

# CableFAX Daily™

Monday — May 5, 2008

What the Industry Reads First

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## Survey Says: WICT, NAMIC Teaming Up for Calls to Industry

You're running out of excuses for not filling out **WICT** and **NAMIC**'s employment surveys. Answering a call from the industry, the 2 are working to combine the data collection process for WICT's annual PAR survey and NAMIC's biennial survey on multi-ethnic employment in the industry. WICT and NAMIC will still distribute separate surveys this year, but at the same time, with simplified questions, featuring basic employee info. The idea is that while you have the info handy for one survey, you'll fill out the other one as well. The ultimate goal is to eventually combine the two efforts into one survey that measures multi-ethnic employment as well as pay equity, advancement and resources for women (more consolidation in the industry!? Shocker!) "HR execs are being bombarded by surveys, not just from within our industry," explained NAMIC pres *Kathy Johnson*. NAMIC will release its findings at its leadership conference in Sept. WICT's PAR results will be released in conjunction with its Nov Gala. The groups are still deciding how things will work in the future, when NAMIC's conference is clustered with fall events, including **CTAM Summit**, and the WICT Gala moves to the spring event cluster, which includes the **Cable Show**. WICT and NAMIC hope the merged effort will mean greater participation. '06 NAMIC survey garnered responses from just 14 companies. Last year's PAR survey received responses from 38 companies, primarily programmers and cable operators. "We would love to see more vendor and suppliers participating," said WICT pres/CEO *Benita Fitzgerald Mosley*. "We're going to make a big push to try and infiltrate that sector so that we can pull it out and have it stand on its own like we do with programming and operators." At this point, NAMIC's just hoping for greater participation from MSOs and programmers, with its partner DiversityInc sending the survey request out to about 40 companies this year. For the 1st time, WICT's PAR survey can be filled out online. NAMIC's study has previously been available on the Web. "We know that it's really difficult to take the time and energy to corral all this data, and we really appreciate the efforts that companies put into participating," Mosley said. "We're listening to them and responding to their needs the best way we can at this point." -- Check out **Cable360.net** for more from Mosely and Johnson.

**Paramount Network:** As **Viacom**'s Media Nets delivered 16% growth in 1Q rev to \$2bln and operating income of \$694mln (+15%), execs touted the future growth opportunities expected from the planned premium net/VOD initiative involving **Paramount**, **Lionsgate** and **MGM**. "This new venture is a perfect fit with our strategy of driving our content onto every platform," said pres/CEO *Phillippe Dauman* Fri. "The level of interest and in many cases enthusiasm has been extremely encouraging to us." Viacom is the venture's lead investor and plans to contribute up to \$100mln as a significant but not majority owner of the net. As for Viacom's existing channels, **Nick**, **Comedy Central** and **TV Land** powered the media nets' 8% rise in ad rev to \$1bln, and global affil rev jumped 13%. Dauman cited several examples of net- and series-related multiplatform successes, including Nick's "Kids' Choice Awards" and "iCarly." This year's awards show drew a record 7.4mln viewers and a record 1.7mln uniques to **Nick.com**, with ad sales increasing more than 20% across all

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## WORLD PREMIERE: NEW ORLEANS

# HOMETOWN

## GOSPEL

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platforms, he said. "iCarly," meanwhile, averaged 2.8mln total viewers/ep in 1Q, and **iCarly.com** delivered 3.3mln (+22% sequentially) uniques in Mar, receiving more than 100K UG content submissions. Viacom shares fell 1% Fri, and **SMH Capital**, citing shrinking margins in the company's media nets segment, maintained its 'sell' rating on the shares.

**At the Portals:** Charter, Mediacom and Suddenlink made another request that **FCC** chmn *Kevin Martin's* proposed dual carriage relief be extended to systems serving 5K or fewer subs, not just those 552Mhz and smaller (**Cfax**, 4/30). The 3 all have systems that fall in the category. Martin's proposal, on circulation at the Commission, automatically exempts systems 552Mhz and smaller from having to carry must-carry broadcasters' analog and digital formats for 3 years. Charter, Mediacom and Suddenlink also suggested the exemption extend to systems that are all analog, something Martin alluded to in his speech to the **ACA** last month. That would help in places like Tangier Island, VA, where Charter has a 750Mhz system that only serves 33 subs. Charter and MCCC said they serve only 9600 subs with all analog systems that have more than 552Mhz. The 3 said it would cost approx \$2-4mln to rebuild a small analog system of 3K-5K subs to expand channel capacity, resulting in an increase of \$20/sub per month.

**On the Hill:** Two **FCC** hearings and a Sen Commerce hearing on net neutrality aren't enough. Now the House Telecom Subcmte has to get into the act, holding a hearing on the issue at 9:30am Tues. The usual cast is slated to testify, including **NCTA's** *Kyle McSlarrow*, **Free Press'** *Ben Scott* and law prof *Christopher Yoo*.

**Earnings:** The **Wash Post Co's** **Cable One** delivered 17% growth in 1Q rev to \$174mln and a 22% boost in operating income to \$34mln. The company credited continued growth in HSD, phone and digital, as well as price increases in nearly all systems and the Jan purchase of approx 6.6K subs in Winona, MS. RGU's grew 10% with basic subs at 711K (+1%); digital 227K (+3%); HSD 357K (+16%); and telephone 74K (+640%).

**Upfronts:** **ION TV** introduced Thurs night its new "positively entertaining" branding initiative and a future program lineup dominated by broadcast acquisitions. Set to bow this fall are "M\*A\*S\*H," "Boston Legal," "Hangin' With Mr. Cooper" and **USA's** "The Dead Zone." '09 will bring "Criminal Minds" and "Ghost Whisperer." Also, **RHI Ent**, the net's exclusive weekend prime content partner, will deliver 12 movies during the '08-'09 season, including 3 Westerns.

**Competition:** **FiOS TV** availability has expanded to include 3 additional NY communities, bringing to nearly 200 the number of state communities it serves. Also, **Verizon** is busy expanding the availability of its DSL service to 23 Western MA communities, which will be able to receive later this year download speeds of up to 3Mbps.

**Technology:** **ICTV** and **Camiant** completed integration testing of a joint offering intended to enable operators to more efficiently provide and manage interactive Web media and on-demand television solutions. -- **Pace** will introduce 3 MPEG-4 set tops at **The Cable Show**, with all capable of running **tru2way** and including popular EPG and VOD apps.

**Programming:** **Showtime** greenlit a 2nd season of "Tracy Ullman's State of the Union" and a new comedic series featuring British comedian *Marc Wootton*. Both will air in '09.

**Business/Finance:** Cable enjoyed a standout week, with **Comcast** (+13%), **Time Warner Cable** (+10%), **Charter** (+25%), **Mediacom** (+8%) and **Cablevision** (+1%) all reporting weekly gains. -- **Macrovision** closed its acquisition of **Gemstar**. -- **Citi** initiated **Liberty Ent** with a "Buy," predicting that shares could reach \$38 by '10 if Liberty ends up with 100% of **DTV**.

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 MAY 8 AT 10/9C



## CableFAX Week in Review

Company	Ticker	5/02 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	43.14	(0.6%)	(8.3%)
DIRECTV:	DTV	25.83	2.30%	11.70%
DISNEY:	DIS	33.49	3.50%	3.70%
ECHOSTAR:	DISH	30.34	(0.8%)	(10.6%)
GE:	GE	33.34	0.00%	(5%)
HEARST-ARGYLE:	HTV	21.02	1.00%	(3.7%)
ION MEDIA:	ION	1.45		12.40%
NEWS CORP:	NWS	19.41	5.90%	(7.8%)

Company	Ticker	5/02 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	23.14	0.90%	(5.6%)
CHARTER:	CHTR	1.21	24.70%	3.40%
COMCAST:	CMCSA	21.97	12.50%	21.00%
COMCAST SPCL:	CMCSK	21.55	12.00%	19.60%
GCI:	GNCMA	6.22	(1.3%)	(28.9%)
KNOLOGY:	KNOL	13.26	1.80%	3.80%
LIBERTY CAPITAL:	LCAPA	15.46	(0.8%)	(29.6%)
LIBERTY ENT:	LMEDIA	26.66	3.90%	10.30%
LIBERTY GLOBAL:	LBTYA	36.75	9.90%	(6.2%)
LIBERTY INTERACTIVE:	LINTA	15.40	0.70%	(19.3%)
MEDIACOM:	MCCC	4.59	7.50%	
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	21.45	4.10%	(6.4%)
TIME WARNER CABLE:	TWC	29.40	10.30%	6.50%
VIRGIN MEDIA:	VMED	14.10	11.60%	(13.9%)
WASH POST:	WPO	652.83	(5.1%)	(16.4%)

Company	Ticker	5/02 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	24.33	9.30%	(8%)
CROWN:	CRWN	4.57	1.30%	(29.7%)
DISCOVERY:	DISCA	24.35	9.60%	(3.1%)
EW SCRIPPS:	SSP	45.87	3.20%	2.80%
GRUPO TELEVISIVA:	TV	25.49	(2.1%)	7.20%
INTERACTIVE CORP:	IACI	21.49	5.90%	(20.1%)
LIBERTY:	L	1.00		(90.6%)
LODGENET:	LNET	6.52	15.80%	(62.6%)
NEW FRONTIER:	NOOF	5.11	(0.8%)	7.10%
OUTDOOR:	OUTD	7.46	0.10%	8.10%
PLAYBOY:	PLA	8.33	(1.9%)	(8.7%)
TIME WARNER:	TWX	15.77	3.30%	(3.4%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	5.49	6.20%	(12.7%)
VIACOM:	VIA	39.48	1.70%	(10.2%)
WWE:	WWE	18.08	2.20%	30.60%

Company	Ticker	5/02 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	2.46	3.40%	(45.6%)
ADC:	ADCT	14.36	4.10%	(7.7%)
ADVANTAGE:	AEY	4.14	9.20%	(32.9%)
ALCATEL LUCENT:	ALU	6.93	1.50%	(5.3%)
AMDOCS:	DOX	31.86	1.10%	(7.6%)
AMPHENOL:	APH	47.68	3.00%	3.00%
APPLE:	AAPL	180.94	6.60%	(8.7%)
ARRIS GROUP:	ARRS	8.23	15.80%	(17.5%)
AVID TECH:	AVID	20.86	(0.5%)	(26.4%)
BIGBAND:	BBND	7.05	(5.6%)	37.20%
BLNDER TONGUE:	BDR	1.40		(15.7%)

Company	Ticker	5/02 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	26.49	(5.4%)	1.40%
CISCO:	CSCO	26.75	4.50%	(1.2%)
COMMSCOPE:	CTV	48.32	17.90%	(1.8%)
CONCURRENT:	CCUR	0.66	(7%)	(20.5%)
CONVERGYS:	CVG	15.79	(3.8%)	(4.1%)
CSG SYSTEMS:	CSGS	12.57	2.30%	(14.6%)
ECHOSTAR HOLDING:	SATS	31.76	6.80%	(3.5%)
GEMSTAR TVG:	GMST	4.41	(14.4%)	(7.4%)
GOOGLE:	GOOG	581.29	6.80%	(15.9%)
HARMONIC:	HLIT	7.86	(8.5%)	(25%)
JDSU:	JDSU	11.79	(21%)	(11.4%)
LEVEL 3:	LVL3	3.20	17.20%	5.30%
MICROSOFT:	MSFT	29.24	(2%)	(16.9%)
MOTOROLA:	MOT	10.03	8.50%	(35.6%)
NDS:	NNDS	50.99	1.50%	(13.9%)
NORTEL:	NT	8.49	1.80%	(43.7%)
OPENTV:	OPTV	1.28	11.30%	(3%)
PHILIPS:	PHG	38.00	(0.9%)	(4%)
RENTRAK:	RENT	14.30	5.10%	(0.9%)
SEACHANGE:	SEAC	7.40	5.30%	2.40%
SONY:	SNE	47.59	4.30%	(12.4%)
SPRINT NEXTEL:	S	7.89	(0.3%)	(39.9%)
THOMAS & BETTS:	TNB	36.93	(9.5%)	(24.7%)
TIVO:	TIVO	8.36	(0.8%)	0.20%
TOLLGRADE:	TLGD	4.61	(8%)	(42.5%)
UNIVERSAL ELEC:	JEIC	26.06	(1.4%)	(22.1%)
VONAGE:	VG	1.96	(3%)	(14.8%)
WEBB SYS:	WEBB	0.04	33.30%	
YAHOO:	YHOO	28.67	7.00%	23.30%

Company	Ticker	5/02 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	40.13	4.00%	0.40%
QWEST:	Q	5.41	10.40%	(19.4%)
VERIZON:	VZ	39.59	6.90%	(5.4%)

Index	Value	1-Week % Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	13058.20	1.30%	(1.6%)
NASDAQ:	2476.99	2.20%	(6.6%)

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.04	33.30%
2. CHARTER:	1.21	24.70%
3. COMMSCOPE:	48.32	17.90%
4. LEVEL 3:	3.20	17.20%
5. ARRIS GROUP:	8.23	15.80%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. JDSU:	11.79	(21%)
2. GEMSTAR TVG:	4.41	(14.4%)
3. THOMAS & BETTS:	36.93	(9.5%)
4. HARMONIC:	7.86	(8.5%)
5. TOLLGRADE:	4.61	(8%)



is for happy hour



March marks the 22nd consecutive month we're happily at home as a Top 10 network in primetime.

Source: Nielsen Galaxy Explorer, June '04 - March '08 (5/29/08 - 3/23/08). Monthly Prime Time (M-Su 8-11p). Live+SD coverage area. HH ratings among all ad-supported cable networks. Further qualifications available upon request.



## MaxFAX...

### Vacancies...

Vacant homes. Derelict homes. Empty lots. There are, no kidding, about a million more vacant homes today than just before the housing bubble burst (splat!).

There are about 2.2mln vacant homes for sale today. That doesn't necessarily count the latest ones boasting "fore-closed" signs, either. So, you might wonder, what's that got to do with the cable business?



Paul S. Maxwell

Ummm... seems to me that getting new subscribers will be tougher and tougher and tougher. So, you might want to think about keeping customers. And you might even want to think a step or three beyond the excellent example of **Cox** (still the best at customer service). That alone might not be enough...

It isn't enough to once in awhile include a "free" VOD movie coupon. Where's the love?

My bundle costs over \$200/month... where's the love?

Why not a "Bless Ralph" ball cap? A T-shirt that says, "I paid my bill, and I even got this T-shirt!" It's all going to count...

Because, I'll bet, **DISH** tries some

more aggressive pricing in the not too distant future.

Holding on to subscribers will be the 2009 game... even with the distraction of the Digital Transition.

### Random Notes:

• **Faxies?** Did you win one? Find out Tuesday at the National Press Club in DC with a special appearance by *Dan Rather*... and "only" 25 categories. Once ran into Rather at a function in New York—told him he'd been my graduation speaker from high school in Houston. He said, "I'm not THAT old!" I grinned. True. Can't be there, but I'll bet *Seth Arenstein* and *Mike Grebb* make a politically incorrect comment or nine.

• **Listen!** Things I want to hear: the ever-so-droll Canadian *Donald Sutherland* narrating the National Geographic special on the ever-so-Druid Stonehenge! (June 1).

• **Ralph's Wall?** An entire video wall at the new Comcast HQ in Philly should be something to see... hope it's ready when we convene for Cable Tec-Expo in June. And, I plan to eat at Ralph's Café as well! (Note to panelists: calling soon; maybe meet in New Orleans?).

• **More Nawlins Planning:** I presume you've already signed up to help out on Sat before the show... but I don't want you to miss also signing up for the **NAMIC** breakfast or missing out on **Kaitz** diversity

projects, including the 9th Annual Supplier Diversity Connection Workshop or the new Kaitz/**BET** initiative bringing students and faculty from Historically Black Colleges and Universities, the National Society of Black Engineers, the Society of Hispanic Professional Engineers and similar organizations in the New Orleans area to participate in the program. The centerpiece of the program will be a panel moderated by Kaitz' *Dr. Porter* featuring: (my favorite) *Nomi M. Bergman*, evp, strategy & development, **Advance/Newhouse**; *Scott M. Mills*, pres/COO, **BET Networks**; and *Tanya Van Court*, svp, preschool & parents online, **Nickelodeon**, MTVN Kids & Family Group. There's also a **CAB**-sponsored diversity panel. So sign up. (Nice preview of the city in Newsweek - <http://www.newsweek.com/id/134314>.) You really already have signed up for and planned to get dirty helping the Cable Cares project... haven't you? Maybe, collectively, we could have the same impact the Sultan of Qatar had. Well, maybe not. He gave away \$100mln to help rebuild the schools. Still, bet we sweat more.

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