

CableFAX Daily™

Monday — May 7, 2007

What the Industry Reads First

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Show Man: FCC Comes Through With 3 Integration Ban Waivers

FCC chmn *Kevin Martin* may have bought himself a little bit of goodwill before his appearance at the **Cable Show** this week, with the Media Bureau announcing Fri the approval of set-top ban waiver requests for **Charter**, **GCI** and **Millennium Telcom**. Of course, it's not enough of a present to erase his a la carte, dual must-carry and 30% cable ownership cap proposals. (Now if the FCC had granted the **NCTA's** request to delay the integration ban until ops deploy a new downloadable security system or until 2010, Martin may have gotten some cheers from the crowd). The FCC chmn is slated to address attendees at the Las Vegas show's opening general session today (1pm, Mandalay Bay, Ballroom J). News that Charter's waiver was granted reached pres/CEO *Neal Smit* just before he began a 1Q all-employee meeting Fri at the MSO's St Louis HQ. Charter shares closed up 7% Fri at \$3.63. Nearly 300 days after Charter filed its waiver request, the Bureau ruled that it could continue to deploy 7 integrated set-tops after July 1, '07 because of the financial hardship the ban would create (Charter told the FCC that it has more than \$20bln in outstanding debt obligations, which is almost 11 times its annualized EBITDA). Under FCC rules, operators can only deploy set-tops with separable or downloadable security after July 1, '07. In most instances, that means operators will have to deploy boxes with CableCARDs, even if consumers don't want them. Under the waiver, Charter can keep deploying lower-cost **Motorola** DCT-700 and DCT-2500e; **S-A's** Explorer 940, Explorer 1840, and Explorer 3200; and **Pace's** "Chicago" DC501p and "Indiana" DC511p integrated set-top boxes until July 1, '08. Charter can apply for an extension of the waiver if it believes financial difficulties warrant it. The Bureau also granted conditional waivers to Millennium Telcom and GCI based on their commitment to go all-digital before Feb 17, 2009. A similar waiver was granted to **Bend Broadband** in Jan. **Cablevision** also received a waiver in Jan that allows it to continue deploying its set-tops, which already provide separable security (just not through a CableCARD). **Comcast's** request to have certain low-end boxes waived was denied by the Bureau in Jan, with the MSO currently seeking a review of the decision by the full Commission. There are still dozens of waiver requests pending at the Commission, including NCTA's and **Verizon's**.

Show Time: A Rundown of Some of What You'll See in Vegas

It's hard to predict just what will draw the most buzz at this week's **Cable Show**, so we won't even try. Instead we checked in with a few of the usual suspects to see what sort of wares they'd be showing off in Vegas. Over at **S-A's** booth, the vendor will have several Web 2.0-type of demos, including putting photos from **flickr** up almost instantaneously onto set-tops and showing personal videos from **Yahoo** on set-tops. One of the more out-of-the-box things at the booth is a remote from **Hillcrest Technologies** that uses motion-sensing, gyration technology (like those **Nintendo** Wii controllers) to navigate through TV listings as opposed to scrolling through a grid. "We're trying to show what's possible in the future. If you have 10K hours of VOD on the server, that's great. But if you have to shift through 1 screen at

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a time, that may not be ideal for consumers,” said *JT Taylor*, dir, product strategy and marketing for S-A (Watch video of a Hillcrest interview and demo at www.cable360.net/events/conventions/21268.html). Another remote getting buzz is **Universal Electronics’** “Cricket Kids Remote” that is designed to restrict TV viewing to family-friendly programming. The remote comes pre-programmed with 14 large keys for small hands. **Motorola** will introduce Cable PON, which will deliver Passive Optical Network solutions (like what **Verizon** is starting to roll out) to existing cable infrastructures. It combines HFC and PON to “provide ultra broadband technology to boost cable’s competitive edge going forward,” said *Jeff Walker*, dir product marketing, Motorola Connected Home Solutions. Moto also will announce that it successfully tested DOCSIS 3.0 services with speeds exceeding 145Mbps over **StarHub** of Singapore’s HFC network, using Moto products and **Vyyo’s** “Ultraband” spectrum overlay. **Pace** will be showing off its newest CableCARD interface set-top, the Miami HD, as well as how it can upgrade its boxes to OCAP via a software download.

Bat to Wood: Yes, **Cablevision** subs. There will be “Extra Innings.” With 2 outs in the figurative 9th inning, the MSO announced it has reached a deal with **MLB** and **In Demand** to offer digital subs the package of out-of-market baseball games starting today at \$159 for the entire season. Today was the deadline for video providers to sign up the package, or face the possibility of being without it until ’13. Cablevision also agreed to add the **MLB Channel** to its digital lineup when it debuts in ’09. Charter said it inked a similar contract at press time to carry the baseball channel and offer the out-of-market package, which it will begin offering to subs on Tues. **Verizon** is reportedly still in the running for the package, as well. Today’s deals likely please Sen *John Kerry*, the rabid BoSox fan and de facto umpire who questioned the exclusivity of the original pact for the package because it included just **DirectTV** and MLB. Kerry’s intervention helped spur talks between the pair and other ops, and ultimately put cable in the starting lineup.

Bikinis Make Skool Kool: Even subs who repeatedly cut classes at **Rainbow’s** VOD academy **LifeSkool** know skin sells, so it’s only a stretch of Lycra to find “The Bikini Chef” series (June 7 premiere) will be touted by a bevy of bikini-clad models, distributing recipes, snacks & exercise tips on NYC streets June 7 & 8. Actually, Bikini Chef doesn’t advocate cooking while in a swimsuit. Host *Susan Irby* shows how to prepare flavorful but waistline-friendly food; the series’ title derives from her gig as a chef to bikini models. Wrapped around the cooking series, LifeSkool (formerly MagRack) will offer programs to ensure student bodies are toned appropriately for bikini wearing, including episodes titled “Booty Call” and “Rock Hard Abs.” In addition to the street stunt, **lifeskoollv.com** will promo the series with exclusive Web content. Cable ops will be able to see the full range of LifeSkool and SportSkool VOD offerings at Rainbow’s booth this week in Las Vegas, gm *Dan Ronayne* says (*Cfax*, 02/20). -- To push LifeSkool’s “The Cars You Want” series (May 21 premiere), Rainbow’s playful cars & romance survey asked questions included: ‘would you date someone just because of their hot car?’ (66% said yes); ‘in your adult, post-school years have you gone all the way in a car?’ (49% said yes); ‘which car shows a man is overcompensating for a fragile ego or physical shortcoming?’ (30% said Hummer). – Another LifeSkool summer premiere is “Gametroting” (July debut), a 6-ep series covering video game trends, hosted by *Jonathan Drubner*. -- **Notebook:** “Gamer Dojo,” the video game series on Rainbow’s VOD franchise LifeSkool (formerly MagRack), displays its hip cred with a May 9-July 31 video contest at lifeskoollv.com seeking the rawest moves in gaming. Judges of the 3-min Web clips include rocker Tommy Lee and machinima experts. Machinima is a film genre that uses games and game engines as a virtual backdrop and has spawned thousands of user-generated movies.

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New on Cable360: For a break from the slots, check out new videos on www.cable360.net, including a demo of Verizon's FiOS service as well as part 1 of a sit-down interview with **Discovery** pres/CEO *David Zaslav*. And get your daily dose of original breaking news and rundowns of the morning headlines with 360AM.

Competition: Verizon used a company blog Thurs to offer up more details on its FiOS services, including an expectation of 3-4mln video customers by '10, representing a market penetration of 25%-30%. It also foresees 7mln FiOS Internet subs by the same year, a 35%-40% market penetration rate. As of Mar 31, Verizon's fiber optic network passed 6.8mln homes and businesses, and annual additions of 3mln premises are expected through '10. Speed increases across the network are anticipated as Verizon begins deploying advanced electronics this year. -- **DISH Network** launched **Cinemax HD**, bringing its number of national HD channels to an industry-leading 32.

Carriage: Verizon signed on to carry ION's full suite of channels, including recently launched 24-hour diginets **qubo**, **ION Life**, **The Worship Network** and **iMetro**. -- **Tennis Channel** (10mln HH distribution) will be on in 50mln homes during the French Open (May 27-June 10) thanks to a series of special free previews on its cable and DBS providers. During the Open, Tennis Channel affils will offer the net to a wider audience of analog or digital basic subs. -- **Anime Network** inked new SVOD deals with **Suddenlink** and **Canadian Cable Systems**, adding 500K VOD HHs to its distribution base. Suddenlink will make the 30-hr SVOD package available in May to about 200K homes in WV for \$6.99/month (it'll also put 2 sampling hour up on free VOD). The MSO plans to include the package in upcoming VOD markets.

Central Command: Comcast announces today plans to launch its "SmartZone" communications center, a fully integrated, Web-based communications center that lets customers go to one central location to receive email, check voicemail online, send instant messages and manage a new smart address book that updates contacts on email, cell phones, PDAs and digital phones. The MSO is partnering with **HP**, **Plaxo** and **Zimbra** on the application. The center, to launch later this year, is 1 of about 20 enhancements in HSD that Comcast plans over the next 12-18 months, said Comcast svp, product dev *Greg Butz*. The intent is to enhance the triple-play experience. Other planned apps include the ability to program your DVR from the Web and caller ID on your TV and PC.

On the Hill: The Sen Commerce cmte has slated a hearing on media violence for Thurs, 10am.

Research: MSOs that are gearing up to offer business services or are expanding existing commercial services should be heartened by recent research by **CSG Systems**. US business decision makers plan to increase use of advanced voice services such as VoIP and also to expand the use of video services such as distance learning, the usage of which by large firms is expected to increase 40% over the next 2 years, according to survey data. Across all business sizes, those firms using cable ops for delivery of communication services were more satisfied with their service than telco customers, although many businesses perceive cable ops to be weak in features, reliability or security compared to traditional phone and Internet providers. Top reasons for not trialing business voice, data, and video services included price, and the perceived risk to the business in terms of cost and complexity associated with switching providers.

Advertising: CAB created a commission to address the development of commercial ratings processes and standards for the TV ad industry, with the goal to ensure ratings accuracy and stability for use by advertisers and marketers. CAB has requested the participation of orgs including the **Assoc of National Advertisers** and will convene an initial commission meeting shortly. Confirmed participants include *Sara Erichson*, GM, national services, **Nielsen Media Research** and *George Ivey*, exec dir, **Media Rating Council**.

Earnings: Affected negatively by its retrans consent row with **Sinclair** and severe Midwest ice storms, **Mediacom** reported a 0.6% drop in 1Q video rev to \$216mln, a loss of 18K basic subs and just 2K digital sub additions. Still, the MSO

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likes the trajectory of its businesses and expects to deliver on its full-year guidance. Data rev grew 18% to \$66m on 22K HSD sub additions, phone rev surged 224% to \$12m on 18K sub adds, and ad rev increased 13% to \$15m. **Openeheimer** believes Mediacom will rebound from its lackluster 1Q performance. "Moving forward, expanded triple play roll out should help the company grow both customers and financials, key to strengthening the long-term fundamentals," the firm wrote. -- **Cable One's** 1Q rev rose 10% to \$149m, powered by continued growth in cable modem and digital revenues. As of Mar 31, the MSO counted 703K basic subs (+1% Y-over-Y), 221K digital (+3%), 308K HSD (+22%) and 10K phone, which began rolling out in 2Q06. Cable One said it will not implement this year an overall basic rate increase.

Technology: Tandberg unveiled "OpenStream," a switched digital solution allowing cable ops to easily control and manage switched multi-rate digital TV services through an open platform, thus reducing integration issues and deployment costs. -- **Softel-USA, ADB** and **Vidiom Systems** announced an integrated bundle that creates OCAP-based interactive apps. The \$35K bundle includes ADB's HD OCAP set-top, Softel's desktop headend simulator and carousel system, and Vidiom's app development environment. -- **Oxygen** reupped "Tori & Dean: Inn Love" for a 2nd season that'll debut in 3Q. The show averaged a 0.5 HH rating this year, making it the net's 2nd-highest original series behind "The Bad Girls Club."

Booth Doings: Stop by **Cable Positive's** booth (5276) for a "Join the Fight" 256 MB flash drive wristband. The flash drives come pre-loaded with the organization's annual report and 4 "Join the Fight" PSAs. -- Cigar lovers are doubly lucky this week. *Frank Ruiz*, world record holder for the longest cigar, will be rolling cigars at **WealthTV's** booth all week (2664). Master cigar roller *Oscar Mursuli* will be handrolling **HRTV**-banded cigars Tues at the horse-racing net's booth (3280). -- Get your gospel music fix at **Gospel Music Channel's** booth (740). The Las Vegas Berean Christian Church Choir performs at 3pm and Season 3 "American Idol" contestant *George Huff* sings at 4pm. -- Try to win a trip to Paris in honor of **Hallmark Channel's** basic cable premiere of "The Phantom of the Opera" (June 23). Contest runs from 2:30-4:30pm (exec suite-12). -- Skateboarder *Ryan Sheckler*, who scored gold at the '03 X Games, signs autographs at **Fox Cable's** booth from 3-4:30pm (852). Street soccer squad, the Wingers, appear from 4:30-5pm. -- **EWTN** commissioned an Italian artist to create a replica of the 12th Century San Damiano Crucifix, which will be on display at its booth (2464). -- Cable Cares! That's the name of booth #5279, which is being sponsored by **ACC, Cable in the Classroom, NAMIC** and **WICT**. Stop by to learn more about what each group is doing and to enter their daily raffle. -- Celebrate **Tennis Channel's** French Open coverage (May 27-June 10) with a French wine tasting from 3-5pm Mon and Tues (3275).

In the States: **RCN** added **SNY** to its HD channel lineup. -- **Cox** launched **Gospel Music Channel** last week in Oklahoma City and Tulsa, and **Charter** added the net to its channel lineup in Fort Worth, TX.

People: Discovery named ex-MTVN exec *Christine Rodocker* vp, natl accounts marketing and **Comcast** vet *Jim Gordon* vp, public affairs, affil sales and marketing. -- **Outdoor Channel** is expanding its affil sales team, hiring *Mark Romano, Daniel Soane* and *Joe Stretesky* as regional vps serving the East, Central and West markets, respectively. -- **TV One** promoted *Antoinette Brown-Leon* to regional vp, west, and *Rosalyn Doaks* to regional vp, southeast. Management software solutions provider **Argo Systems** tapped ex-Comcaster *Jamie Cherlin* as vp, client relations.

Business/Finance: After months of proposals and counteroffers, **ION Media Nets** and affils of **NBCU** and **Citadel Investment Group** agreed on a recapitalization of ION, which is expected to go private following the transaction. NBCU is transferring to Citadel the call right on *Bud Paxson's* controlling shares it acquired in '05, and Citadel will in turn exercise the right and commence a cash tender offer to ION's outstanding Class A common stock at a price of \$1.46/share. Citadel will also invest \$100m to fund ION's future growth and digital investment plans. ION will launch an exchange offer and consent solicitation to holders of its other preferred stock for newly issued subordinated debt and preferred stock.

HE'S HERE!

CHAPPELLE'S SHOW

Friday Nights Are About To Get A Whole Lot Funnier This Fall!

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CableFAX Week in Review

Company	Ticker	5/03 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	50.43	9.60%	23.70%
DIRECTV:	DTV	24.16	1.10%	(3.1%)
DISNEY:	DIS	35.85	2.50%	7.30%
ECHOSTAR:	DISH	48.90	5.60%	28.60%
GE:	GE	37.15	0.80%	3.60%
HEARST-ARGYLE:	HTV	25.83	(1.7%)	2.40%
ION MEDIA:	ION	1.40	13.80%	180.00%
NEWS CORP:	NWS	23.58	(3.2%)	6.20%
TRIBUNE:	TRB	32.83	0.10%	7.80%

Company	Ticker	5/03 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	35.60	9.00%	25.00%
CHARTER:	CHTR	3.63	13.40%	18.60%
COMCAST:	CMCSA	26.89	(0.1%)	(4.7%)
COMCAST SPCL:	CMCSK	26.55	(0.4%)	(4.9%)
GCI:	GNCMA	15.19	4.10%	(3.4%)
KNOLOGY:	KNOL	19.73	7.70%	85.40%
LIBERTY CAPITAL:	LCAPA	117.67	3.90%	20.10%
LIBERTY GLOBAL:	LBTYA	36.82	2.50%	26.30%
LIBERTY INTERACTIVE:	LINTA	25.68	1.30%	19.10%
MEDIACOM:	MCCC	8.41	(4.2%)	4.60%
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	39.74	4.50%	33.80%
SHAW COMM:	SJR	39.01		25.40%
TIME WARNER CABLE:	TWC	37.78	3.50%	(1.4%)
WASH POST:	WPO	766.55	3.00%	3.60%

Company	Ticker	5/03 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	32.00	(0.1%)	3.30%
CROWN:	CRWN	5.75	(1%)	58.40%
DISCOVERY:	DISCA	21.97	1.10%	50.20%
EW SCRIPPS:	SSP	43.17	(0.2%)	(13.1%)
GRUPO TELEVISIA:	TV	29.07	1.50%	7.60%
INTERACTIVE CORP:	IACI	35.90	(7.4%)	(3.4%)
LODGENET:	LNET	33.68	(3.1%)	34.60%
NEW FRONTIER:	NOOF	8.86	3.00%	10.90%
OUTDOOR:	OUTD	10.60	4.20%	(17.4%)
PLAYBOY:	PLA	10.40	6.00%	(9.2%)
TIME WARNER:	TWX	21.29	3.30%	(2%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	11.02	(4.9%)	(16.1%)
VIACOM:	VIA	41.31	(1.3%)	(4.2%)
WWE:	WWE	18.22	6.40%	17.70%

Company	Ticker	5/03 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.19	(1.6%)	1.90%
ADC:	ADCT	18.57	(0.7%)	13.50%
ADVANTAGE:	AEY	4.15	(1.2%)	48.70%
ALCATEL LUCENT:	ALU	13.45	0.90%	3.30%
AMDOCS:	DOX	37.27	(2.8%)	(3.8%)
AMPHENOL:	APH	36.34	2.40%	17.30%
APPLE:	AAPL	100.81	0.90%	11.60%
ARRIS GROUP:	ARRS	15.54	0.30%	24.20%
AVID TECH:	AVID	33.99	0.00%	(8.8%)
BLNDER TONGUE:	BDR	1.75	0.60%	2.90%
BROADCOM:	BRCM	33.14	(0.8%)	2.60%
C-COR:	CCBL	13.07	3.30%	17.30%

Company	Ticker	5/03 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	27.91	3.30%	2.10%
COMMSCOPE:	CTV	50.33	3.00%	65.10%
CONCURRENT:	CCUR	1.52		(16%)
CONVERGYS:	CVG	25.62	2.20%	7.70%
CSG SYSTEMS:	CSGS	27.96	4.40%	4.60%
GEMSTAR TVG:	GMST	4.67	4.20%	16.50%
GOOGLE:	GOOG	471.12	(1.6%)	2.30%
HARMONIC:	HLIT	8.87	3.40%	22.00%
JDSU:	JDSU	14.00	(16.3%)	(15.9%)
LEVEL 3:	LVLTL	5.60	(2.8%)	
MICROSOFT:	MSFT	30.56	1.50%	3.30%
MOTOROLA:	MOT	18.08	2.90%	(11.1%)
NDS:	NNDS	51.51	0.00%	6.80%
NORTEL:	NT	25.46	9.50%	(4.9%)
OPENTV:	OPTV	2.44	(1.2%)	5.20%
PHILIPS:	PHG	41.00	(1.1%)	11.20%
RENTRAK:	RENT	14.95	3.10%	(3.5%)
SEACHANGE:	SEAC	8.94	2.20%	(12.5%)
SONY:	SNE	53.95	0.90%	26.20%
SPRINT NEXTEL:	S	20.70	2.40%	9.70%
THOMAS & BETTS:	TNB	55.24	(1%)	16.80%
TIVO:	TIVO	6.36	(0.3%)	24.20%
TOLLGRADE:	TLGD	12.44	7.70%	17.70%
UNIVERSAL ELEC:	UEIC	34.00	22.90%	61.80%
VONAGE:	VG	3.12	0.30%	(55%)
VYYO:	VYYO	7.27	(9.2%)	60.50%
WEBB SYS:	WEBB	0.06	(14.3%)	50.00%
WORLDGATE:	WGAT	0.71	(12.3%)	(47%)
YAHOO:	YHOO	30.98	9.30%	21.30%

Company	Ticker	5/03 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	39.48	3.10%	14.50%
QWEST:	Q	9.42	5.80%	12.50%
VERIZON:	VZ	40.66	8.40%	13.60%

Index	Value	1-Week % Chg	YTD %Chg	
DOW:	INDU	13264.62	1.10%	6.40%
NASDAQ:	COMPX	2572.15	0.60%	6.50%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. UNIVERSAL ELEC:	34.00	22.90%
2. ION MEDIA:	1.40	13.80%
3. CHARTER:	3.63	13.40%
4. BRITISH SKY:	50.43	9.60%
5. NORTEL:	25.46	9.50%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. JDSU:	14.00	(16.3%)
2. WEBB SYS:	0.06	(14.3%)
3. WORLDGATE:	0.71	(12.3%)
4. VYYO:	7.27	(9.2%)
5. INTERACTIVE CORP:	35.90	(7.4%)



COME TO THE SPORTSMAN CHANNEL

BOOTH #2875 TO PLAY

"Deer or No Deer"

WIN PRIZES, INCLUDING A FISHING TRIP FOR TWO TO THE BAHAMAS!
LOOK FOR OUR GAME PIECE IN MCN DAILY.

MaxFAX...

OK, We're Guilty...

As an industry... of a lot things. Like changing the world. For the better. We (that is, the "cable" industry) have added to the world:

- More than three TV channels from which to choose... in fact, hundreds.



Paul S. Maxwell

- Better TV reception.
- TV reception where over-the-air couldn't be received.
- News... 24/7 (CNN, CNNHL, CNNI, FOX, MSNBC, CNBC,

Bloomberg not to mention all the follow-on international news networks).

- Politics in the open (**C-SPAN** and in some states as well as all of those local city council proceedings).
- True programming diversity... from **BET** to **TV One** to **SiTV** and more.
- Not to mention great show such as "The Sopranos" and "Planet Earth" (absolutely astounding) and "Galapagos" (OK, biased; on our way there next month) and "The Tudors" and "The Closer" and "The Shield" and "Monk"... and lots, lots more.
- More and better kids' content... from **Nickelodeon** to **Sprout** and beyond.
- More and better sports coverage... from **ESPN** to **CSTV** to the RSNs to

GOL TV and... even those pesky league channels.

- Lots and lots and lots of reruns!
- 1st use of satellites to distribute programming.
- Think DBS would do as well if it didn't have "cable" programming? It was cable operators taking a chance (and some upside, of course) that got that initial distribution and launched a much more robust programming industry. Not to mention the latest copycat entries from telcos...
- Broadband connectivity deployment superior to any other.
- A better telephony deal for consumers and small businesses.
- VOD—free and for a fee—check out (here comes full disclosure... these guys are friends and I care and I might join *Stan Hitchcock* for a song) the **BlueHighways TV** guys (now linear, too) at the show and (coming soon) **The Ski Channel** VOD (Steve is at the ski show instead).
- Commercial-free TV (OK, pay TV).
- Parental controls.

So why do we keep getting punished? Why do issues such as multi-cast must carry keep coming up? Or a la carte? Or let's help *Ed Whitacre* earn his retirement pension?

Maybe we'll find out at one pm today in Ballroom J at the Mandalay Bay.

But probably not. While it ain't exactly

Daniel in the Lions' Den, it is, I suppose, "brave" of Federal Confusion Commission chmn *Kevin Martin*(et) to come speak to the **NCTA**... presuming, of course, that he doesn't show up with 15,000 summons.

It will be interesting... But I do wish that *Char Beales'* panel following could be real instead of couched in earnest rhetoric post-Martin. Would be nice to hear what *Glenn Britt*, *Steve Burke* and *Tom Rutledge* really think... but then, I bet I know.

See you there. And **CableFAX** will be there every day...

Random Notes:

- **Crowded? Nah.** Joining us in Vegas are several meetings, including 60,000+ at the Kitchen and Bath Industry Show... to which, thanks to **Scripps Networks**, you can go gawk at for free... but don't try to sneak out any of the silverware.
- **Where's Ralph?** *Baruch*, that is. Find out in "My Back Pages" in the show edition of **CableWorld**. Hell of a guy, hell of a life, pretty good book. Buy it and read it (I get a 20% kickback... ah, but if you know Ralph, you'll know I'm kidding).

Paul Maxwell

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GUEST COLUMNIST

Competition Works, Consumers Win

Our industry's largest gathering has finally returned to Las Vegas for the first time in two decades. As we'll see on The Cable Show floor, the past 20 years have brought significant change and growth to our business. As exhibitors, speakers and panelists take center stage, we have much to talk about as an industry, and much to celebrate.

While I may be venturing beyond the Beltway this week, I won't be forgetting the key message we've been using to educate Members of Congress and policymakers: "When, Competition Works, Consumers Win." It's also the theme of this year's Cable Show—our 56th annual conference. It has been through our industry's work, in part, that competition, choice and value are shaping the communications marketplace.

While strong competition is challenging for all of us, history and experience show that competition has made cable better, and consumers are the beneficiaries. The video services marketplace has never been more competitive. More than 30 million consumers now subscribe to a pay TV provider other than cable. Multiple video providers are now actively vying for customer loyalty, with each trying to provide unique new products and more services to meet consumers' increasingly varying needs.

It was only 15 years ago when cable had 95 percent of the multichannel video market. Now, cable's market share is closer to just 68 percent. Competitors—satellite firms, the former Bell telephone companies and others—have jumped headfirst into video and are nipping at our heels. We've responded with digital features such as HDTV, video-on-demand, and digital video recorders—helping improve cable's overall customer satisfaction.

New ways to consume media are expanding and also directly competing with cable, satellite and telephone

providers. Digital technology (such as Web sites offering streaming video to mobile phones and iPods) has completely transformed the way programming is delivered to consumers.

Cable today, of course, is more than a provider of video service. While video is a key part of our "bundle," our lightning-fast, high-speed Internet service is the backbone for so many other ways in which people consume media. These new services—digital cable, phone service, Internet services—are viable because cable invested \$110 billion over the past 10 years to build a fiber-optic broadband network with greater bandwidth. We were the first to provide American consumers with fast residential high-speed-Internet service, and others quickly followed.

Competition is thriving in other areas of the telecommunications market, and one longtime "holdout" is beginning to erode: the market for local phone service. While, at last count, more than 87 percent of all households were still purchasing telephone service from their local phone company, cable is making strides as the first real facilities-based competition. We now have 10 million phone customers, and are still ramping up.

The emerging phone market provides a huge business opportunity for cable and big savings opportunities for consumers. One recent economic analysis suggested that consumers could save \$100 billion over the next five years if robust competition in the telephone market continues to develop.

Competition has been good for our industry. We are not just surviving; we are thriving in a competitive environment. And, in Las Vegas, we'll have an opportunity to show that the odds of winning are stacked in favor of the cable industry's customers.

Kyle McSlarrow is pres/CEO of the National Cable & Telecommunications Association.



Kyle McSlarrow



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**MONDAY
Winger's Freestyle
Squad Demo**
4:30pm & 5:00pm





MONDAY
Skateboarding Phenom
Ryan Sheckler
3:00pm-4:30pm




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GUEST COLUMNIST

Cable's No Brainer: Reaching Home Builders And Designers

If, at your next event, you could reach 40,000 highly targeted customers with no added costs, would you do it?

That's a no brainer if ever there was one. And it's exactly what the NCTA is doing this week by collaborating with the National Kitchen & Bath Association during the Cable Show '07.

By providing reciprocal admission to attendees to both associations' industry shows running concurrently in Las Vegas May 7-10, our industry is at the nexus of integrating residential construction and cable technology to provide a seamless customer experience and an immediate comfort factor for consumers.

The idea first came up at a planning meeting in New York last fall. Barbara York, NCTA Senior Vice President for Industry Affairs, seized the opportunity to demonstrate the advantages of cable content and connectivity to the nation's leading home builders and designers.

Collaborating with the kitchen and bath industry creates a great opportunity to demonstrate the advantages of the broadband platform to the nation's leading home builders and designers, who will gain new perspectives on how our industry is at the center of best new practices regarding home offices, home entertainment systems, game consoles, telephony, intelligent appliances, security systems.

In addition to technology information, designers and builders attending to the Kitchen/Bath Industry Show will get insight into the role television programming plays in the cable-enabled home and how they can apply this knowledge into kitchen and bath design.

Michael Smith, Food Network's Senior Vice President for Creative Services, will share some of the new

approaches to content delivery as well as consumer trends related to food and home during a presentation on Wednesday, May 9 at 12:15pm on the KBIS Center Stage in the South Hall of the Las Vegas Convention Center.

The other half of the equation is the value cable technologists will gain by seeing what designers and contractors are doing today.

That's an insight we see regularly at Scripps Networks through the content on our networks, HGTV and DIY, as well as the dozen or so broadband vertical channels we program on our websites, including HGTV KitchenDesign, HGTVBathDesign and HGTVpro.

For instance, current best practice in the homebuilding industry involves something called "structured wiring," integrating the use of home automation systems such as security, audio, video, lighting and temperature control to provide fast, easy access to homeowners.

During these days of slowing construction starts, all builders are looking for an edge, and cable just might be able to provide part of that answer – and cement our relationship with the customer—if we can better understand this and similar issues.

Both shows are well known for their cutting edge demonstrations, great exhibits, and strong panel discussions, with The Cable Show now in its 56th year as the annual showcase of the cable telecommunications industry and the Kitchen/Bath Industry Show established as the world's largest international trade event dedicated to the kitchen and bath industry.

Some might say it was just luck that the two shows are running concurrently in the same town. I say, why not be lucky *and* good by making this opportunity count for cable.

John Lansing is president of Scripps Networks.



John Lansing

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