

CableFAX Daily™

Monday — July 2, 2007

What the Industry Reads First

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CableCARD Sunday: Motorola, S-A Say They're Meeting Demand

With the FCC's set-top integration ban here, **S-A** and **Motorola** say they expect to meet demand for CableCARD boxes. As of July 1 (Sun), operators can no longer deploy new, embedded security set-tops. Some ops, especially smaller ones, have worried that they may face difficulty getting CableCARD-enabled boxes in time to comply with the deadline. "I'm not aware of any issues right now," said *Dave Clark*, S-A dir, product strategy and mgmt for home entertainment products. "In the past, we have been running at capacity, and there have been a few issues getting orders filled because demand was extremely high. Right now, there's a little bit of a pause as we are hitting July 1." Motorola product manager *David Goodwin* said his company is "perfectly fine" on order shipments with proper lead times.

NCTC said members that forecasted their set-top needs and placed orders in 1Q are getting their initial shipments, though delivery has been "slow." NCTC members that placed orders late are facing the normal 90-120 day lead time for delivery. "Because the availability and delivery dates vary by set-top model, it is hard to make a blanket statement about delivery," an NCTC spokesman said. "NCTC will continue to monitor availability and delivery times for members to help them meet their set-top needs as best we can. July 1 was just Day One—steady production and ready supplies of all models will be a challenge for some months to come." At our deadline, the FCC still had not acted on dozens of companies' requests to waive the new rule. It's possible the Commission could grant some waivers after July 1. There could be a slight delay in getting orders switched over, but both vendors said they'd be able to do it. "If you get a waiver the day before July 1 or 2 months after, we're here and we can help you," Clark said. **Set-top Graveyard:** So, what happens to all those embedded security boxes out there? Operators have tried to make sure they don't have any left in their inventory by July 1. Charter, which received a waiver to continue deploying some of the embedded boxes, said operators have approached the MSO about taking some of the set-tops in their inventory off their hands. Charter said it will entertain possibly purchasing the boxes if they meet its marketing requirements (ie, it won't take boxes bearing another operator's name, etc). Embedded boxes that are already deployed are fine. When those boxes are returned to the MSO because a customer moves or cancels service, etc, they can be redeployed into the marketplace.

Rupert's Opposition: Unionized **WSJ** reporters staged a half-day walkout Thurs, failing to show up to work until 2pm in protest of *Rupert Murdoch's* unsolicited bid for **Dow Jones**, and of DJ's new labor contract proposals. Although Murdoch has voiced plans to invest in the publication's online operations and other segments, the union argues that the paper's independence and quality would suffer under a News Corp regime.

Fresh Toppings: Makeup artist *Rita Ragone* is suing **ESPN**, **ESPN2** host *Jay Crawford* and sportswriter *Woody Paige*, alleging in a Wed Manhattan Federal Court filing that Crawford and Paige sexually harassed her multiple times on the set of ESPN2's former "Cold Pizza" show. The suit alleges that groping and sexual propositions by the pair was com-



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monplace while supervisors discouraged Ragone's complaints and fired her after more than a year with the show. "The case has absolutely no merit, and we are confident we will prevail in court," said an ESPN spokesperson.

In the Courts: A federal appeals court upheld a ruling ordering an Omaha man to pay nearly \$2.2mln to **Comcast** for illegally selling cable descramblers in the '90s. *Ronald Abboud* was ordered to pay the damages in Sept.

Online: MTV launched **WannaBeMade.com**, an online community in which users chronicle their personal development journeys. Certain site submissions will be featured as part of the new season of "Made," premiering Sat (Jun 30) at noon. -- **MySpace** plans to beta launch a new global video platform at **MySpaceTV.com**, which will feature a new video user interface, categorical organization for all content, a personalized video channel, U-G and partner-driven branded channels, and video charts. **Nat Geo** and **Reuters** are among the platform's content partners. -- **VH1** will stream Sun at **Dianaconcert.vh1.com** live coverage of the entire 6-hour "Concert for Diana," honoring the former Princess of Wales through performances from artists including *Elton John* and *Rod Stewart*. **VH1.com** will offer on demand concert content.

Marketing: Consumers who sign up for HSD at any **Best Buy** store this summer will receive, for a limited time, a free **TiVo** Series 2 box and a Wireless G adapter. The idea is to promote downloading movies from the 'Net directly to TVs. Those who sign up before July 31 also get 3 months of free TiVo service.

Important Selections: After the Portland Trail Blazers selected *Greg Oden* 1st overall in Thurs' **NBA** draft, **Comcast SportsNet Northwest** also said it will build around the 7-foot center. A spokesperson said the net plans to feature key content surrounding the improving franchise when the net launches in Oct, including a one-on-one interview with Oden, behind-the-scenes footage from the draft and highlights from a Fri team rally in Portland. Meanwhile 10 of the 1st 20 draft picks went to teams televised by **Fox Sports Nets**. "We are definitely excited at some of the prospects," said a FSN spokesperson. Heading that list are Seattle's *Kevin Durant* and Minnesota's *Corey Brewer*.

Programming: 5 new originals will burst into **BET**'s prime lineup in July, including hidden camera show "Socially Offensive Behavior" (Jul 25, 10pm), hosted by comedian *D.L. Hughley*, and nightly reality show "Hell Date" (Jul 9, 7:30pm) in which unsuspecting participants seeking love are duped by actors. -- Yabba-Dabba Do! **Boomerang** kicks off Wed a marathon of "The Flintstones" (6am ET), featuring all 166 eps, back-to-back, through Jul 7. -- Actress *Alfre Woodard* narrates **Nat Geo**'s "Nefertiti and the Lost Dynasty" (Jul 16, 9pm), featuring a forensic investigation into the missing remains of the queen and pharaoh Akhenaten, the likely father of King Tut. -- **The Sportsman Channel**'s original "The Lodge" (Mon, 6pm ET) features stories, trivia and highlights from the net's weekly programming.

Public Affairs: Photographer *Mary Ellen Mark*, ad exec *Linda Kaplan Thaler* and author *Marisa Acocella Marchetto* are helping to devise PSAs for **Lifetime**'s 13th annual "Stop Breast Cancer for Life" campaign. Production is under way for the spots, which feature *Whoopi Goldberg*, *Fran Drescher* and *Daisy Fuentes*.

People: After 43 years in cable, *Bud Tibshirany* will retire as vp, public affairs for **Time Warner Cable**'s SC div.

Business/Finance: **AT&T**'s board declared a quarterly dividend of 35.5 cents per common share, payable Aug 1 to stockholders of record at the close of business on Jul 10. -- Nasdaq denied **WorldGate**'s request for continued listing on the Nasdaq Capital Market. The Ojo videophone maker says it will appeal.

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CableFAX Week in Review

Company	Ticker	6/29 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	51.58	2.50%	27.70%
DIRECTV:	DTV	23.11	(3.7%)	(7.3%)
DISNEY:	DIS	34.14		2.30%
ECHOSTAR:	DISH	43.37	0.20%	14.00%
GE:	GE	38.28	0.10%	6.60%
HEARST-ARGYLE:	HTV	24.10	0.80%	(4.1%)
ION MEDIA:	ION	1.44	(0.7%)	188.00%
NEWS CORP:	NWS	22.94	(1.6%)	3.50%
TRIBUNE:	TRB	29.40	(0.3%)	(3.3%)

Company	Ticker	6/29 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	36.19	0.80%	27.10%
CHARTER:	CHTR	4.05	3.10%	32.40%
COMCAST:	CMCSA	28.12	1.30%	(0.4%)
COMCAST SPCL:	CMCSK	27.96	1.30%	0.10%
GCI:	GNCMA	12.81	(1.1%)	(18.6%)
KNOLOGY:	KNOL	17.37	3.90%	63.30%
LIBERTY CAPITAL:	LCAPA	117.68	2.10%	20.10%
LIBERTY GLOBAL:	LBTYA	41.04	2.20%	40.80%
LIBERTY INTERACTIVE:	LINTA	22.33	(3.3%)	3.50%
MEDIACOM:	MCCC	9.69	1.10%	20.50%
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	42.97		44.70%
SHAW COMM:	SJR	42.04	(1.4%)	36.20%
TIME WARNER CABLE:	TWC	39.17	(0.8%)	2.30%
WASH POST:	WPO	776.09	0.60%	5.70%

Company	Ticker	6/29 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	33.32	4.80%	10.40%
CROWN:	CRWN	7.20	3.90%	98.30%
DISCOVERY:	DISCA	22.99	(1.7%)	57.10%
EW SCRIPPS:	SSP	45.69	3.40%	(7.2%)
GRUPO TELEVISIA:	TV	27.61	0.60%	9.60%
INTERACTIVE CORP:	IACI	34.61	0.80%	(6.8%)
LODGENET:	LNET	32.06	(2.6%)	28.10%
NEW FRONTIER:	NOOF	8.72	4.10%	13.50%
OUTDOOR:	OUTD	11.27	4.90%	(12.2%)
PLAYBOY:	PLA	11.33	2.60%	(1.1%)
TIME WARNER:	TWX	21.04	(1.1%)	(2.3%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	11.32	0.40%	(13.9%)
VIACOM:	VIA	41.60	1.40%	(3.5%)
WWE:	WWE	15.99	(2.7%)	5.50%

Company	Ticker	6/29 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.13	(5.1%)	0.50%
ADC:	ADCT	18.33	(1.1%)	12.00%
ADDVANTAGE:	AEY	5.26	8.50%	88.50%
ALCATEL LUCENT:	ALU	14.00	6.40%	12.60%
AMDOCS:	DOX	39.82	1.50%	2.80%
AMPHENOL:	APH	35.65	(0.3%)	15.10%
APPLE:	AAPL	122.04	(0.8%)	35.10%
ARRIS GROUP:	ARRS	17.59	2.60%	40.60%
AVID TECH:	AVID	35.35	4.60%	(5.1%)
BLNDER TONGUE:	BDR	1.61	3.20%	(5.3%)
BROADCOM:	BRCM	29.25	(4.2%)	(9.5%)
C-COR:	CCBL	14.06	0.70%	26.20%

Company	Ticker	6/29 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	27.85	3.50%	1.90%
COMMSCOPE:	CTV	58.35	4.20%	91.40%
CONCURRENT:	CCUR	1.79	2.30%	(1.1%)
CONVERGYS:	CVG	24.24	(0.9%)	1.90%
CSG SYSTEMS:	CSGS	26.51	0.10%	(0.8%)
GEMSTAR TVG:	GMST	4.92	(4.3%)	22.70%
GOOGLE:	GOOG	522.70	(0.4%)	13.50%
HARMONIC:	HLIT	8.87	3.60%	22.00%
JDSU:	JDSU	13.43	(1.2%)	(19.2%)
LEVEL 3:	LVLTL	5.85	(0.7%)	4.50%
MICROSOFT:	MSFT	29.47	(0.1%)	0.70%
MOTOROLA:	MOT	17.70	(1.1%)	(12.7%)
NDS:	NNDS	46.95	(4%)	(2.7%)
NORTEL:	NT	24.05		(10.1%)
OPENTV:	OPTV	2.12	1.90%	(8.6%)
PHILIPS:	PHG	42.32	1.20%	16.80%
RENTRAK:	RENT	14.81	3.50%	(4.5%)
SEACHANGE:	SEAC	7.76	1.20%	(24.1%)
SONY:	SNE	51.37	(2%)	20.40%
SPRINT NEXTEL:	S	20.71	(5.5%)	10.40%
THOMAS & BETTS:	TNB	58.00	(0.6%)	22.70%
TIVO:	TIVO	5.79	(3.3%)	13.10%
TOLLGRADE:	TLGD	10.55	(2%)	(0.2%)
UNIVERSAL ELEC:	UEIC	36.32	(2.4%)	72.80%
VONAGE:	VG	3.11	2.00%	(55.2%)
VYYO:	VYYO	6.66	(0.9%)	47.00%
WEBB SYS:	WEBB	0.10	(44.4%)	150.00%
WORLDGATE:	WGAT	0.50		(62.7%)
YAHOO:	YHOO	27.13	(0.9%)	6.20%

Company	Ticker	6/29 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	41.50	6.80%	21.10%
QWEST:	Q	9.70	1.60%	15.90%
VERIZON:	VZ	41.17	(1.1%)	16.10%

Index	6/29 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	13408.62	0.40%	7.60%
NASDAQ:	COMPX	2603.23	0.60%	7.80%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. ADDVANTAGE:	5.26	8.50%
2. AT&T:	41.50	6.80%
3. ALCATEL LUCENT:	14.00	6.40%
4. OUTDOOR:	11.27	4.90%
5. CBS:	33.32	4.80%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.10	(44.4%)
2. SPRINT NEXTEL:	20.71	(5.5%)
3. 3COM:	4.13	(5.1%)
4. GEMSTAR TVG:	4.92	(4.3%)
5. BROADCOM:	29.25	(4.2%)

LAUNCH A LEADER



www.insidehallmarkchannel.com

Hallmark Movie Channel ranks #2 among emerging networks non-affiliates want to launch by year-end 2007.

Source: BETA Research 2006 Cable Operator Channel Carriage Study; Top 10 of 21 Emerging/Digital Networks. Further qualifications available upon request.

MaxFAX...

Cannes Do?

Beautifully.

Ah, the South of France ... *Marwan Fawaz, Leslie Ellis, Mike Pohl, Alan Bezoza, Ralph Brown, Brian Coyne, Jeff Baumgartner, Mark Cutten, Mike Lee, Jeffery Brown, Dick*



Paul S. Maxwell

Anderson, Tom Steinert-Threlkeld, Jim Ludington, Jim Gillespie, Steve Reynolds, Jeff Siegel, Tom Rogers, Dick Green, Keval Desai, Hemang Mehta and Dave Woodle all suffer-

ing from not being in the USA.

Well, someone's gotta do it. Interesting **C-COR** IPTV Summit... in Cannes last week.

- When will **Verizon** and/or **AT&T** learn from **Orange**? Cable operators can mostly hope: not in their lifetimes. Orange's package of interoperable services, devices and more are downright impressive.

- Bandwidth management is going dynamic... in a big way. As **Charter's** Fawaz noted, some 60-70% of IP traffic today is peer-to-peer... well, just imagine what continued upgrades plus better bandwidth usage will mean.

- Personalization of media isn't just sending information to the right email

address... it will mean complete interoperability among and within ALL conceivable devices that can be connected to, and perhaps integrated with, whatever delivery provider exists. The old content v. conduit isn't really the issue. The real issue is how to be the billing entity.

- Will US cable ops try to compete out-of-market? Leslie asked Marwan. He demurred... enough on their plate was the answer. But, **Cox** does have that state-wide franchise... so... who knows? (My take: not likely tomorrow... just the day after).

- Ditto here for the explosive—and imminent—growth of HDTV channels that will have to be carried.

- “The Acceleration of Adoption Arcs”... A couple of years ago, the IPTV Summit was speculative. Last year, the iPod and its ilk dominated... this year, **YouTube**, **Facebook** and **MySpace** are old hat. What's the next wild card to enter the mainstream?

- The 4 “Change Agents”... had a panel with **TiVo**, **Sling**, **Microsoft** and **Google**... all companies that changed the world... and haven't stopped trying to think of new ways to change the world. Tom's company started out time-shifting with a “learning” agent... now it wants to integrate and assimilate with all parts of the media spectrum. Google's genius helping to sort the chaos of the Web led to lead generation replacing advertising models... and more is on the way.

Sling keeps expanding on place-shifting of content... and might find a way to generate relevancy remotely. And **Microsoft**... well, they keep improving with every release (they think; well, as leaders, they make an easy joke target... as Hemang noted: “Don't buy 3.0 releases”).

A thought: If the medium is the message, what's the infrastructure?

This multi-platform, multi-screen world assembled by C-COR that has married service offerings, content and deliverability into a fairly seamless look at today's developing landscape... more conferences might do the same. (Well, we do that in a cable-centric manner at the **CableFAX Leaders Retreat**—and off-the-record, at that).

Other mid-conference thought: The real gatekeeper is the subscriber.

Random Notes:

- **Jet Lag!** Whew. Enough. For a couple of weeks or so... when is CTAM? The Independent Show? Where?

- **Who's Next?** Will **News Corp** absorb **Yahoo!** Or **Liberty**? Who will actually buy **Crown**? When? (Must be soon, some analyst boosted the stock).

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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.