

CableFAX Daily™

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What the Industry Reads First

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All Hands on Deck: Cable to Help Parents/Kids Safely Navigate Online Seas

Major MSOs such as **Cox**, **Comcast** and **Time Warner Cable** have made some decent strides in promoting Internet safety for kids, and much of the cable industry has now galvanized to further these efforts through the "PointSmart ClickSafe" initiative. **Cablevision** COO *Tom Rutledge*, **AETN** pres/CEO *Abbe Raven* and **CIC** exec dir *Helen Soule* joined the **NCTA** in D.C. Wed to announce the participation by all NCTA member companies—including more than 200 cable nets—in the initiative, designed to offer educational materials, tips and controls so that parents may help children safely surf the Web. "We are invited into people's homes, and we take that responsibility very seriously," said Raven. "Just as we teach children not to talk to strangers... we need to teach them to walk safely online." PointSmartClickSafe.org highlights initiative themes, including an industry pledge to help consumers experience a safer online environment by instilling useful knowledge about changing media. "As [Internet] providers, we realize customers can't really enjoy it if they don't understand it," said Rutledge. "It's important to recognize all the content and images on the Internet that [are] accessible to children." Numerous partners such as the **PTA** and the **Public Library Association** will further the initiative's reach, and the cable industry later this year will host a national online safety summit to set online safety "gold standards," said Soule. Policymakers lauded such efforts. "I welcome initiatives like these... and encourage members of the arts and entertainment community, including every cable operator and programmer, to offer consumer education regarding media literacy," said **FCC** commish *Deborah Taylor Tate*. Said Sen John Ensign (R-NV): "This initiative by the cable industry will give families an important resource to ensure that their children have a fun, educational and safe experience online."

On the Hill: The **House Agriculture's Rural Development subcmte** marked up part of the Farm Bill Wed, including the section featuring the RUS Broadband Loan Program. The markup included some reforms to the program, but **NCTA** says the changes don't go far enough to promote broadband deployment in areas where no service exists today. For example, the bill doesn't require loan applicants to bring service to an unserved area—something cable's been requesting for years. One of the amendments passed Thurs requires the Sec of Agriculture to report to the pres and Congress on USDA's rural broadband strategy within 180 days after the legislation is enacted. Another amendment requires the Sec to more favorably consider loan applications compared to other applications if the median HH income of the area is lower; the area is less densely populated and/or the seasonal population increase in the area is lower. NCTA says it will work with the committee to adopt more significant reforms before the legislation moves to a full Committee mark-up. Look for it to zero in on an amendment offered but withdrawn from Rep *Earl Pomeroy* (D-ND); it would have prioritized the application process to favor unserved and underserved areas.

At the Portals: Sens *Kent Conrad* (D-ND) and *Byron Dorgan* (D-ND) are urging the **FCC** to require that **DirectTV** offer local-into-local service in all 210 DMAs by the end of '08 before approving a transfer of **News Corp's** DirecTV stake to



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*Source: Nielsen Media Research, Live data, 12/26/05-5/21/06 vs. 1/1/07-5/27/07, ad-supported cable, Total Day M-S 6a-6a HH ratings, tied with MTV2

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Liberty. The DBS provider currently provides local-into-local in 142 of 210 DMAs. "It appears that DirecTV intends to utilize current and future satellite capacity to increase HD service, rather than provide local-into-local coverage in unserved areas," the two wrote in a letter to FCC chmn *Kevin Martin*, pointing to DirecTV's plans to offer 100 HD channels.

Slinging the Puck: In a 1st for a major sports league, the **NHL** will allow **Slingbox** customers to clip and share live and recorded segments of NHL programming. (Anything that might drive ratings, eh?) Slingbox users would use the upcoming "Clip+Sling" tech that will let them record and share portions of content—even with those who don't have a Slingbox. Clip+Sling is currently in private beta with a public beta test planned for later this summer.

Competition: Verizon is offering customers a free, 30-day trial of its HSD service if they subscribe to the service online by Jul 31, plus a 30-day money-back guarantee.

Research: ILECs added 1.5mln HSD subs in 1Q, representing a 12% decline in Y-over-Y net adds and a 200K sequential improvement over 4Q06, according to **Fitch** estimates. The drop in net adds reflects a growing HSD penetration rate of primary access lines, "which increased approximately 200 basis points on a sequential basis in first-quarter 2007 and now is at a level generally ranging between 25%-35% of total primary lines," said Fitch. 1Q data rev growth was strong for all ILECs, growing at a double-digit rate for nearly all operators.

Ratings: Nielsen will begin measuring how many people use mobile Internet, mobile video and other content services through its new "Nielsen Wireless" service. The 1st product, "Mobile Vector," launches next month and will use info culled from Nielsen's existing National People Meter TV sample on media behavior and audience demos segmented by wireless carrier (i.e, the rating for **FOX's** "American Idol" finale was higher in **Verizon** homes than **Sprint** and **AT&T** HHs, by 11% and 7%, respectively). Later this year, the service will include a survey of mobile phone users' consumption of mobile media content.

Honors: HBO led cable in **TV Critics Assn** award nominations with 8, including 3 for *Spike Lee's* Hurricane Katrina doc "When the Levees Broke." **Comedy Central** earned 3 noms. So did **Discovery**—all for "Planet Earth." **Showtime, Nickelodeon** and **ABC Family** garnered 2 each, and **AMC** and **Disney** received 1. -- **NAMIC** will award **CNN's Anderson Cooper** with the Mickey Leland Humanitarian Achievement Award at its annual conference, Sept 16-18, NYC. -- **CTAM** announced the winners of its Rainmaker Awards, which recognize those who have made exceptional contributions to CTAM's corporate initiatives. They are: **Insight's Gary Dusa, Cox's Ellen East, Comcast's Robert Faught, Advance/Newhouse's Andre Martineau, NBCU's Stacy Melle** and **Cox's David Pugliese**. CTAM also named the winners of its TAM Awards, which note volunteer service and leadership: **Solve It Group's Daniel Fischer, Playboy's Shawn Gannon, NBCU's Jo Holz, Hallmark's Laura Masse** and **Astral TV's Domenic Vivolo**.

Quotable: "The candidates that can't face **Fox**, can't face Al Qaeda." – **Fox News** chief *Roger Ailes* on Democratic presidential candidates who have decided not to debate on the network. The comment came at the 9th annual presentation of the Eric Breindel awards for opinion writing, according to the *NY Observer*.

On the Circuit: CTAM's Rocky Mtn chapter holds a forum on how the evolution of downloadable content affects the cable industry, Thurs, 8am at **Comcast Media Center**, Centennial, CO. Speakers include **Starz's Joe Cantwell** and **ICTV's Gary Lauder**.



MAKING NEWS TEXAS STYLE

Mondays 8/7c

Local News meets Reality TV

TV Guide Network turns the cameras on the real people who produce local TV news in Midland, Texas, in a brand new original reality series.

PREMIERES Mon June 11th

TV GUIDE NETWORK

BUSINESS & FINANCE

People: The Cable Center's board elected **Insight's Michael Willner** as its new vice-chmn. 8 new members were also named: **Cablevision's John Bickham**, **Comcast's David Cohen**, **Mediacom's Italia Com-misso Weinand**, **Cequel's Jerry Kent**, **Advance/Newhouse's Bob Miron**, **Time Warner Cable's Peter Stern**, **Weather's Debora Wilson** and **NCTA's Barbara York**. -- **MTV**

named **Dan Hart** svp, gm of **MTV Digital**, where he'll work on delivering integrated experiences that link programming across all screens.

Paul DeBenedittis was upped to vp, operations for **MTV Digital**, and **Colin Helms** was made vp, programming. -- **Suzanne Norman**

was promoted to the newly created post of svp, strategy and biz ops for **CMT**. -- **Sandra Dewey** is adding **Court TV** and **TCM** to her portfolio in her new role as svp,

original programming for **Turner Ent Nets**. She will continue to oversee business affairs for all original programming on **TBS** and **TNT**.

Additionally, **Michael Lanzillotta** was named vp, biz affairs for **Court**. -- **A&E Nets** upped **Brian Joyce** to vp, Eastern Region for **A&E** and **Biography Channel**.

Joel Celestin was bumped to vp, Eastern Region for **History** and **History Intl**.

Business/Finance: **Comcast COO Steve Burke** sold nearly 236K shares of stock on Mon for almost \$6.4mln, according to an **SEC** filing.

CableFAX Daily Stockwatch

Company	06/06 Close	1-Day Ch	Company	06/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ALCATEL LUCENT:	13.49	(0.3)	AMDOCS:	38.51	(0.23)
BRITISH SKY:	51.97	(0.55)	AMPHENOL:	35.50	0.13
DIRECTV:	22.78	(0.3)	APPLE:	123.64	0.97
DISNEY:	34.91	(0.36)	ARRIS GROUP:	15.63	(0.3)
ECHOSTAR:	45.32	(0.62)	AVID TECH:	33.57	0.07
GE:	37.29	(0.11)	BLNDER TONGUE:	1.52	(0.02)
HEARST-ARGYLE:	26.06	(0.76)	BROADCOM:	30.80	(0.28)
ION MEDIA:	1.45	0.00	C-COR:	14.75	0.24
NEWS CORP:	24.00	(0.15)	CISCO:	26.60	(0.6)
TRIBUNE:	31.81	(0.04)	COMMSCOPE:	53.32	(0.79)
MSOS					
CABLEVISION:	35.88	(0.29)	CONCURRENT:	1.90	0.09
CHARTER:	3.96	(0.08)	CONVERGYS:	25.39	(0.52)
COMCAST:	26.79	(0.32)	CSG SYSTEMS:	27.15	(0.23)
COMCAST SPCL:	26.66	(0.2)	GEMSTAR TVG:	4.54	(0.04)
GCI:	12.85	(0.28)	GOOGLE:	518.25	(0.59)
KNOLOGY:	18.32	(0.43)	HARMONIC:	8.72	0.08
LIBERTY CAPITAL:	114.59	1.09	JDSU:	12.59	(0.26)
LIBERTY GLOBAL:	37.71	(0.98)	LEVEL 3:	5.65	(0.17)
LIBERTY INTERACTIVE:	24.15	0.12	MICROSOFT:	30.29	(0.29)
MEDIACOM:	9.82	(0.13)	MOTOROLA:	18.13	(0.18)
NTL:	28.22	0.00	NDS:	49.71	(0.39)
ROGERS COMM:	41.09	(0.3)	NORTEL:	26.09	(0.2)
SHAW COMM:	42.82	(0.26)	OPENTV:	2.31	0.00
TELEWEST:	24.20	0.00	PHILIPS:	41.54	(0.96)
TIME WARNER CABLE:	38.14	(0.11)	RENTRAK:	15.17	(0.54)
WASH POST:	768.76	0.76	SEACHANGE:	9.11	(0.04)
PROGRAMMING					
CBS:	33.01	(0.52)	SONY:	55.68	(0.28)
CROWN:	7.12	(0.38)	SPRINT NEXTEL:	22.62	(0.25)
DISCOVERY:	23.45	(0.26)	THOMAS & BETTS:	56.81	(1.2)
EW SCRIPPS:	45.94	(0.39)	TIVO:	6.15	(0.05)
GRUPO TELEVISIA:	27.62	(0.53)	TOLLGRADE:	11.30	(0.15)
INTERACTIVE CORP:	34.20	(0.6)	UNIVERSAL ELEC:	32.63	(0.11)
LIBERTY:	8.32	0.06	VONAGE:	3.03	(0.02)
LODGENET:	33.70	(0.19)	VYYO:	6.15	0.01
NEW FRONTIER:	8.69	(0.24)	WEBB SYS:	0.05	(0.01)
OUTDOOR:	10.07	0.08	WORLDGATE:	0.56	0.01
PLAYBOY:	10.95	(0.05)	YAHOO:	27.44	(0.79)
TIME WARNER:	20.77	(0.33)	TELCOS		
UNIVISION:	36.23	0.00	AT&T:	40.38	(0.11)
VALUEVISION:	11.05	(0.26)	QWEST:	10.15	(0.05)
VIACOM:	43.31	(0.24)	VERIZON:	42.92	0.16
WWE:	17.89	0.00	MARKET INDICES		
TECHNOLOGY					
3COM:	4.68	(0.05)	DOW:	13465.67	(129.79)
ADC:	17.29	0.19	NASDAQ:	2587.18	(24.05)
ADDVANTAGE:	4.82	(0.13)			



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The Top 10 network ranked #2 as 'favorite channel' by subscribers.

Source: Nielsen Galaxy Explorer, 1q'07 (1/1-4/1/07) Prime Time (M-Su 8-11p) Live+SD coverage area HH ratings among all ad-supported cable networks. 2007 BETA Brand Identity Study, ranked among general entertainment ad-supported cable networks [excludes news, sports, kids, documentary/informational]. #2 among those subscribers saying "One of My Favorite Channels" very much describes Hallmark Channel. Further qualifications available upon request.

Think about that for a minute...

Frappayola

The times they are a-changin'! A good, old music lyric, and one that's still sold through an established music publisher. Apparently that's increasingly not going to be the way it works. The music business is experiencing dramatic, rapid change, and we would be remiss not to watch what is happening very carefully since certain aspects of the cable business could experience the same sorts of things. Is that bad? Well, it could be, or it could present wonderful new opportunities. It just depends on how observant and nimble we are.



Steve Effros

But back to the music biz. Remember the old "payola" scandals? Music distributors were paying off radio station programmers and the "rock jocks" to make sure certain artists and albums got lots of playing time. They knew that the play time linked directly to album sales. If folks keep

hearing something, they are more likely to go out and buy it—at least if it is moderately decent. So paying off the people who exposed the music to the public made sense. It was also deemed fraudulent by the FCC, and the scandals ensued.

The music business has more to worry about these days than payola, however. The "Napsterization" of music distribution has blown a hole through the industry. As many or more folks are downloading and "ripping" new albums as are paying distributors like iTunes to get the music. "Peer-to-Peer" networks are one of the most bandwidth intensive uses of the internet.

So what's a musician to do? Well, Paul McCartney is showing us the way, and it's not via a yellow submarine. He has decided to issue his latest album on the Starbucks label! Sip your frappuccino and listen to Paul's new album whether you like it or not! Each day. Every day. Starbucks gets a cut of the album sales, of course

(a little "Frappayola" per chance?), and you get to walk out of the coffee house with a new CD. Another album promoted by Starbucks (Ray Charles – Genius Loves Company) after force-feeding it to listeners went over very well.

I frankly fear this development, although I certainly understand it. The music industry had to figure out new ways to operate given that the "normal" way of doing business has been upended. But will the "Ronald Reagan Washington National Airport" record label be far behind? How about the banks, or anywhere else there is always a long line or a long wait? The Department of Motor Vehicles record club? Well, you get the idea. Of course, Starbucks has proved to be ideal since regardless of the line, folks come in every day and hear that music every day. It's a new way to market, and it makes sense.

The reason it attracted my attention was that the various businesses cable is in are clearly subject to some of the vagaries of the music business. How long will it be, after the DTV Transition actually happens, before folks understand that if all they want to watch is the local broadcast stations they will be able to see them with digital clarity (assuming they are not on the wrong side of the cliff)? When will it actually become significant that folks can see and even download some episodes of their favorite programs from the Internet and "port" them over to a television set?

Am I concerned that these "threats" are imminent? No, not at all. But we have to start looking at them, now, and consider the appropriate response to keep our service relevant to our customers. Wake up and drink the coffee!

Steve

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Your customers will thank you for joining us on Planet Green. As with all important messages, the more voices, the better.

