

# CableFAX Daily™

Tuesday — June 19, 2007

What the Industry Reads First

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## Mr Softy's Mediaroom: Software Giant Relaunches IPTV App

Microsoft's TV platform has a rocky history. Not only has it been blamed for much of AT&T's slow U-verse rollout, but some elements have reportedly been so bloated that Verizon found itself rewriting code last year to stay on its FiOS schedule. This after the software giant spent years trying unsuccessfully to muscle its way into the cable industry. So on Mon, Microsoft unveiled a new version of the platform's IPTV Edition to be rebranded as "Microsoft Mediaroom," which touts new multimedia features such as in-home personal music and photo sharing, and dynamic MultiView (multiple picture-in-picture) capabilities. But perhaps most significant is a new "Multimedia Application Environment," which opens Microsoft's platform to service providers and other 3rd party developers seeking to write custom IPTV apps (i.e., dynamic VOD portals, casual gaming, etc). Microsoft obviously has much experience working with software developers, at least in the PC space. "In the highly competitive television market, a well-regarded brand can be a very strong asset," said Christine Heckart, gm of worldwide marketing for Microsoft TV. Still unclear is whether Microsoft's Media-room push will help the telcos gain ground against entrenched cable operators, most of which have yet to embrace the IPTV architecture. — Meanwhile, Microsoft on Mon also launched its new MSN Mobile portal in an effort to improve navigation and other MSN.com features when used on mobile devices. And just in time for Apple's iPhone debut next week.

**Competition:** Verizon launched FiOS TV in RI, where approx 80K HHs in 7 initial communities can access the service. The telco is offering a \$95 triple-play in the state. -- Western IL Video, a consortium of 8 rural phone providers, licensed ViewNow's VOD programming for use within an IPTV-based VOD service it plans to deploy throughout western IL.

**Broadband:** Much attention is being spent these days on gathering more broadband data, but ACA doesn't like all the ideas out there. The assoc told the FCC that some of its planned requirements could actually harm further broadband deployments. While the FCC wants reporting based on 9-digit zip codes, ACA notes that a survey of members found about 75% of the billing systems deployed by respondents don't have 9-digit zip capability. Instead of purchasing 9-digit technologies, "the money and resources could be better spent deploying advanced services," ACA said, adding the FCC would be better served by reaching out to consumer interest groups and individuals to report this info.

**In Play:** NBCU owner GE and Financial Times publisher Pearson may soon make a joint offer for Dow Jones, according to published reports. The bid would give Dow Jones' controlling Bancroft family a minority stake in a new entity—a caveat not provided by Rupert Murdoch's bid. Should it play out, the scenario includes the combination of DJ, CNBC, the Financial Times into a privately held jv.

**In the States:** The former Time Warner Cable system in Houston officially transitions Tues to Comcast, which takes over approx 750K area subs. In recognition, the MSO launched in the system nearly 20 new channels, including NFL Network, ESPN2 HD and Versus/The Golf Channel HD, and also moved nets such as ESPN HD



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and **IFC** to more widely viewed service tiers. -- **Charter** launched on demand health net **HealthiNation** in nearly 2mln homes. The pair will also unite to deliver interactive ad opportunities to regional and local advertisers. -- **DTC Comm** will use **Kasenna's** "PortalTV" product suite to roll out an IPTV service in middle TN.

**Technology:** **Cisco** bowed "Cisco Cable ServiceMesh," an integrated, end-to-end wireless architecture designed for cable ops that want to extend indoor Wi-Fi to outdoor mesh networks in municipalities, tourism centers, small businesses and universities. -- The **Metro Ethernet Forum**, a global alliance seeking to accelerate the worldwide adoption of carrier-class Ethernet networks and services, now counts **Comcast, Suddenlink** and **Bright House** as new members. The Forum's collective cable membership now represents over 75% of the US cable footprint. -- **Terayon** unveiled "CAP-1000," a platform offering a software app for rate shaping of real-time MPEG-4 AVC SD and HD streams. It also offers grooming, dejittering and seamless localized ad insertion, and can support initiatives such as switched digital video, VOD playlist advertising, and bulk encryption. -- **Motorola** introduced "KreaTV," a platform using the **Linux** operating system to support myriad entertainment and video service apps on Moto's VIP set-top series. -- **Sling Media** unveiled "SlingLink Turbo1 Port" and "SlingLink Turbo Port 4," solutions designed to provide higher-speed connections between the company's Slingbox and home routers.

**On the Hill:** Sen Commerce holds its rescheduled hearing on the impact of media violence on children, June 26, 10am.

**Online:** **Fox Ent Group** tapped **Brightcove's** online TV services to power content transmission across its network and studio Websites. **FX** and **Speed** will be 1st properties to launch the services. -- **WCSN** struck content agreements with **YouTube** and **AOL Video**, which will both offer net content such as cycling, swimming and track and field. -- An expanded partnership with **MSNBC.com** makes The Weather Channel's **Weather.com** the exclusive weather provider for MSNBC.com's weather section, and enables users to access Weather.com through MSNBC.com. -- **Nickelodeon** will add this month a pair of new virtual zones—one based on net series "The Naked Brothers Band"—to its online virtual community **Nicktropolis**, which has garnered 4mln registered unique users since Jan. -- **ESPN.com** launched **ESPNArcade.com**, offering in collaboration with **Skyworks** more than 40 free casual games such as backgammon and spades.

**A Decidedly Different Take:** The cable industry can crow all it wants about how its broadband rollout has benefited consumers, but the **Consumer Federation of America, Consumers Union** and **Free Press** are painting a far starker picture as they urge the **FCC** to enact net-neutrality rules: "The demonstrated failure of the cozy duopoly model to achieve the goals of the 1996 Act, the flawed theory of the benefits of discrimination, the clear initial signs of anticompetitive and anti-consumer practices, as well as the extremely dim prospects for vigorous competition in facilities, combine to create a very dismal future for broadband consumers in America." Whew. At least their joint filing at the FCC didn't use a word like "quagmire." Oh wait. It did: "The only way to break out of this quagmire is to return to the success policies of open communications that made the Internet possible and allowed the U.S. to be the world leader in the first generation of the digital age."

**Programming:** Filthy work including snake wrangling and billboard installation marks the new season of **Discovery Channel's** "Dirty Jobs" (Jun 26, 9pm). -- **Food Net's** Jul programming slate includes special "Amusement Park



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# BUSINESS & FINANCE

Eats" (Jul 7, 9pm) and "Emeril Live: No Reservations" (Jul 26, 7pm), in which actors *Aaron Eckhart* and *Abigail Breslin* join the famous chef to cook some dishes from their upcoming movie, "No Reservations."

**On the Circuit:** The nomination deadline for **WICT Atlanta's** "Red Letter Awards" has been extended until Fri.

**People:** **Oxygen** promoted *Mary Jeanne Cavanagh* to evp, ad sales. -- The **ACA** appointed *Kellie Grom* grassroots manager, responsible for keeping membership abreast of regulatory and legislative developments.

**Business/Finance:** When the subsequent offering period of **CIG Media** and other **Citadel Investment Group** affils' tender offer for any and all outstanding shares of Class A common stock of **ION Media Networks** for \$1.46/share in cash expired Fri, approx 42mln shares had been validly tendered, representing roughly 63.8% of the outstanding Class A common stock. These shares represent 88.1% of the shares of ION's Class A common stock held by the public and, taken together with the 2.72mln shares held by CIG Media prior to the tender offer and the 15.46mln shares held by affils of *Lowell W. Paxson* that CIG Media is purchasing pursuant to a call agreement, represent approximately 91.4% of the outstanding shares.

## CableFAX Daily Stockwatch

| Company                      | 06/18 Close | 1-Day Ch | Company               | 06/18 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| <b>BROADCASTERS/DBS/MMDS</b> |             |          |                       |             |          |
| BRITISH SKY:                 | 51.63       | (0.62)   | AMPHENOL:             | 36.24       | (0.42)   |
| DIRECTV:                     | 23.12       | (0.24)   | APPLE:                | 125.09      | 4.59     |
| DISNEY:                      | 34.54       | 0.14     | ARRIS GROUP:          | 16.37       | (0.1)    |
| ECHOSTAR:                    | 43.41       | (0.51)   | AVID TECH:            | 34.16       | (0.04)   |
| GE:                          | 38.07       | (0.05)   | BLNDER TONGUE:        | 1.60        | 0.00     |
| HEARST-ARGYLE:               | 24.70       | (0.22)   | BROADCOM:             | 30.63       | (0.69)   |
| ION MEDIA:                   | 1.38        | (0.08)   | C-COR:                | 14.28       | (0.37)   |
| NEWS CORP:                   | 23.62       | (0.34)   | CISCO:                | 27.21       | (0.18)   |
| TRIBUNE:                     | 30.43       | 0.03     | COMMSCOPE:            | 56.06       | (0.29)   |
| <b>MSOS</b>                  |             |          |                       |             |          |
| CABLEVISION:                 | 35.80       | 0.28     | CONCURRENT:           | 1.80        | 0.07     |
| CHARTER:                     | 4.13        | 0.08     | CONVERGYS:            | 24.91       | 0.22     |
| COMCAST:                     | 27.98       | (0.01)   | CSG SYSTEMS:          | 27.12       | 0.15     |
| COMCAST SPCL:                | 27.75       | 0.13     | GEMSTAR TVG:          | 4.86        | (0.11)   |
| GCI:                         | 12.90       | 0.04     | GOOGLE:               | 515.20      | 9.31     |
| KNOLOGY:                     | 16.92       | (0.47)   | HARMONIC:             | 8.31        | (0.19)   |
| LIBERTY CAPITAL:             | 118.88      | (0.12)   | JDSU:                 | 13.92       | 0.04     |
| LIBERTY GLOBAL:              | 39.28       | 0.02     | LEVEL 3:              | 5.51        | 0.06     |
| LIBERTY INTERACTIVE:         | 24.21       | (0.52)   | MICROSOFT:            | 30.51       | 0.02     |
| MEDIACOM:                    | 9.67        | (0.01)   | MOTOROLA:             | 18.13       | (0.22)   |
| NTL:                         | 28.22       | 0.00     | NDS:                  | 49.48       | (0.04)   |
| ROGERS COMM:                 | 42.97       | 0.00     | NORTEL:               | 25.44       | (0.04)   |
| SHAW COMM:                   | 41.83       | (0.43)   | OPENTV:               | 2.20        | (0.02)   |
| TIME WARNER CABLE:           | 39.10       | 0.49     | PHILIPS:              | 41.93       | (0.17)   |
| WASH POST:                   | 772.06      | (0.24)   | RENTRAK:              | 14.41       | (0.15)   |
| <b>PROGRAMMING</b>           |             |          |                       |             |          |
| CBS:                         | 33.39       | 0.16     | SEACHANGE:            | 7.96        | (0.1)    |
| CROWN:                       | 7.21        | (0.28)   | SONY:                 | 54.15       | (0.38)   |
| DISCOVERY:                   | 23.82       | (0.42)   | SPRINT NEXTEL:        | 22.41       | 0.34     |
| EW SCRIPPS:                  | 45.24       | (0.49)   | THOMAS & BETTS:       | 57.55       | (0.17)   |
| GRUPO TELEVISA:              | 28.74       | 0.19     | TIVO:                 | 5.84        | (0.09)   |
| INTERACTIVE CORP:            | 34.38       | 0.03     | TOLLGRADE:            | 10.87       | (0.03)   |
| LODGENET:                    | 33.05       | (0.2)    | UNIVERSAL ELEC:       | 36.71       | 1.22     |
| NEW FRONTIER:                | 8.75        | 0.15     | VONAGE:               | 3.08        | 0.00     |
| OUTDOOR:                     | 10.35       | (0.08)   | VYYO:                 | 6.95        | 0.33     |
| PLAYBOY:                     | 11.10       | 0.07     | WEBB SYS:             | 0.08        | 0.00     |
| TIME WARNER:                 | 20.89       | (0.01)   | WORLDGATE:            | 0.49        | (0.01)   |
| UNIVISION:                   | 36.23       | 0.00     | YAHOO:                | 28.12       | 0.81     |
| VALUEVISION:                 | 11.62       | 0.01     | <b>TELCOS</b>         |             |          |
| VIACOM:                      | 42.91       | (0.64)   | AT&T:                 | 40.01       | (0.27)   |
| WWE:                         | 17.38       | 0.17     | QWEST:                | 9.67        | 0.06     |
| <b>TECHNOLOGY</b>            |             |          |                       |             |          |
| 3COM:                        | 4.41        | (0.03)   | VERIZON:              | 42.55       | (0.44)   |
| ADC:                         | 19.02       | 0.25     | <b>MARKET INDICES</b> |             |          |
| ADVANTAGE:                   | 4.91        | (0.06)   | DOW:                  | 13612.98    | (26.5)   |
| ALCATEL LUCENT:              | 13.62       | 0.16     | NASDAQ:               | 2626.60     | (0.11)   |
| AMDOCS:                      | 38.74       | 0.39     |                       |             |          |

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## M.C. Antil's CableFolks

### The Secret War Of Dr. Libby O'Connell

When I first met Libby O'Connell 13 years ago she was like a kid in a candy store. Having just been hired by A&E as an in-house historian for the History Channel, she was primed to help her new company take her life's passion—namely world history—and give it, in television terms, “broader reach.”

Libby was the person in charge of public outreach for History and would in time help create a series of first-rate initiatives that linked historic people or events with national organizations and, of course, local cable operators.

At the time, Libby's PhD in history gave her the chops to get doors opened and to make meetings happen at high levels of academia and the public sector. Her problem, at least at the time, was she was still learning the cable industry—particularly the strange and intoxicating force that is the MSO.

But as they say, that was then...

Today, Libby O'Connell is one of a handful of executives who can take intelligent, compelling content and broaden its appeal without having to dumb it down. And she's also fully aware that unless an initiative resonates at the system level, it probably won't fly. We spoke a few days before this year's Cable Show, and she was bubbling about a new initiative History was set to announce. She said to me, “I can't talk about it yet, but it's incredible. Our affiliates are going to love it.”

That initiative turned out to be Take a Vet to School, a History program that allows operators to stage events at schools, libraries and community centers. These events put school-age kids and war veterans in touch with one another and allow the young people to hear first-hand accounts of war experiences, while providing all participants a chance to explore the deeper meaning of war and the essential role that the American soldier has



M.C. Antil

played in this country's history.

When Libby and I caught up last week, I was struck by two things. The first was how adamant she was in stressing the value of Take a Vet to local operators. (“What a great opportunity to meet with local politicians. What politician is going to say no to a chance to be photographed with both war veterans and school kids?”)

But the second thing that struck me was how heart-felt this was for Libby. “This is personal,” she told me. We then talked about the war each of us remembers most vividly—namely Vietnam—and how each of us played a part in America's disdain for that war; disdain that radiated onto the men and women who actually laid their lives on the line to fight it—even though most of them had been drafted and had no desire to be there.

As Libby and I spoke, her voice became more animated as she recalled how people during Vietnam misdirected their anger. “I have to be careful here,” she said. “Because me may not all agree on the war, but we can agree on our veterans. We've come to realize you can support the warrior, and not the war.”

As part of the generation of Vietnam-era kids who, tacitly or otherwise, made the veterans of that war feel like pariahs upon their return home, Libby said she hoped take a Vet to School would provide all soldiers—including the once maligned Vietnam vets—a chance to receive the recognition and attention they've so nobly earned.

As Libby said, “You can't change history, but you can sure learn from your mistakes.”

*(Editor's note: U.S. war veterans can participate in the History Channel's Take a Vet to School by going to [www.veterans.org](http://www.veterans.org). Cable affiliates can learn more at [www.aetnjustclick.com](http://www.aetnjustclick.com)).*

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