

CableFAX Daily™

Friday — May 11, 2007

What the Industry Reads First

Volume 18 / No. 092

At Deadline: Comcast Says It's Moving NFL Net to Sports Tier

Comcast was already gearing up Thurs to move **NFL Net** to a sports tier, after the NY Supreme Court ruled that its contract allows the shift. Comcast said it will move the net to a tier in all systems after it gives notice to subs (starting next week) and once it notifies the NFL. In some cases it could be 30 to 60 days before the net will actually be moved, a spokeswoman said. NFL Net is looking forward to another showdown in court. "The final word on this issue is most likely going to come from the appellate courts. If this decision is upheld, the biggest harm will be to consumers. They will have to pay more for less," said a net spokesman. The NFL sued Comcast in Oct after the MSO said it would launch the net on a sports tier in recently acquired cable systems. Sources said the MSO had planned to move the net company-wide at the start of '07. The net has been steadfast in its stance against sports tier carriage, pulling its signal from **Charter** in '05 after the MSO moved it to a tier. Its refusal of sports tier carriage has also been a roadblock in carriage discussions with **Time Warner Cable** and **Cablevision**. "We bargained explicitly for the right to place the NFL Network on a sports tier because it is the best and fairest solution for all our customers," said Comcast evp, *David Cohen*. "This decision means that our customers who are NFL fans will be able to watch the NFL Network without burdening those who are not NFL fans with extra costs."

Plugging Away: House Subcommittee Probes Product Placements

What if *Bogart* turned to *Ingrid Bergman* in that famous "Casablanca" good-bye scene and said, "You're part of his life, the thing that keeps him going. Now get on that plane and enjoy **United's** non-stop, 3-class service to Paris with seats that recline to a full 180 degrees." "Everybody Loves Raymond" creator/exec producer *Phil Rosenthal* put forth that pondering Thurs at the House Telecom subcmte's hearing on the future of video, suggesting that the govt may need to intervene when it comes to product placements. When asked by chmn *Ed Markey* (D-MA) if the TV industry should be permitted to use programming in order to sell Oreos or "other unhealthy products" to kids, Rosenthal said govt restrictions similar to those on cigarette ads might need to be put in place if there is a lack of self-regulation by the industry. "Hopefully, [the industry] has a conscience and self-regulates... This is a major health issue, and maybe should be looked at," he said. In disagreement was *Ben Pyne*, pres, **Disney/ESPN** affil sales & marketing, who noted that the Communications Act already requires disclosure of product placements and that there are no placements in children's programming. "Creating quality content the way we do every day is expensive. We are committed to looking for new models to keep all this possible," he said of such advertising. Rosenthal claimed there were some 4K product placements last year, and played a "Seventh Heaven" clip that featured Oreos prominently during a marriage proposal. If the writers were paying less attention to working Oreos into the scene, they may have come up with a better line than, "Will you marry me on our wedding day," he told the committee. Pyne took issue with another one of Rosenthal's examples—a **Nissan** plug on

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

ABC's "Desperate Housewives"—saying he'd checked with sources and the dialogue Rosenthal referred to never made it on air. In response to a member's question on whether **You Tube** could curtail excessive product placement, co-founder/CEO *Chad Hurley* said, "I think so because it allows more people to participate in the process."

More from the Hill: **TiVo's Tom Rogers** lamented Thurs during his testimony before the House Telecom subcmte that it's sometimes hard to get CableCARDS to consumers. "Most of the friction has been on getting the cards into their hands from the cable company," he said, suggesting that it's burdensome that operators require a scheduled tech visit for the cards instead of just mailing them out. Rogers also pointed out that CableCARDS could be "rendered useless" with the switched digital platform that cable is starting to use. "To [cable's] great credit, they want to work this out. We're hopeful it will be solved," he said. Rep *Anna Eshoo* (D-CA) expressed concern over the issue, saying it's an example of how content providers can limit technology.

In the States: The WI Assembly Wed approved a statewide video franchising bill (66-28). The state senate is considering its own franchising bill that has yet to be voted on.

Show News: NCTA projected that show attendance this year was at 15K, roughly in line with the 15,500 who attended last year's show in Atlanta. 2005's show in San Fran had 17K attendees. Next year the show returns to New Orleans.

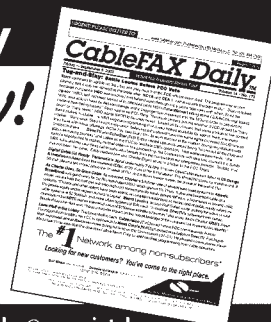
Dishheads: **EchoStar** wouldn't talk about a reported bid for **ION Networks**, but pres *Carl Vogel* made it clear the DBS provider is open to acquisitions, particularly on the broadcast side. "Broadcast assets ... are similar to what we do today. We find that category attractive," he said during the company's 1Q earnings call. DISH's sub adds jumped 38%, with 310K new customers signing on. CEO *Charlie Ergen* was especially bullish on DISH's relationship with **AT&T**, saying the resell partnership helped the DBS provider post its \$2.64bln in revenue (+15%). Net income rose 7% to \$157mln. "By all growth metrics, DISH continues to not only survive, but also thrive, as it consistently defies the notion of significant competitive headwinds from DirecTV, the nascent telcos or cable," **Bernstein's Craig Moffett** wrote in a note to clients. "In what has evolved into a recurring quarterly theme, however, there are signs of strain, with continued tightening of margins." While sub growth and churn were bright spots, customer-related expenses were higher than expected. -- **DirecTV** announced Wed a planned summer launch for "DirecTV On Demand," a play to offer thousands of titles that customers will be able to browse through DirecTV.com. Some content will be delivered through DVR hard drives. Further designs to battle cable are also in the works. "There are certainly markets where cable operators, including the biggest ones, have struggled and we will take advantage of those to the degree we can," said Carey, citing the L.A. market as an example. "We are going to look to be even more proactive in offering a bundle with partners, whether it's realistically telcos or Wild Blue, than we have been in the past."

In the Courts: **Motorola** has agreed to pay \$25mln to settle federal complaints that it essentially aided Adelphia's financial reporting violations. Moto announced a preliminary deal with the **SEC** in Oct, but didn't provide details. Last year, **S-A** agreed to a \$20mln settlement for similar claims.

Earnings: Although 1Q rev at **Viacom's** media nets rose 10% to \$1.73bln and affil rev grew 14% to \$558mln, pres/CEO *Philippe Dauman* admitted trouble on the domestic front. "We know we have ratings challenges at a few

You Play In the Big Sandbox Now

Get Your Own Copy!



Corporate group sales discounts are available.

Contact Angela Gardner at 757.531.1369 or cfaxgroupsales@accessintel.com to sign up your company today.

BUSINESS & FINANCE

of our channels, such as MTV, BET, and Nick at Nite," said Dauman, who noted that much of the problem is "related to weakness associated with some older and acquired programming, which we are systematically replacing with new, compelling and engaging programs." Still, Dauman is bullish on the MTVN segment, especially with regard to ad sales following large-scale restructuring in recent months. Restructuring charges weighed down earnings, which fell 36%, but still beat Street estimates. A focus on targeting key demos across platforms and engendering more audience interactivity is slated to help with the turnaround.

-- Equal 20% surges in both 1Q ad rev and sub fee rev, to \$46m and \$7.5m, respectively, powered 19% growth in **Crown Media's** overall rev to \$53.6m. Agreements representing two-thirds of **Hallmark Channel's** sub base will expire on or prior to Dec 31, according to an SEC filing.

Business/Finance: Internet TV service **Joost** received an injection of \$45m from capital firm **Index Ventures** (which led the round), **Sequoia Capital**, **Li Ka Shing Foundation**, **CBS** and **Viacom**. Each company invested in a minority percentage of the firm, providing funding that will be used to accelerate product development, global expansion, localization and service offerings.

CableFAX Daily Stockwatch

| Company | 05/10 Close | 1-Day Ch | Company | 05/10 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 49.23 | (0.59) | AMPHENOL: | 34.66 | (1.13) |
| DIRECTV: | 23.01 | (0.74) | APPLE: | 107.34 | 0.46 |
| DISNEY: | 35.69 | (0.43) | ARRIS GROUP: | 15.11 | (0.4) |
| ECHOSTAR: | 48.32 | 0.15 | AVID TECH: | 33.32 | (0.56) |
| GE: | 36.78 | (0.48) | BLNDER TONGUE: | 1.81 | (0.04) |
| HEARST-ARGYLE: | 25.54 | (0.41) | BROADCOM: | 32.71 | (0.79) |
| ION MEDIA: | 1.42 | 0.01 | C-COR: | 12.68 | (0.69) |
| NEWS CORP: | 23.10 | (0.16) | CISCO: | 26.29 | (0.22) |
| TRIBUNE: | 32.94 | 0.03 | COMMSCOPE: | 49.97 | (1.77) |
| MSOS | | | | | |
| CABLEVISION: | 35.27 | (0.14) | CONCURRENT: | 1.35 | (0.05) |
| CHARTER: | 3.57 | (0.04) | CONVERGYS: | 25.10 | (0.22) |
| COMCAST: | 26.00 | (0.28) | CSG SYSTEMS: | 27.16 | (0.4) |
| COMCAST SPCL: | 25.77 | (0.3) | GEMSTAR TVG: | 4.38 | (0.07) |
| GCI: | 13.38 | (1.27) | GOOGLE: | 461.47 | (7.78) |
| KNOLOGY: | 18.41 | 0.01 | HARMONIC: | 8.67 | (0.4) |
| LIBERTY CAPITAL: | 116.17 | (0.42) | JDSU: | 13.66 | (0.33) |
| LIBERTY GLOBAL: | 37.09 | 0.22 | LEVEL 3: | 5.57 | (0.09) |
| LIBERTY INTERACTIVE: | 24.80 | (0.15) | MICROSOFT: | 30.58 | (0.2) |
| MEDIACOM: | 8.43 | (0.12) | MOTOROLA: | 17.95 | 0.05 |
| NTL: | 28.22 | 0.00 | NDS: | 51.50 | (0.13) |
| ROGERS COMM: | 39.41 | (0.23) | NORTEL: | 24.25 | (0.72) |
| SHAW COMM: | 37.87 | (0.07) | OPENTV: | 2.36 | (0.01) |
| TIME WARNER CABLE: | 36.85 | (0.13) | PHILIPS: | 40.00 | (1.05) |
| WASH POST: | 761.12 | (2.15) | RENTRAK: | 14.85 | 0.32 |
| PROGRAMMING | | | | | |
| CBS: | 31.47 | (0.39) | SEACHANGE: | 8.81 | (0.06) |
| CROWN: | 6.41 | 0.36 | SONY: | 53.84 | (1.79) |
| DISCOVERY: | 21.98 | (0.42) | SPRINT NEXTEL: | 20.28 | (0.22) |
| EW SCRIPPS: | 42.05 | (0.49) | THOMAS & BETTS: | 54.44 | (0.98) |
| GRUPO TELEVISIA: | 28.20 | (0.91) | TIVO: | 6.28 | (0.15) |
| INTERACTIVE CORP: | 34.73 | (0.54) | TOLLGRADE: | 12.29 | (0.29) |
| LODGENET: | 33.11 | (0.7) | UNIVERSAL ELEC: | 33.08 | (1.28) |
| NEW FRONTIER: | 8.85 | (0.15) | VONAGE: | 3.38 | 0.33 |
| OUTDOOR: | 10.14 | (0.51) | VYYO: | 6.92 | 0.02 |
| PLAYBOY: | 10.50 | (0.24) | WEBB SYS: | 0.05 | 0.00 |
| TIME WARNER: | 21.38 | (0.32) | WORLDGATE: | 0.66 | 0.00 |
| UNIVISION: | 36.23 | 0.00 | YAHOO: | 29.70 | (0.52) |
| VALUEVISION: | 10.48 | (0.37) | TELCOS | | |
| VIACOM: | 41.49 | (0.56) | AT&T: | 38.91 | (0.56) |
| WWE: | 17.99 | (0.39) | QWEST: | 9.63 | (0.03) |
| TECHNOLOGY | | | | | |
| 3COM: | 4.54 | (0.13) | VERIZON: | 40.78 | (0.38) |
| ADC: | 17.63 | (0.51) | MARKET INDICES | | |
| ADVANTAGE: | 4.22 | (0.05) | DOW: | 13215.13 | (147.74) |
| ALCATEL LUCENT: | 13.00 | (0.28) | NASDAQ: | 2533.74 | (42.6) |
| AMDOCS: | 36.03 | (0.46) | | | |

Attention Public Affairs Executives!

You're invited to get a free trial subscription to *PR News*, the weekly executive level newsletter brought to you by the publishers of CableFAX Daily. From reputation management to crisis communications to media relations, we've got you covered — and then some!

Sign up for your FREE trial at www.prnewsonline.com/freetrial or call 1-800-777-5006.

PRNews Building the Bridge Between PR and the Bottom Line.

10499



PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Getting Its Kicks

Evidence of a growing, more aggressive Go!TV could be easily witnessed at The Cable Show, where the net shouted out with an attractive and expansive display, replete with a team of cute young women in referee outfits. Inside 5 years, the niche soccer play has netted 11mln subs, mirroring the surge in American soccer fanaticism derived mainly from an increasing Latino population and an efficient MLS. Now, armed with a \$200mln cash infusion through a Mar investment by SCP Worldwide, the Miami net is now sharpening its focus on differentiating content. While direct competitor Fox Soccer Channel's rights lineup is largely filled with English-dominated leagues such as the English Premier League, Go!TV kicks to viewers content with a decidedly Spanish bent. Content from Spain's La Liga does well, as does that from the Colombian league, said COO Rodrigo Lombello, who loves his net's positioning. To hit Go!TV's pitch in Sept are World Cup qualifying matches among South American nations, who arguably play the most beautiful and talented brand of soccer anywhere. To be sure, watching Brazil and Argentina play is quite gratifying. A large chunk of the net's sub base likely feels the same, as half (4mln) of the Latino-headed US households that subscribe to cable receive Go!TV, said Lombello. Meanwhile, 70% of the net's sub base receives programming in English, which allows for future growth across ethnicities. Advertisers are responding. The US Navy is a heavy sponsor of net content, as are Verizon, Dodge and Gatorade. And big things are expected at next week's upfront presentation. "We're starting to get worried that we won't have enough seats," said Lombello. GOOOOAAALLL! CH

Highlights: "What If God Were The Sun?" Mon, 9pm, **Lifetime**. At the risk of our integrity we'll admit we were hooked by this sappy, predictable story about a young nurse with attitude (*Lacey Chabert*) who befriends a terminal older woman with more attitude and experience, played by *Gena Rowlands*. Throw in classical music, a love story or two, faith, mystery, an old house and you have diversionary entertainment whose quality won't be beat by the majority of **Lifetime** fare. The drama's also a neat way to attract a younger demo while not disturbing the network's older core. And then there's Rowlands, who raises the level of nearly anything she touches.

Worth a Look: "Innocent," Thurs, 8pm, **BBC Am**. Some may recognize that the workings of this series mirror The Innocence Project, the *Barry Sheck*-led group of law students working to free the wrongly imprisoned. This British takeoff features young and sometimes idealistic law students trying to do the same. A strong and attractive cast help the series succeed. -- "Mission Ops: Assignment IEDs," Tues, 10pm ET, **Discovery Times**. Going behind the headlines, this special is a useful if brief look at improvised explosive devices, the homemade bombs that are killing and maiming US soldiers in Iraq. [More reviews, including **Disney** and **Sci Fi** fare, at cable360.net.] SA

Basic Cable Rankings

(4/30/07-5/06/07)

Mon-Sun Prime

| | | | |
|----|------|-----|------|
| 1 | TNT | 2.2 | 2090 |
| 2 | DSNY | 1.8 | 1628 |
| 3 | USA | 1.7 | 1598 |
| 4 | FOXN | 1.2 | 1130 |
| 5 | TBSC | 1.1 | 1057 |
| 5 | FX | 1.1 | 1045 |
| 5 | TOON | 1.1 | 1013 |
| 5 | NAN | 1.1 | 1006 |
| 9 | A&E | 1 | 925 |
| 9 | LIFE | 1 | 918 |
| 9 | HALL | 1 | 835 |
| 12 | ESPN | 0.9 | 859 |
| 12 | SPK | 0.9 | 843 |
| 12 | CORT | 0.9 | 832 |
| 12 | AMC | 0.9 | 831 |
| 12 | SCIF | 0.9 | 797 |
| 17 | HGTV | 0.8 | 771 |
| 17 | FAM | 0.8 | 718 |
| 17 | CMDY | 0.8 | 697 |
| 17 | HIST | 0.8 | 693 |
| 21 | DISC | 0.7 | 692 |
| 21 | TLC | 0.7 | 677 |
| 21 | MTV | 0.7 | 673 |
| 21 | TVLD | 0.7 | 603 |
| 25 | CNN | 0.6 | 606 |
| 25 | VH1 | 0.6 | 542 |
| 25 | FOOD | 0.6 | 535 |
| 25 | LMN | 0.6 | 315 |
| 29 | BET | 0.5 | 461 |
| 29 | MSNB | 0.5 | 453 |
| 31 | ESP2 | 0.4 | 397 |
| 31 | APL | 0.4 | 369 |
| 31 | BRAV | 0.4 | 362 |
| 31 | EN | 0.4 | 356 |
| 31 | VS | 0.4 | 274 |
| 31 | SOAP | 0.4 | 267 |
| 31 | WGNC | 0.4 | 261 |
| 38 | TTC | 0.3 | 304 |
| 38 | HLN | 0.3 | 301 |
| 38 | OXYG | 0.3 | 234 |
| 38 | NGC | 0.3 | 219 |
| 38 | CMT | 0.3 | 218 |
| 38 | TVGC | 0.3 | 216 |
| 38 | GSN | 0.3 | 191 |
| 38 | TDSN | 0.3 | 165 |
| 38 | TV1 | 0.3 | 100 |

*Nielsen data supplied by ABC/Disney



› More Content › New Look › Same Great Character

› **Subscribe Now!**

Don't Miss Another Issue of **CableWorld** with its new look and sharpened editorial focus!

Renew or subscribe today at www.ameda.com/cbwl.

Do you have a colleague who would benefit? Tell them about us!