

CableFAX Daily™

Tuesday — June 26, 2007

What the Industry Reads First

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OCAP, er... OpenCable: Cable Works to Demystify Spec, Gains Intel Support

NCTA threw an OpenCable coming-out party of sorts in Washington Mon, with a tech-fiesta at its DC HQ designed to convince Hill officials, FCC staffers and other politicos that **CableLabs'** OpenCable Application Protocol (OCAP) spec will reap major consumer benefits by incenting more cable innovation. "If this weren't good for us, it would be very hard for us to convince our cable systems to roll it out quickly," noted **Time Warner Cable** svp, strategy and development *Kevin Luddy*. Meanwhile, CableLabs announced that one-time OCAP skeptic **Intel** has agreed to support the platform in future Intel CE system-on-a-chip products, and that **Microsoft** has established a "collaborative relationship" with CableLabs to explore ways to extend OCAP to PCs and speed deployment of OCAP-enabled boxes. Intel was among some of the CE makers to sign CEA's letter last Nov that spoke out against OCAP's licensing terms, saying CE makers shouldn't be required to support it. CEA proposed that CE makers be permitted to offer equivalent 2-way products that build on existing digital cable technologies without having to absorb the "cost and uncertainty" associated with OCAP. Meanwhile, CEA and NCTA are in a tit-for-tat over the issue. Last week, the CEA wrote the FCC to again push its Nov proposal and "correct" an NCTA filing by telling the Commission that there are no commercially available retail OCAP products on the market today. NCTA responded, saying it correctly stated that cable's proposal—not products—are already in the marketplace. "I am disappointed, but not surprised, by CEA's most recent attempt to disparage the efforts made by the cable industry and its consumer electronics partners to bring 2-way, digital cable-ready products to market as soon as possible," NCTA's *Neal Goldberg* wrote. At the NCTA event on Mon, exhibitors ranging from **TiVo** to **Motorola** and **Cisco** all showed off OCAP-enabled wares and other tech such as switched digital video. At the same time, NCTA pres/CEO *Kyle McSparrow* continued his one-man assault against the confusing OCAP acronym (he now fines NCTA board members every time they utter the banned moniker). What to do with all that money building up in the kitty? We suggest buying more **Cable-FAX** subscriptions, of course.

Big Ten: House Commerce Chmn *John Dingell* (D-MI) has asked **Big Ten** commissioner *James Delaney* to provide some more info on the **Big Ten Network**. "While I understand the motivation on the part of the Big Ten Conference and its member schools to create a new all-Big Ten cable channel, I am increasingly concerned about the migration of previously free, over the air content to a pay television tier," Dingell wrote. He said he had received complaints from numerous constituents about the local availability of U Of MI football games (none of the state's cable systems carry the net). Dingell asked for an update on cable negotiations, how BTN arrived at its reported \$1.10/HH rate and how many games will be available on broadcast or basic cable. Noting that all of the Big 10 schools but Northwestern are public, Dingell wrote, "The free broadcasts of football and basketball games might not make the most money for the conference, but

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COURT TV IS THE 2ND-FASTEST-GROWING NETWORK.*

Source: Nielsen, M-Su 8-11pm, 1/1/07-6/10/07, 12/26/05-6/11/06, A18-49 (000), most current data. *Among top-20 ad-supported cable networks.

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they enable the taxpayer the ability to enjoy what their money has provided.”

Deals: RCN plans to buy wholesale communications provider **NEON** for about \$260mln (up to \$5.25/share) in a move signaling its shift from being strictly an overbuilder. The deal is expected to close during 4Q, following regulatory and NEON shareholder approval. RCN expects to fund the deal with \$250mln of debt financing and cash reserves. NEON provides pure play network transport services to carrier and enterprise customers in the 12-state New England and mid-Atlantic regions. -- Proxy advisory firms **ISS** and **Glass, Lewis & Co** are recommending that **Terayon** stockholders vote for the company's proposed merger with a subsidiary of **Motorola** at Thurs' special meeting. In Apr, Motorola announced plans to acquire all outstanding shares of Terayon common stock for \$1.80/share in cash.

Phone PA: The **Dept of Justice** said *Citizens Comm* agreed to remove restrictive terms from settlement agreements between its **Commonwealth Telephone** and 2 PA cable companies to alleviate antitrust concerns raised by DOJ. The settlement terms with **Blue Ridge** and **Service Electric** limited the cable companies' ability to offer phone in Commonwealth's markets. The 2 ops agreed last year to limit their phone offerings in order for Commonwealth to withdraw its protests against their plans to offer phone service in the state. "Cable companies and other facilities-based competitors should be able to enter telecommunications service markets without facing unnecessary barriers," said *Thomas Barnett*, Asst Attorney General in charge of the Department's Antitrust Division.

Competition: **AT&T** launched U-verse in Cleveland and Akron, OH, where it will compete primarily against **Time Warner Cable**. The launches bring its video service to 23 markets. Qualified customers can receive their first 2 months free when they subscribe to the U300 or U400 programming packs.

CableFAX 100 Time!: It may seem way too early to send us your CableFAX 100 nominations, but it's not! In fact, our deadline this year is July 16. Info at www.cable360.net/cfax/cfax100/. Send noms to CableFAX100@accessintel.com.

On the Hill: A day before the Sen Commerce's hearing on the impact of media violence on children, more than 100 programming nets sent a joint letter to the cmte urging opposition to govt regulation of the packaging and pricing of programming. Scheduled to testify Tues is a la carte's biggest fan, **FCC** chmn *Kevin Martin*. "Simple sounding solutions, such as a la carte, are misguided and would not result in the benefits portrayed by its supporters," said the letter.

In the Courts: Former **Adelphia** chief *John Rigas* and son *Tim* are expected to be resented Tues after a federal appeals court upheld their convictions on 17 of 18 criminal counts in an accounting scandal. The elder Rigas was originally sentenced to 15 years; Tim was sentenced to 20.

Ratings: **Lifetime's** "Army Wives" averaged 3.9mln viewers ad a 3.2 HH rating Sun, shattering the new series' previous records. The net says it's the 1st major network cable drama in 5 years to increase its audience in Week 4 compared to Week 1. Lifetime's hoping new shows "Side Order of Life" and "State of Mind" can keep pace when they bow July 15.

Programming: Gen Xers psyched to take their own kids to see the live-action "Transformers" movie can also tune into **Cartoon**. The net's launching 26-ep "Transformers Animated" next year. -- For the 2nd consecutive year, **ESPN** will offer live PPV coverage of the final table of "The World Series of Poker," July 17. The event carries a \$19.95 suggested price tag and can be viewed online or on TV. -- Further proof the **BET Awards** are hot: **E!** will be reporting live from the

We Are Moving.

TO GALAXY 11/ TRANSPONDER 6 AND CONVERTING TO DIGITAL.

Beginning Tuesday, May 1st 2007 at 12:00 Noon ET until Monday, August 13th 2007 at 12:00 Noon ET, FOX News will be transmitted from both Galaxy 15/Transponder 21 in *Analog* and Galaxy 11/Transponder 6 in *Digital*.

Please go to FOXNEWS.COM/SATELLITECHANGE for more information.



BUSINESS & FINANCE

event's red carpet for the 1st time ever, Tues (6/26), 7:30pm ET. -- **USA** will bow new original "Burn Notice" without commercials Thurs (10pm). Interestingly, **DirecTV** is the exclusive presenting sponsor of the broadcast. It's the 1st series to ever air commercial free on the net.

On the Circuit: CTAM, Cable in the Classroom and **Turner** sponsored a reception Mon night to honor educators as part of cable's participation in this year's **National Educational Computing Conference** in Atlanta. -- **CTHRA** netted **Cox's Pat Esser** and HR expert **Row Henson** for its Symposium, Oct 23, Atlanta. -- **Comcast** made the *Boston Business Journal's* list of "Best Paces to Work" in MA for the 4th consecutive year.

People: MTVN is reorganizing its research dept under **Tanya Giles**, svp, research and planning for the group. **Beth Coleman** is now vp, ad sales research for the entertainment cluster. -- **Al Nuñez** was appointed pres of the Americas for **Tandberg TV**. He previously served as svp, sales. -- **John Hamlin** joined **CMT** as svp, production and dev.

Business/Finance: Mobile content company **Ortiva Wireless** raised \$15m in Series B funding, with **Comcast Interactive Capital** leading the round.

Oops: WE tv is carried in the majority of **Comcast** systems (**Cfax**, 6/25).

CableFAX Daily Stockwatch

Company	06/25 Close	1-Day Ch	Company	06/25 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
ALCATEL LUCENT:	13.69	(0.09)	AMDOCS:	39.09	(0.16)
BRITISH SKY:	50.27	(0.06)	AMPHENOL:	35.62	(0.14)
DIRECTV:	23.78	(0.21)	APPLE:	122.34	(0.66)
DISNEY:	34.06	(0.08)	ARRIS GROUP:	16.91	(0.23)
ECHOSTAR:	43.08	(0.21)	AVID TECH:	33.62	(0.16)
GE:	38.21	(0.03)	BLNDER TONGUE:	1.56	0.00
HEARST-ARGYLE:	23.69	(0.22)	BROADCOM:	29.80	(0.72)
ION MEDIA:	1.45	0.00	C-COR:	13.58	(0.38)
NEWS CORP:	23.50	0.18	CISCO:	27.03	0.11
TRIBUNE:	29.25	(0.25)	COMMSCOPE:	55.54	(0.46)
MSOS					
CABLEVISION:	35.46	(0.44)	CONCURRENT:	1.70	(0.05)
CHARTER:	3.89	(0.04)	CONVERGYS:	24.34	(0.12)
COMCAST:	27.70	(0.06)	CSG SYSTEMS:	26.24	(0.25)
COMCAST SPCL:	27.44	(0.15)	GEMSTAR TVG:	5.00	(0.14)
GCI:	12.99	0.04	GOOGLE:	527.42	2.44
KNOLOGY:	16.80	0.09	HARMONIC:	8.48	(0.08)
LIBERTY CAPITAL:	114.95	(0.36)	JDSU:	13.42	(0.15)
LIBERTY GLOBAL:	40.15	(0.01)	LEVEL 3:	5.85	(0.04)
LIBERTY INTERACTIVE:	23.15	0.05	MICROSOFT:	29.49	0.00
MEDIACOM:	9.51	(0.07)	MOTOROLA:	17.82	(0.07)
NTL:	28.22	0.00	NDS:	48.11	(0.78)
ROGERS COMM:	42.97	0.00	NORTEL:	24.16	0.13
SHAW COMM:	42.70	0.06	OPENTV:	2.10	0.02
TELEWEST:	24.20	0.00	PATH 1:	1.34	0.00
TIME WARNER CABLE:	39.40	(0.1)	PHILIPS:	41.79	(0.01)
WASH POST:	772.00	0.50	RENTRAK:	14.27	(0.04)
PROGRAMMING					
CBS:	32.62	0.19	SEACHANGE:	7.72	0.05
CROWN:	7.01	0.08	SONY:	51.98	(0.43)
DISCOVERY:	22.86	(0.53)	SPRINT NEXTEL:	21.99	(0.03)
EW SCRIPPS:	44.06	(0.13)	THOMAS & BETTS:	58.35	0.01
GRUPO TELEVISA:	26.97	(0.48)	TIVO:	5.81	(0.18)
INTERACTIVE CORP:	34.60	0.27	TOLLGRADE:	10.78	0.02
LIBERTY:	8.63	(0.07)	UNIVERSAL ELEC:	36.48	(0.72)
LODGENET:	32.67	(0.25)	VONAGE:	3.09	0.04
NEW FRONTIER:	8.60	(0.15)	VYYO:	6.60	(0.12)
OUTDOOR:	10.71	(0.03)	WEBB SYS:	0.15	(0.03)
PLAYBOY:	11.16	0.12	WORLDGATE:	0.50	0.00
TIME WARNER:	21.45	0.00	YAHOO:	27.64	0.26
UNIVISION:	36.23	0.00	TELCOS		
VALUEVISION:	11.16	(0.12)	AT&T:	39.08	0.23
VIACOM:	41.01	(0.06)	QWEST:	9.50	(0.05)
WWE:	16.38	(0.05)	VERIZON:	41.50	(0.13)
TECHNOLOGY					
3COM:	4.33	(0.02)	MARKET INDICES		
ADC:	18.55	0.01	DOW:	13352.05	(8.21)
ADDVANTAGE:	5.17	0.32	NASDAQ:	2577.08	(11.88)



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Symonds Says...

This past week, my colleague Paul Maxwell pointed out that Kyle McSlarrow urged the industry to drop the acronym OCAP for the more user-friendly term "Open Cable." And as only he can, Max then chided cable for having to be told not to go



Curtis Symonds

overboard with acronyms by, of all people, a Washington insider.

Washington, of course, is to acronyms what L.A. is to starlets. Walk along the Rock

Creek Parkway, pick up any rock and you'll see two or three acronyms scurrying for cover. At the Pentagon City Mall in Arlington is a store called Acronyms 'R Us. And drop into the Old Ebbitt Grill for a crab cake and a beer, and I promise you at some point your waitress will confide in you, "I'm not really a waitress. Actually, I'm studying to be an acronym."

My point is, McSlarrow may do many things for this industry before he's through at NCTA. But if his legacy is that he stopped cable insiders from using so much jargon, or at least stopped us from allowing so much of our jargon to splash over into the consumer marketplace, his time will have been well-served.

In our society words are critical. Another Washington insider, Karl Rove, taught us that over the last eight

years. Want to kill a tax on the richest of the rich, while rallying the very people the bill is designed to help? Call it a "Death Tax."

Incredible. If the Democrats understood one-tenth of what the Republicans do about words, do you know what they would have called an inheritance tax on the uber-rich? The "Paris Hilton Tax."

The future of any new product can hinge on the words used to name it.

The first part of that old adage about sticks and stones may be true, but never for a moment believe that words can't move mountains; can't change the course of history. That's always been true, but never more so than now. We live in the age of information. Unfortunately, a lot of that information is wrong. The problem is, once words get committed to the page, virtual or otherwise, and once they're repeated—even once—they take on a life of their own.

Last week, I was emailed a blog about a college basketball team's recruiting, and one of the entries concerned a player from Long Island. It read—I kid you not: "I can't remember the kid's name, but he can play and my sources tell me he's a lock."

So this guy can't even remember a player's name, but he has "sources?"

We live in a world where every barfly with a laptop fancies himself a journalist. There are very few filters left in our

world, and often once words escape, they're gone and out of our control.

That's why we have to be very careful as we roll out the next few generations of digital products.

Remember pay per view? That died, in part because of content, in part because of technology, but mostly because of that ridiculous placeholder of a term. Paper view? Why would I want to watch paper?

On the other hand "Triple Play" is brilliant, at least for the time being. It's a term that even non-sports fans know, and one that captures both the essence and the excitement of voice, video and data.

The problem is, of course, what happens when a fourth or fifth leg to the table launches—be it a wireless product, a gaming product, or whatever? Hopefully by that time, "Triple Play" will have served its purpose and the industry will move on to a newer, even more effective term.

Look, I know every industry uses jargon. It's natural verbal shorthand when like-minded people get together. The problem is, once those behind-closed-doors conversations end, so should the jargon.

Symonds says we want to have people buy our sausage. We don't want them to watch us make it, much less talk about it.

Curtis Symonds can be reached at curtissymonds@yahoo.com.

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Help us fill
in the blanks

As you all know, our highly scientific selection process depends on precise industry knowledge, charmed intuition and approximately 73 gallons of very strong coffee. As part of this caffeinated adventure, we ask you, the readers, to submit worthy candidates for our consideration. These could include friends, colleagues, enemies, rivals... "frienemies"... and even yourself (you're probably your own number one fan, after all).

We've made the process simple.

Just email your nomination to CableFAX100@accessintel.com by July 16, and we'll take it from there. What could be easier?

For questions, please contact:
CableFAX Executive Editor, Mike Grebb, mgrebb@accessintel.com.

You may nominate as many times as you wish.
CableFAX 100 will be published in December.