

CableFAX Daily™

Friday — May 2, 2008

What the Industry Reads First

Volume 19 / No. 085

Solid Results: Comcast Isn't a Slowsky When it Comes to 1Q

Yeah, **Comcast** lost 57K basic subs. So what? That's still better than the 73K or so that some had forecasted it to lose, and the MSO was ahead of expectations on multiple metrics. A whopping 492K HSD adds beat **UBS'** estimate of 374K, with 68% of those additions coming from DSL. VoIP adds of 639K beat UBS' estimate of 605K and were up from the 618K added in 4Q. That's a strong sign that the bundle is working (18% of customers are now triple-play subs). Phone rev was up 65% and would have been up 110% if Comcast excluded the decline from the circuit switched business, which it expects to be out of by the end of 2Q. COO *Steve Burke* offered a teaser on the phone side, promising some "exciting new product enhancements" later this year, but he didn't elaborate. While the sub loss was disappointing in the wake of **Time Warner Cable's** surprise 1Q gain, "a 0.2% loss in basic subscribers is being easily offset by 11% ARPU growth, with strength in all areas of advanced services," **Sanford Bernstein's** *Craig Moffett* said in a note to clients. Even Nervous Nelly Wall St investors seemed to get it, with Comcast shares closing up 8% at \$21.88 Thurs. Comcast said the basic sub losses varied greatly by region, with some areas posting gains and some regions with particularly competitive areas posting losses. One of Comcast's strategy for competing will be to reclaim bandwidth—with a goal of capturing 40 analog channels to use for more HD and faster Internet speeds. "We're beginning this reclamation process this year, and we should start to take all digital migration in about 20% of our systems by the end of this year," said Burke. While Comcast is primarily relying on digital conversion, it's still testing switched digital and believes it will play a "significant role" in the future, according to Burke. Another focal point is improving the customer experience—not just what happens at the call center. "It's network reliability, it's the end-to-end experience... the individual service [customers] get and their feeling about that," Brian Roberts said. Roberts declined to comment on reports that a WiFi jv is in the works between **Sprint**, **Clearwire**, Comcast and other cable companies. "We've hired some folks to help us in our wireless thinking and navigating through the variety of options that we continually get thrown our way... but we're going to be very disciplined and capital efficient... if we do something," he said.

DTV Doings: Nielsen's taking no chances. It informed clients this week that it will move Feb Sweeps to Mar to avoid any "potential disruptions" associated with the Feb 17 DTV transition. -- **CEA** and **NAB** launched "Rabbit Ears Pioneers," a nationwide contest for interesting stories from those who receive OTA TV using an older analog set. The contest is to encourage "Pioneers" to prepare for the Feb switch to digital. Contest entry details are at antennaweb.org.

Mobile: AT&T rolls out its mobile streaming video service on Sun to 58 markets, using **MediaFLO** technology. The service will feature streams of **CBS Mobile**, **ESPN Mobile**, **Fox Mobile**, **NBC 2Go**, **NBC News 2Go**, **Comedy Central**, **MTV** and **Nick**, as well as AT&T exclusive channels **PIX** and **CNN Mobile Live**. AT&T Mobile TV will give mobile phone users access to more than 150 simulcast and/or time-shifted programs. Monthly access packages begin at \$15/month.

HIGH DEFINITION:

National Geographic \na-tion•al ge•o-graph-ic\

n. 1: the most requested HD cable network for four consecutive years*



*2008 Beta Research Brand Identity Study - channels viewers would like to see in HDTV
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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 ● Advertising 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

In the States: The TN Senate unanimously approved a statewide franchising bill, sending it on to the governor who is expected to sign in it to law. The bill, which includes build-out requirements, was the result of negotiations between cable, AT&T and local govts. -- US friends and family can make free long distance calls in May to **Charter** phone subs who have the MSO's unlimited long distance plan. They just need to dial 1-800-584-2281 and enter the Charter customer's phone number. -- **Cablevision** is reportedly planning to plunk down a \$650mln bid for *Newsday*.

At the Portals: **ACA** continues to oppose **News Corp's** efforts to get out of conditions the FCC imposed on it when it acquired **DirecTV**. Having sold its holdings in DirecTV this year, News says the '04 conditions should no longer apply. Under the conditions, News must until '10 enter in to arbitration for its RSNs if any distributor wants it. It also has to enter into arbitration when there's a carriage dispute involving a News Corp-owned station. In comments filed at the FCC Thurs, ACA asserted that the conditions protect competition by maintaining access to 'must have' programming and avoiding disruption of customer viewing patterns. "For the entire year leading up to the 2008 sale of DirecTV, News Corp maintained it would not ask for the conditions of the 2004 Order to be modified, but before the ink had even dried they had filed a petition with the Commission asking for the conditions to be modified—a blatant manipulation of the process," said ACA pres/CEO *Matt Polka*.

Carriage: **MetroCast Cablevision** added **Shalom TV** to its free VOD lineup in New England and the Mid-Atlantic. -- **Comcast** added **NBCU's** bilingual net **mun2** to its digital lineup in DC.

Competition: **DISH** added local HD channels in Norfolk, Portsmouth and Newport News, VA. -- **Verizon** shareholders Thurs elected each of the telco's 12 directors standing for election to a 1-year term; each got 91% or more of the vote. All shareholder proposals, including one to separate the offices of chmn and CEO (20% voted in favor), were defeated.

Technology: **Apple** will begin selling movies on iTunes the same day they are released on DVD in stores. Movies for rent still won't be available until 30 days after their DVD release. -- Startup **ZeeVee** introduced its **ZvBox**, which lets you watch anything you get online or on your computer on all the HD sets in your home. It's available for pre-order exclusively at **Amazon** for \$499 and scheduled to begin shipping June 30.

On the Hill: If the **FCC** approves the **XM-Sirius** merger, House Dems *John Dingell* (MI) and *Ed Markey* (MA) want it to require that the companies adhere to price constraints that they have submitted to the Commission. They also ask the FCC to ensure that any device manufacturer is able to develop equipment that can deliver the new company's satellite radio service.

Ratings: The Season 4 premiere of **Discovery's** "Deadliest Catch" earned its 2nd largest audience in the history of the series, with 3.53mln viewers tuning in Tues.

Programming: **ION** inked a deal to air seasons 11-14 of "ER," starting in June. -- **TV Land** greenlit a dating series in which young bachelors vie for the attention of a "sexy and accomplished mature woman," dubbed the "Cougar." The Cougar will eliminate a man each week. The untitled Cougar Project bows early next year. -- **Ish Ent**, formed by ex-**VH1** execs *Michael Hirschorn* and *Stella Stolper*, have teamed with **Lionsgate** to form a jv to produce original programming for TV. -- The **GLAAD** Media Awards will air on TV for the 1st time, with **Bravo** to show the event June 27, 7pm ET. The special will be immediately followed by the basic cable premiere of "Brokeback Mountain."

The networks viewers love most!

Food Network & HGTV are #1 and #2*

- One of my favorite channels
- Having likeable personalities

Passionate viewers live here!

HGTV START AT HOME

food network

* Source: 2008 Beta Research Brand Identity Study, Women 18+

BUSINESS & FINANCE

-- Head over to www.thedailyshow.com to request your tix for the Denver and Minneapolis/St Paul eps of **Comedy Central's** "The Daily Show," when "The Best F*cking News Team Ever" covers the Democratic and Republican conventions. -- **BabyFirst** launches on China's IPTV platform **BestTV** this month.

Upfronts: **ABC Family's** new offering includes "The Secret Life of the American Teenager," a drama from the creator of "7th Heaven" that focuses on how families and friends and how they cope with an unexpected teen pregnancy (July 1, 8pm ET). *Molly Ringwald* is among the regular cast. Other new programming includes: "The Middleman," based on graphic novels about a 20-something recruited to fight criminals (June 16); and "Roommates," the net's 1st foray into half-house comedy ('09). Returning series include "Lincoln Heights," "Kyle XY" and "Greek."

People: **A&E Nets** upped *Carlos Baez* to regional vp, distribution and *David Kelly* to vp, natl accounts.

Public Affairs: Some 50K **Comcast** employees and their friends and family will participate in "Comcast Cares Day" Sat. They're expected to donate 300K volunteer hours of services benefiting 500 community organizations in 37 states. The **Comcast Foundation** also will donate \$1.5mln+ in grants to local organizations.

CableFAX Daily Stockwatch

Company	05/01 Close	1-Day Ch	Company	05/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ALCATEL LUCENT:	6.73	0.06	AMDOCS:	32.20	0.82
BRITISH SKY:	43.58	0.58	AMPHENOL:	47.52	1.34
DIRECTV:	25.74	1.10	APPLE:	180.00	6.05
DISNEY:	33.30	0.87	ARRIS GROUP:	8.16	0.06
ECHOSTAR:	30.43	0.59	AVID TECH:	20.96	0.09
GE:	33.12	0.42	BIGBAND:	7.35	(0.01)
HEARST-ARGYLE:	20.65	(0.07)	BROADCOM:	26.88	0.92
ION MEDIA:	1.45	0.00	C-COR:	11.00	0.00
NEWS CORP:	19.14	0.64	CISCO:	26.67	1.03
MSOS					
ALCATEL LUCENT:	6.73	0.06	COMMSCOPE:	48.39	0.84
CABLEVISION:	22.55	(0.45)	CONCURRENT:	0.67	(0.01)
CHARTER:	1.14	0.07	CONVERGYS:	15.88	0.16
COMCAST:	22.31	1.76	CSG SYSTEMS:	13.06	0.96
COMCAST SPCL:	21.88	1.64	ECHOSTAR HOLDING:	31.79	0.68
GCI:	6.40	0.19	GEMSTAR TVG:	4.20	0.17
KNOLOGY:	13.38	0.56	GOOGLE:	593.08	18.79
LIBERTY CAPITAL:	15.47	0.10	HARMONIC:	8.15	(0.12)
LIBERTY ENTERTAINMENT:	26.36	0.41	JDSU:	12.00	(2.31)
LIBERTY GLOBAL:	36.56	1.17	LEVEL 3:	3.17	0.20
LIBERTY INTERACTIVE:	15.53	0.40	MICROSOFT:	29.40	0.88
MEDIACOM:	4.62	0.33	MOTOROLA:	10.07	0.11
ROGERS COMM:	42.97	0.00	NDS:	50.25	(1.2)
SHAW COMM:	20.94	(0.29)	NORTEL:	8.70	0.16
TELEWEST:	24.20	0.00	OPENTV:	1.18	0.05
TIME WARNER CABLE:	30.10	2.10	PHILIPS:	37.86	0.30
VIRGIN MEDIA:	13.46	0.56	RENTRAK:	14.25	0.38
WASH POST:	683.50	27.90	SEACHANGE:	7.62	0.46
PROGRAMMING					
CBS:	24.05	0.98	SONY:	46.60	0.81
CROWN:	4.64	0.08	SPRINT NEXTEL:	8.02	0.03
DISCOVERY:	24.36	1.20	THOMAS & BETTS:	37.12	(0.34)
EW SCRIPPS:	46.26	1.35	TIVO:	8.46	0.23
GRUPO TELEVISA:	25.23	0.55	TOLLGRADE:	4.66	(0.38)
INTERACTIVE CORP:	21.23	0.42	UNIVERSAL ELEC:	26.11	0.41
LIBERTY:	8.32	0.06	VONAGE:	2.04	0.07
LODGENET:	6.42	0.30	WEBB SYS:	0.04	0.00
NEW FRONTIER:	5.06	(0.19)	WORLDGATE:	0.30	0.00
OUTDOOR:	7.50	0.03	YAHOO:	26.81	(0.6)
PLAYBOY:	8.48	0.12	TELCOS		
TIME WARNER:	15.65	0.80	AT&T:	39.94	1.23
UNIVISION:	36.23	0.00	QWEST:	5.30	0.14
VALUEVISION:	5.56	(0.03)	VERIZON:	39.32	0.84
VIACOM:	39.92	1.21	MARKET INDICES		
WWE:	17.70	0.05	DOW:	13010.00	189.87
TECHNOLOGY					
3COM:	2.46	0.07	NASDAQ:	2480.71	67.91
ADC:	14.14	0.12			
ADVANTAGE:	4.10	0.18			



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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Discovery King of Weird Science and Questionable Math

Discovery Comm CEO *David Zaslav* is focused on enhancing and polishing his basket of brands, and if he achieves with **Planet Green**, **OWN** et al success similar to what **Discovery Channel** enjoys, WATCH OUT cable! Yours truly parsed and codified 3 recent **Beta** studies to determine the top basic cable net based on reported or implied assessments of various channels by the 3 most important stakeholders: operators, subscribers and advertisers. And (insert drum roll)... **Discovery Channel** won in a veritable landslide with a score of 8.9; runner-up **ESPN** tallied a 7. The top 10 was filled by **HGTV** (5.5), **Food Net** (5.2), **ESPN2** (3.8), **History** (3.6), **Disney** (3.2), **Fox News** (3.0), **CNN** (2.9) and **MTV** (2.4). Here's what I did, using Beta's Brand Identity Study (Apr), Cable Op Study (Feb) and Cable Sub Evaluation Study (Dec). First, operator data was weighted twice as much as sub data, which was weighted twice as much as implied advertiser data. After all, more carriage=more viewers=more advertisers. Then the top 10 nets in each chosen metric were assigned a point value based on weight and rank. For example, operators ranked **ESPN** highest in importance to retaining and acquiring subs, thus earning a 3. Each ensuing spot decreased by 0.3. 3 metrics were used in the sub category, with the winning net of each earning a 2, followed by 0.2 decrements and an aggregate tally from all 3 metrics. The ad metric was gleaned from subs' likeliness to buy products touted on particular nets. Some interesting takeaways: **Food Net** and **History** received no love from ops; **ESPN**, **Disney**, **CNN** and **Fox News** were snubbed in the ad metric; and only **Discovery**, **ESPN2** and **HGTV** received a score in each category. Now, I understand that some discount polling studies altogether—particularly the unscientific and amalgamated ones—and that nets such as **USA** and **TNT** can cite success through high ratings. But this is just a fun exercise, after all. *CH*

Highlights: "Inside a Cult," Wed, 10pm, **Nat Geo**. Certainly **Nat Geo**'s timing is impeccable and slightly coincidental. This doc about self-proclaimed messiah *Michael Travesser* and his cult in Strong City, NM, was shot in '06, leading up to his prediction of the world ending on Oct 31 '07. With footage shot inside the compound, it's fascinating and relatively balanced, although *Travesser*—who enjoys lying naked with teen virgins—seems anything but. **Nat Geo** scheduled the doc long before cult-related news erupted in Texas. But 2 weeks ago, reacting to Texas, **Nat Geo** pushed it up to Wed. It could only have guessed that just days later authorities would remove 4 children from Strong City. – "Life's A Trip," Mon, 11pm, **Travel**. The perfect complement to *Anthony Bourdain* and *Andrew Zimmern*. Even the host's name nods to *Travel*'s stars. Humorous *Andrew Anthony*'s a looker, a cross between *Greg Kinnear* and *Peter Krause*. And like *Bourdain* and *Zimmern*, he travels for kicks. Tonight he's in Tokyo for Kobe beef, but enters a "maid café" and a Sumo school with a headmaster in a Peppy La Pew sweatshirt. *SA*

Worth a Look: "Tougher in Alaska," Thrs, 10pm, **History**. Like "Ice Road Truckers" (and where's the history?), yet good storytelling about modern Alaskan life. *SA*

Basic Cable Rankings (4/21/08-4/27/08)			
Mon-Sun Prime			
1	TNT	2.2	2147
2	USA	2.1	2049
3	DSNY	1.7	1587
4	TBSC	1.4	1403
4	NAN	1.4	1388
4	FOXN	1.4	1345
7	ESPN	1.3	1245
8	LIFE	1.1	1029
8	HALL	1.1	888
10	DISC	1	988
10	TOON	1	956
10	CMDY	1	916
10	A&E	1	914
14	CNN	0.9	900
14	HGTV	0.9	877
14	SPK	0.9	863
14	FX	0.9	846
14	SCIF	0.9	833
14	FAM	0.9	829
14	TRU	0.9	775
21	HIST	0.8	794
21	MTV	0.8	765
21	AMC	0.8	727
21	LMN	0.8	464
25	TLC	0.7	669
25	FOOD	0.7	658
27	VH1	0.6	582
27	MSNB	0.6	563
27	BRAV	0.6	514
30	TVLD	0.5	508
30	ESP2	0.5	492
30	EN	0.5	450
30	BET	0.5	423
30	VS	0.5	390
35	APL	0.4	394
35	HLN	0.4	373
35	OXYG	0.4	315
35	NGC	0.4	294
35	NOGG	0.4	293
35	SOAP	0.4	266
35	HI	0.4	193
42	TTC	0.3	309
42	WGNC	0.3	247
42	CMT	0.3	227
42	GSN	0.3	207
42	SPD	0.3	204

*Nielsen data supplied by ABC/Disney



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WILEN MEDIA CORP

UPFRONT

ARF's Joel Rubinson Mulls The Evolving Ad Marketplace

No, ARF is not the sound your dog makes. It actually stands for the **Advertising Research Foundation**, an organization that seldom gets the recognition it deserves despite the incredible work it does for the media industry. After all, with all the confusion about multiple platforms and changing metrics these days, good advertising research has never been more important. In March, ARF hired *Joel Rubinson* to take over as its Chief Research Officer. We asked Joel to give us his take on the Upfronts, metrics and the evolving relationship between ad buyers and sellers.

What do you see as the primary research needs that could help media buyers and sellers come up with deals that are fair for both sides? The industry is still evolving and does not have commonly agreed to metrics for the Web, mobile or in-store media, for example. In the meantime, certain media companies will provide their own information in terms of reach across platforms and engagement measures, and they need to be as transparent as possible in how they conducted their research.

Is the industry rethinking some early prognostications that the upfront process was outliving its usefulness? And if so, is it just a matter of tweaking the content of the upfronts to make them more relevant? Some companies continue to question if they can anticipate their full year's needs; I believe that Johnson & Johnson was recently reported as taking this position. Furthermore, the upfront buy is likely to be tempered by the economic downturn, and if the economy picks up, that might change the proportion of this year's media that was bought via the upfront.

In general, how do you see ARF's role—as well as the role of all research—in helping parties figure

out deals for new platforms like DVRs, VOD, Internet, mobile, etc? The ARF has industry leaders who come together to discuss emerging media, cross-media, and media effectiveness via our councils and task forces. Industry priorities emerge from that. For example, as I write this, there are over 100 industry leaders sitting in the conference room next to me or online hearing a series a presentations about research into mobile marketing. The ARF will be very central to the industry response to information needs for audience measurement and effectiveness/ROI analysis.

What about addressable set-top data? Is this kind of data going to eventually take over? If so, how long do you think it will take to happen based on the research out there? It is still early days for set top box data, but the sample size and second-by-second data offers irresistible granularity. A very intriguing development is the integration of set top box data with retailer frequent shopper data. Having said that, set top box data has certain limitations, not the least of which is that it is tied to a platform while the media industry is asking cross-platform questions. Having said all this, I would say that STBs are a great addition to the metrics possibilities, but I'm not ready to proclaim that it is the magic solution... not just yet.

UPFRONT EVENTS

May 6	TeleAmerica Media	NYC	Evening
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	GoTV	NYC	Breakfast
May 14	Univision/TeleFutura/Galavision	NYC	Lunch
May 14	ESPN Deportes	NYC	Evening
May 14	Adult Swim	NYC	Evening

Technical Breakfast at The Cable Show

Any Stream to Any Screen

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Consumers are demanding access to any content, on any device, at any time. Through technology, siloes between services and devices are being ripped to the ground, enabling a whole new consumer experience and a new level of consumer engagement. This panel will look at the technologies and business models that are making "Any Stream to Any Screen" a reality.

**Monday, May 19th
7:15am – New Orleans**

For more information and to register now, visit
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