

CableFAX Daily™

Friday — May 25, 2007

What the Industry Reads First

Volume 18 / No. 102

Work In Progress: HSN Challenged But Will Improve, Diller Says

HSN has a way to go, but the home shopping channel will get there, **IAC** chmn/CEO *Barry Diller* predicted Thurs. "HSN is definitely operationally challenged," he told **Goldman Sachs'** Internet conference, but he compared it to **Expedia**, which eventually turned around bad results. "We've thrown a lot of things up in the air that haven't quite landed," he said, noting more investment in HSN over the past 9 months. "The current results are not good, and they're not going to be for a while, but I'm absolutely sure we're doing the right thing." However, he didn't rule out the notion of swapping HSN for **Liberty's** 20% stake in IAC (Liberty owns HSN rival **QVC**). "We've had conversations with Liberty for a long time about every possible subject under the sun," Diller said in response to the question, adding that whether anything ever comes of it is "up to who knows." One of IAC's strategies to improve HSN has been to take 50mln pieces of old inventory out of the system just this Q, he said. Dumped products include cosmetics sold by "150-year-old" women, the always quotable Diller joked, although he said margins on those products were still high. "That's why we kept them on so long," he said. HSN is going for a hipper, more affluent crowd, rolling out products from **Sephora** cosmetics and designer fashion boutique **Scoop**. On Thurs, HSN announced that **EchoStar** will launch its "Shop by Remote" interactive commerce feature, which **Time Warner Cable** in HI and **Cablevision** have been testing since last year. Dish Net subs can order products from the channel with their remotes, which is why IAC has included HSN in its stable of e-commerce/Web companies, Diller said. -- Diller also promised "fairly soon" a "fairly large" investment in a TV and Internet programming company. He believes video is the Internet's next new frontier, complaining about Internet video's small screens and jerky picture. "New things are going to come in the video area ... and I don't believe they'll come from old media," he predicted.

On the Hill: Sen Commerce Chmn *Daniel Inouye* (D-HI) introduced legislation that aims to improve the quality of federal broadband data collection. The bill directs the **FCC** to re-evaluate its definition of broadband—currently 200kbps in either direction—and creates a metric known as "second generation broadband" for networks able to transmit HD video content. The bill would also authorize a 5-year, \$40mln/year program to provide matching grants to state non-profit, public-private partnerships "in support of efforts to more accurately identify barriers to broadband adoption." -- A coalition of groups, including **Amazon**, **Media Access Project** and **TiVo**, are asking for a national broadband policy. In a letter to lawmakers Thurs, the coalition asked the govt to adopt legislation that would lead to universal, affordable broadband access for all Americans. Based on the 53 companies/group on board, it's not surprising the coalition also wants net neutrality. "As broadband networks become more and more integral to our economic and social life, we are reaching a tipping point where legislation is no longer simply welcome—it is imperative," the letter said.

At the Portals: Cable companies should be able to participate in an upcoming auction of broadcaster's airwaves, **NCTA** said in an **FCC** filing late Wed. A coalition that includes **Media Access Project** has proposed that incumbent cable oper-

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ators and local exchange carriers be excluded from the 700Mhz auction to break up duopoly control. "Tilting the scales in favor of particular bidders on the theory they might provide a 'third national pipe' may, in fact, not only result in inefficient use of the spectrum but may actually undermine rather than promote vigorous broadband competition," NCTA said.

In the Courts: On Thurs, a US appeals court upheld 22 of 23 convictions of conspiracy, securities fraud and bank fraud for **Adelphia** founder *John Rigas*, 82, and son *Tim*, 51. The case was remanded to district court for resentencing. Both have been free on bail since convictions in '04 of looting the MSO. More appeals and revocation of their bail is possible.

In the States: As we predicted (*Cfax*, 5/22), TN's state franchising bill appears dead for now. The bill's sponsor told *AP* he's pulling the bill, citing the way local govts have fought the bill and the short time left in the session. -- **Cox's** Oklahoma markets have launched wireless service **Pivot**, according to the company's Web site. Arizona and San Diego were the first Cox markets to launch the service.

Team Building: Some questions were astute, nearly all were inquisitive and one was just downright inane, but **Big Ten Net** pres *Mark Silverman* answered them all Thurs. The goal of the bi-weekly chats at the net's Website, of course, is to apprise fans of the net's programming plans. That was also the case with Silverman's tour to all conference schools, which recently wrapped in MI. Good marketing, to be sure, but don't be surprised if the net later asks for repayment on the good will through mass calls to resistant MSOs. Silverman said "encouraging" negotiations with all major MSOs are underway and that "good progress" has been made with **DISH** (read: closest to fruition). Still, Silverman told many chatters to phone their cable providers and ask about plans for the net. When one MI native told him that **Comcast** has no plans to carry the net, Silverman said: "I advise you to sign up as a Big Ten Network Insider on our Website, and we will be contacting you in the future if this continues."

Friends Again: **DirecTV** has "worked out our differences" with **Hispanic Information & Telecommunications Network** and won't drop the net next month (*Cfax*, 4/11). DirecTV had intended to replace the public interest net with Spanish-language noncommercial content it considered of greater interest to subs. HITN has weighed in on **Liberty's** plans to acquire **News Corp's** stake in DirecTV, urging the **FCC** to address public interest requirements in the proceeding.

Editor's Note: Your next issue of **CableFAX** will be dated Tues, May 29 in light of Memorial Day.

Online: **TCM.com** on Jun 1 will release a media room offering more than 3K short-form videos and classic trailers, short films, classic movie clips and periodic feature films, beginning with the free feature "Living on Love" for a limited time. -- **ESPN** re-launched **EXP.N.com** with expanded 24/7 coverage of action sports, including beefed up multimedia offerings, online polls, surf cams and sign ups for fans to receive mobile text alerts.

Repackaged Nets: **BET Nets** partnered with **Paramount Home Ent** to launch **BET Home Ent**, which will distribute original BET content, made-for-DVD titles and acquired content. Ex-**Buena Vista** vet *Constance Cribbs Knight* becomes the venture's vp. Content planned for this year includes reality series "College Hill" and doc "American Gangster."

Programming: **G4** is handing out badges to viewers through "Cops 2.0" (May 29, 6pm), a M-F version of the popular series enhanced with interactivity. The eps' content remains the same, but on-screen graphic overlays deliver new information, trivia and interactive games. -- **GAC's** annual "FanTastic Week" stunt pumps up the volume Jun 5 (9pm ET) with a

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live concert on "Grand Ole Opry Live" featuring *Carrie Underwood*. Special programming continues through Jun 8, and also includes the 1-hr concert "Keith Urban: Inside These Walls."

Caliente: Citing Nielsen data, **Galavision** said it has achieved this year its strongest ever May sweep performance in total day among Hispanic adults (+14%), men 18-49 (+14%) and women 18-49 (+19%). Also, the '06-'07 season to date marks the 5th consecutive season that Galavision ranks as the top US cable net in prime among Hispanic adults and Hispanic men 18-34, the net said.

Public Affairs: **ESPN's '07 ESPY Celebrity Golf Classic**, which benefits **The V Foundation for Cancer Research**, will be held Jul 10 at Industry Hills Golf Club at Pacific Palms in Industry Hills, CA. The ESPY award gala will be featured on ESPN the following night, and highlights from the golf outing will air on **ESPN Classic**.

People: **MTVN** promoted *Carolyn Everson* to evp, strategy and operations, US ad sales. -- *Chris Pizzurro*, vp, digital media at **Turner Ent Sales**, was appointed treasurer of the **National Academy of TV Arts & Sciences, NY**. -- **Comcast** promoted *Derek Harrar* to svp/GM, video services. -- -- *Jean Wiegman* was named vp, production, **GSN**.

Business/Finance: **Fitch** affirmed its 'B' issuer default rating for **Mediacom** and reiterated a stable outlook.

CableFAX Daily Stockwatch

Company	05/24 Close	1-Day Ch	Company	05/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	50.50	(0.51)	AMPHENOL:	34.55	(0.72)
DIRECTV:	23.05	(0.48)	APPLE:	110.69	(2.2)
DISHNET:	35.84	(0.64)	ARRIS GROUP:	15.06	(0.24)
ECHOSTAR:	47.21	(1.66)	AVID TECH:	32.82	(0.85)
GE:	37.38	(0.22)	BLNDER TONGUE:	1.75	0.05
HEARST-ARGYLE:	25.56	(0.46)	BROADCOM:	30.20	(1.1)
ION MEDIA:	1.44	0.01	C-COR:	13.86	(0.31)
NEWS CORP:	23.39	(0.51)	CISCO:	25.40	(0.57)
TRIBUNE:	33.20	0.19	COMMSCOPE:	50.88	(1.45)
MSOS					
CABLEVISION:	35.96	0.19	CONCURRENT:	1.54	(0.04)
CHARTER:	3.84	(0.08)	CONVERGYS:	25.62	(0.18)
COMCAST:	26.86	(0.47)	CSG SYSTEMS:	26.81	(0.77)
COMCAST SPCL:	26.56	(0.46)	GEMSTAR TVG:	4.45	(0.06)
GCI:	13.24	(0.14)	GOOGLE:	474.33	0.36
KNOLOGY:	17.93	(0.23)	HARMONIC:	8.77	(0.14)
LIBERTY CAPITAL:	116.19	(1.51)	JDSU:	12.93	(0.29)
LIBERTY GLOBAL:	37.76	(0.13)	LEVEL 3:	5.67	(0.17)
LIBERTY INTERACTIVE:	23.54	(0.5)	MICROSOFT:	30.17	(0.41)
MEDIACOM:	8.88	(0.16)	MOTOROLA:	18.26	(0.42)
NTL:	28.22	0.00	NDS:	49.44	(1)
ROGERS COMM:	40.17	(0.96)	NORTEL:	25.64	(0.46)
SHAW COMM:	40.23	(0.87)	OPENTV:	2.22	(0.05)
TIME WARNER CABLE:	38.24	(0.17)	PHILIPS:	40.61	(0.74)
WASH POST:	764.94	0.09	RENTRAK:	16.00	0.25
PROGRAMMING					
CBS:	33.04	(0.2)	SEACHANGE:	8.77	(0.18)
CROWN:	7.15	0.04	SONY:	56.52	(1.54)
DISCOVERY:	22.84	(0.36)	SPRINT NEXTEL:	22.05	0.18
EW SCRIPPS:	44.43	(0.5)	THOMAS & BETTS:	56.36	(0.96)
GRUPO TELEVISIA:	29.15	(0.99)	TIVO:	5.93	(0.14)
INTERACTIVE CORP:	34.39	(0.33)	TOLLGRADE:	11.19	0.08
LODGENET:	35.36	(0.65)	UNIVERSAL ELEC:	32.73	(0.18)
NEW FRONTIER:	8.62	0.02	VONAGE:	3.15	(0.03)
OUTDOOR:	10.01	(0.42)	VYYO:	5.51	(0.48)
PLAYBOY:	10.47	(0.14)	WEBB SYS:	0.05	0.00
TIME WARNER:	21.31	(0.25)	WORLDGATE:	0.48	0.00
UNIVISION:	36.23	0.00	YAHOO:	28.41	(0.2)
VALUEVISION:	10.48	0.23	TELCOS		
VIACOM:	43.12	(0.7)	AT&T:	40.42	0.01
WWE:	17.65	(0.3)	QWEST:	9.87	(0.19)
TECHNOLOGY					
3COM:	4.61	(0.09)	VERIZON:	42.54	(0.13)
ADC:	17.21	(0.93)	MARKET INDICES		
ADVANTAGE:	4.68	(0.18)	DOW:	13441.13	(84.52)
ALCATEL LUCENT:	13.74	(0.16)	NASDAQ:	2537.92	(39.13)
AMDOCS:	37.08	(0.64)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

No Force-d Enjoyment

I have greatly enjoyed each ep of the "Star Wars" saga, and even played with franchise figurines when I was a young boy in the '80s. But I must admit that skepticism—and certainly not the Force—dominated my initial reaction to **The History Channel's** "Star Wars: The Legacy Revealed" (May 28, 9pm). You see, the program asserts that the saga is laced with important parallels to historic myths of power, politics and spirituality, and that this linkage to iconic figures such as King Arthur, Zeus, and Lucifer himself is responsible for Star Wars' endurance. I just thought such investigation and conjecture was better suited to the real fanatics; you know, the ones who dress as Princess Leia with hair buns the size of Kaiser rolls. Surprisingly, though, I found the assertions intuitive, not insipid, and the arguments compelling instead of contrived. Net exec prod *Beth Dietrich Segarra*, with whom I spoke prior to viewing the special, noted, "The great thing about Star Wars is that it resonates with so many people. I wanted to make sure the film gave new insight to the hardcore fan, but I also needed to make sure the average viewer could grasp the concepts." Obviously the latter goal was accomplished with me. I don't know about the former, but there is certainly no shortage of fervor. Just check out the Star Wars celebration in L.A. this weekend, staged to commemorate the 1st ep's 30th anniversary (May 25). Or witness the USPS' weekend issue of 15 postage stamps paying tribute to *George Lucas*' vision. Still, perhaps the best indication of Star Wars' embedment in our national fabric is the participation by so many luminaries—*Dan Rather*, *Tom Brokaw*, *Newt Gingrich*—in the net's homage. All believe the saga will endure a long, long time, and in places far, far away. *CH*

Highlights: "Bury My Heart at Wounded Knee," Sun, 9pm, **HBO**. While America remembers and salutes its military, HBO unearths a less pleasing memory this weekend. This depiction of America's unfortunate treatment of Native-Americans during the latter half of the 19th century is a story so rarely told that it demands attention for that alone. Fortunately, there's much more here, as HBO Films has produced a fairly accurate document with strong acting and excellent production values. — "Star Wars: The Legacy Revealed," Mon, 9pm, **History Channel**. Can't you hear History screaming, 'No, we're not The World War II channel—even on Memorial Day!' But History eschews history light for at least 30 minutes of this special with an interesting lesson about Prof *Joseph Campbell's* influence on *George Lucas*. *SA*

Worth a Look: "Pandemic," Sat, 9pm, **Hallmark**. Since when did Hallmark Channel become **SciFi/USA**? This weekend apparently, as the family channel unleashes an entertaining (but medically suspect) 3-hr epic about a deadly flu-like sickness that's spreading around Los Angeles. And did we mention terrorism, sexual innuendo and more divorcees than you'll find at a 50+ singles happy hour? Seen it before? Yes, if you caught "Outbreak" ('95), but not with *Faye Dunaway* as the governor and *Tiffany Thiessen* as a doctor who saves the world (while breaking *Zach Morris*' heart). [More reviews, including **MoJo's** "The Show," see www.cable360.net] *SA*

Basic Cable Rankings (5/14/07-5/20/07) Mon-Sun Prime			
1	USA	2.2	2074
1	TNT	2.2	2016
3	DSNY	1.8	1674
4	ESPN	1.6	1476
5	FOXN	1.2	1085
5	NAN	1.2	1074
5	TOON	1.2	1062
8	LIFE	1.1	1014
9	TBSC	1	929
10	SPK	0.9	863
10	CORT	0.9	826
10	HGTV	0.9	819
10	HALL	0.9	773
10	SPD	0.9	605
15	A&E	0.8	786
15	FX	0.8	773
15	HIST	0.8	763
15	SCIF	0.8	761
15	AMC	0.8	732
15	DISC	0.8	716
21	CMDY	0.7	656
21	TVLD	0.7	644
21	MTV	0.7	634
21	TLC	0.7	631
25	VH1	0.6	578
25	FAM	0.6	544
25	FOOD	0.6	518
28	CNN	0.5	501
28	BET	0.5	460
28	LMN	0.5	255
31	APL	0.4	400
31	BRAV	0.4	378
31	MSNB	0.4	369
31	EN	0.4	341
31	VS	0.4	279
31	OXYG	0.4	262
31	SOAP	0.4	242
31	NGC	0.4	236
31	TDSN	0.4	221
40	TTC	0.3	300
40	ESP2	0.3	299
40	HLN	0.3	282
40	TVGC	0.3	224
40	WGNC	0.3	202
40	GSN	0.3	171
46	TWC	0.2	183

*Nielsen data supplied by ABC/Disney

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