prime supremacy to either net, the numbers are promising, especially given that viewership tends to heat up like Kobe Bryant as rounds progress. Sun's Warriors/Mavs contest earned a 2.6/2.41mln, tops of 3 TNT games and ahead of the net's 1st-round avg in '06 (1.9/2.15mln). ESPN games fared a little worse, with Sat's Jazz/Rockets engagement earning the best numbers, 2.0/1.85mln. -- Surprisingly baseball basked in the cable spotlight last week, with ESPN's Sun coverage of the Yankees/Red Sox delivering a 4.2/3.95mln, good for the week's top telecast spot and the most-viewed “Sunday Night Baseball” telecast ever. The numbers helped ESPN (1.4/1.34mln) rank 5th on the prime ratings list, preceded by Disney (2.1/1.88mln), USA (2.0/1.81mln), TNT (1.6/1.53mln) and Fox News (1.5/1.41mln).

**Programming:** The History Channel's special “Virginia Tech: Eyewitness to Tragedy” premieres Thurs (10pm ET), offering a chronological account of Blacksburg's darkest day. -- The Big Ten Network unveiled a 5-game slate of prime football tilts, including a Nov 3 matchup between Illinois and Minnesota. -- Discovery Channel will cap the

\*Source: Nielsen Galaxy, Idol Tonight Premiere Telecasts only AA (000) 3/14 - 3/28/07 8P vs 3/14 - 3/28/06 7P, Live Stream



Wednesdays  
8p E / 7p C

**TV  
GUIDE  
CHANNEL**

**Idol Tonight is a hit with young viewers! Ratings up 96% among Adults 18-34.**

# BUSINESS & FINANCE

5-week run of its popular "Planet Earth" series with "Planet Earth: The Filmmaker's Story" (Sun, 8pm), featuring a mix of new and behind-the-scenes footage and interviews with crew members.

**People:** The Nielsen Co named former Comcast exec Patricia Andrews-Keenan vp, communications and community affairs. -- ExpoTV named David Becker chief mktg officer.

**Business/Finance:** Strong 1Q performance by Scripps Nets again helped offset other lagging Scripps segments such as newspapers and broadcast TV stations. Scripps Nets' ad rev rose 10% to \$206mln, affil fee rev jumped 20% to \$58mln and segment profit increased 20% to \$107mln. Rev was up at HGTV (12%), Food Net (15%), DIY Net (8%), Fine Living (24%) and GAC (18%). -- Citing a desire to "focus all efforts and resources entirely on our core operations at Outdoor Channel," Outdoor Channel Holdings announced the sale of its membership division segment to vice chmn Thomas Massie for \$3.6mln in cash. -- LodgeNet reported a 7.3% increase in 1Q rev to \$75mln and a net loss of \$28K, compared to a \$654K net loss a year ago. Guest pay rev/room rose 3.3% as the room base expanded by 6K net rooms and digital rooms increased by 26K net rooms. Numbers don't reflect the addition of more than 800K interactive TV rooms added through the recent On Command acquisition.

## CableFAX Daily Stockwatch

Company	04/25 Close	1-Day Ch	Company	04/25 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	45.78	(0.19)	AMPHENOL:	35.58	(0.02)
DIRECTV:	24.15	0.21	APPLE:	95.35	2.11
DISNEY:	35.32	0.41	ARRIS GROUP:	15.04	0.10
ECHOSTAR:	46.67	(0.17)	AVID TECH:	38.03	0.04
GE:	35.41	0.65	BLNDER TONGUE:	1.84	(0.01)
HEARST-ARGYLE:	27.51	0.17	BROADCOM:	34.29	0.23
ION MEDIA:	1.25	(0.01)	C-COR:	13.43	0.04
NEWS CORP:	24.84	0.16	CISCO:	26.78	0.45
TRIBUNE:	32.78	0.23	COMMSCOPE:	45.39	0.31
<b>MSOS</b>					
CABLEVISION:	32.83	0.40	CONCURRENT:	1.40	(0.05)
CHARTER:	3.27	0.07	CONVERGYS:	27.24	0.31
COMCAST:	28.09	0.56	CSG SYSTEMS:	27.01	1.14
COMCAST SPCL:	27.59	0.57	GEMSTAR TVG:	4.57	0.10
GCI:	14.75	(0.43)	GOOGLE:	477.99	0.46
KNOLOGY:	17.35	0.15	HARMONIC:	10.29	0.12
LIBERTY CAPITAL:	115.25	(0.33)	JDSU:	16.73	0.96
LIBERTY GLOBAL:	36.64	1.58	LEVEL 3:	6.18	0.12
LIBERTY INTERACTIVE:	25.47	0.67	MICROSOFT:	28.99	0.20
MEDIACOM:	8.93	0.15	MOTOROLA:	17.91	0.27
NTL:	28.22	0.00	NDS:	51.46	(0.29)
ROGERS COMM:	38.80	0.25	NORTEL:	24.17	(0.1)
SHAW COMM:	39.95	0.61	OPENTV:	2.55	0.09
TIME WARNER CABLE:	37.19	(0.11)	PHILIPS:	42.40	0.45
WASH POST:	744.71	1.71	RENTRAK:	14.63	0.03
<b>PROGRAMMING</b>					
CBS:	32.00	0.45	SEACHANGE:	8.95	0.03
CROWN:	6.11	0.14	SONY:	55.22	0.72
DISCOVERY:	22.00	0.65	SPRINT NEXTEL:	20.41	0.14
EW SCRIPPS:	43.50	(1.65)	THOMAS & BETTS:	55.26	2.26
GRUPO TELEVISIA:	29.34	(0.12)	TIVO:	6.32	(0.07)
INTERACTIVE CORP:	38.39	0.96	TOLLGRADE:	11.97	0.00
LODGENET:	35.96	2.84	UNIVERSAL ELEC:	28.44	0.36
NEW FRONTIER:	8.68	(0.01)	VONAGE:	3.32	(0.4)
OUTDOOR:	10.35	0.27	VYYO:	7.87	0.42
PLAYBOY:	9.86	(0.03)	WEBB SYS:	0.07	0.01
TIME WARNER:	21.15	0.17	WORLDGATE:	0.71	0.04
UNIVISION:	36.23	0.00	YAHOO:	28.06	0.04
VALUEVISION:	11.82	(0.02)	<b>TELCOS</b>		
VIACOM:	42.75	(0.05)	AT&T:	39.14	0.04
WWE:	17.12	0.00	QWEST:	9.03	0.10
<b>TECHNOLOGY</b>					
3COM:	4.29	0.03	VERIZON:	37.65	0.05
ADC:	19.02	0.22	<b>MARKET INDICES</b>		
ADVANTAGE:	4.15	0.01	DOW:	13089.89	135.95
ALCATEL LUCENT:	13.46	0.30	NASDAQ:	2547.89	23.35
AMDOCS:	36.94	(0.94)			



"...she's one of the most likeable "reality" stars in recent years..."  
- The Boston Herald

## WIFE MOM BOUNTY HUNTER

A new WE tv original series | Fridays at 9p



2nd Highest rated WE tv original series premiere delivering the most women 25-54 ever!

Source: Nielsen Media Research, Live Data, Premiere of Wife, Mom, Bounty Hunter (Friday 4/20/07 9p-10p) W25-54 delivery (000) & HH Rtg ranked among all WE tv original series premieres since beginning of measurement (12/31/01-4/20/07); subject to qualifications upon request.

## Think about that for a minute...

### Blinders

It's not a new phenomenon in Washington, but it seems more prevalent today than it has been in a long time. Our policy debaters seem to be wearing blinders most of the time when they engage in various debates, particularly about telecommunications policy. This is true not only of the various "interest group" representatives (of which I am one), but of the regulators and legislators as well.

There is a natural tendency to become impassioned and strident about the issues of most concern to you. Certainly I am a "cable guy," so I start out by admitting I am biased in that direction. But what is getting confusing is the growing tendency of some to take positions that seem at direct odds with what they claim their objective is in other arenas.



**Steve Effros**

There are, unfortunately, too many examples to cite them all here, but let's look at a few. We have some at the FCC saying on the one hand that they want to see lower cable rates, but at the same time arguing for a la carte pricing, which almost every economist and serious study suggests would result in higher rates for the average viewer.

We have Commissioners and legislators now suggesting that new laws should allow the government to regulate "violence" (however that gets defined) on television and cable television while at the same time some of those same folks are advocating "net neutrality" to make sure that anyone can see anything they want on the Web! Want to see lots of sex and violence? Forget television, just browse the web a little bit and your hair will curl!

We have legislators and "public interest" groups bemoaning the notion that the United States is "falling behind" in some mythical and irrelevant "race" with other

countries (most of them very small, with high density populations) regarding broadband penetration percentages. Never mind, as Kyle McSarrow of the NCTA pointed out in a great letter to Capitol Hill this week (take a look at it at [www.ncta.com](http://www.ncta.com)), that this country has the largest population of broadband users in the world. The comparisons are at best misleading.

No, for some reason the policy debates seem to fall into very narrow lanes. And so long as the folks making the arguments keep their blinders in place, all they see is that lane when making that argument. They don't "connect the dots" with all the other things going on around them to see a much bigger picture. We are all painfully aware of how costly a mistake it is to fail to connect the dots. Why is it that these folks insist on a narrow vision view of what they are proposing at any given moment?

How can "consumer groups" argue for freedom of expression and thought when it comes to the Internet and then turn around and support governmental control of content, such as the "must carry" rules that favor one speaker over another? How can the same people make both of those arguments and not be embarrassed by the obvious inconsistency?

I don't really have an answer to this one. It just drives me to distraction. I know I can't expect full consistency on everything. Heck, I'm not that way either, but these folks are making arguments that directly contradict. How can you want to advance the DTV transition and lower cable rates but then demand that the industry use obsolete, more expensive cable boxes to help the consumer electronics industry? That's going in opposite directions! It's time to take off the blinders.

*Steve*

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# The CABLE Show '07

## Technical Breakfast Event

Wednesday, May 9th

7:30am – 9:00am

Mandalay Bay Ballroom H

Mandalay Bay Convention Center, Las Vegas



### DOCSIS 3.0: Offense or Defense?

Is DOCSIS 3.0 enough to compete against deep fiber?

Not enough? More than enough? On the offensive side, can DOCSIS 3.0 enable smart endpoints — true home gateways — at very low cost? Bolster cable's attack on business services? Enable other new services?

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