

# CableFAX Daily™

Tuesday — May 29, 2007

*What the Industry Reads First*

Volume 18 / No. 103

## **BCFM Rap: Execs Raise 1st Amendment in Violence Fight**

It's no secret that broadcasters and cable operators spend a lot of time at each other's throats. But CEOs gathered Thurs at the annual conference of the **Broadcast Cable Financial Management Association**—one of the few organizations that brings together the rival sectors—are finding some common ground when it comes to, you guessed it... sex and violence. "We're losing sight of fact that there's something called the 1st Amendment, and broadcasters are being told the 1st Amendment doesn't apply any more," said *Bill Stakelin*, CEO of the radio group **Regent Communications**. *Jim Fellhauer*, retiring evp and chief customer care officer of **Time Warner Cable**, used that topic as a segue to press cable's case against mandated a la carte. His view was echoed by **Crown Media** pre/CEO *Henry Schleiff*, who opined: "It's symptomatic of the government searching for ways to insert itself." Earlier in the day, **NAB** pres/CEO *David Rehr* expressed anti-cable sentiments on issues like retrans but noted a growing cable-broadcast alliance forming to fend off the government's content regulation threat: "[NCTA pres/CEO] *Kyle McSarrow* and his people have done a terrific job of building the coalition, and you're going to and see and read more about that in months to come."

**DTV Doings:** House Commerce chmn *John Dingell* (D-MI) and Telecom subcmte chmn *Ed Markey* (D-MA) want the **FCC** to submit to Congress by June 11 a plan for educating Americans about the DTV transition. "The present lack of leadership, direction and focus at the federal level is jeopardizing the transition," the 2 wrote in a letter to the FCC's commissioners. Dingell and Markey expressed concern that the agency's efforts have been limited to its creation of a Website and its "passive" participation in industry coalition meetings. The 2 have repeatedly expressed concern that the \$1.5mln funded is not enough to educate consumers. And they suggest the FCC require cable and DBS to include educational bill stuffers and require broadcasters to air PSAs. The FCC is reviewing the letter, a spokesman said.

**Play Ball:** Baseball is off to a strong early start this season, with most nets posting year-over-year increases. **ESPN's** "Sun Night Baseball," its exclusive national game of the week, has averaged a 2.4 rating/2.22mln HH delivery this season, up 20% from last year. **MLB** on ESPN through May 22 has averaged a 1.5/1.44mln HHs vs a 1.4/1.3mln for last year's comparable window (excludes "ESPN DayGame telecasts," which are no longer televised). The news also has been good for **FSN**, with its 19 O&O RSNs averaging a 6% year-over-year increase. Several teams have posted huge spikes—with **Brewers'** ratings up 88%, **Tigers** up 50% and **Dodgers** up 48%, according to FSN. **SportsNet NY** says it has had the largest viewership increase of any RSN, up 21% through May 24 (2.8 HH ratings vs 2.3). **MASN** reports that **Baltimore Orioles** games are up 27% vs this time last season, while **Washington Nationals** games are up 60% thanks to full distribution in the DC area. Not everyone is seeing a ratings spike. Despite *Barry Bonds* chasing *Hank Aaron's* home run record, **Giants** games are down 5%, according to FSN. In Chicago, the **White Sox** are down 37% (partly because they weren't coming off a World Series win this year) and the **Cubs** are down 27%, according to



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**Comcast SportsNet Chicago.** Some of the Chi-town dips can be blamed on the Bulls. Chicago was caught up more in basketball this spring, with the Bulls making it to the 2nd round of the playoffs.

**Playing Cards:** Just how much more will it cost operators to have separable security set-tops after July 1? **CTC Video** told the **FCC** a standard box from **S-A** with a separate CableCARD will cost 101% more than an integrated box with similar capabilities, providing a letter from the vendor to prove it. Under FCC rules, providers must stop deploying integrated boxes July 1. Several operators, including **CTC**, are seeking waivers.

**Programming:** **FSN North** extended its broadcast deal with the **NBA's** MN Timberwolves, and will air 40 regular season games and 2 preseason tilts per season beginning in '08-'09. The RSN will continue to televise certain early-round playoff games and will also produce a "Wolves Weekly" show. -- **Discovery Channel** will cast out Tues (10pm) "After the Catch," which takes a closer look at the vagaries of deep-sea employment and will air following the final 4 eps of the "Deadliest Catch" season.

**Marketing:** **TBS** this week launched an effort to lure African-Americans to comedic series "Tyler Perry's House of Payne" (Jun 6, 9pm). Series eps will be available on VOD and at **TBS.com** following their linear debut. The campaign features faith-based initiatives, grass roots methods, radio spots and partnerships with popular DJs, and even a show-themed presence at the Essence Music Festival. **TBS** has been running ads for the series during **NBA** action since Feb.

**On the Circuit:** **CNN's** Soledad O'Brien has committed to interviewing **Time Warner** pres/COO Jeff Bewkes at **CTAM** Summit's opening session (July 24, DC). -- **The Natl Academy of TV Arts & Sciences** is accepting entries for its Technology & Engineering Emmy Awards through Aug 31. Visit [www.emmyonline.tv](http://www.emmyonline.tv) for more info.

**Public Affairs:** The **BET Foundation** will host in AL in Aug its 3rd annual "Summer Camp for Girls," designed to help African-American girls achieve a healthy body weight by incorporating exercise, nutrition and positive lifestyle choices.

**Honors:** **WICT Rocky Mountain** bestowed its 1st Partner of the Industry Award to **Organic People** for supporting women in cable. Organic People provides business process and IT consulting to the cable and telecom industry.

**People:** **Comcast** tapped **Charter's** Rob Pladl as regional vp, engineering for the Gulf Coast region. -- **New Frontier** CFO Karyn Miller will leave the company to spend at least a year camping and backpacking across the US. She'll wait to leave until a successor is named. -- **RCN** promoted Anthony Ontiveros to vp/GM, NY, Gary Houston to vp/GM, Washington D.C., and appointed Saroosh Ahmed pres/GM of its Lehigh Valley market.

**Business/Finance:** **Standard & Poor's** is bullish on **DirectTV's** Latin American business, despite potential challenges in Brazil and Mexico. "We see major financial and operating strides at the wholly owned unit, and increasingly meaningful contributions to **DirectTV's** overall results," said S&P. -- **RCN** completed its previously announced \$595mln recapitalization initiative and declared a special dividend totaling \$350mln, or \$9.33/share of common stock. The overbuilder's board also authorized the purchase of up to \$25mln of common stock in the open market. -- **Fitch** affirmed its 'BBB' rating on **Viacom's** issuer default rating and maintained on the media conglomerate a stable rating outlook.

**Clarification:** **DirectTV's** premiere of the exclusive HD telecast of **Disney Channel's** "High School Musical 2" will come a few days after its Aug 17 debut on the net.

"hilarious, depraved and gory" - *The Hollywood Reporter*

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### CableFAX Week in Review

Company	Ticker	5/25 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	51.19	(1.5%)	26.80%
DIRECTV:	DTV	23.19	(2.4%)	(7%)
DISNEY:	DIS	36.03	0.00%	7.80%
ECHOSTAR:	DISH	47.59	(3.4%)	25.10%
GE:	GE	37.56	1.60%	4.70%
HEARST-ARGYLE:	HTV	26.06	0.80%	3.60%
ION MEDIA:	ION	1.43	1.40%	186.00%
NEWS CORP:	NWS	23.82	0.50%	7.50%
TRIBUNE:	TRB	32.14	(2.8%)	5.60%

Company	Ticker	5/25 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	35.72	1.00%	25.40%
CHARTER:	CHTR	3.96	10.00%	29.40%
COMCAST:	CMCSA	27.24	(1.1%)	(3.5%)
COMCAST SPCL:	CMCSK	27.01	(0.4%)	(3.2%)
GCI:	GNCMA	13.24	(1%)	(15.8%)
KNOLOGY:	KNOL	18.14	0.60%	70.50%
LIBERTY CAPITAL:	LCAPA	116.78	(0.2%)	19.20%
LIBERTY GLOBAL:	LBTYA	37.84	0.10%	29.80%
LIBERTY INTERACTIVE:	LINTA	23.28	(5%)	7.90%
MEDIACOM:	MCCC	9.25	3.20%	15.00%
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	40.29	(0.7%)	35.70%
SHAW COMM:	SJR	40.54	0.20%	30.70%
TIME WARNER CABLE:	TWC	38.55	1.70%	0.70%
WASH POST:	WPO	764.28	0.40%	4.20%

Company	Ticker	5/25 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	33.65	3.40%	9.30%
CROWN:	CRWN	7.23	12.80%	99.20%
DISCOVERY:	DISCA	22.90	(0.2%)	56.50%
EW SCRIPPS:	SSP	44.77	(0.6%)	(9.9%)
GRUPO TELEVISIA:	TV	28.76	(3.7%)	6.50%
INTERACTIVE CORP:	IACI	34.43	0.30%	(7.3%)
LODGENET:	LNET	35.63	1.40%	42.30%
NEW FRONTIER:	NOOF	8.81	(0.5%)	10.40%
OUTDOOR:	OUTD	9.99	(3%)	(22.1%)
PLAYBOY:	PLA	10.51	(0.9%)	(8.3%)
TIME WARNER:	TWX	21.51	(0.1%)	(1%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	11.14	8.60%	(15.2%)
VIACOM:	VIA	43.49	1.30%	0.80%
WWE:	WWE	17.81	(1.5%)	16.60%

Company	Ticker	5/25 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	4.64		12.90%
ADC:	ADCT	17.45	(3.7%)	6.60%
ADVANTAGE:	AEY	4.63		65.90%
ALCATEL LUCENT:	ALU	13.81	1.70%	6.10%
AMDOCS:	DOX	37.77	5.90%	(2.5%)
AMPHENOL:	APH	34.74	(0.9%)	12.20%
APPLE:	AAPL	113.62	3.30%	25.80%
ARRIS GROUP:	ARRS	15.22	0.50%	21.70%
AVID TECH:	AVID	32.48	(2.7%)	(12.8%)
BLNDER TONGUE:	BDR	1.63	1.90%	(4.1%)
BROADCOM:	BRCM	30.52	(0.7%)	(5.5%)
C-COR:	CCBL	14.17	5.40%	27.20%

Company	Ticker	5/25 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	25.52	(2.6%)	(6.6%)
COMMSCOPE:	CTV	51.53	1.80%	69.10%
CONCURRENT:	CCUR	1.55	2.60%	(14.4%)
CONVERGYS:	CVG	25.95	1.40%	9.10%
CSG SYSTEMS:	CSGS	27.23	0.60%	1.90%
GEMSTAR TVG:	GMST	4.42	(0.5%)	10.20%
GOOGLE:	GOOG	483.52	2.80%	5.00%
HARMONIC:	HLIT	8.94	1.70%	23.00%
JDSU:	JDSU	12.83	(1.8%)	(23.1%)
LEVEL 3:	LVL3	5.76	7.90%	2.90%
MICROSOFT:	MSFT	30.48	(1.1%)	3.10%
MOTOROLA:	MOT	18.39	(2.1%)	(9.3%)
NDS:	NNDS	50.38	(2.1%)	4.40%
NORTEL:	NT	25.79	6.20%	(3.6%)
OPENTV:	OPTV	2.21	3.80%	(4.7%)
PHILIPS:	PHG	40.88	(1.4%)	13.00%
RENTRAK:	RENT	16.16	3.20%	4.30%
SEACHANGE:	SEAC	8.95	1.40%	(12.4%)
SONY:	SNE	56.75	2.10%	33.00%
SPRINT NEXTEL:	S	22.10	6.30%	17.30%
THOMAS & BETTS:	TNB	57.13	1.30%	20.80%
TIVO:	TIVO	6.05	(0.8%)	18.20%
TOLLGRADE:	TLGD	10.94	(5.4%)	3.50%
UNIVERSAL ELEC:	UEIC	32.50	2.20%	54.60%
VONAGE:	VG	3.21	2.90%	(53.7%)
VYYO:	VYYO	5.95	(2.1%)	31.30%
WEBB SYS:	WEBB	0.05		25.00%
WORLDGATE:	WGAT	0.49	(7.5%)	(63.4%)
YAHOO:	YHOO	28.58	(3.9%)	11.90%

Company	Ticker	5/25 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	40.76	(0.8%)	19.00%
QWEST:	Q	9.98	1.40%	19.20%
VERIZON:	VZ	42.50	(0.2%)	19.60%

Index	Value	% Chg	YTD %Chg	
<b>MARKET INDICES</b>				
DOW:	INDU	13507.28	0.20%	8.40%
NASDAQ:	COMPX	2557.19	0.00%	5.90%

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. CROWN:	7.23	12.80%
2. CHARTER:	3.96	10.00%
3. VALUEVISION:	11.14	8.60%
4. LEVEL 3:	5.76	7.90%
5. SPRINT NEXTEL:	22.10	6.30%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WORLDGATE:	0.49	(7.5%)
2. TOLLGRADE:	10.94	(5.4%)
3. LIBERTY INTERACTIVE:	23.28	(5%)
4. YAHOO:	28.58	(3.9%)
5. ADC:	17.45	(3.7%)

# CableFAX databriefs



CableFAX databriefs is a weekly html newsletter delivered every Monday via email to qualified subscribers. Published by the well-respected CableFAX Daily editorial team, CableFAX databriefs is an extension of its sister publication and spotlights vital industry metrics for broadband operators.

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# MaxFAX...

## Video on What?

For years now, **EchoStar** has blatantly, and smartly, called its DVR-set-top box “video on demand.”

They stole the cable hole card fair and square.

Because cable allowed it to do so.



Paul S. Maxwell

No matter “only” cable (and, well, telco now) could truly claim it so.

Soon, though, cable’s sky competitors are going to be able to deliver a service more like cable’s VOD

than cable once thought possible.

Both competitors will be able to do so, by the way.

They can mix satellite download on a sort of pay-per-view or ask-per-view basis for some product... and the rest of the content accessible on demand will be via broadband connections... by DSL, of course... and maybe even via cable connections (why not? The net is agnostic, right?).

This is sort of like what **British Telecom** is doing in the UK; and sort of like what **AT&T** is doing with Home-Zone in some markets.

The equipment is shipping.

Some is being installed.

For both **DirectTV** and **DISH** subs.

The advertising blitzes might start as early as July 4... or sooner.

More confusion in the marketplace? Sure. Opportunity, too.

(Ancillary benefit for DBS: they’re learning how to dynamically manage their bandwidth... something cable is slightly behind in doing... but will catch up. This also suggests that content owners might want to revisit network DVR for their best distributors).

## Random Notes:

• **Backyard BBQ?** In New York City? Well, why not? Only **Cable Positive** would dare... a week from today, 6-9 pm at 411 3rd Avenue at 29th St. For details and tickets: <http://www.cablepositive.org/chapter-ny.html>.

• **POP Next?** (Ever get the feeling that CP is a social event organizer par excellence?). And next Tues... more from CP with the 6th Annual POP Awards. Details: <http://www.cablepositive.org/programs-pop.html>.

• **Last Chapter of the Rigas Saga? Jail?** Sad story. Exhausted appeals. One can sympathize (without empathizing or even understanding). Just sad. And why Sarbanes-Oxley isn’t all bad (should be revised and simplified, though).

• **Political Advertising:** Interesting stuff from the **BCFM** conference last week when a current political ad guy talked about national cable advertis-

ing for the primaries. Just another unintended consequence? Maybe, maybe not. But an interesting opportunity for the **CAB** to match the primary states with national ad buys beginning late this year. Here’s a time for even better ad sales cooperation among the networks and their affiliates...

• **Meanwhile, Who’s Watching What for What Reason?** Reminds me of an old limerick. Wasn’t the **Scarborough Research** on political affiliations compared/contrasted with channels watched a fun – but somewhat obvious—exercise? (Details from [amongrain@scarborough.com](mailto:amongrain@scarborough.com)). It probably won’t take anyone more than 30 seconds to guess each correlation... but it is fun to see all of one’s guesses prove out. Although, I confess, I just don’t get that Democrats are 29% more likely to watch **SoapNet**. Would be fun to take all of the research and run it against age/income/other demographics matrices... and I’m sure they’d do it for you for a fee.

• **Idolatry:** “American Idol” proves an old adage: \_\_\_\_\_ . ... and I’ll leave it to you to fill in the blank.

Paul Maxwell

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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:

### Technology

- Deployment of advanced services
- Network upgrades and innovation that improved processes, quality, and reliability

### Operations

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

### Involvement

- Community outreach
- Active participation in ACA and NCTC
- Political activism to ensure a fair and competitive marketplace and regulatory guidelines that advance the interests of consumers



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***Please nominate a deserving company today!***

### **Nominator Information:**

Name \_\_\_\_\_

Title \_\_\_\_\_

Company \_\_\_\_\_

E-mail \_\_\_\_\_

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### **Nominee Information:**

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

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

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

### **Submit nominations to:**

Seth Arenstein  
Managing Editor,  
*CableWorld*

### **Email:**

sarenstein@accessintel.com

**Fax:** 301.738.8453

### **Mail:**

4 Choke Cherry Rd, 2<sup>nd</sup> Floor  
Rockville, MD 20850  
301-354-2000

**Nominations Due**  
June 1, 2007