

CableFAX Daily™

Friday — April 27, 2007

What the Industry Reads First

Volume 18 / No. 082

Andrea, Get Your Gun: Lifetime's New 'Straight Shooter' Is In the Saddle

Just like her predecessor did 2 years ago in San Francisco, *Andrea Wong* will use next month's **Cable Show** to introduce herself to the industry as **Lifetime's** new pres/CEO. Merely a day after *Betty Cohen's* resignation was announced, **Disney** and **Hearst** said the new chief would be ABC darling/reality programming head Wong, who helped usher in "The Bachelor" and "Dancing with the Stars" at the alphabet net. "A lot happened yesterday to get me where I am today," Wong told **Cfax** about the quick turnaround, which had leaked out well before the announcement. By lunch time Wed, she had already met briefly with senior execs and was still making her way around Lifetime's NYC office to say hello to employees. Fresh on the gig, she was relatively mum on plans for the net. As for reports that Lifetime programming honcho *Susanne Daniels* would be stepping down, Wong said she hopes not. "She's terrific. I think we're lucky to have her," she said. She also praised the net's new programming slate, which includes 3 new Sun night originals. "I don't expect any immediate changes right now," she said. Wong was also silent on plans to reverse the Lifetime's slipping ratings and revenue, saying she had received no specific mandates, such as returning the net to its former #1 ratings status. "Number 6 is pretty good in a 70-channel environment," she said, noting that of course everyone strives for ratings gains. Wong, who has a BA in electrical engineering from MIT and an MBA from Stanford, said she wants to "ensure that Lifetime as a brand is everywhere that women could possibly be." Sounds a bit like the net's "Television for Women" slogan that Cohen retired last year. Disney/ABC's *Anne Sweeney* described Wong as a "straight shooter who is smart enough to know which challenges to undertake and fearless enough to see them through." Sounds like change is a comin'.

Still Swinging: Comcast Matches AT&T With Stellar Quarter

Comcast fought back gamely Thurs, effectively counterpunching **AT&T's** left earnings hook sustained earlier this week with a haymaker of its own. The top MSO's power again shone through in 1Q, with cable increases in rev (12% to \$7bln), operating cash flow (14% to \$2.8bln) and net RGU adds (+63% to 1.8mln), the largest RGU growth in the MSO's history and the 3rd consecutive Q of record-setting additions. "I think we have strength across all fronts... momentum is fantastic," said chmn/CEO *Brian Roberts*. "The triple play really is changing the company. It's the gift that keeps on giving." Comcast added 75K basic (+49%), 644K digital (+82%), 563K HSD (+10%) and 571K digital voice (2.4mln total) subs. Digital video penetration sits at 55% (13.2mln total) and should hit 60% by year's end, said evp/CFO *John Alchin*. 38% of digital subs take either HD or DVR services, he said. Digital sub accretion will expand further through 2Q before slowing later this year, said COO *Steve Burke*, as Comcast continues its aggressive push of advanced set tops ahead of the July 1 date requiring separable security in boxes. As for phone, 7% penetration characterizes a footprint that grew 9% in the Q to 35mln households. Burke based a bullish phone outlook on data from Boston, where penetration is 12% and "shows no signs of slowing down." Yet even in light of these stellar video and

A WORD OF THANKS.

**GSN THANKS OUR AFFILIATES FOR SUPPORTING THE
NATIONAL VOCABULARY CHAMPIONSHIP
AND HELPING STUDENTS MAKE THEIR ACADEMIC
DREAMS COME TRUE.**

GSN
Get in the Game

Comcast

Charter
Digital TV • Internet • Telephone

**TIME WARNER
CABLE**

Power to Learn
a service of CABLEVISION

© 2007 GAME SHOW NETWORK, LLC

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 ● Associate Publisher: Amy Abbey, 301/354-1783, aabbey@accessintel.com ● 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 ● Scott Gentry/VP and Group Publisher ● Online Publisher, Alison Johns, 212/621.4642 ● Paul Maxwell/Columnist. Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

VoIP metrics, Burke maintained that the HSD segment benefited most from bundled services. "The triple play has been like a booster rocket to our high speed business," he said, noting that the segment had peaked 2-3 years ago before delivering more subs than the previous year in each of the last 5 quarters. Still, the HSD adds, more than half of which came from former DSL subs, were behind the 691K posted by AT&T. The integration of acquired systems is ahead of schedule, at 80% completion, although HSD and phone expansion has fared less well in the acquired markets, said Burke. A 3% decrease in ad rev to \$313mln "was the lone weak spot," wrote **Sanford Bernstein**, which nonetheless said, in a nod to earlier comments from Roberts, that Comcast's "business is, indeed, on fire."

While You Were Watching 'Idol': The FCC finally got around to meeting late Wed night, voting 5-0 to approve a rule-making that would let must-carry stations elect analog and digital carriage after the '09 DTV transition if a cable system isn't completely digital. As expected, **NCTA** dissed the proposal, which it will work hard to change over the next few months. Cable says it'll make sure every sub can see the stations and thus doesn't need a govt mandate. The good news for the industry is that some of the commissioners, including *Robert McDowell* and *Jonathan Adelstein*, objected to making premature conclusions. "I think all proposals should be on the table," Adelstein said, expressing concern over limiting cable ops to dual carriage or deploying expensive set-tops, particularly when the Media Bureau has rejected waiver requests that would let operators deploy low-cost digital boxes after July 1. The FCC also said stations' HD signals must be sent to cable homes in that format. The meeting wrapped up just before 8:45pm, giving *Kevin Martin* time to catch the end of Wed night's 2-hour "American Idol" (wonder if *Jack Black's* dance moves were deemed family-friendly?).

Shocker: There was little surprise that the FCC's TV violence report to Congress, released late Wed night, wound up being another attempt to force a la carte on cable. After all, leaks from the report have trickled out of the Commission since Jan, with FCC chmn *Kevin Martin* even chatting up the report to the *Washington Post* earlier this week. So, get ready for cable to once again drag out all its arguments against mandating per channel packages. The **Alliance for Diversity in Programming**, chaired by **TV One** and **Sí TV's** CEOs, is already speaking out against the report's a la carte recommendations. Some of the report's key findings include: blocking controls aren't available on a "sufficient number" of cable-connected TV sets to be considered effective; viewer initiated-blocking and ratings systems may not fully protect children; and multichannel providers could provide greater choice in how subs purchase programming so that they could avoid violent fare.

VOD: Comcast is actively talking to movie studios in hopes of adding a 3rd market to the VOD day & date trials in Denver and Pittsburgh, which have proven to be "incremental, not cannibalistic," said Comcast COO *Steve Burke*. "The increase in purchasing of movies is very substantial, and that increase would translate to a substantial increase in studio revenue from pay-per-view, and obviously our business would increase substantially as well," he said.

On the Hill: With all this talk about the need for legislating a national broadband policy, here's a broadband bill the cable industry can actually get behind. Reps *Stephanie Herseth Sandlin* (D-SD) and *Jerry Moran* (R-KS) introduced legislation Thurs to reform the **USDA's** RUS Broadband Loan Program, which cable complains has strayed from Congress' intention of providing loans to broadband providers in unserved rural areas. Under the bill, the total cost of a project for rural areas where 50% or more of HHs are unserved would be eligible for a loan. If less than 50% are unserved, the loan would only cover the costs associated with offering service to homes with no access.

fuse

NOW
IN MORE THAN
51 MILLION
HOMES*

**DON'T MISS
THE SAUCE**
A NEW DAILY LIVE SHOW
**WEEKDAYS
6PM ET/ 3PM PT**

THE SAUCE
fuse.tv

*SOURCE: NIELSEN MEDIA RESEARCH, FUSE NETWORK COVERAGE AREA HH UNIVERSE ESTIMATE FOR APRIL 2007 FOR MORE INFO ON THE SAUCE GO TO FUSE.TV

BUSINESS & FINANCE

Longhorns Lassoed: ESPN and the Big 12 Conference reached a multi-platform distribution agreement that runs through '15-'16, and includes an increased schedule on ESPNU for conference schools such as Texas, Oklahoma and Nebraska. Big 12 cmsr *Kevin Weiberg* said the conference "studied and took a hard look at" launching its own channel even before talks commenced with ESPN but that no conclusions were reached.

T. Howard Notebook: In a fundraising dinner Wed night at Gotham Hall in NYC, **T. Howard Foundation** honoree *Anne Sweeney* urged attendees to seek out a diverse workforce of "people with new and interesting things to say about our world." Sweeney, co-chair of Disney Media Nets and pres, Disney-ABC Television Group, took home the Executive Leadership Award.

Turner pres, domestic distribution *Andy Heller*, meanwhile, accepted T. Howard's Corporate Leadership Award on behalf of Turner, noting that the programmer's diversity push "isn't just a good thing to do, it's a business necessity." But he said much work remains, and "we have to raise the bar." He also argued that the scholarship/internship program's satellite industry roots don't reflect its evolution. "This is no longer a satellite foundation," he said to loud applause. "It has become a media foundation, and I'm proud of that." Organizers said the Wed dinner set a fundraising record.

CableFAX Daily Stockwatch

Company	04/26 Close	1-Day Ch	Company	04/26 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMPHENOL:	35.73	0.15
BRITISH SKY:	45.60	(0.18)	APPLE:	98.84	3.49
DIRECTV:	23.89	(0.26)	ARRIS GROUP:	15.97	0.93
DISNEY:	35.17	(0.15)	AVID TECH:	38.66	0.63
ECHOSTAR:	46.65	(0.02)	BLNDER TONGUE:	1.82	(0.02)
GE:	35.84	0.43	BROADCOM:	34.86	0.57
HEARST-ARGYLE:	27.10	(0.41)	C-COR:	12.04	(1.39)
ION MEDIA:	1.25	0.00	CISCO:	26.55	(0.23)
NEWS CORP:	24.69	(0.15)	COMMSCOPE:	45.45	0.06
TRIBUNE:	32.81	0.03	CONCURRENT:	1.43	0.03
MSOS					
CABLEVISION:	32.54	(0.29)	CONVERGYS:	25.25	(1.99)
CHARTER:	3.22	(0.05)	CSG SYSTEMS:	26.79	(0.22)
COMCAST:	27.10	(0.99)	GEMSTAR TVG:	4.49	(0.08)
COMCAST SPCL:	26.82	(0.77)	GOOGLE:	481.18	3.19
GCI:	14.90	0.15	HARMONIC:	8.86	(1.43)
KNOLOGY:	18.15	0.80	JDSU:	16.98	0.25
LIBERTY CAPITAL:	113.21	(2.04)	LEVEL 3:	5.73	(0.45)
LIBERTY GLOBAL:	36.60	(0.04)	MICROSOFT:	29.10	0.11
LIBERTY INTERACTIVE:	25.60	0.13	MOTOROLA:	17.90	(0.01)
MEDIACOM:	8.81	(0.12)	NDS:	51.42	(0.04)
NTL:	28.22	0.00	NORTEL:	24.05	(0.12)
ROGERS COMM:	38.37	(0.45)	OPENTV:	2.49	(0.06)
SHAW COMM:	39.12	(0.83)	PHILIPS:	41.90	(0.47)
TIME WARNER CABLE:	36.77	(0.42)	RENTRAK:	14.52	(0.11)
WASH POST:	742.45	(0.21)	SEACHANGE:	8.79	(0.16)
PROGRAMMING					
CBS:	32.05	0.05	SONY:	54.20	(1.02)
CROWN:	5.95	(0.16)	SPRINT NEXTEL:	20.27	(0.14)
DISCOVERY:	21.57	(0.43)	THOMAS & BETTS:	56.45	1.19
EW SCRIPPS:	43.28	(0.22)	TIVO:	6.48	0.16
GRUPO TELEVISA:	28.84	(0.5)	TOLLGRADE:	11.53	(0.44)
INTERACTIVE CORP:	38.70	0.31	UNIVERSAL ELEC:	27.64	(0.8)
LODGENET:	35.37	(0.59)	VONAGE:	3.39	0.07
NEW FRONTIER:	8.50	(0.18)	VYYO:	8.02	0.15
OUTDOOR:	10.08	(0.27)	WEBB SYS:	0.06	(0.01)
PLAYBOY:	9.85	(0.01)	WORLDGATE:	0.70	(0.01)
TIME WARNER:	20.98	(0.17)	YAHOO:	28.49	0.43
UNIVISION:	36.23	0.00	TELCOS		
VALUEVISION:	11.92	0.10	AT&T:	38.96	(0.18)
VIACOM:	42.49	(0.26)	QWEST:	8.93	(0.1)
WWE:	17.11	(0.01)	VERIZON:	37.97	0.32
TECHNOLOGY					
3COM:	4.27	(0.02)	MARKET INDICES		
ADC:	18.94	(0.08)	DOW:	13105.50	15.61
ADVANTAGE:	4.20	0.05	NASDAQ:	2554.46	6.57
ALCATEL LUCENT:	13.38	(0.08)			
AMDOCS:	37.82	0.88			

WANT SOME PERSPECTIVE?



CABLE360.NET, THE BIG PICTURE NETWORK.

PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

'80s Showers Brought Current Flowers

Al Gore can speak on myriad changes in global weather patterns over the last quarter-century, but nearly as much has changed over the same period at **The Weather Channel**, which celebrates its 25th Anniversary on May 2. Cable's version of the net before its '82 launch was a camera trained on a thermometer and a barometer, said The Weather Channel CEO *Deborah Wilson*, and the net had to travel through what amounted to a driving rainstorm to endure. "Cable was so nascent at the time that TV advertisers were really focused on broadcast networks. It was really hard for niche nets to get dollars," she said. "We almost had to shut our doors [around '86-'87]." Yet the net persisted with the help of 3 primary factors: early carriage by **Advance/Newhouse** and **Bresnan**, the implementation of local content, and the fact that weather affects everyone, everywhere, at all times. This beguiling nature of, well... nature, gave the net a much-needed foothold, but its embrace of new technologies and platforms added more boost. Since '94, Wilson has led a crusade to new media, and The Weather Channel has since established a marked online and wireless presence. "We are well distributed with all mobile carriers, with hundreds of different products," said Wilson. 1 interesting subscription phone product includes programmable alerts, through which customers can be informed if a tornado touches down in the vicinity or if the temperature falls below an established mark. Such services offer "lots of traction and allow us to be everywhere," said Wilson. Coinciding with an upcoming anniversary celebration will be the groundbreaking for a control center that will accelerate the net's HD transition. The upconversion of net signals to HD will commence in Sept, before the center is completed in Jan and the net goes all HD next summer. Just another advancement for The Weather Channel, which continues its march, rain or shine. *CH*

Highlights: "Brando." Tues, Wed, 8pm, **TCM**. We're usually not fans of 2-part documentaries, but we'll admit that there aren't many wasted minutes in this portrait of the work and life of Brando. Our only quibble, at least at the beginning, is that there are more talking heads telling us how great Brando was than footage of him being so. Eventually we get clips, and they're great—particularly Brando in "Julius Caesar." *SA*

Worth a Look: "Helmut by June," Mon, 7pm, **Cinemax**. Move this doc up to "highlights" if you're a fan of *Cindy Crawford*, *Claudia Schiffer* and other supermodels. We see *Helmut Newton* taking a lot of pictures of Cindy and Claudia in their prime, so it's hard to complain about such visuals. But there's not much more. The filmmaker is June, his wife. When she narrates (sounding like *Jeanne Moreau* in "The Lover"), it's interesting; when Newton's on screen, it's self serving. – "Perfect Housewives," Wed, 9pm, **BBC America**. Tongue-in-cheek reality show about a neat housewife trying to reform a pair of sloppy ones. While some good tips are provided, haven't we seen this many, many times before? BBC A usually provides ground-breaking programming. Not this time. *SA*

Basic Cable Rankings (4/16/07-4/22/07) Mon-Sun Prime			
1	DSNY	2.1	1883
2	USA	2	1814
3	TNT	1.6	1525
4	FOXN	1.5	1411
5	ESPN	1.4	1342
6	DISC	1.2	1148
6	CNN	1.2	1105
6	TBSC	1.2	1094
6	A&E	1.2	1086
6	TOON	1.2	1081
6	LIFE	1.2	1069
12	NAN	1.1	1034
13	SPK	1	882
13	FX	1	881
13	HALL	1	799
16	HGTV	0.9	867
16	TVLD	0.9	840
16	CORT	0.9	826
16	TLC	0.9	822
16	HIST	0.9	801
16	SCIF	0.9	785
22	FAM	0.8	714
22	CMDY	0.8	710
24	VH1	0.7	665
24	MTV	0.7	611
26	AMC	0.6	587
26	FOOD	0.6	545
26	BET	0.6	530
29	MSNB	0.5	456
29	CMT	0.5	433
29	APL	0.5	416
29	LMN	0.5	271
33	ESP2	0.4	393
33	BRAV	0.4	378
33	EN	0.4	371
33	HLN	0.4	360
33	TTC	0.4	318
33	WGNC	0.4	261
33	OXYG	0.4	259
33	SOAP	0.4	246
33	NGC	0.4	243
42	VS	0.3	229
42	SPD	0.3	200
42	GSN	0.3	190
42	TDSN	0.3	154
42	DSCI	0.3	149

*Nielsen data supplied by ABC/Disney

THE CABLE SHOW

VIA BROADBAND

Convergence Happens May 7-9.

Are You Registered?

VIA MOBILE

www.thecableshow.com

CABLE: NO LIMITS

May 7-9, 2007
Mandalay Bay Convention Center
Las Vegas, Nevada