

# CableFAX Daily™

Friday — May 23, 2008

What the Industry Reads First

Volume 19 / No. 100

## Extension Decision: Waived Ops Must Decide Whether They Need More Time

**Charter** says it will comply with the FCC's set-top integration ban, which requires operators to deploy boxes with CableCards. One year ago, the FCC's Media Bureau gave the MSO a year-long waiver that allows it to deploy 7 STBs with integrated security through July 1, '08 because of the financial hardship the ban would create. At the time, the Bureau gave Charter the option of applying for an extension if it believes financial difficulties warrant. A spokeswoman said Thurs that Charter won't ask for it. "The majority of the set-tops we deploy today are advanced (HD or HD/DVR) and do have CableCard separable security. They were not part of the waiver that we received last year," she said. "We don't expect a material financial impact from having to comply when the current extension expires." Some other operators granted similar 1-year waivers are asking for extra time. Last week, overbuilder **WOW** asked for at least another year-long extension so that it can continue to deploy **Cisco's** Explorer 2100, 2200, 3100 and 3200. "An extension of the waiver in order for WOW to have the capital necessary to compete has become even more critical in the past year given the continued decline in the debt market coupled with WOW's negative free cash flow position, which has also deteriorated since its original waiver request..." the overbuilder told the FCC. WOW's actual '07 negative free cash flow came in at \$55.4mln (up from a projected \$41.3mln) and '08 negative FCF is projected at \$31.4mln (up from \$27.7mln). WOW said the waiver has allowed it to deploy digital simulcast, replace advanced analog boxes and introduce 2-way video services. Without an extension, "these necessary initiatives will be substantially curtailed..." WOW wrote. **James Cable** also has asked for an extension based on its finances, telling the FCC that it posted negative free cash flow of nearly \$900K last year, lost another 4% of its basic subs and has a penetration rate of only 36%.

**In the Courts:** The 6th Circuit granted **NCTA's** request for a stay of the FCC's new leased access rules until a court has reviewed the assoc's challenge of them. Among other things, the rules slash the rate cable ops can charge for leased access by 75%. In granting the stay, the court said the trade group has "demonstrated some likelihood of irreparable harm." NCTA argued that cable ops would suffer irreparable harm if a stay wasn't granted because it would set the leased access rate unreasonably low, and therefore result in a large increase in requests for leased access. In turn, cable ops would have to replace programming and disrupt customers, NCTA said. Earlier this month, **TV One**, **C-SPAN**, **Discovery** and **A&E** filed in support of NCTA's emergency stay request.

**Deals:** **Comcast** is reportedly looking to sell some small systems representing about 400K-500K subs (2% of its basic sub base). **Pali's Rich Greenfield** blogged about it Thurs, saying the firm believes Comcast is trying to sell the systems through **Waller Capital**. "We believe Comcast should look to get even smaller, increasing its focus on its top clusters, given the inherent advantages of mega-clusters in top demographic areas (just look at how **Cablevision** performs versus the peer group, despite some of the most intense competition)," Greenfield wrote. The *Times*

## MATCH GAME MEMORIAL DAY MARATHON

MONDAY MAY 26 STARTING AT 9AM/8C



## RALLY THE TROOPS AND LET THE \_\_\_\_\_ BEGIN!



©2008 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 ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● 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 ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

**Record** (Brunswick, ME) reported that Comcast is exploring some of its ME-based holdings as part of a plan to sell 46 properties nationwide. The paper quoted municipal officials who said the MSO was looking to sell some its ME-based holdings. Comcast said it can't comment on potential transactions.

**Google Land:** Google pres *Larry Page* on Thurs rejected the idea of buying out homes that rely on over-the-air so that others could have access to broadcasters' spectrum. The problem, he said, is "political," with the spectrum being valuable to broadcasters because of must-carry provisions attached. "If you took the 5, 10%, or whatever, 15% of people who still watch TV that way, it wouldn't cost you very much to buy them out," Page said at a **New America Foundation** event. "Must-carry provisions are really what they're after... That has a lot of economic value for the broadcasters, and they don't believe they'll have that right if they no longer broadcast." NAF proposed something along those lines a few years back. Instead of the govt helping to fund digital-to-analog converters, NAF suggested the first increment of money from the 700Mhz auction go to help get broadcast-only homes get cable or satellite service. Check out his 90-min interview with New America Foundation's *Michael Calabrese* at [http://www.newamerica.net/events/2008/google\\_unwired](http://www.newamerica.net/events/2008/google_unwired).

**Competition:** 1st filmmaker *Michael Bay*, now *Kevin Garnett*. In a new **Verizon FiOS** ad, the Boston Celtic touts multi-room capabilities. Watch it at **Verizon.Wieck.com**. -- **DISH** has added HD local channels in Fort Myers-Naples, FL.

**In the States:** TN Gov *Phil Bredesen* has signed into law a statewide cable franchising bill allowing telcos to obtain 10-year franchises from the **TN Regulatory Authority** while requiring them to build out to 30% of their existing service area within 3.5 years, and then to show that at least 25% of homes passed were low-income.

**Trade Winds:** Big shakeup at **Reed**. *Tom Steinert-Threlkeld* is out as editorial director of *Multi* and *B&C*. *B&C* editor *Mark Robichaux* was made editor of *Multi*. *Ben Grossman* becomes editor of *B&C*.

**Icing:** **Versus** rolls out coverage of the **NHL Stanley Cup Finals** on Sat (7:30 ET), hoping to continue the sport's ratings and viewership momentum established throughout the season. Following a stellar regular season that garnered a 50% increase in HH ratings, the net's hockey coverage has remained scorching during the playoffs—significant because post-season coverage dipped last year after season-long growth. The net aired during the conference finals round 9 games, which collectively delivered jumps in HH ratings (+71%), total viewership (+77%), and viewership among men 18-34 (+152), 18-49 (+109%) and 25-54 (+79%).

**Programming:** **TV One's** "Bill Bellamy's Who's Got Jokes" will tape the semi-finals of the upcoming season (Oct) this weekend at Germany's US Army Garrison Kaiserslautern in front of soldiers and their families. -- **Spike's** 2nd annual "Guys Choice" awards show (Jun 22) will feature appearances by *Harrison Ford*, *Steve Carell* and model *Marisa Miller*, and pay special tribute to *Hugh Hefner*. -- **Sundance Channel** has added 2 British eco-reality series to its environmental programming block, including 4-parter "Outrageous Wasters" (Jul 1), which chronicles 1 family's crash course in eco awareness. -- **Fuse** has become the exclusive TV partner of the **Bonnaroo Music & Arts Festival**, staged annually in TN. This year's event (Jun 12-15) will feature performances by *Pearl Jam*, *Jack Johnson* and *Kanye West*. -- **Comedy Central** renewed "*Lewis Black's Root of All Evil*" for a sophomore season (debuts July 30). -- **Fox Soccer Channel** has renewed for 4 years its broadcasting rights to content from England's soccer governing body **The FA**, including select matches involving the English Senior and Under-21 National Teams. Also, the net has acquired the

## CALL FOR ENTRIES

## Top Places to Work in Cable

Deadline for nominations: June 9

### What are the best companies to work for in the cable industry?

Help CableFAX: The Magazine decide by nominating the companies you think should be on our list of the Top 10 Places to Work in Cable by completing our online nomination form now.

[www.cablefaxmag.com](http://www.cablefaxmag.com)

**CableFAX**  
THE MAGAZINE



# BUSINESS & FINANCE

English-language broadcast rights in the US to the **CONCACAF Champions League**. -- **Outdoor Channel** will partner with **Boy Scouts of America** and *Boys' Life* magazine to develop "Scouting for Adventure Presented by Boys' Life," a youth-oriented series featuring exploration and outdoor skills education.

**Public Affairs: Comcast CO** has joined cable's "Screen to Green," an initiative aimed at educating and engaging consumers about recycling of unused TVs, and will use a public education campaign and recycling rally in Denver to spread the word. **Planet Green** will support the rally.

**Honors:** Congrats to the cable/media finalists in sister pub *min's* search for the "Sales Executive of the Year." They include: *Paul Brennan*, vp, ad sales, **Sony Pictures Television**; *Michael B. Fox*, vp, **ESPN**; *Trisha Pray*, svp, network TV at **Univision**; and *Peter Vesey*, vp and National Sales Manager, **Fuel TV**. The winner will be revealed on June 11 at the "Breakfast of Champions" at the Grand Hyatt in NYC (our own *Seth Arenstein* will present). Find out more info at [http://www.minonline.com/awards/seoy2008\\_event.html](http://www.minonline.com/awards/seoy2008_event.html).

**Editor's Note:** Your next issue of **CableFAX Daily** will be dated Tues, May 27. No issue will be sent Mon due to the Memorial Day holiday. Join us in remembering those men and women who died in military service to our country.

## CableFAX Daily Stockwatch

Company	05/22 Close	1-Day Ch	Company	05/22 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
ARRIS GROUP:	8.43	0.01	ARRIS GROUP:	8.43	0.01
BRITISH SKY:	42.15	0.03	AVID TECH:	22.14	0.37
DIRECTV:	27.50	0.04	BIGBAND:	6.21	0.17
DISNEY:	33.61	(0.05)	BLNDER TONGUE:	1.22	0.03
ECHOSTAR:	34.65	0.28	BROADCOM:	25.71	0.16
GE:	31.01	0.02	C-COR:	11.00	0.00
HEARST-ARGYLE:	20.90	0.35	CISCO:	25.58	0.21
ION MEDIA:	1.45	0.00	COMMSCOPE:	52.07	0.62
NEWS CORP:	19.66	0.14	CONCURRENT:	0.69	0.01
<b>MSOS</b>					
CABLEVISION:	25.99	0.77	CONVERGYS:	16.02	0.03
CHARTER:	1.28	0.08	CSG SYSTEMS:	12.98	0.20
COMCAST:	22.20	0.44	ECHOSTAR HOLDING:	38.02	1.56
COMCAST SPCL:	21.87	0.39	GOOGLE:	549.46	(0.53)
GCI:	6.83	0.19	HARMONIC:	9.15	(0.06)
KNOLGY:	14.50	0.24	JDSU:	11.49	0.01
LIBERTY CAPITAL:	14.96	0.12	LEVEL 3:	3.50	0.35
LIBERTY ENTERTAINMENT:	27.28	0.35	MICROSOFT:	28.47	0.22
LIBERTY GLOBAL:	35.39	0.25	MOTOROLA:	9.33	(0.05)
LIBERTY INTERACTIVE:	16.74	0.39	NDS:	53.81	(1.11)
MEDIACOM:	5.60	0.09	NORTEL:	8.18	0.07
SHAW COMM:	21.96	1.09	OPENTV:	1.53	0.05
TIME WARNER CABLE:	31.52	0.25	PHILIPS:	38.47	(0.03)
VIRGIN MEDIA:	15.21	0.43	RENTRAK:	13.70	0.00
WASH POST:	625.19	(0.31)	SEACHANGE:	7.11	(0.06)
<b>PROGRAMMING</b>					
CBS:	23.00	0.10	SONY:	48.57	0.94
CROWN:	5.12	0.22	SPRINT NEXTEL:	8.90	(0.06)
DISCOVERY:	26.01	0.31	THOMAS & BETTS:	41.75	(0.66)
EW SCRIPPS:	48.20	1.40	TIVO:	8.82	0.18
GRUPO TELEVISA:	26.76	0.42	TOLLGRADE:	4.55	0.11
INTERACTIVE CORP:	23.44	0.15	UNIVERSAL ELEC:	24.74	0.71
LODGENET:	6.58	(0.57)	VONAGE:	1.83	0.08
NEW FRONTIER:	4.95	0.04	WORLDGATE:	0.30	0.00
OUTDOOR:	7.95	0.04	YAHOO:	27.53	0.20
PLAYBOY:	5.94	0.22	<b>TELCOS</b>		
TIME WARNER:	16.52	0.28	AT&T:	39.18	0.29
VALUEVISION:	4.27	0.04	QWEST:	4.55	(0.07)
VIACOM:	39.10	(0.13)	VERIZON:	37.47	0.25
WWE:	16.66	0.04	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	2.43	(0.09)	DOW:	12625.62	24.43
ADC:	15.01	0.25	NASDAQ:	2464.58	16.31
ADVANTAGE:	3.74	0.04			
ALCATEL LUCENT:	7.31	0.10			
AMDOCS:	31.40	0.00			
AMPHENOL:	45.95	0.36			
APPLE:	177.05	(1.14)			

**CableFAX Daily™**

**Promote your HD Launch**

to our **Highly Defined** audience of senior cable & media executives!

For more info contact:

Debbie Vodenos, Publisher, at (301) 354-1695 or [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com)

Erica Gottlieb, Account Manager, at (212) 621-4612 or [egottlieb@accessintel.com](mailto:egottlieb@accessintel.com)



**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**He Led, She Led**

Summer in much of the US means vacations, cookouts and swimming pools; the season on much of cable means original programming. **USA** obliges Jun 1 (10pm ET) with new original "In Plain Site," although the program is interestingly antonymic to the net's typical content. Not surprisingly, it's a character-driven show spooled around law enforcement, a scaffold that has led to excellent viewership heights for series such as "Monk," "Psyche" and last year's "Burn Notice." Ah, but here's the rub: the main character of Plain, a US Marshal, is a woman. The net didn't make a concerted effort to feature a female lead, said evp, original programming *Jeff Wachtel*, although he did admit that developing such content is "a really good target to go after." To wit: **TNT** has experienced nice success with "The Closer" and "Saving Grace," starring *Kyra Sedgwick* and *Holly Hunter*, respectively. Even so, Plain won't attract a surge of female viewers to the net, said Wachtel, because true to dramas across all channels, the genre on USA draws approx 60% females already (the percentage is slightly higher for Monk). But it will, he said, strike a pair of important chords due to its inclusion of the US Marshals Service's dealings with federal witnesses. "If we're right, there's something about Witness Protection that will appeal to many," said Wachtel, who also noted that many female viewers will relate to marshals' required secrecy, even with respect to their families and lovers. "A lot of women... maybe they're not getting the just rewards for what they do [either]," he said. Irrespective of the type of chromosomes a particular Plain viewer might have, chances are they will find the series quite entertaining. The storylines are compelling and *Mary McCormack* is superb as the fearless, strong, irreverent and very capable lead. True to USA form, she's quite a character... a main character who owns 2 X chromosomes. *CH*

**Highlights:** "Recount," Sun, 9pm, **HBO**. Yes, it's a process film about the 2000 election, so you'll learn more than you probably want to know about chad and its plural form, which also is chad. And you might be revolted by the haphazardness of our electoral process. Still this film is entertaining, unless you're a Democrat. **HBO** concentrates on the personalities, and there were some beauties, including FL Sec of State *Katherine Harris*, lampooned beautifully by *Laura Dern*, and *James A. Baker III*, in a terrific portrayal by *Tom Wilkinson*, the Brit who plays historic Americans better than Yankee actors. -- "At The Death House Door," Thurs, 9pm, **IFC**. Outstanding documentary making and a terrific story. After counseling hostages in a prison riot that ended badly, Rev *Carroll Pickett* was an unlikely candidate to be a prison clergy. Ironically, he thrived, spending years as a prison minister, and taping memories of final days spent with nearly 100 inmates condemned to death. *SA*

**Notable:** "Mars Live: The Phoenix Lands," Sun, 7pm ET, **Science**. Live coverage of the 1st Mars pictures from the Phoenix lander. -- "French Open," Sun, 5am ET, **Tennis**. Live from Roland Garros at 5am, plus most nights at 6:30pm ET it's "French Open Tonight." -- "Man United vs Chelsea," Sat, 8pm, **ESPN Classic**. An instant classic. *SA*

Basic Cable Rankings (5/12/08-5/18/08) Mon-Sun Prime			
1	TNT	2.4	2321
2	USA	1.9	1808
3	ESPN	1.7	1610
3	DSNY	1.7	1575
5	NAN	1.3	1284
5	TBSC	1.3	1224
5	SCIF	1.3	1167
8	FOXN	1.2	1174
9	LIFE	1.1	1077
10	TOON	1	911
11	A&E	0.9	889
11	DISC	0.9	863
11	SPK	0.9	837
11	HIST	0.9	819
11	AMC	0.9	813
11	HALL	0.9	780
11	SPD	0.9	670
18	HGTV	0.8	811
18	MTV	0.8	794
18	CNN	0.8	792
18	FAM	0.8	770
18	FX	0.8	766
18	TRU	0.8	739
18	CMDY	0.8	721
25	TLC	0.7	639
25	VS	0.7	523
25	LMN	0.7	434
28	FOOD	0.6	617
28	TVLD	0.6	587
28	MSNB	0.6	570
28	VH1	0.6	549
28	BRAV	0.6	498
33	BET	0.5	405
33	NOGG	0.5	292
35	EN	0.4	415
35	APL	0.4	412
35	OXYG	0.4	290
35	SOAP	0.4	276
35	NGC	0.4	264
40	HLN	0.3	320
40	TTC	0.3	304
40	ESP2	0.3	293
40	WGNC	0.3	227
40	GSN	0.3	209
40	DHLT	0.3	190
40	TDSN	0.3	177

\*Nielsen data supplied by ABC/Disney

**Love it. Hate it.  
But is it Art?**

An Ovation TV original programming event  
**May 26 - June 1**  
every night 8-11pm

**ART**  
or **NOT?**

Connecting you to local audiences through unique programming, local and HD VOD and broadband content.



**MAKE LIFE CREATIVE.**

Greg Bunch, VP Western Region **310-430-7548** / Dan Casciato, VP Eastern Region **630-379-8555**