

# CableFAX Daily™

Wednesday — May 23, 2007

What the Industry Reads First

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## Opening the Flood Gates: Cablevision Expands \$90 Triple-Play Offer

**Cablevision**, the innovator of the discounted, triple-play offering, has opened the deal up to more people. Previously, consumers had to be new subscribers to get voice, HSD and digital cable for \$90/month (\$29.95 per service) for 1 year. But Cablevision's Website now proclaims that the offer is available to current cable TV customers. "Cablevision's Optimum Triple Play is arguably the most successful marketing offer in the history of the cable industry, and we are pleased to be extending the benefits of this enormously popular and valuable offer to our existing cable television customers," a spokesman said Tues. The promo's changes come as **Verizon** expands its presence in Cablevision's footprint. The telco activated a large expanse of territory, particularly in NJ, for **FiOS** at the end of 4Q—a move that execs acknowledged contributed to Cablevision's 1Q churn increase. Verizon continues to hit CVC's footprint, on Tues lighting up FiOS TV in 4 more NY communities: White Plains, Rye Brook, Airmont and Williston Park. When CVC launched its \$90/month bundle in '04, many analysts shook their heads, warning it could force an airline-like price war between MSOs and RBOCs. But when the impressive ARPU and churn numbers poured in, Wall Street started singing a different tune. Before the \$90 bundle, about 11% of new customers took all 3 services. Today, CVC says more than 60% do. **Time Warner Cable** and **Comcast** soon followed, rolling out similar, limited time \$99/month triple-play packages. Comcast's \$99 bundle is generally available only to new residential customers who have not had Comcast service during the past 6 months. TW's bundle varies by division, with some allowing existing customers who haven't received digital phone within the past 30 days to receive the \$99 package. Cablevision's \$90 promo still lasts for 12 months. After 1 year, subs get a \$25 discount off the regular price for all 3 services.

**Who Will be Made?** As **Time Warner's** *Jeff Bewkes* searches for a replacement for **HBO** chief *Chris Albrecht*, former **Viacom** head *Tom Freston's* phone remains silent. Freston, appearing on **CNBC's** "The Big Idea" Mon Night, said he had "not had any conversations with Home Box Office." And who's to say he would take the call? The guy's got \$84mln in the bank and has been busy traveling the world—even sleeping in the desert of Essakane, Mali (read about it in the upcoming article he's penning for *Vanity Fair*). Popular thought is that TW will hire from within, with HBO COO *Bill Nelson*, evp *Richard Plepler*, sales & marketing pres *Eric Kessler* and evp, gen counsel *Harold Akselrad* among the most mentioned candidates. Nelson has temporarily assumed the CEO duties after TW forced Albrecht to resign following his arrest for allegedly assaulting his girlfriend in Las Vegas.

**Deals:** With the **NY Times Co** out of the picture, **Discovery** is apparently looking to sell half of **Discovery Times Channel** to a new partner. The programmer is talking to **CBS** and other companies, the *Washington Post* reported, citing unnamed sources. The channel launched in '02 as a jv between Discovery and Times. But the Times opted to sell back its half of the channel in Apr '06, taking a \$7.8mln loss on the sellback.



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**Competition:** **AT&T** launched its U-verse TV service in Detroit and Ann Arbor—bringing to 20 the number of markets receiving the video service—and is offering new subs 2 months of free service through Jun 30 with a 60-day money back guarantee. -- **Qwest** launched a new mobile broadband service with EVDO technology and is offering 3 monthly service plans, starting at \$70 plus a \$50 charge for a mobile card with a 2-year commitment. -- **DirectTV** on Wed will add **Azteca America** to its local channel lineup in Phoenix.

**In the States:** **Sprint** said it plans to invest \$1.4bln through this year on upgrades to its wireline network backbone, which plays a critical role in providing VoIP services to cable clients. This VoIP offering will by year's end serve MSOs that pass 30mln households, Sprint said, and will cover more than 1.7mln cable subs. The MNO also said other network enhancements will be made with a focus on meeting demand for mobile broadband coverage. -- **Comcast** added **A&E HD**, **HGTV HD** and **Food Net HD** to its digital lineup in several markets, following the addition of the 3 nets, plus **Starz HD** and **Universal HD**, earlier this month to the lineup of **Comcast Media Center**. -- **RCN** plans to extend its coverage to include the Boston neighborhood of Dorchester and plans to add service to another 700 residences in the city's Roslindale section.

**In the Courts:** **DirectTV** wants a federal court to force **Comcast** to hand over materials the MSO says support its claims that satellite subs prefer Comcast's HD picture quality. The DBS provider said Comcast has refused to turn over all materials. "Advertising substantiation should not resemble the children's game of Keep-Away," DirecTV told the court.

**Ratings:** **TNT's** 2nd round coverage of the **NBA** playoffs averaged more than 3.60mln viewers and 2.77mln HHs, including 1.95mln adults 18-49 and 1.77mln adults 25-54. The net's Wed coverage of a Spurs-Suns matchup (4.0/3.74mln) was last week's top rated prime program, helping TNT (2.2/2.02mln) tie for the prime roost with **USA** (2.2/2.07mln), which received ratings help from its consistent **WWE** content and Sat's airing of "Sweet Home Alabama" (2.8/2.61mln). Completing the top 5 were **Disney** (1.8/1.67mln), **ESPN** (1.6/1.48mln) and **Fox News** (1.2/1.09mln).

**Programming:** **Discovery** may have poached "Digging for the Truth" host *Josh Bernstein*, but the show will go on. **History** announced that it's tapping not 1 but 2 hosts: former Navy fighter pilot/"Man, Moment, Machine" host *Hunter Ellis* and adventurer *Zay Harding*, for Season 4 (debuts 3Q). It will also up the number of eps to 20 from 13. -- **FSN** sub-licensed 5 Big 12 football games to **ESPN**, which will kick off its conference coverage Sept 15 with a Florida State-Colorado tilt. Either ESPN or the Deuce will telecast the other games on Oct 6, 13 and 20 and Nov 3. -- **VH1** inked a deal to air the **Broadcast Film Critics Assoc's** "Critics' Choice Awards" program for 3 years, beginning with the 13th annual version on Jan 7. -- **GSN** scooped up the rights to the *William Shatner*-hosted "Show Me the Money," opening Jun 12 (8pm) on the net. -- **WE** announced "She's Moving In," a 6-ep decorating series featuring couples who have moved in together (July debut). **General Mills** will sponsor the show, creating a **Yoplait** campaign in which the "yogurt is consumed by both the designer and a featured woman from the series." Nothing like a little plastering followed by some refreshing yogurt!

**Big Money:** **Cablevision** chmn *Charles Dolan* and pres/CEO *James Dolan* both pulled down \$1.6mln in base salary last year, according to an **SEC** filing. But son bested father in total compensation, \$15.8mln to \$11.8mln. Vice chmn *Hank Ratner* (\$11.9mln) and COO *Thomas Rutledge* (\$11mln) also pocketed more than 8 figures in total compensation. Also in the filing, the MSO informed shareholders of a special meeting later this year to address issues surrounding

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# BUSINESS & FINANCE

the Dolan family's latest privatization bid, including the need for shareholder approval and a related amendment to its certificate of incorporation. No meeting date was proposed.

**Final Season:** Research guru and **Cfax** friend *Tim Brooks* will retire as evp, research for **Lifetime** at the end of the year, but he won't fade quietly into the sunset. He'll devote more time to writing about TV and other subjects. "Whether it's 'Gunsmoke,' 'Dallas' or 'Everybody Loves Raymond,' even the longest-running television series eventually comes to an end, as does this phase of my work in television," said Brooks, co-author of "The Complete Directory to Prime Time Network and Cable Shows." He also penned a tome profiling African-Americans earliest years in the recording industry.

**On the Circuit:** Time Warner pres/COO *Jeff Bewkes* will open **CTAM's** Summit in DC, July 24. He has been chosen to receive this year's Grand TAM Award in honor of his commitment to the industry's future through marketing, education and leadership.

**People:** **Concurrent** promoted *Michael Pasquinilli* to vp, engineering.

**Business/Finance:** **Liberty Global** got a loan commitment for at least \$700m, fully underwritten by **Citi Syndication** and secured by shares and assets of **Newco**, a new subsidiary that will indirectly hold Liberty's indirect interests in Japanese broadband provider **Jupiter Telecom**.

## CableFAX Daily Stockwatch

Company	05/22 Close	1-Day Ch	Company	05/22 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	51.14	(0.57)	AMPHENOL:	35.23	0.00
DIRECTV:	23.60	(0.19)	APPLE:	113.54	1.56
DISNEY:	36.27	(0.17)	ARRIS GROUP:	15.77	(0.02)
ECHOSTAR:	48.43	(1.13)	AVID TECH:	33.56	0.09
GE:	37.32	0.22	BLNDER TONGUE:	1.75	0.14
HEARST-ARGYLE:	26.28	0.28	BROADCOM:	30.92	0.07
ION MEDIA:	1.42	0.00	C-COR:	13.88	0.02
NEWS CORP:	23.80	(0.1)	CISCO:	26.37	(0.03)
TRIBUNE:	33.01	0.03	COMMSCOPE:	52.76	0.76
<b>MSOS</b>					
CABLEVISION:	35.40	(0.02)	CONCURRENT:	1.54	0.00
CHARTER:	3.90	0.11	CONVERGYS:	25.77	0.02
COMCAST:	27.36	(0.18)	CSG SYSTEMS:	27.49	0.27
COMCAST SPCL:	27.08	(0.1)	GEMSTAR TVG:	4.44	(0.04)
GCI:	13.50	0.09	GOOGLE:	475.86	5.26
KNOLOGY:	18.25	(0.05)	HARMONIC:	9.00	0.08
LIBERTY CAPITAL:	117.32	(0.82)	JDSU:	13.19	0.16
LIBERTY GLOBAL:	38.00	(0.29)	LEVEL 3:	5.80	0.27
LIBERTY INTERACTIVE:	23.99	(0.39)	MICROSOFT:	30.69	(0.36)
MEDIACOM:	8.95	(0.08)	MOTOROLA:	18.92	0.02
NTL:	28.22	0.00	NDS:	50.86	(0.23)
ROGERS COMM:	40.82	(0.18)	NORTEL:	25.44	0.19
SHAW COMM:	40.15	(0.4)	OPENTV:	2.31	0.12
TIME WARNER CABLE:	38.52	0.21	PHILIPS:	41.18	0.27
WASH POST:	766.00	(1.97)	RENTRAK:	15.92	0.29
<b>PROGRAMMING</b>					
CBS:	32.82	(0.02)	SEACHANGE:	9.08	0.16
CROWN:	6.68	(0.02)	SONY:	59.46	2.08
DISCOVERY:	23.53	(0.14)	SPRINT NEXTEL:	21.46	0.06
EW SCRIPPS:	45.07	(0.3)	THOMAS & BETTS:	56.11	(0.68)
GRUPO TELEVISA:	30.36	0.30	TIVO:	6.13	0.02
INTERACTIVE CORP:	34.39	(0.15)	TOLLGRADE:	11.50	0.32
LODGENET:	35.96	0.26	UNIVERSAL ELEC:	33.24	1.38
NEW FRONTIER:	8.51	(0.34)	VONAGE:	3.14	(0.04)
OUTDOOR:	10.50	0.01	VYYO:	5.97	(0.02)
PLAYBOY:	10.55	0.06	WEBB SYS:	0.07	0.01
TIME WARNER:	21.60	(0.15)	WORLDGATE:	0.52	0.00
UNIVISION:	36.23	0.00	YAHOO:	28.92	(0.43)
VALUEVISION:	10.07	(0.33)	<b>TELCOS</b>		
VIACOM:	43.92	1.22	AT&T:	40.44	(0.11)
WWE:	18.14	(0.2)	QWEST:	10.00	(0.01)
<b>TECHNOLOGY</b>					
3COM:	4.78	0.04	VERIZON:	42.61	0.07
ADC:	18.24	0.06	<b>MARKET INDICES</b>		
ADVANTAGE:	4.92	(0.01)	DOW:	13539.95	(2.93)
ALCATEL LUCENT:	13.66	0.11	NASDAQ:	2588.02	9.23
AMDOCS:	37.81	(0.13)			

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## Independent Operator of the Year 2007 Award Nomination Form



This honor annually recognizes an independent cable operator that has distinguished itself by achieving excellence in the following areas:

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### Operations

- Top-flight management practices
- Financial stability and profitability
- Outstanding customer service

### Involvement

- Community outreach
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### Nominator Information:

Name \_\_\_\_\_

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### Nominee Information:

Company Name \_\_\_\_\_

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**Please attach a summary detailing why this company is deserving of the award.**

### Submit nominations to:

Seth Arenstein  
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### Email:

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### Mail:

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Nominations Due  
June 1, 2007