

CableFAX Daily™

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What the Industry Reads First

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Content Play: Cable Chiefs Remain Bullish on Multiplatform World

There's still some rankling between programmers and operators when it comes to the new media business model. That was clear during Mon's Cable Show general session on convergence, when **Time Warner Cable** CEO *Glenn Britt* talked about programmers putting shows up on the Internet for free that operators are paying for. "Guess what? We do mind that," Britt said. **Charter's** *Neal Smit* said he thinks there is a way to make the Internet and TV work together by using the Net to promote video viewing. "The business model will evolve. I'm hoping to see more connections between the 2," he said. **MTVN's** *Judy McGrath* defended her company's online position. "I think we're pretty careful about where we put our content to keep your interest in mind as well as ours and those rabid consumers that want more," she said. "You evolve your businesses too. You need content for all your platforms." Adding to the challenge of creating this new business model is that "free has become the new black," said **Sun Microsystems** chmn/co-founder *Scott McNealy*. Rather than "play Whack-a-Mole" and try to stop free dissemination, his company has embraced it. But it's still looking for a way to monetize the model. For the most part though, the panel was in agreement—the future of a converged world looks bright. "I don't think there's ever been a better time to be in a business," said **ESPN/Disney Media Networks** co-chief *George Bodenheimer*. "The pie is growing every which way you look at it—Internet, TV, radio... You have more opportunities to reach your customer than ever before." All were very keen on HD. ESPN's ratings are 40% higher in HD, added Bodenheimer. "We're transitioning to a new standard," said Britt. "When we get there, all TV will be HD. I think we're just partly through that transition. It's good for everyone." Advanced video is also posting strong metrics. Smit said Charter's VOD viewing for 1Q was up 40% Y-over-Y. At Time Warner, programming that's on Start Over gets 25% more viewing than other content, Britt said. -- McGrath socked it to the booth babes that have become as much a part of the Cable Show as late night partying. When asked what she'd like to see in the future: "Personally, I'd like to walk into **NCTA** and not see a half naked woman sitting in a martini glass." (Has she seen **MTV's** "Real World" lately?).

VOD-ville: Cable's embrace of VOD has paid competitive benefits but still falls far short of its full potential, said **Comcast** COO *Stephen Burke*. "We're using VOD in a very limited way," Burke said during one Cable Show panel. He called upon content providers to exhibit more "creativity" in how they approach VOD deals to clear the way for new innovations such as VOD-based electronic sell-through. **Cablevision** COO *Thomas Rutledge* agreed that VOD is currently "underutilized" but said it eventually will trump the Internet as an efficient conduit to consumers. "We can do things like billing and shipping," he said. "That's a tremendous market power." **Universal Television Group** pres/COO *Jeff Gaspin* said much hinges on creating win-win deals that benefit content owners while improving VOD platforms. "We have to create a situation in which the economics work," he said. **Time Warner Cable** COO *Landel Hobbs* noted that the MSO's Start Over and Look Back services actually disable the fast-forward feature in an effort to allay content

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owners' concerns about ad skipping. Indeed, **Discovery** pres/CEO *David Zaslav* said Start Over/Look Back "really hits that sweet spot of satisfying content owners" but lamented that such services aren't more widely available to consumers. Burke seemed confident that both sides will work much out in the next few years. "In the next 5 years, people will be surprised looking back on the platform how far we have come from where it is today," he said.

Show Notebook: Key takeaways from Mon's panel on how to execute a business services plan included creating dedicated teams that are focused solely on selling commercial services and installing them. "Sales cycles can take days not weeks," when you're dealing with businesses, said **Comcast** svp/gm, online services *Mitch Bowling*. **Time Warner Business Class** RVP, L.A. *Dave Montierth* warned against pushing sales to make business services deals if a system isn't ready. "It's not a sales problem. It's an operational and infrastructural problem," he said. "You have to remove obstacles for sales." Also keep in mind that pricing is much more complicated compared to residential, with there being no "cookie cutter deals," **Bresnan** evp, ops *Steve Brookstein* added. Other issues to consider are the upstream needs of some businesses. "Most companies can deal with small upstreams, but there are a bunch that can't," said **Optimum Lightpath** evp, gm *Dave Pistacchio*, adding it's an issue that the **Cablevision** subsidiary is working on. *Bowling* said DOCSIS 3.0 will alleviate those concerns. -- Moving video content to multiple devices is vital, but pesky technical challenges continue to slow its progress, said panelists at *Communications Technology's* "Any Stream to Any Screen" technical breakfast on Mon. "We're seeing service providers adding more content and distributing it to other devices. But it's getting more complex," said *Russell Zack*, vp, product management for **Anystream**. "Cable is positioned well for 3-screens, though not in a strong position in wireless as yet. But over time, we'll see it addressed. The challenges now are in the back office, security, accounting and workflow," *Compton* said. The business model for getting video content to multiple devices also remains a work in progress, said *Rick Rioboli*, vp, video product engineering for **Comcast**. "We have one system of video streaming to TV and another to deliver video content to PCs," *Rioboli* said. "But they're two different worlds, with lots of pitchers and catchers. We're working on making that a more flexible environment." For content providers, figuring out the workflow has become vital. "Workflow is huge, along with setting up metadata scheming," said *Brad Williams*, executive dir, media engineering for **Disney/ABC**. "But in the past two years we've learned a lot about getting the content delivered." -- **NCTA** chmn *Decker Anstrom* told cable has committed to New Orleans for 2010. -- Come Jun 1, every Comcast sub who wants to disconnect will be routed through a new retention center with reps whose sole focus "is to win the customer back" and whose salary will be based on their success, **Comcast's** eastern div chief *Mike Doyle* told an operations panel. Speaking of churn, **Cox** ops svp *Jill Campbell* cited research showing subs left her MSO because of price. "We can't compete on price, we can compete on service," she said. That makes it critical for the MSO to deliver products more efficiently. It also means "automating material and streamlining [material for CSRs] is our biggest investment," she added. *Doyle* agreed, noting the importance of better tools for supervisors and centralizing the tech dispatch function. "For the first time I feel we are really listening to our customer," he said. Looking ahead, **Charter** CTO *Marwan Fawaz* said cable will take the lead in HD by the next Cable Show. **Time Warner Cable** evp/CMO *Sam Howe* said "25% of OTAs from our markets will go to cable" before the Feb '09 digital transition. *Campbell* said advanced advertising would be big at the next show. -- **Commerce** Secretary *Carlos Gutierrez* underlined the White House's policy on network management, noting Washington should avoid "overly prescriptive regulation;" competition not regulation brings the most discipline to providers; and providers should transparently disclose their practices to consumers.



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Punching Bag?: NCTA's Dan Brenner puts it like this—cable's been a bit of a piñata at the FCC this past year, citing the disparity in dual must carry for cable vs DBS, leased access changes and a cap on horizontal ownership for cable companies, while telcos are unchecked. "When the govt gets this involved in picking winners and losers... it makes the market less competitive. Is that a fair complaint?" Brenner asked Mon's Public Policy Lunch panel. Maybe so. "There's certainly regulatory disparity at the FCC to a certain degree, and I've tried to point that out when necessary," said Republican commissioner Robert McDowell, noting his concerns about the 30% horizontal cap when the market is more competitive than ever before. Democrat Jonathan Adelstein said he's tried to be fair, but can "see where you'd be coming from on that." He pointed to the leased access item approved by the FCC, which could result in a 0 rate. Adelstein said he wanted to put the issue out for comment and had support, but that was met with a threat to pull the whole item. "That's the way things are approached," he said. Fellow Dem Michael Copps said it isn't all parity, and that "different industries are regulated differently... Some, for example, think we have more sway over cable than we have," he said, apparently referring to indecency rules broadcasters are subjected to. 4 of the 5 FCC commissioners are scheduled to be at the show this week. Missing is FCC chmn Kevin Martin. When **Cfax** asked Martin earlier this month if he would attend the show, he said he didn't have any particular plan to attend but that his schedule wasn't finalized. Despite obvious disagreements, McDowell did add that "probably 98% of the votes are 5-0."

Talking Numbers: How many times have cable operators bemoaned that Wall St focuses too much on basic subs? Is it time to stop relying so much on that metric? "I think a lot of people still look at basic subs as a building block for the business," said Doug Mitchelson of Deutsche Bank. He expects there to be a focus on sub metrics for "quite a while." As cable starts to get free cash flow multiples down to where your at 7-8% FCF yield and investors feel more secure, the concern over how many subs you win and lose will subside. Jeff Wlodarczak of Wachovia said he's a little nervous that cable gave up too quickly on winning basic subs. "I think you have unquestionably, the best plant out there, and you've got this advantage now. I think it's an important metric," he said. Goldman Sachs' Ingrid Chung, however, did add that she thinks there is "too much focus on basic" by her clients. Despite the uncertain economy or the most intense competition ever, cable is growing, NCTA pres/CEO Kyle McSarrow told attendees at the kickoff session to the Cable Show Sun. So what's the secret sauce? "I think it's because we have renewed our focus on the customer," he said. "Our investments in innovation and quality are working. We have become technology leaders in the communications industry, not simply a platform for television. And we are playing offense." He pointed to cable's strong 1Q results and introduction of wideband. As for DOCSIS 3.0, Wlodarczak called it a "game changer," predicting that cable will be able to take fiber customers with it.

5 Qs with David Zagin, EVP, Distribution, AETN: How does a network cut through the clutter with HD? First, there has to be consumer demand for your content, to complement the strong brand. And it's paramount to invest in the programming. When a viewer comes to our HD network he/she wants to watch a program in HD. It's not just a matter of saying you're going to launch an HD network and then filling the 24 hours with mostly standard-def that's up-converted. You have to make good on the promise of delivering a schedule in true HD. *You're having success with A&E HD, History HD and Bio HD. Do you have other advice to programmers as they get into HD?* It's important to work with affiliates to make sure consumers are aware of the availability of HD. Second, we're using the VOD platform. As it starts to transition from standard-def to HD, [VOD] is another opportunity to make consumers aware of HD in a non-linear environment. *Are you involved in HD VOD now?* Yes. We started to work with HD VOD with some of our affiliates about 3 or 4 months ago on a limited basis. But the plan is to really expand our HD VOD presence. *What format will those HD VOD pieces take?* There will be full-length episodes that we'll make available. And we'll also have promotional opportunities to make short, 3-5-minute "Making Of..." pieces and other short-form clips in the VOD space that help us use VOD as a promotional

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vehicle tune-in to the HD show that is on our linear network. *Besides AETN HD, what do you like to watch in HD?* A lot of sports, especially golf. I enjoy watching my alma mater, Syracuse, play basketball in HD, but I wish they would win more. The truth, though, is that my kids [an 11-year-old girl and a 15-year-old boy] control the remote, so I'm at their mercy.

Bully Claims: In a letter to FCC chmn *Kevin Martin*, ACA pres/CEO *Matt Polka* cited recent **Lifetime Nets** actions in NY as a major reason why the commission "must address... programmers' market abuses as part of the ongoing Program Tying Rulemaking." Polka claims Lifetime was yanked from small op **CableCom's** lineup in Willsboro and Essex, NY, because the op "refused to carry more channels and pay higher fees," and noted an Apr 28 letter to the FCC from CableCom owner *Herb Longware* seeking assistance to prevent service disruption. "Cable Communications of Willsboro has been a valued Lifetime and LMN distributor for many years," responded Lifetime. "We are disappointed that the company has chosen not to enter into an agreement for continued carriage of the services and, as always, we are happy to discuss an agreement for carriage of one or more services at any time." Still, Polka believes small ops' wholesale programming retrans talks are dominated by "take it or leave' it tying and bundling arrangements and price discrimination."

Book Mountain: *Jesse Jackson* was so taken with his visit to the **Cable in the Classroom** booth that he donated money to the group's book drive, which is part of CableCares. By the way, there's a Barnes & Noble stand in the Convention Center lobby where you can buy books to add to cable's "book mountain" at the CIC booth (#2847). Tuesday is the final day. We and the children of New Orleans thank you.

On the Hill: Some news was made far from New Orleans. The bill giving women their doctors the ability to avoid drive-through mastectomies is expected to get a House hearing this week. **Lifetime** and others worked 12 years to get the hearing. Lifetime's online petition has been signed by 22mln people.

Customer Care: While smaller cable ops (Cablevision included) collectively lead the cable/satellite industry in Univ of MI's **American Customer Satisfaction Index** with a score of 69, **Comcast** (54) and **Charter** (54) are tied for last and join **Time Warner Cable** (59) and **Cox** (63) in trailing both **DISH** (65) and **DirectTV** (68). Comcast's score represents an all-time low, and Time Warner Cable was the only MSO to improve over last year. The industry's avg score is a 64. Cable slightly redeemed itself in the fixed line phone category, with **Cox** (74) taking 2nd behind **AT&T** (75). Comcast (69) trailed all others in this category as well, although it did improve over '07. **Time Warner** and **Charter** were part of the all others entry (74), ahead of **Qwest** (73), **Verizon** (70) and **Embarq** (70).

In the States: **Comcast** opened in Dearborn, MI, its 1st Arabic-English customer service center.

Carriage: **MGM HD** inked an affil pact with **Time Warner Cable**. -- **CBS College Sports Net** will launch Jul 1 on **Cablevision's** sports tier. -- **BlueHighways TV** inked a distribution deal with **Comcast** covering its linear and VOD services. -- **Retirement Living TV** has earned its 1st cable distribution in the Midwest through **Sunflower Broadband**. The net has also launched on **Atlantic Broadband**.

Online: **ESPN360.com** will serve more than 250 hours of live **French Open** coverage beginning Sun. -- **JumpTV** will develop and host a redesigned Web platform to support **WCSN.com**, a new version of which will launch this spring.

Cox Deals: **Cox New Orleans** and the **New Orleans Saints** are marching together, agreeing to a deal that makes Cox the team's exclusive telecom provider through '11 and enables **Cox Sports TV** to continue carrying team content such as pre-season games, coach's shows, and weekly press conferences. -- Cox inked a cross-sales deal with **Nortel** whereby Nortel reps will sell **Cox Business** services in select areas, and Cox Business customers receive access to Nortel's products and services.

Next Gen Leaders & Luminaries: Listening to a live performance from the sexy, soulful R&B singer *Brian McNight* be-



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fore 8 in the morning is surely a way to rev up an audience, as was the case at the **NAMIC** awards breakfast yesterday. Thousands of cable execs—and supporters, such as the *Rev Jesse Jackson*—gathered to honor multi-ethnic executives deemed the next generation leaders and luminaries. Hosted by *Carl Quintanilla*, co-anchor of **CNBC's** “Squawk Box,” the awards shined a light on execs such as **Comcast's** *Marge Jackson* (recipient of Next Generation Leader award), who said “there’s something about cable that gets in your blood, and you’re in it for life.” Keys to success, she said, are having the right foundation at home, choosing to work for the right company and having a mentor. Joining Jackson as this year’s Next Generation Leaders (execs of color, age 45 or under) were: Nicktoons’ *Keith Dawkins* and Cox’s *Veenod Kurup*. NAMIC’s Luminary Awards winners, saluted for their commitment to promoting multi-ethnic diversity, were: *Christine Bragan* (**Rainbow Media**); *Darlene Chapman-Holmes* (**AmericanLife TV**); *Sean Cohan* (**A&E TV**); *Johnita Due* (**CNN Worldwide**); *Sonya Lockett* (**BET**); *Ariela Nerubay* (**TuTV**); *Chris Powell* (**Scripps**); and *Michelle Rice* (**TV One**).

VOD: **Univision** announced the Jan availability of a Spanish-language VOD slate including more than 1K hours of sports, news, movies and entertainment from Univision, **TeleFutura** and **Galavisión**, including the ’10 World Cup. -- Included in **Comcast's** 150 hours of new HD VOD programming is 94 hours of content from **Starz**, which increased content across **Starz HD** (+60 hours), **Encore HD** (+16) and **MoviePlex HD** (+16). -- **Rentrak** has signed **Cox** as a customer of its VOD measurement and analytical services.

VoIP: **SinglePipe Comm** has become the managed service provider for **CMA Comm's** residential and business digital phone services in Laughlin, NV, with plans to expand later in TX, LA and MI.

Programming: **FSN** will transition all of its RSNs to 24-hr HD telecasts in 1Q09. -- **TV One** plans to launch a 24-hr HD simulcast channel by the end of '08. -- **Planet Green's** “Alter Eco” (Jun 9) features actor *Adrian Grenier* from **HBO's** “Entourage” and 3 of his friends showing viewers how easy it is to embrace green living. -- **BETN** is now a strategic partner of the annual **Urbanworld Film Festival** in NYC, becoming the event’s exclusive global telecast/video partner. -- **Outdoor Channel** as launched an HD simulcast channel. -- True to its recent reality-heavy slate, **VH1** has acquired from **Warner Bros** the full library of “The Bachelor” (Jun 1) through an agreement that includes 12 cycles of the series and “The Bachelorette.” -- New high school sports content initiative **ESPN Rise** will use multiplatform content to grow ESPN’s 12- to 17-year-old audience. Company vet *James Brown* will lead the effort as svp.

Honors: **WWE** got the first-ever Corporate Patriot Award at the annual **GI Film Festival** in D.C. in recognition of its ongoing support and appreciation of the US military. -- **RCN** picked up a pair of '08 Hermes Creative Awards from the **Assoc of Marketing and Comm Professionals** for its communications plan integrated community relations and branding initiatives.

Milestone: **CableLabs** celebrates its 20th anniversary this month.

Public Affairs: **CableCares** continues its helping ways in New Orleans with “Rebuilding Libraries,” a book and video drive aimed at helping grades K-6. Donations will be accepted through Tues at the CableCares booth.



Anthony Bourdain: No Reservations in Bali, Indonesia

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On the Circuit: CTHRA's '08 Achieving HR Excellence Symposium returns to Atlanta Oct 13. Information at CTHRA.com.

People: True to media speculation, former **Showtime** exec **Mark Greenberg** was named pres/CEO of the premium entertainment jv formed by **Viacom/Paramount**, **MGM** and **Lionsgate**. -- **TVG** promoted **David Nathanson** to pres. -- **Crown Media** promoted **Janice Arouh** to evp, network distribution and service. -- **Bravo Media** appointed **Trez Thomas** vp, brand strategy and creative dir.

Business/Finance: Pali has raised its **Discovery Holdings** '08 rev (11% to 13%) and EBITDA (18% to 24%) estimates, citing strong original programming and the rebranding/repositioning of properties such as **Planet Green**, which launches next month. "We continue to believe that Discovery's growth will outpace its industry peers," wrote analyst **Rich Greenfield**, who believes the company will be successful with its basket of '08 carriage discussions. "Discovery's content, particularly its smaller, digital networks are becoming increasingly important to distributors." -- **TVN**, which currently manages over 8.3K hours of monthly VOD content, plans to invest \$28mln this year infrastructure, tech and business processes to support its suite of file-based delivery services. -- **Stifel Nicolaus** upgraded **Echostar Holdings** to 'hold' from 'buy.'

CableFAX Daily Stockwatch

Company	05/19 Close	1-Day Ch	Company	05/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ARRIS GROUP:	8.31	0.10	ARRIS GROUP:	8.31	0.10
BRITISH SKY:	42.33	0.90	AVID TECH:	22.54	(0.13)
DIRECTV:	27.77	0.18	BIGBAND:	6.18	(0.17)
DISNEY:	34.72	(0.19)	BLNDER TONGUE:	1.25	0.00
ECHOSTAR:	34.70	0.96	BROADCOM:	27.78	(0.98)
GE:	32.40	0.27	C-COR:	11.00	0.00
HEARST-ARGYLE:	21.13	0.00	CISCO:	26.37	(0.14)
ION MEDIA:	1.45	0.00	COMMSCOPE:	51.81	(0.84)
NEWS CORP:	19.86	(0.13)	CONCURRENT:	0.67	0.01
MSOS					
CABLEVISION:	24.78	(0.21)	CONVERGYS:	16.12	0.02
CHARTER:	1.21	(0.03)	CSG SYSTEMS:	12.59	(0.22)
COMCAST:	22.07	(0.01)	ECHOSTAR HOLDING:	35.65	1.90
COMCAST SPCL:	21.79	0.08	GEMSTAR TVG:	4.41	0.00
GCI:	6.67	(0.23)	GOOGLE:	577.52	(2.55)
KNOLOGY:	15.27	0.03	HARMONIC:	8.68	0.14
LIBERTY CAPITAL:	15.22	(0.07)	JDSU:	11.80	0.00
LIBERTY ENTERTAINMENT:	26.92	0.16	LEVEL 3:	3.48	(0.07)
LIBERTY GLOBAL:	35.44	0.04	MICROSOFT:	29.46	(0.53)
LIBERTY INTERACTIVE:	16.69	(0.03)	MOTOROLA:	10.20	0.13
MEDIACOM:	5.57	(0.01)	NDS:	55.45	1.27
SHAW COMM:	22.06	0.14	NORTEL:	8.13	(0.07)
TIME WARNER CABLE:	30.82	0.31	OPENTV:	1.45	(0.06)
VIRGIN MEDIA:	15.05	0.03	PHILIPS:	38.85	(0.02)
WASH POST:	654.99	(13.51)	RENTRAK:	13.74	(0.01)
PROGRAMMING					
CBS:	23.25	(0.17)	SEACHANGE:	7.49	0.10
CROWN:	5.08	0.04	SONY:	49.70	0.20
DISCOVERY:	25.81	(0.2)	SPRINT NEXTEL:	9.27	0.10
EW SCRIPPS:	47.44	0.02	THOMAS & BETTS:	41.88	(0.01)
GRUPO TELEVISIA:	27.62	0.50	TIVO:	8.77	(0.04)
INTERACTIVE CORP:	23.93	0.09	TOLLGRADE:	4.45	(0.11)
LODGENET:	6.66	0.32	UNIVERSAL ELEC:	23.83	(0.15)
NEW FRONTIER:	4.95	0.03	VONAGE:	1.82	(0.01)
OUTDOOR:	7.86	0.02	WEBB SYS:	0.05	0.00
PLAYBOY:	5.93	(0.05)	WORLDGATE:	0.30	0.00
TIME WARNER:	16.41	(0.06)	YAHOO:	27.68	0.02
VALUEVISION:	4.22	(0.17)	TELCOS		
VIACOM:	39.13	(0.61)	AT&T:	40.51	0.44
WWE:	16.32	(0.05)	QWEST:	4.72	(0.04)
TECHNOLOGY					
3COM:	2.48	(0.08)	VERIZON:	39.10	0.33
ADC:	15.32	(0.02)	MARKET INDICES		
ADDVANTAGE:	3.69	0.09	DOW:	13028.16	41.36
ALCATEL LUCENT:	7.41	(0.18)	NASDAQ:	2516.09	(12.76)
AMDOCS:	31.92	0.17			
AMPHENOL:	47.06	(0.34)			
APPLE:	183.60	(4.02)			



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GUEST COLUMNIST

Lessons from a Great City...

Like you, CTAM is jazzed to be back in New Orleans—and not just because some of us happen to have a weakness for Creole jambalaya.

It's also because New Orleans is a city that shares some of cable's greatest characteristics. For one thing, it's a city that demonstrates a willingness to defy the conventional. For another, it's a city that has proven how powerful collaborative effort can be.

As we join together here this week, I hope we can take a moment to appreciate how New Orleans is working to recover from the devastating storms of 2005 by drawing on collective resources from many disparate quarters—including hundreds of dedicated individuals in our business.

At CTAM, we have an especial affinity for New Orleans because we share a similar faith in the power of cooperation. Our success is driven by collaboration. Working with member-volunteers across geographic and organizational boundaries, CTAM is able to produce results with a scale and impact that would be difficult for any single industry participant to achieve.

A quick glance at some key CTAM initiatives illustrates how we are marshalling resources and contributions from across the industry to help cable grow.

- **Consumer research.** Aiming to provide insight into an area that's critical for our members, the CTAM Research Committee is delivering two important studies. "A Barometer of Broadband Content and Its Users" blends Nielsen NetRatings and Nielsen People Meter data to explore demographics and usage associated with broadband video. And "Tracking the Evolving Use of Television and Its Content," Wave 4 evaluates the impact of consumer adoption of new technologies on TV viewing dynamics.
- **Business services.** The Business Services Council is

building awareness and educating small-medium business IT decision-makers throughout the nation about cable's B2B product offerings through a multi-faceted PR campaign.

- **New movers.** We've got several exciting promotional projects under way to encourage movers across the country to choose cable for their destination homes—with HGTV's Clive Pearse appearing as our national spokesperson.

• **Integrated communications.** CTAM is racking up big numbers here, with more than 150 million consumer impressions anticipated this year, as we work to tell cable's story. This week our spokesperson, David Gregg, will cover cable innovations being presented at The Cable Show in a series of live interviews broadcast on TV stations across the country.

- **On Demand.** The highly-regarded On Demand Consortium is blazing new ground in enhancing the consumer On Demand experience and improving the behind-the-scenes workflows and metrics that influence the industry.

• **CTAM Summit.** Our Summit planning committee is busy preparing to bring industry executives together November 9-11 in Boston. Co-chairs Katie Lacey (ESPN) and Mike Lee (Rogers Communications) are expanding the emphasis on product development and management, in addition to consumer marketing and branding. Again, based on the model of coming together to have greater impact, don't miss this annual opportunity to meet with your colleagues.

It's wonderful to see everyone united here in NOLA.

Congratulations to the NCTA for drawing on the collective contributions of so many talented people to put on a phenomenal show. As the city of New Orleans can testify, it's a formula that works.

(Char Beales is pres/CEO of CTAM).



Char Beales

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GUEST COLUMNIST

HDTV's Decade-Long March To Mainstream Adoption

It's been said that it takes 10 years for any truly significant, life-altering technology to take hold on a mass scale. There must be something to that theory because a major technology that has since reached critical mass is celebrating its tenth anniversary this year... high-definition television.

The science behind HDTV has been with us for many years, but it was in 1998 when HDTV sets first became available at retail in the US. Back then, it was the kind of novelty that excited only the true technology buff.

Gradually, though, as more programming became available, the appeal of 1080i and digital surround sound spread. Sales of HDTV sets were driven largely by word-of-mouth and rabid sports fans who wanted to see their favorite games in crystal-clear detail.

As the price of high-definition television sets began to move south, and as HDTV sets began outselling analog TVs, consumers began to clamor for more types of programming in HD. Distributors continued pushing ahead with digital advancement, recognizing that the genie was out of the bottle and HD would soon become the expected standard demanded by the TV viewing public.

Both cable and satellite responded to the new demand for HD programming by dedicating significantly more bandwidth to HDTV channels. More channels, including several of Discovery's, launched HD simulcast services within the last year.

In just the first four months of this year alone, we've seen over 13,000 HD feed launches by both cable and telco TV headends across the country. And now that Blu Ray will be the accepted HD format for DVDs, there will be even greater momentum for HD adoption.

With HDTV becoming mainstream, I think we're now

coming into a new phase—HD 2.0, if you will. With more viewers of HD programming than ever before, the bar has been raised on the type and quality of content consumers expect.

At Discovery, we've built a strong following of loyal HD fans with programs such as "Sunrise Earth" and last year's landmark series "Planet Earth," a program that became synonymous with HD. And viewers continue to challenge us to produce more—and more exciting—high def programming.

For example, next month, we'll premiere "When We Left Earth: The NASA Missions," an epic TV event featuring priceless original footage from NASA's own film vaults. Discovery transferred these jewels to HD for the first time, making this national historic treasure available at unprecedented resolution for future genera-

tions to experience and enjoy.

Nothing sounds or looks as good as HDTV, and programmers who saw its value early on and began building HD libraries are reaping the benefits today. Many companies, including our own, are shooting all of their new programming in HD. And they should.

HDTV is now one of the biggest selling points for cable, satellite and telco services.

It has transformed television as we know it.

Sure, the HD craze will end one day—when HD becomes so widely accepted and expected that SD goes the way of black and white TV!

But in the meantime, HDTV will continue to evolve, challenging programmers to create even better quality and more engaging programming across all genres.

So, sit back and enjoy the show. It only gets better from here.

(Bill Goodwyn is pres, domestic distribution and enterprises at Discovery Communications).



Bill Goodwyn

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BOOTH 3221

For official rules and details, please visit the ION Media Networks booth (3221) at the NCTA or email: IONAffiliates@ionmedia.tv



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Monday 10:00 a.m.-12:00 p.m. &
Tuesday 11:00 a.m.-12:30 p.m.

Roni Proter, host of **Simply Beautiful** on Veria TV, explores the world of natural beauty and fashion.
Monday 12:00-2:00 p.m. &
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Please visit us at The Cable Show **Booth 237 Hall B**.

GUEST COLUMNIST

As Broadband Matures, It's All About Content

Twenty-two years ago, two fictional naval aviators uttered a phrase that became a part of the cultural lexicon: "I feel the need, the need for speed," [insert high-five here]. It was 1986—a time of massive growth for cable television. In fact, NCTA's web site states that "from 1984-92, the industry spent more than \$15 billion on the wiring of America, and billions more on program development."

A mere ten years later, the cable industry invested billions more to offer a new kind of distribution network that would give U.S. homes access to more news, entertainment and information than ever before.

We all remember those days—connections were not what they are today and quality content was sparse. But the competition between ISP providers was on, and speed became the key driver—a successful one. According to the Leichtman Research Group's 2007 Broadband Internet Access & Services in the Home study, today 75 percent of users access the Internet with a broadband connection, and by the end of 2011 that number is expected to grow to 90 percent.

Speed has become ubiquitous among providers, which means looking for other ways to gain an edge is becoming more and more important. The reality is that people do not buy technology—they buy the benefits of technology. It has been our belief since back in 2001, when we launched ESPN Broadband, that content and brands are what consumers desire, and content and brands will continue to drive adoption of any medium of delivery. Therefore, the issue becomes less about speed and more about content. This need for differentiated content spurred the idea for ESPN360.com—a service created with our affiliates' high-speed business objectives in mind, as well as the wants and desires of our fans.



David Preschlack

Instead of going direct to consumers, we made a conscious decision to include and work with the ISPs to use the ESPN brand to drive their high speed business. ESPN360.com allows ISPs to give their customers access to more than 2,500 live sporting events each year. Users watch from their own virtual control rooms, with sports ranging from the mainstream (College Football, NBA Basketball, UEFA Soccer) to the not-so-mainstream (Beach Soccer, Polo, Mexican College Football, Swimming).

The mainstream sports can drive mass audiences online, while those "secondary" sports serve extremely passionate fan bases. Inclusion of these secondary sports harkens back to the days when ESPN launched. Those fans, knowing they can find their generally under-televised sport on ESPN360.com, will factor that into their decision when choosing a high-speed internet provider.

In addition to differentiated content and services, networks and technology companies need to work in tandem with cable operators to continue to ensure a high-quality experience.

Involving the local operator is key to the overall strategy as well, and ESPN works with ISPs on a local level to develop effective, customized marketing plans that meet our affiliates' goals to acquire new subs, retain current subs and optimize usage of high-speed services. We also create strategic marketing plans that include customizable elements to meet an operator's specific needs and goals.

In the 22 years since Maverick and Goose made their proclamation, we continue to deliver on users' "need for speed." It's now time to deliver on content if providers want to win in the battle for subscribers.

(David C. Preschlack is evp at Disney and ESPN Media Networks).



CableFAX Digital Webinar: Marketing HD & Breaking Through the Clutter

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A BIG THANKS

to all those lending a HUGE hand!

Before, during and around The 2008 Cable Show, we are jumping in to contribute to the revitalization of New Orleans—restoring schools and playgrounds, contributing to local libraries, and rocking it out at the closing-evening “Battle of the Bands” charity fundraiser.

Learn More: www.thecableshow.com/cablecares

The Cable Show would like to thank the following for their generous support in making CableCares a success:



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GUEST COLUMNIST

With Telcos Making Gains, Cable Must Think Big, Stress Operational Excellence

"When it is time to move, let us all move together."

Geoffrey Moore, "Inside the Tornado."

As an MSO executive, cable industry professional, program content provider, or industry supplier attending the NCTA show in New Orleans, there is much to celebrate in an economy best described as "sluggish."

Comcast and Time Warner Cable gained more than \$1 billion in new annualized revenue from digital video, voice, and high speed data in the first quarter.

The industry has demonstrated resilience in the face of a recession:

- Future gains in market share from directed digital advertising have been seeded;
- Competitive pressures from the phone companies and satellite operators are being countered daily;
- Commercial services are rolling out across small businesses;
- And the first steps have been taken to build the future for the mobile Internet.

These are very exciting times for the industry.

However, the "posse" is coming.

Verizon, AT&T, Dish and Direct TV added \$730 million in new annualized revenue from consumer broadband and video services during the first quarter.

While traditional telephone line loss continues for the regional LECs, the speed of market penetration with digital video, high-speed data, and expansion of high definition services is increasing at an intensifying rate.

For the first time in recent history, the phone companies are introducing new consumer services to cannibalize their legacy offerings.

These are "uncharted" competitive moves, and illustrate the swift competitive actions required in order to retain market share position.

The period of mass market adoption of new digital services for the consumer market has arrived.

Marketing approaches which worked in the past are no longer the key to future success.

The competitive table stakes are higher today than yesterday.

Each MSO has a "golden opportunity" to identify their winners and losers within their service offerings.

If any of your video, voice, or data offerings are lagging the "posse," it is time for immediate change.

Change can be difficult to execute, especially with established service offerings.

The service line profitability, churn, competitive positioning, and the costs to promote, distribute, deliver, and support, need to be assessed.

Organizational leadership at the market, divisional and corporate business units is required.

You can no longer afford to become a niche player.

In the future, the market for consumer digital services, product leadership and operational excellence will create the competitive advantage.

Now is the time to move, and for the cable operators to move together from New Orleans to define the brands for market leadership.

(Bill Opet, Senior Vice President, Team leader of TMNG Global's Cable and Broadband Practice).



Bill Opet

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