

# CableFAX Daily™

Wednesday — July 2, 2008

What the Industry Reads First

Volume 19 / No. 127

## Rain and Shine: Nets Work to Build Bigger Audiences for Some Sports

Even with the NFL, WWE, college pigskin/basketball and the NBA playoffs among the properties drawing notable audiences, there is no blanket success for cable sports. But, in drawing parallels between the stock markets' latest swoon and a few underachieving sports, certain execs believe they have purchased low and will enjoy increasing success. Take 1st this year's **Tour de France**, coverage of which commences Sat on **Versus**. As cycling has been besmirched by doping scandals and continues to pine for *Lance Armstrong*, avg event ratings on the net have leveled at 0.3 over the last 2 years after achieving steady growth and a 0.8 peak in '05. Undeterred, pres *Gavin Harvey* extended **Versus**' US rights to the Tour through '13 and forecasts vast improvement. "We know we've come through a couple of years of... a lot of troubles and shadows over it," said Harvey of the Tour. "We're sticking with it. We just think it's something that people identify with **Versus**, and we look forward to a great tour this year and in the years to come." The net's surrounding marketing plays on the desire for the sport to emerge from its woes and to reverse its ebbing US popularity, he said, and new advertisers such as **Nestle** and **Exxon Mobile** have responded. Also fighting for viewers are **ESPN2's Arena Football** and **MLS** coverage, respectively averaging 231K viewers through 17 games and 222K viewers through 12. Each property is only in its 2nd season on the net, notes ESPN evp, programming, planning and strategy *David Berson*, who is leavened by increases in each property among key male demos, if not overall viewership. "We're pleased with the exposure and buzz" of **Arena Football**, he said, and the net continues to generate interest by "making sure fans understand this is a football game, nothing wacky." As far as American soccer is concerned, "MLS is just catching on," said Berson, and the league's popularity will only grow as passionate soccer demos including Latinos do likewise in the US. Then there's Sun baseball on **TBS**, which has averaged just 510K viewers/game through 12 contests, and that's while featuring the popular Red Sox and Yankees several times each. The net declined to speak about the telecasts, now in their 1st year on the net after replacing a Braves-only slate. **Turner's** beefed-up playoff baseball coverage, however, performed exceedingly well last season.

**DISH Dealing:** **DISH** has received word from **AT&T** that the telco will terminate its agreement to market and sell **DISH** satellite service on Dec 31, according to an SEC filing. The telco previously ended its marketing deal with **DirectTV**. **DISH** said it received the termination notice on Mon. Last month, AT&T requested the DBS company buy back \$500mln in convertible debt held by the telecommunications company. Some analysts had predicted that AT&T would let the contract expire with its U-Verse service becoming a competitor to DBS. Calls to AT&T weren't returned by press time.

**Big Ten:** It's official. **Verizon** rolled out **Big Ten Network** to Fort Wayne, IN, Tues, with the channel to launch on expanded basic in all FiOS TV markets in the coming months. The telco's deal with the sports net was 1st reported by **Cfax** (*Cfax*, 6/27). The net will be available in HD and SD. **Big Ten** is one of several new channels Verizon is launch-

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ing. Also upcoming are HD versions of **CNBC**, **Bravo** and **USA**. "Our aim is, by the end of this year, to have clear HD leadership by offering all available, major HD content to our customers," a spokeswoman said.

**Inside the Beltway:** The **US Copyright Office** is recommending that govt royalty rates for retransmission of distant broadcast signals be replaced with commercial rates, saying the existing rates are below market prices. The recommendation came in a lengthy report to Congress released late Mon. **Stifel Nicolaus** reasons that the distant signal change could eventually increase the copyright payments cable and DBS providers pay to content holders, including media/broadcast conglomerates. "We are currently reviewing the 250 page report which underscores the complexity of this issue," **NCTA** said. "That said, we continue to believe that the current royalty regime for cable—under which rates were negotiated upwards twice in the last 10 years—is appropriate. It not only provides program producers with fair value but also enables consumers to access distant signal programming at reasonable prices."

**In the States:** **Comcast** launched an intl calling plan for digital phone subs featuring flat rates for calls made to more than 30 countries around the world. For \$4.95/month, subs get 100 minutes to Western European countries. The same monthly charge gives subs 100 minutes to landline phones in Asia or 100 minutes to Mexico. The Latin American plan is \$9.95/month. -- About half of all US cable subs will have tru2way set-tops in 2013, predicts **ABI Research**.

**DTV Doings:** **NTIA**, the **FCC** and **House Commerce** are organizing "DTV Day on the Hill" July 8, an opportunity for members of Congress and their staff to learn more about the digital transition. There will be experts, DTV demos and converter box installations. -- The **FCC** and **EPA** put together a DTV fact sheet, emphasizing that no one will have to replace an analog TV and outlining recycling opportunities for those who do want to get rid of their older sets.

**Customer Service:** Cable and satellite call centers placed on the bottom of the **CFI Group's** 2nd annual Contact Center Satisfaction Index, with a score of 66 on a 100-point scale. That's down 3% from last year's score. Hotel (78) was the top scorer followed by multichannel retail (76). The survey found that 20% of customers end their cable and satellite contact center experience with unresolved issues, making them 5 times more likely to defect. The sector's CSR scores dipped 3% to 73. Satisfaction for cable/DBS onshore call centers (68) ranked much higher than perceived offshore call centers (55).

**Competition:** **AT&T** filed for a statewide video franchise in TN, saying it plans to spend about \$400m in the state on fiber upgrades over the next several years.

**Programming:** **Outdoor Channel** adds "Fly Fishing the World" and "The Catch: Costa Rica" to its Friday Night Fishing programming block this week. -- **AmericanLife TV's** Mon (8pm ET) tribute to *George Carlin* features segments from the late comedian's stint of 70's variety show "The Tony Orlando and Dawn Rainbow Hour."

**Intl:** **TiVo** is going Down Under, with media co **Seven** creating the digital platform for TiVo's DVR service in Australia.

**Cuban's Quest:** **Cfax** caught up with **HDNet** founder *Mark Cuban* recently to ask him about his latest passion: Lobbying for new program-access rules to help indie nets. Why invite more regulation? Cuban says content consolidation has created an unlevel playing field for indies and denied consumer choice in the process. Many in the cable industry disagree, but in an exclusive Q&A at **Cable360.net**, Cuban makes a lengthy case for new indie protections. Check it out at [www.cable360.net](http://www.cable360.net).

**We tv is #1 in growth  
among all networks targeting women!**

**+96% W18-34**  
**+71% W18-49**  
**+50% W25-54**



**We TV**  
On Demand

All new episodes of *Bridezillas* on Sundays at 9pm/8c  
and available on demand the next day.

**We TV**  
rainbowaffiliate.com

Source: Nielsen Media Research, Live Data, Prime M-Su 8p-11p, delivery percent change for W18-34, W18-49 and W25-54 from 2Q07 (4/2/07-6/24/07) to 2Q08 (3/31/08-6/22/08) among ad supported cable networks targeted to women, subject to qualification upon request.

# CableFAX

## THE MAGAZINE



*is proud to announce the  
2008 Selections of Top Operators*



### **WOW! Independent Operator of the Year** In partnership with ACA and NCTC & **Insight Communications as MSO of the Year**

#### **Honorees Celebrated in this Issue:**

Independent System Exec of the Year: Amy Tykeson, BendBroadband

Independent Lifetime Achievement: Steve Weed, Wave Broadband

MSO Tech Innovation: Pragash Pillai, VP, Strategic Engineering, Bresnan Communications

MSO Lifetime Achievement: Ralph Roberts, Comcast

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#### **More category winners announced in the CableFAX: The Magazine Top Ops Issue**

Publication Date: July 27

Distribution Bonus: Independent Show in Orlando, FL

Artwork Deadline: July 11

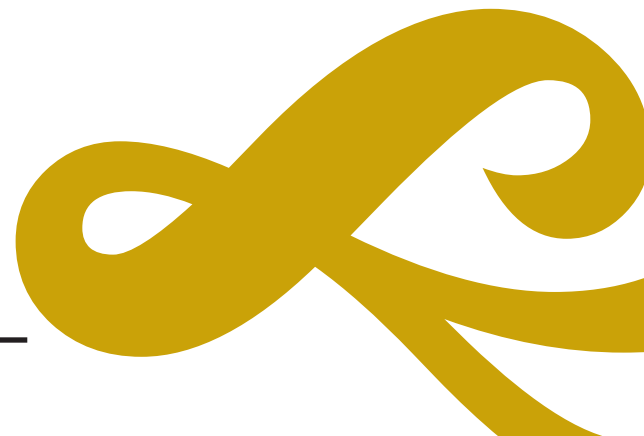
We invite you to celebrate your most important partners' success and your achievements with a congratulatory or brand ad, in the July Issue of the Magazine.

Call us for a full list of all the honorees, as there may be additional clients that are important for you to consider in a congratulatory ad.

**If you have any questions, please let us know. We look forward to working with you.**

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# BUSINESS & FINANCE

**People:** Carolyn McIntyre, currently regional vp for **Sempra Energy**, will become **CCTA's** new pres on July 14. She succeeds *Dennis Mangers*, who is retiring after 28 years in telecom. McIntyre is only the 4th pres since the CA association's 1958 inception. -- *Pamela Howell* was named vp, corp comm for **ReelzChannel**. She most recently headed affil marketing for the net.

**Stork Visits:** Congrats to **Rainbow PR** exec *Georgia Juvelis* and **Animal Planet** vp, development *Charley Foley* who welcomed their first child into the world June 17. *Clio Eloise Foley* tipped the scales at 7 pounds.

**Public Affairs:** **Comcast CO** collected more than 70K pounds of "e-waste" (unused computer monitors, TVs, etc) during its "Screen to Green" recycling rally in Denver Sat.

**Business/Finance:** **JPMorgan** initiated multichannel coverage with a "bullish" cable outlook and a "cautious" outlook for the cable/satellite coupling. The firm gave "overweight" tags to **Comcast**, **Cablevision**, and **Outdoor Channel Holdings**, and "neutral" tags to **Charter**, **Liberty Media** and **Liberty Ent.** **Collins Stewart** also initiated cable coverage, assigning **Cablevision** a "buy" rating and **Comcast** and **Time Warner Cable** "hold" ratings. -- **Scripps Net Interactive** completed its 1st day of NYSE trading Tues with a 4% gain to \$39.75. Sibling **E.W. Scripps** slid 6% to \$3.01.

## CableFAX Daily Stockwatch

| Company                      | 07/01 Close | 1-Day Ch | Company               | 07/01 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| <b>BROADCASTERS/DBS/MMDS</b> |             |          |                       |             |          |
| AMDOCS:                      | 29.77       | 0.35     | AMPHENOL:             | 45.95       | 1.07     |
| BRITISH SKY:                 | 36.31       | (1.08)   | APPLE:                | 174.68      | 7.24     |
| DIRECTV:                     | 25.64       | (0.27)   | ARRIS GROUP:          | 8.64        | 0.19     |
| DISNEY:                      | 31.05       | (0.15)   | AVID TECH:            | 17.29       | 0.30     |
| ECHOSTAR:                    | 29.11       | (0.17)   | BIGBAND:              | 4.92        | 0.19     |
| GE:                          | 27.12       | 0.43     | BROADCOM:             | 27.16       | (0.13)   |
| HEARST-ARGYLE:               | 19.35       | 0.22     | C-COR:                | 11.00       | 0.00     |
| ION MEDIA:                   | 1.45        | 0.00     | CISCO:                | 23.15       | (0.11)   |
| NEWS CORP:                   | 15.06       | (0.29)   | COMMSCOPE:            | 51.18       | (1.59)   |
| <b>MSOS</b>                  |             |          |                       |             |          |
| CABLEVISION:                 | 22.26       | (0.34)   | CONCURRENT:           | 0.64        | (0.04)   |
| CHARTER:                     | 1.09        | 0.04     | CONVERGYS:            | 14.68       | (0.18)   |
| COMCAST:                     | 18.79       | (0.18)   | CSG SYSTEMS:          | 11.08       | 0.06     |
| COMCAST SPCL:                | 18.57       | (0.19)   | ECHOSTAR HOLDING:     | 30.47       | (0.75)   |
| GCI:                         | 7.02        | 0.15     | GOOGLE:               | 534.73      | 8.31     |
| KNOLOGY:                     | 11.03       | 0.04     | HARMONIC:             | 9.61        | 0.10     |
| LIBERTY CAPITAL:             | 14.28       | (0.12)   | JDSU:                 | 11.35       | (0.01)   |
| LIBERTY ENTERTAINMENT:       | 23.77       | (0.46)   | LEVEL 3:              | 2.92        | (0.03)   |
| LIBERTY GLOBAL:              | 31.06       | (0.37)   | MICROSOFT:            | 26.87       | (0.64)   |
| LIBERTY INTERACTIVE:         | 14.40       | (0.36)   | MOTOROLA:             | 7.37        | 0.03     |
| MEDIACOM:                    | 5.07        | (0.27)   | NDS:                  | 58.34       | (0.86)   |
| SHAW COMM:                   | 20.45       | 0.09     | NORTEL:               | 8.03        | (0.19)   |
| TIME WARNER CABLE:           | 26.30       | (0.18)   | OPENTV:               | 1.43        | 0.12     |
| VIRGIN MEDIA:                | 12.92       | (0.69)   | PHILIPS:              | 33.67       | (0.13)   |
| WASH POST:                   | 580.45      | (6.45)   | RENTRAK:              | 13.90       | (0.18)   |
| <b>PROGRAMMING</b>           |             |          |                       |             |          |
| CBS:                         | 19.17       | (0.32)   | SEACHANGE:            | 7.20        | 0.04     |
| CROWN:                       | 4.50        | (0.24)   | SONY:                 | 43.20       | (0.54)   |
| DISCOVERY:                   | 21.37       | (0.59)   | SPRINT NEXTEL:        | 8.83        | (0.67)   |
| EW SCRIPPS:                  | 3.01        | (0.18)   | THOMAS & BETTS:       | 37.20       | (0.65)   |
| GRUPO TELEVISA:              | 23.16       | (0.46)   | TIVO:                 | 6.09        | (0.08)   |
| INTERACTIVE CORP:            | 19.30       | 0.02     | TOLLGRADE:            | 4.62        | 0.13     |
| LIBERTY:                     | 47.23       | 0.33     | UNIVERSAL ELEC:       | 21.09       | 0.19     |
| LODGENET:                    | 4.57        | (0.34)   | VONAGE:               | 1.67        | 0.01     |
| NEW FRONTIER:                | 3.82        | (0.09)   | WEBB SYS:             | 0.05        | 0.00     |
| OUTDOOR:                     | 6.81        | (0.17)   | WORLDGATE:            | 0.30        | 0.00     |
| PLAYBOY:                     | 5.37        | 0.43     | YAHOO:                | 20.20       | (0.46)   |
| RHI:                         | 13.10       | 0.11     | <b>TELCOS</b>         |             |          |
| SCRIPPS INTERACTIVE:         | 39.75       | 1.20     | AT&T:                 | 33.30       | (0.39)   |
| TIME WARNER:                 | 14.82       | 0.02     | QWEST:                | 3.87        | (0.06)   |
| VALUEVISION:                 | 3.48        | (0.09)   | VERIZON:              | 35.53       | 0.13     |
| VIACOM:                      | 30.40       | (0.21)   | <b>MARKET INDICES</b> |             |          |
| WWE:                         | 15.29       | (0.18)   | DOW:                  | 11382.26    | 32.25    |
| <b>TECHNOLOGY</b>            |             |          |                       |             |          |
| 3COM:                        | 2.07        | (0.05)   | NASDAQ:               | 2304.97     | 11.99    |
| ADC:                         | 14.43       | (0.34)   |                       |             |          |
| ADDVANTAGE:                  | 2.79        | (0.26)   |                       |             |          |
| ALCATEL LUCENT:              | 5.89        | (0.15)   |                       |             |          |

Wednesday, July 23, 2008  
1:30-3:00 pm (ET)

## CableFAX Webinar

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**Charles Patti, Ph. D.**  
Senior Fellow, The Cable Center, University of Denver  
**Joanne Wolf**  
Director, Customer Care, Time Warner Cable  
**Pamela Clifton**  
President, RPM Frontline Solutions

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