

# CableFAX Daily™

Tuesday — June 24, 2008

What the Industry Reads First

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## Comcast Calling: Universal Caller ID, Enhanced Cordless Phone on Horizon

After a little more than 3 years in the digital phone business, **Comcast** has secured more than 5mln subs with messaging that focuses on cost savings and a service that's comparable to traditional phone. "We feel that now that we're at 5mln customers, we'll try to break out of that," *Cathy Avgiris*, svp/gm, **Comcast Voice Service**, said in an interview with **Cfax**. "We'll continue to have that savings message, but it's time to do some new development on the phone product." First up is "Universal Caller ID." As with **Time Warner Cable** and **Cablevision**, phone subs with cable service will get caller ID on their TV screens. But Comcast's offering goes a step further, with caller ID alerts appearing on the computer as well. The service is in a limited trial now in a Philly suburb, with Comcast planning to deploy it to about three-fourths of its footprint in the summer and fall, Avgiris said, so customers can get "the flexibility to get messages and communications wherever they are." She said Comcast will be the 1st company to deploy such a feature nationally. Also on tap is a service being referred to as "Enhanced Cordless Phone," which will let customers read emails on a cordless phone with a color screen and Web interface. Other functions include search—so you can find a restaurant using the phone's screen instead of turning to the **Yellow Pages**—and the ability to prioritize the voicemails (ie, the screen will display everyone who left a message, and you can choose who to listen to first). Right now, the phones (which Avgiris says should be available at retail) have a traditional-looking keypad but may evolve over time to look more like a **BlackBerry** with a full keyboard. "The next phase of that is to introduce the ability to do text messaging," she said, referring to a survey that found 50% of consumers make wireless calls from within their homes. Of course, as Comcast's **Clearwire-Sprint** investment suggests, "we're focusing on owning the best consumer experience in the home, and then taking it outside the home as the time comes," Avgiris said. The enhanced cordless device is in certification, with possible introduction in the late fall, she said. Interestingly, the enhanced cordless phone service helps solve phone-related power outage problems. The EMTA is embedded into the cordless phone's base station. Because the modem has battery back-up power, the phone gets the same back-up power source and will work if it's charged. Comcast COO *Steve Burke* alluded to the MSO's phone expansion during the company's 1Q earnings call, promising "exciting new product enhancements" this year. One development already underway is self-installs for digital voice. Avgiris said there have already been 3K and called the success rate "very high."

**Dysfunctional FCC Family:** Fun watching the **FCC** at work this weekend. At midnight Fri, **Verizon** sent a statement attacking the FCC's vote to grant cable's complaint that the telco is violating the law by using proprietary number porting info as a way to try and keep defecting customers. Only thing is the FCC hadn't announced the vote yet. So, Sat morning FCC commish *Robert McDowell* issued a statement applauding the decision and explaining his support, although the order had not been released. An hour later, FCC chmn *Kevin Martin* issued a statement blasting the decision with this caveat at the top: "Given the unusual circumstance that the Office of Commissioner McDowell earlier this morning publicly released



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a statement on the Commission's decision regarding the **Bright House Networks** Complaint v. Verizon that was adopted, but not officially released, by the Commission on 6/20, we have informed all the Commissioner's offices that they should have the same notice and opportunity to explain their vote within the same timeframe as Commissioner McDowell." In the end, the vote was 4 to 1, with Martin the lone dissenter. The majority voted to require Verizon to cease and desist its practices immediately, and the order was released Mon morning. **Stifel Nicolaus** dubbed the win a "rare regulatory victory" for cable, saying it could accelerate Verizon phone losses, though the firm noted that the telco could still seek court relief.

**At the Portals:** The 10 largest incumbent cable operators have deployed 372K **CableCARDS** in one-way devices, according to the **NCTA's** latest periodic report with the **FCC**. By contrast, since the integration ban went into effect last July, those 10 companies have deployed more than 6.2mln operator-supplied set-top boxes with CableCARDs. "Therefore, in less than 1 year, cable operators have deployed more than 16 times as many CableCARD-enabled devices than the total number of CableCARDs requested by customers for use in UDCPs in the last 4 years," NCTA said.

**Flip That Small Business:** Viewers in **Comcast's** eastern division this week will begin seeing 30- and 60-second spots from **A&E** touting the MSO's Business Class services. They'll also be watching history. In the spots, talent *Than Merrill* and *Paul Esajian* from A&E lifestyle series "Flip This House" say they can transform a frumpy house into a desirable property. In the 60-second piece, FTH tell us to spruce up interiors. And since we're talking about transforming things, why not have the spot segue to how Comcast Business Class can help transform your business? And add a 10-second tag with Comcast's phone number and a digital voice offer? "To our knowledge it's the first time a programmer has partnered with an MSO and used programming assets to promote business services," says AETN vp *Jennifer Ball*. But Ball would not be surprised to find other MSOs interested. "They're all looking to business services as a revenue stream," she says, "so we could see ourselves working with a **Time Warner** or a **Cox**" on similar spots, using Flip or another series. But this "win-win" isn't just about a programmer creatively helping an MSO. "We recognize our distributors are not just going to promote our linear network [on the marketing side] unless there's something that will help them drive revenue, because their cross-channel inventory is way too valuable."

**In the States:** **Cox** has agreed to carry **Hallmark Movie Channel** in HD. The HD version launch in Apr. **Time Warner Cable** recently launched the HD feed in some markets. -- **WideOpenWest** is using GPON equipment from **Calix** to service SMB customers in IL, IN, MI and OH.

**Advertising/Marketing:** Sponsors including **Verizon Wireless**, **Dodge**, **Target** and **Coors** will be integrated into various elements of Tues night's "**BET Awards**" and featured in ad spots during the telecast.

**VOD:** **Comcast Media Center** has expanded its national VOD service to include transport using MPEG-4 tech, and expects to provide satellite transport of its MPEG-4 on demand programming through **SES Americom's IP-Prime** service, pending the execution of a definitive agreement. -- **TVN** inked with **Anime Net** a deal that includes distribution and asset/metadata management services in support of the net's SVOD FOD programming services.

**In the Courts:** **SCOTUS** has agreed to review a lawsuit brought against **AT&T** by ISP **LinkLine Comm**; the suit accuses the telco of anti-competitive practices. The dispute centers on wholesale prices AT&T charges for HSI service to ISPs such as LinkLine, which then compete with the telco for retail Internet customers. -- **Broadcom** co-founder

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# BUSINESS & FINANCE

Henry Samueli has agreed to plead guilty to lying to securities regulators about stock-options backdating from '98-'03. While neither confirming nor denying guilt, the company agreed in Apr to pay \$12mln to settle SEC charges.

**Programming:** HBO renewed drama series "In Treatment," which is set to return for a 2nd season next year.

-- Fox Reality's "Gimme My Reality Show!" (Oct 11) features celebrities such as Traci Bingham and Gretchen Bonaduce competing for the right to have their own reality show.

**People:** Sony Pictures TV reupped John Weiser as pres, distribution.

**Business/Finance:** Comcast's movie ticketing site Fandango.com has acquired Movies.com, a film content site previously owned by the Walt Disney Internet Group. Fandango now provides online ticketing for Movies.com users, and its ad sales force will represent both sites. -- A Barron's report over the weekend said RCN shares are undervalued compared to Comcast, Time Warner Cable and Verizon, sending RCN's stock soaring 12.6% Mon. -- CBS completed the initial offering period of its tender offer for all outstanding shares of common stock of CNET Networks, with approx 78% of outstanding common CNET now tendered. CBS subsidiary Ten Acquisition has commenced a subsequent offering period (expiring Wed) to acquire all of the remaining shares.

## CableFAX Daily Stockwatch

Company	06/23 Close	1-Day Ch	Company	06/23 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	39.04	0.37	APPLE:	173.16	(2.11)
DIRECTV:	26.93	(0.39)	ARRIS GROUP:	9.01	(0.35)
DISNEY:	32.39	0.45	AVID TECH:	18.52	(0.02)
ECHOSTAR:	29.71	(0.31)	BIGBAND:	5.64	0.03
GE:	27.40	0.02	BLNDER TONGUE:	1.27	0.04
HEARST-ARGYLE:	19.68	(0.04)	BROADCOM:	26.99	0.10
ION MEDIA:	1.45	0.00	C-COR:	11.00	0.00
NEWS CORP:	16.53	(0.13)	CISCO:	24.55	(0.09)
<b>MSOS</b>					
CABLEVISION:	23.60	(0.4)	COMMSCOPE:	53.92	(1.33)
CHARTER:	1.25	(0.06)	CONCURRENT:	0.59	(0.03)
COMCAST:	19.15	(0.55)	CONVERGYS:	15.28	(0.11)
COMCAST SPCL:	18.95	(0.57)	CSG SYSTEMS:	11.27	(0.28)
GCI:	7.80	(0.1)	ECHOSTAR HOLDING:	33.00	(1.5)
KNOLOGY:	13.06	(0.17)	GOOGLE:	545.21	(1.22)
LIBERTY CAPITAL:	15.00	(0.07)	HARMONIC:	9.99	(0.13)
LIBERTY ENTERTAINMENT:	26.00	(0.75)	JDSU:	11.75	(0.15)
LIBERTY GLOBAL:	31.63	(0.28)	LEVEL 3:	3.29	(0.11)
LIBERTY INTERACTIVE:	15.97	(0.55)	MICROSOFT:	27.97	(0.26)
MEDIACOM:	5.51	(0.22)	MOTOROLA:	7.44	(0.5)
SHAW COMM:	19.08	0.03	NDS:	52.15	0.65
TIME WARNER CABLE:	26.16	(0.48)	NORTEL:	8.98	(0.35)
VIRGIN MEDIA:	14.28	(0.15)	OPENTV:	1.35	(0.01)
WASH POST:	572.15	13.15	PHILIPS:	35.00	(0.24)
<b>PROGRAMMING</b>					
CBS:	19.82	(0.18)	RENTRAK:	14.06	0.04
CROWN:	4.52	0.11	SEACHANGE:	7.44	(0.11)
DISCOVERY:	23.68	(0.8)	SONY:	46.56	0.37
EW SCRIPPS:	44.25	0.01	SPRINT NEXTEL:	7.72	(0.19)
GRUPO TELEVISA:	23.44	0.35	THOMAS & BETTS:	38.63	(0.06)
INTERACTIVE CORP:	20.24	(0.35)	TIVO:	6.74	(0.1)
LIBERTY:	48.80	(0.69)	TOLLGRADE:	5.50	(0.05)
LODGENET:	5.73	(0.22)	UNIVERSAL ELEC:	24.51	(0.36)
NEW FRONTIER:	3.89	0.06	VONAGE:	1.75	(0.05)
OUTDOOR:	7.58	(0.25)	WEBB SYS:	0.05	0.00
PLAYBOY:	5.11	(0.11)	WORLDGATE:	0.30	0.00
TIME WARNER:	14.62	0.02	YAHOO:	21.45	(0.54)
VALUEVISION:	4.19	0.10	<b>TELCOS</b>		
VIACOM:	30.18	(1.48)	AT&T:	34.38	(0.05)
WWE:	15.36	(0.41)	QWEST:	3.85	(0.05)
<b>TECHNOLOGY</b>					
3COM:	2.39	(0.02)	VERIZON:	35.91	0.53
ADC:	16.97	0.01	<b>MARKET INDICES</b>		
ADDVANTAGE:	3.14	0.07	DOW:	11842.36	(0.33)
ALCATEL LUCENT:	6.13	(0.16)	NASDAQ:	2385.74	(20.35)
AMDOCS:	30.41	(0.06)			
AMPHENOL:	48.61	0.74			

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# 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**

Nomination form can be found at:

**[www.CableFaxMag.com](http://www.CableFaxMag.com)**

