

CableFAX Daily™

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What the Industry Reads First

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Cox's Content: MSO Closes Deal to Exit Discovery, Take Over Travel Media

Cox officially became a programmer Mon when the MSO and Discovery Comm completed the exchange of Cox's 25% stake in Discovery for Travel Media, the company that owns Travel Channel and TravelChannel.com (and also holds approx \$1.3bln in cash). Travel Media's ownership of audio tour business Antenna Audio was initially part of the deal but later excluded through mutual agreement by both parties. But even as Cox remains outwardly excited about the possibilities of leveraging Travel Channel's content across its businesses, it faces a lengthy transition process during which Travel Channel will lease space at Discovery's Silver Spring, MD, headquarters for up to 1 year, and Discovery will provide short-term services (media planning, program sales, business affairs, etc) to Travel Media. In addition, Discovery has agreed to provide up to 3 years transmission and post-prod services, ad sales for Travel Channel and Travelchannel.com, and affiliate sales services. In a recent interview for *cable360.net* and an upcoming feature in *CableWorld* magazine, Discovery pres/CEO David Zaslav said the Cox deal is part of a larger strategy to refocus Discovery on its core brands and streamline Discovery's overall structure. "I think that over the long term, that will help us get a more efficient operating structure," he said. "We'll miss Cox because they've been a great partner, but we have 2 partners [Advance/Newhouse and Liberty Media] who are very focused on how Discovery can become the best media company it can be." Zaslav said the decision to let go of Travel Media was driven by Discovery's board and "what's best for Cox in the long term." Despite speculation that Cox might eventually sell Travel Media (even perhaps back to Discovery at some point), Cox pres/CEO Pat Esser reiterated on Mon that "we're committed to continuing and enhancing its value."

Cable Musings: Oppenheimer said FCC chmn Kevin Martin's backing of both a la carte and multicast must carry legislation is disjointed, an opinion that jives with similar comments made last week by NCTA boss Kyle McSlarrow (*Cfax*, 5/9). "Ultimately, we see this stance as untenable as these two causes appear inconsistent with each other," the firm wrote. "Over time, we expect Congress to ask the FCC to care more about consumer interest and less about special interest." Meanwhile, even as Comcast and others continue to rave about their VOD offerings and take rates, Oppenheimer argues that "we are just seeing the tip of the VOD iceberg." More linear nets will launch VOD versions to extend their brands as network capacity dwindles, and to take advantage of growth in VOD advertising, the firm wrote. And in addressing the current widespread lament of investors over increasing capex requirements by cable ops, Oppenheimer maintains that techniques including switched digital should keep such expenses to a minimum. Even so, results may vary across operators, who still need "to buy more QAM channels to gain that extra capacity."

In the States: Comcast's CN8 officially opened its Washington, D.C., studio, bringing the net's viewership numbers to 12mln homes in 12 states and 20 TV markets. -- Skype is teaming with Wal-Mart to offer headsets, Webcams and handsets designed to work with its VoIP service, as well as the 1st pre-paid cards for Skype available in the US.



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Data Base: Nielsen introduced **NielsenConnect**, a suite of services that galvanizes media and marketing information, including online measurement, TV ratings and geo-demographic data. The suite's initial 6 services include **NielsenCombine** and **NielsenConnections**, and integrate to offer insight on pertinent data, such as the relationship between purchasing decisions and TV viewing.

Online: ESPN.com inked a cross-promotional and content integration agreement with MMA site **Sherdog.com**, offering news and analysis of the combat genre through **CraveOnline.com**. As part of the deal, ESPN.com's new MMA section index will feature Sherdog's "Fight Finder" module, allowing users to search an online fighter database for stats and personal information. In addition, Sherdog's weekly online radio show will be offered at **ESPNRadio.com** and through ESPN's podcast center. -- Need insight on the broadcaster's upcoming TV series and programming lineups? Find out at **TVGuide.com**, where bloggers are offering commentary on the programming schedules of **ABC, CBS, NBC, FOX** and **The CW**. Links to other blogs and expert columns are also included.

Research: A market exists for downloadable TV and movie content, but it will fizzle out if tweaks aren't made, according to **Forrester Research**. Paid video downloads will peak this year while generating \$279m in revenue, Forrester said, as only 9% of online adults have ever purchased a movie or TV show download. Further analysis suggests that purchasers represent a niche of media junkies, with mainstream downloaders likely only being lured by free, ad-based models.

Digital Duet: mtvU and Cisco greenlit the 2nd annual network "Digital Incubator" development team, comprised of 5 student groups given up to \$30K in grants; each must pioneer new digital apps and content. This year's grant recipients can also submit a detailed business plan, and pitch MTV and Cisco execs for a supplemental grant of up to \$100K. On a related note, **MTVN** licensed "Hit! Or Sh!t," an online social networking media player developed by a pair of Georgia Tech students involved with last year's incubator. It's designed to build affinity groups around similar tastes in digital content.

Programming: **RHI Ent** and **Genius Products** will co-produce 48 original movies for initial US broadcast exclusively on **ION Media Nets** and direct-to-video release. The deal supplements a previous agreement by RHI to provide ION with 12 hours of weekly content beginning Jun 29. -- "Saturday Night Live" alum **Chris Kattan** will star in **IFC's** original comedy series "Bollywood Hero," now in development. -- New eps of "Law & Order: Criminal Intent," for years a staple on **NBC**, will move to **USA**, with reruns to air on the broadcast net. -- **Turner** will commence Oct 11 coverage of its 1st **MLB** League Championship Series, following a fall deal with **MLB**. **TBS** will air each **NLCS** contest after sharing with sibling net **TNT** coverage of the **ALDS** and **NLDS**.

Marketing: Fans of **WWE** can now drink the Kool-Aid. Actually they'll be drinking the **Bliss Beverage**. The 2 have teamed up to launch WWE-branded beverages in nearly all **Wal-Mart** stores. **WWE Slammin' Citrus** and **WWE Raw Attitude** hit shelves Tues.

On the Circuit: **NCTA** pres/CEO **Kyle McSorrow** will speak at the **Media Institute's** Communications Forum luncheon in D.C. on Tues. He will also deliver the keynote address at **SCTE's** "Cable-Tec Expo '07" (Jun 19-22 in Orlando).

Public Affairs: St Louis Rams RB **Steven Jackson** will teach kids how to strengthen their bodies in the 2nd ep (May 27) focused on **Nickelodeon's** "Let's Just Play Go Healthy Challenge," a campaign fighting childhood obesity. The net's online broadband video service **TurboNick** offers more content about the campaign and the linear eps.



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BUSINESS & FINANCE

Editor's Note: If you didn't pick up a copy of our annual Faxies Awards magazine at the Cable Show in Vegas, make sure to check out www.cable360.net to read about all the winners. This year's issue includes new categories like "Top Strategists" and "Best Web Plays." Check it out. You might be surprised who won.

Sponsorship: Lane's End thoroughbred farm signed on as the presenting sponsor of HRTV's live coverage of Preakness Week (Thurs-Sat) from Pimlico Race Course in Baltimore, leading up to Sat's Preakness Stakes.

Honors: Discovery Studios pres Clark Bunting received the inaugural Steve Irwin Goodwill Ambassador Award from the state govt of Queensland, Australia. He was recognized for being an integral part the Crocodile Hunter's success.

People: Sarah Kirshbaum Levy advances to COO, Nickelodeon/MTVN Kids and Family Group. - WWE upped Stephanie McMahon Levesque to evp, talent and creative writing, and named Jennifer McIntosh vp, publicity.

Business/Finance: The FTC and DOJ granted early termination of the mandatory waiting period in connection with the cash tender offer by Citadel for all outstanding shares of ION's Class A common stock at a price of \$1.46/ share (Cfax, 5/7). The offer expires at midnight ET, at the end of Jun 1.

CableFAX Daily Stockwatch

Company	05/14 Close	1-Day Ch	Company	05/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	50.35	0.45	AMPHENOL:	34.48	(0.83)
DIRECTV:	23.63	(0.19)	APPLE:	109.36	0.62
DISNEY:	35.98	(0.09)	ARRIS GROUP:	15.33	(0.23)
ECHOSTAR:	48.13	(1)	AVID TECH:	33.01	(0.79)
GE:	36.60	(0.37)	BLNDER TONGUE:	1.80	0.10
HEARST-ARGYLE:	25.59	(0.09)	BROADCOM:	32.80	(0.4)
ION MEDIA:	1.41	0.00	C-COR:	12.76	(0.42)
NEWS CORP:	23.49	0.19	CISCO:	26.29	(0.34)
TRIBUNE:	32.93	(0.01)	COMMSCOPE:	50.16	(0.95)
MSOS					
CABLEVISION:	35.30	(0.15)	CONCURRENT:	1.31	(0.01)
CHARTER:	3.63	(0.05)	CONVERGYS:	24.96	(0.11)
COMCAST:	26.58	0.17	CSG SYSTEMS:	26.98	(0.53)
COMCAST SPCL:	26.23	0.14	GEMSTAR TVG:	4.46	(0.01)
GCI:	13.31	0.15	GOOGLE:	461.78	(4.96)
KNOLOGY:	18.44	(0.21)	HARMONIC:	8.46	(0.22)
LIBERTY CAPITAL:	115.51	(1.26)	JDSU:	13.59	(0.23)
LIBERTY GLOBAL:	37.68	0.02	LEVEL 3:	5.42	(0.12)
LIBERTY INTERACTIVE:	24.29	(0.8)	MICROSOFT:	30.97	0.08
MEDIACOM:	8.71	(0.01)	MOTOROLA:	18.16	(0.16)
NTL:	28.22	0.00	NDS:	51.07	(0.43)
ROGERS COMM:	38.66	(0.5)	NORTEL:	23.81	(0.37)
SHAW COMM:	38.16	(0.41)	OPENTV:	2.28	(0.07)
TIME WARNER CABLE:	36.68	(0.39)	PHILIPS:	40.21	(0.44)
WASH POST:	764.13	3.40	RENTRAK:	15.04	(0.06)
PROGRAMMING					
CBS:	31.87	0.09	SEACHANGE:	8.74	(0.11)
CROWN:	6.39	(0.12)	SONY:	54.07	0.01
DISCOVERY:	22.80	0.36	SPRINT NEXTEL:	20.37	(0.34)
EW SCRIPPS:	42.56	0.05	THOMAS & BETTS:	54.44	(0.94)
GRUPO TELEVISA:	28.97	(0.12)	TIVO:	6.12	(0.17)
INTERACTIVE CORP:	34.42	(0.43)	TOLLGRADE:	12.10	(0.4)
LODGENET:	32.60	(0.9)	UNIVERSAL ELEC:	33.64	0.24
NEW FRONTIER:	8.97	0.23	VONAGE:	3.35	(0.11)
OUTDOOR:	10.10	(0.34)	VYYO:	6.84	(0.1)
PLAYBOY:	10.62	0.08	WEBB SYS:	0.05	0.00
TIME WARNER:	21.36	(0.04)	WORLDGATE:	0.67	(0.03)
UNIVISION:	36.23	0.00	YAHOO:	29.31	(0.74)
VALUEVISION:	10.27	(0.24)	TELCOS		
VIACOM:	42.51	0.47	AT&T:	40.03	0.44
WWE:	18.28	0.10	QWEST:	9.76	(0.01)
TECHNOLOGY					
3COM:	4.67	0.00	VERIZON:	41.60	0.25
ADC:	18.07	0.03	MARKET INDICES		
ADVANTAGE:	4.55	0.30	DOW:	13346.78	20.56
ALCATEL LUCENT:	13.41	(0.16)	NASDAQ:	2546.44	(15.78)
AMDOCS:	35.71	(0.95)			

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Symonds Says...

Blue Highways Founder Hitchcock An American Original

Malcolm Forbes once said the secret to getting rich is to find something you love and make a living at

it. Then you can work all day long, day after day, and it never feels like work.



Curtis Symonds

That's why, money and material passions aside, Blue Highways TV

founder Stan Hitchcock is already a rich man.

He absolutely loves what he does.

An accomplished musician and a guy who is country through and through, Hitchcock grew up in an America that drank in honky tonks and went to barn dances on Saturday night. Folks praised God on Sunday, then all week long took the time for life's simple pleasures, like family, friends, good conversation around the dinner table, and playing music on the front porch.

It was an America not yet divided by red and blue, and an America whose soundtrack emanated not from the streets of far away cities, but from the hills and the fields. It was an America that grew its own, forged its own, mined its own, and

made its own.

It was an America, frankly, that has all but disappeared. And that soundtrack, which had once been home to such true legends as Bill Monroe, Ernest Tubb, Buck Owens and Patsy Cline, now finds itself populated by runway models and hunks in hats, all masquerading as country singers.

I couldn't help but notice at this year's Cable Show that, in addition to Blue Highways TV, there were networks like RFD TV, the Gospel Music Channel, and at least two others, all positioned to fill the void created by the demise of TNN and the staggering distance between today's country music and its simple, rural roots.

At the show, I spent an hour or so at the Blue Highways booth talking and listening to Stan and his "VP of Artist Relations," Ronnie Reno. (Ronnie is the mandolin-virtuoso son of bluegrass legend Don Reno, who played for years with both the Osborne Brothers and Merle Haggard & the Strangers.) And it was not lost on me that as I listened to them laugh and sing and play, amid all the glitz and glitter of Las Vegas, I was experiencing what was left of Stan Hitchcock's America slowly being swallowed by the one we've built to replace it.

I just wonder if this industry's MSOs

have enough sense to read the tea leaves and see that there are still millions of Americans out there who love the kind of music these networks showcase. Frankly, as much as I hate to say it, I doubt it.

It reminds me of the way the "O Brother" soundtrack shocked the record industry a few years back, or the way the Ronald Regan juggernaut a generation ago snuck up on all those pundits too focused on what was happening outside their office windows to realize there was a political storm brewing in the heartland.

I don't know if Blue Highways TV will make it, but I hope so. Not only do I love Americana, but I want to make visiting Stan, Ronnie and Denise an annual opportunity to retrace my musical roots; to retrace our musical roots.

And I'll never get tired of hearing the story about how Stan and Denise met at a cable convention, had their first date at a second cable convention, and that when he proposed she was at yet a third cable convention.

But what I really love about the story is the kicker; that Stan sent the ring by FedEx, with the instructions on the work order that the FedEx delivery man get down on one knee when he gave Denise the package.

M.C. Antil can be reached at m.c.antil@att.net.

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