

# CableFAX Daily™

Friday — June 13, 2008

What the Industry Reads First

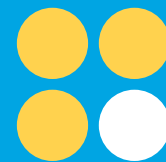
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## Lay of the Land: Policy Folks Give Broadband Predictions

With \$4/gallon gas and a tomato salmonella scare, it's a pretty safe bet that the **House Commerce Committee** will be too busy with energy and health issues to do much with telecom this year. Even so, there's still a possibility *Rep Ed Markey's* (D-MA) broadband mapping bill, which has passed the House, could be enacted, House Commerce chief counsel *Gregg Rothschild* told **Pike & Fischer's Broadband Policy Summit** in DC Thurs. Some question how necessary it is now that the **FCC** has voted to revamp how it collects broadband data (the order is expected to be released any day). "I think the FCC is going to gather much of the same information that Markey was attempting to. This may be one where we could check the box," said *James Cicconi*, **AT&T** sr evp, external & legislative affairs. As for whether Congress will step in and work on net neutrality legislation, Rothschild said it depends on network operators. The last time there was a floor vote on the issue, it lost by about 100 votes, he said. "I don't know that much sentiment has turned," Rothschild said, but added that consumer uproar over an "**Exxon Valdez** of net neutrality" could change that. AT&T's Cicconi thinks the FCC got it right with its broadband principles. "They set a floor here that we can work from. I think they are enforceable," he said. **Comcast's Joe Waz** called them "very helpful," but worried that they may take the same path as indecency guidelines at the FCC. That notion "has to be a chilling thought to ISPs," he said, noting how so many indecency decisions from the FCC wind up in court and are then send back to the Commission only to wind up in court again. Waz, Comcast's svp, external affairs & public policy counsel, identified regulatory uncertainty as one of broadband's barriers. Other obstacles include giving tax incentives to transportation over telecommuting and the lack of digital literacy education, he said.

**Summit Notebook:** Attendees got some inside details on how the **Sprint-Clearwire** WiMAX venture went down. Sprint sr counsel *Ross Vincenti* said negotiations heated up during the holidays, with discussion held on Thanksgiving, Christmas, New Year's Eve, etc. "By February or March, we were literally working every single day of the week," he said. March was the 1st time all the parties actually sat down together, and the meeting room held 65 "top dogs" from all the 7 public companies involved in the venture. "While everybody had a common goal, everyone also had disparate objectives," Vincenti said. "Cable companies have individual objectives, as does **Google** and Sprint and Clearwire. Nevertheless, everyone was willing and able to step up to the plate and say this is something that is going to be great not just for our respective organizations." -- *Rep Cliff Stearns* (R-FL) is clearly not a net neutrality fan. Speaking at a lunch, the Commerce committee member said a bill introduced by **House Telecom** subcmte chmn *Ed Markey* (D-MA) could "chill investment" in broadband. "When I look at this bill, what's most troubling to me is that no one can agree on what constitutes unreasonable discrimination," he said. Stearns does support national video franchising, an issue pushed by the Bells a couple years ago but dropped once it became clear that Democrats would try to tie it to net neutrality mandates. Stearns said it was a "shame" that net neutrality is preventing franchis-

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ing reform because without it, "I don't think you'll have the investment."

**BeachTAM Notebook:** We came, we saw...we didn't quite get out to the beach. But **CTAM-Florida's BeachTAM** event at the St. Regis in Ft. Lauderdale, FL, did tackle some tough marketing issues, including HD rollouts that have sometimes caused tension between operators struggling to find bandwidth and programmers rushing to get carriage for new HD nets. "We're all in this together," said *Jim Pagano*, vp/gm at **Advanced Cable Communications**, noting that the bandwidth crunch is a challenge but not insurmountable over time. *Mike Robertson*, division pres, Tampa for **Bright House Networks**, said the DTV transition is "a good opportunity for us" to drive more HD adoption as more people buy HDTVs and discover HD content. Still problematic, however, is educating consumers to understand the difference between SD and HD. *Mary Murano*, **NBCU's** evp, TV networks distribution, cited stats suggesting that many HDTV owners don't even know that they're still watching SD channels. But noting NBCU's "great platform" of HD content, she said programmers are ready to help ops educate consumers to understand the difference. *Tom Zemaitis*, vp, marketing at **Comcast** South FL Region, said retail partnerships are "very important" as a way to demonstrate HD to consumers even though ops face an entrenched DBS retail presence. Pagano said "hats off to Comcast" for raising the bar on cable HD advertising but noted that when looking at national cable advertising as a whole, "**DirecTV** just murders us on that." And as the debate over who has the most HD continues, Robertson said cable must continue to highlight its strengths (such as the triple play, VOD, etc) rather than try to match satellite's linear capacity. "If you get into a numbers game, you're not going to win that game."

**On the Hill:** The **Sen Commerce Committee** will hold a hearing Wed on the privacy implications of online advertising. A witness list hasn't been released. The hearing promises to delve into whether the tracking of individuals' Internet activity violates expectations of privacy. **Charter** recently announced plans to test selling data from HSD users to **NebuAd** in 4 markets, which raised the eyebrows of some members of Congress. **House Telecom** chmn *Ed Markey* (D-MA) and ranking member *Joe Barton* (D-TX) asked the MSO to not move forward until they discussed the issue.

**Tru2Way:** Dying to check out the details of the binding memo of understanding that **Sony** inked with the country's 6 largest MSOs? Cruise over to the **FCC's** Website where the document was made public in a filing by **Comcast** this week. A few highlights: MSOs are required to include tru2way support in 20% of set-tops they purchase after July 1, '09 (the requirement ends once 10mln boxes with tru2way have been deployed) and CE makers' navigation screens can overlay a cable op's navigation method under certain circumstances.

**At the Portals:** When it comes to early termination fees for ending long-term contracts, cable is different than a lot of other industries out there. "The cable approach allows customers to shop around and compare different offers. And most importantly, residential offers that may include ETFs are always optional, and they always convey value, in the form of lower combined price over the life of the term, to the customer," **NCTA's** *Dan Brenner* said in prepared testimony for the **FCC's** hearing on such fees. Brenner suggested that cable may provide the FCC with a model of how such arrangements can best serve consumers. Banning early termination fees would cause customers to lose out on savings, he argued, explaining that the fees are necessary because it wouldn't make sense to offer discounts for long-term contracts if providers weren't allowed to charge fees to recover some of that discount if a contract is broken early.

## Call for Nominations

**CableFAX**  
THE MAGAZINE

2008 Most Influential  
Minorities in Cable

**Who are cable's most influential minority executives?** Help us decide by nominating the executives you think should be included in our annual list of the Most Influential Minorities in Cable. We will rank the top 50 minorities, and run a list of the second 50, in the September issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

Deadline for nominations: July 3, 2008 • Nominate online at [www.CableFaxMag.com](http://www.CableFaxMag.com)



# BUSINESS & FINANCE

**Competition:** As part of its agreement to add **WGN America HD** to its channel lineup, **DISH** will begin carrying this week HD programming from **Tribune** stations in Seattle, NY, Chicago and Sacramento. The deal also allows DISH to carry the high-def signals of the remainder of the Tribune group, comprised of 23 stations in 19 markets.

**In the States:** The **LA Senate** has approved a cable franchising bill that gives oversight authority to the office of the **Secretary of State**, and now heads to the desk of *Gov Bobby Jindal*. If enacted, the legislation will not apply to large cities such as New Orleans and Baton Rouge.

**Business/Finance:** The **SEC** has affirmed **Scripps Networks Interactive's** registration statement in connection with its planned separation from **The E.W. Scripps Co**, making it possible for Scripps to complete the pro rata distribution of shares in SNI to Scripps shareholders on July 1. Additionally, the **NYSE** said that the Class A common shares of both SNI (SNIWI) and E.W. (SSPWI) will trade on a "when-issued" basis through the completion of the spin-off. Class A common shares of E.W. will continue regular trading during the period.

**Oops:** **Cox's Chris Bowick**, **Time Warner Cable's Mike LaJoie**, **CommScope's Jim Hughes** and **Ken Wright of Arris** were named to **SCTE Foundation's** board, not **SCTE's** board.

## CableFAX Daily Stockwatch

Company	06/12 Close	1-Day Ch	Company	06/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
ARRIS GROUP:	9.38	0.19	ARRIS GROUP:	9.38	0.19
BRITISH SKY:	39.41	(0.64)	AVID TECH:	19.06	(0.57)
DIRECTV:	27.36	(0.23)	BIGBAND:	5.37	(0.01)
DISNEY:	33.24	(0.03)	BLNDER TONGUE:	1.30	0.05
ECHOSTAR:	33.66	(0.19)	BROADCOM:	25.30	(0.29)
GE:	29.05	(0.78)	C-COR:	11.00	0.00
HEARST-ARGYLE:	21.57	0.22	CISCO:	25.96	0.31
ION MEDIA:	1.45	0.00	COMMSCOPE:	52.81	0.67
NEWS CORP:	17.83	0.00	CONCURRENT:	0.62	0.02
<b>MSOS</b>					
CABLEVISION:	24.44	(0.88)	CONVERGYS:	15.37	0.20
CHARTER:	1.40	(0.01)	CSG SYSTEMS:	11.88	0.04
COMCAST:	21.35	(0.15)	ECHOSTAR HOLDING:	34.82	(0.77)
COMCAST SPCL:	21.22	(0.08)	GOOGLE:	552.95	7.75
GCI:	8.02	0.22	HARMONIC:	9.57	0.07
KNOLOGY:	13.72	(0.1)	JDSU:	11.98	0.05
LIBERTY CAPITAL:	15.00	(0.15)	LEVEL 3:	3.73	0.03
LIBERTY ENTERTAINMENT:	26.23	0.00	MICROSOFT:	28.24	1.12
LIBERTY GLOBAL:	33.00	(0.58)	MOTOROLA:	8.96	0.11
LIBERTY INTERACTIVE:	16.32	(0.05)	NDS:	50.00	1.23
MEDIACOM:	5.77	0.02	NORTEL:	10.02	0.82
SHAW COMM:	19.55	(0.2)	OPENTV:	1.34	0.00
TIME WARNER CABLE:	28.78	(0.18)	PHILIPS:	36.06	0.04
VIRGIN MEDIA:	15.19	0.19	RENTRAK:	14.20	0.34
WASH POST:	588.00	6.74	SEACHANGE:	7.98	0.13
<b>PROGRAMMING</b>					
CBS:	20.59	(0.05)	SONY:	47.82	(0.01)
CROWN:	4.35	(0.07)	SPRINT NEXTEL:	8.08	(0.37)
DISCOVERY:	24.98	0.35	THOMAS & BETTS:	37.73	(0.12)
EW SCRIPPS:	46.11	0.24	TIVO:	7.13	0.06
GRUPO TELEVISA:	24.65	0.33	TOLLGRADE:	5.26	(0.12)
INTERACTIVE CORP:	20.60	0.15	UNIVERSAL ELEC:	25.15	0.66
LODGENET:	6.85	0.20	VONAGE:	1.85	0.06
NEW FRONTIER:	3.93	0.11	WEBB SYS:	0.05	0.02
OUTDOOR:	7.73	0.08	WORLDGATE:	0.30	0.00
PLAYBOY:	5.72	0.02	YAHOO:	23.52	(2.63)
TIME WARNER:	14.91	(0.12)	<b>TELCOS</b>		
VALUEVISION:	3.52	0.01	AT&T:	36.39	0.25
VIACOM:	32.89	(0.39)	QWEST:	4.17	(0.11)
WWE:	15.35	(0.28)	VERIZON:	36.63	(0.04)
<b>TECHNOLOGY</b>					
3COM:	2.47	0.05	<b>MARKET INDICES</b>		
ADC:	16.72	0.35	DOW:	12141.58	57.81
ADVANTAGE:	3.14	0.02	NASDAQ:	2404.35	10.34
ALCATEL LUCENT:	6.45	(0.1)			
AMDOCS:	31.63	0.30			
AMPHENOL:	47.85	0.72			
APPLE:	173.26	(7.55)			

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

**Moneybags**

Although I'm not going to receive the \$5K I so graciously requested of **WWE** chmn *Vince McMahon*, the outspoken and often outlandish marketing maven continues to dole out piles of cash through what he calls his latest "hare-brained scheme." The company is no stranger to inventive and largely triumphant promotional gambits, but the presentation of \$1 mln to various fans during **USA's** "Raw" this past Mon may have left many believing that McMahon's head is even less endowed. Especially given the plans to repeat the stunt next week and possibly beyond, using his own money (McMahon confirmed this). But moguls like McMahon don't achieve notable success without a healthy reserve of business acumen, and this case is no different. McMahon feels he is "investing" the money in the **WWE** brand and its future, with an overall goal to "get lapsed viewers to come back, generate new interest and reward the people who do watch," he said. Come on down Hulkamaniacs! Education is also part of the ploy, he said, as much of corporate America, the media and even wrestling's audience has difficulty understanding the **WWE** for what it is: a hybrid sports and entertainment brand. The promotion has no target audience—Mon's 8 winners included men and women aged 22-42—because **WWE** fandom is defined by "broad-based Americana," said McMahon. Although I'm skeptical of his claim that even senior citizens go bonkers for *Triple H*, *Chris Jericho* and other wrestlers/entertainers, those in cable are privy to the **WWE's** impressive viewership consistency. And of course there's also the company's PPV prowess and online exploits, the latter evidenced, said McMahon, by **WWE.com** now garnering more page views than **NFL.com** and **MLB.com** combined. Still, there's always room for growth. "We're not everyone's cup of tea, but we are for some and we want them to drink more," said McMahon. Cheers to that, even if I'm none the richer. CH

**Highlights:** "Showdown Air Combat," Sun, 10pm ET, **Military**. What Military should do regularly: pull the guts from MiGs, US fighters and pilots. Host *Maj Max Moga's Steve Irwin*-like enthusiasm is great. -- "How Life Began," Mon, 10pm, **History**. Terrific lean-in viewing about unicellular pond scum. Honest. -- "Dante's Inferno," Thurs, 8pm, **Ovation**. Cleverly updated version using *Paul Zaloom's* puppets and art. Not safe for children or Republicans.

**Worth a Look:** "Secret Diary of a Call Girl," Mon, 10:30pm, **Showtime**. The opening ep of this dark, London-based drama gets right down to, er, business. Our young lady is "high class," so she's expensive. She says she separates her private and work life; and wears men's cologne (never let the client leave smelling of another woman). "Why do I do it? Well I love sex, and I love money. I know you don't believe I like the sex, but I do." Ironically, the sex isn't memorable. -- "Roman Polanski: Wanted and Desired," Sat, noon, **HBO**. Fair and balanced for sure. A complex look at Polanski that will please and displease fans and detractors. -- "My Boys," **TBS**, Thurs, 9:30, **TBS**. OK, how will they tweak "Boys" in season 2? Give talented *Jim Gaffigan* more space and allow tomboyish P.J. (*Jordana Spiro*) to display her sensational legs.

Basic Cable Rankings (6/02/08-6/08/08) Mon-Sun Prime			
1	USA	2.1	1974
2	DSNY	1.7	1622
3	TNT	1.6	1523
4	LIFE	1.5	1450
4	FOXN	1.5	1353
6	NAN	1.4	1354
7	TBSC	1.3	1248
8	CNN	1.2	1156
8	HALL	1.2	967
10	TOON	1.1	1072
11	HIST	1	994
11	SPK	1	963
11	DISC	1	963
11	HGTV	1	945
11	CMDY	1	943
16	A&E	0.9	877
16	SCIF	0.9	849
16	MSNB	0.9	785
16	TRU	0.9	768
20	ESPN	0.8	814
20	FX	0.8	765
20	AMC	0.8	763
20	MTV	0.8	725
20	LMN	0.8	444
25	FAM	0.7	705
25	FOOD	0.7	679
25	ESP2	0.7	670
25	TVLD	0.7	668
29	TLC	0.6	617
29	BRAV	0.6	491
31	APL	0.5	461
31	EN	0.5	459
31	VH1	0.5	436
31	BET	0.5	390
31	NGC	0.5	347
31	WGNC	0.5	333
31	SOAP	0.5	308
31	NOGG	0.5	298
39	HLN	0.4	356
39	TTC	0.4	335
39	WE	0.4	261
42	TWC	0.3	246
42	OXYG	0.3	245
42	CMT	0.3	231
42	GSN	0.3	229
42	SPD	0.3	219

\*Nielsen data supplied by ABC/Disney

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