

CableFAX Daily™

Thursday — July 3, 2008

What the Industry Reads First

Volume 19 / No. 128

HD Hub: High-Def Rollouts Abound

The number of HD launches continue to mount as distributors race to whet consumers' appetites. One day after **Verizon** announced plans to rollout 22 HD nets to its **FiOS TV** markets (15 have already launched in Fort Wayne, IN), **Cablevision** announced plans to deliver 15 new free HD channels to all its digital subs, bringing the number of HD channels its offers to 60 (CVC charges no extra equipment or programming fees for HD). Cablevision will launch the nets over a 5-day period starting July 28, making them available across the MSO's entire service area by Aug 1. Interestingly, Cablevision only released the names of 10 of the 15 channels (**Nick, WE, AMC, Animal Planet, Weather, Travel, Fox News, Discovery, Hallmark Movie** and **FX**). With 5 channels unnamed, CVC's loyal message board-using subs have been listing their hopes for the remaining nets. Memo to Cablevision: **USA, Sci Fi** and **A&E** were popular requests. Meanwhile, overbuilder **RCN** is adding 7 HD channels (**Discovery HD, Animal Planet HD, TLC HD, Science Channel HD, Lifetime Movie Network HD, Food Network HD** and **Travel Channel HD**) as well as HD VOD. Our friends over at **WhereIsHD.com** and **SkyReport** note that **Time Warner Cable** launched 214 HD feeds across 19 DMAs last week, while **Bright House** added 32 HD feeds in Tampa-St Pete and **Comcast** added 27, primarily in the Wheeling-Steubenville DMA.

Show News: Next year's **Cable Show** attendees should get to see some cherry blossoms, with the show slated for Apr 1-3 in DC. That's a slight change from the original dates of Apr 5-8. The good news is it means the show will start on a Wed instead of a Sun. However, your weekend probably won't be free since this marks the 1st "Cable Connection" week, which runs through Mon, Apr 6. The week of consolidated cable events (Apr 1-6) includes **SCTE's Emerging Tech** conference and **WICT's Gala**. **Insight's Michael Willner** and **TV One's Johnathan Rodgers** will co-chair the Cable Show.

Research: Rating best performing companies or business segments by blending financial and consumer data, **wRatings'** Most Competitive reports series gives the nod to **FiOS** in the telecom sector. The service scorched all others with a score of 73, nearly 38% ahead of runner-up **Frontier Phone**. **Charter** was the top-ranked MSO with a 32, good for 10th. Other notables: **DISH** (42), **Qwest** (36), **Comcast** (31), **Sprint** (30), **AT&T Wireless** (29), **Cablevision** (24) and **DirectTV** (21). Not surprisingly, **Google** shopping/services (89) dominated the media/Web rankings, with **HGTV** (84) and **Food Net** (80) impressively hitting the top 10. Others: **Nickelodeon** (71), **Disney Channel** (67), **CNBC** (60), **VH1** (59), and **MSNBC** (58). A score of 100 means the business built the highest consumer and economic advantages when compared with the 540+ companies in the wRatings national coverage.

In the States: **Bright House** said its digital phone subs have grown more than 50% in the past year, and now exceed 600K total. The MSO processes more than 200mln calls/month consisting of more than 670mln subscriber minutes. -- **Comcast Spotlight** renewed its licensing agreement for various cable advertising software products from **Harris Corp's** "Novar" family of traffic and billing solutions. -- **ReelzChannel** launched on **San Juan Cable**

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in Puerto Rico. -- **Time Warner Cable** has joined **MoCA**, the Multimedia over Coax Alliance, as a contributor level member. -- **WildBlue** residential and business subs may now receive the same savings as members of the **Dell Employee Purchase Program**, including discounts on desktop and notebook computers.

At the Portals: Time Warner submitted its request to the **FCC** to transfer certain licenses to **Time Warner Cable** as part of the MSO's spin-off from the parent company.

5Qs with Lifetime Movie Net evp, gm Louise Henry Bryson: **LMN just celebrated its 10th anniversary and is in about 59mln homes. How did it get to that point, and what's next for it in terms of distribution?** It was a good concept from the beginning because it really is what women like on Lifetime and more. We actually had the channel metered at about 11.5mln homes, which is very early. A lot of networks don't have **Nielsen** even when they get much larger. But we could see that women liked it, and we were getting a good audience from the beginning. It took a lot of hard work to get the distribution. It always does, but I think operators would say generally it's a good service. I think there's not much of a holdout anywhere. We'll continue to grow with digital. We have about 30-40% basic, and the rest is digital, and we will grow as cable grows. **Like a lot of networks, LMN has recently launched an HD offering. How difficult is it to gain carriage for HD services or are operators clamoring for high-def content?** I think it's certain kinds of services. I think we're made for HD. When people are looking for HD, they are looking for services like a movie service. We have high percentage in prime of straight HD shot movies. Women are a big component in selecting services, and they like HD. **How has Andrea Wong helped guide the network since coming on board as pres/CEO of Lifetime Nets?** She did something really important, and that's recognize the power of LMN as a service and commit more people, more resources. And that comes with lots more original programming. **You recently retired from your other title. Do you miss it?** I had 2 jobs. I was head of distribution and head of LMN. I was passionate about LMN because you have to work hard to get that distribution. I actually decided to stay on with the 2nd half of my job for 2 reasons: It's fun... With the double digit rating increases and the talented people we have, this has really been a terrific experience for me. Secondly, I've really come to love our viewers. They are a loyal group... **The Lifetime flagship net is known for its public service commitments. What is LMN doing in that space?** We started last year a film contest. It's come this year to a "Every Woman's Film Competition," where we're inviting all amateur filmmakers to give us a 3-5 min film. The intent is to provide an opportunity for young women to advance their career, provide networking for them and to show their films on Lifetime Movie Network. Of the 250 top grossing films in 2006, only 15% of the directors, cinematographers, writers, editors were women. And that's just not enough.

Marketing: Folks have asked us from time-to-time where they can get the trademark black bag *Kyra Sedgwick* carries on **TNT's** "The Closer." Sounds like **TNT** has gotten the same request. Sedgwick's bag is one-of-a-kind, but **TNT, Warner Bros** and **QVC** have come together to offer a black bag created to resemble the tote. It'll be available on **QVC** Mon, 8pm for \$59. -- **Insincere** viewers may get the last laugh in **CMT's** promotion surrounding new hidden prank show "Mabe in America" (Fri, 10:30pm). The net is offering \$10 gas cards to viewers that find the series unfunny as part of a \$10K "Guaranteed to Make You Laugh or Give You Gas" promotion (information at CMT.com). At least **CMT** is cognizant of likely tomfoolery. "I think we will be hard pressed to find 1,000 people who don't agree this show is hilarious, but considering the cost of gas, I don't think we'll have a problem finding people who overlook the 'honor system' for a little

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BUSINESS & FINANCE

help at the gas pump," said CMT vp, consumer marketing *Andy Holeman* in a release.

On the Circuit: **NAMIC Mid-Atlantic** will hold a Summer Membership Mixer July 17, 6 pm. Come down to Buffalo Billiards in NW DC to connect with NAMIC colleagues, learn about upcoming activities and have a complimentary drink. RSVP to namic_midatlantic@namic.com.

People: **Time Warner Cable N TX** div pres *Robert Moel* was tapped as chmn of the **TX Cable Assoc. Comcast** Houston PR exec *Ray Purser* was named vice chmn. -- *Jennifer Turner* was named to the newly created post of vp, licensing and strategic partnerships, **Bravo Media** and **Oxygen Media**.

Editor's Note: Your next issue of **Cfax** will be dated Mon, July 7 because of the holiday weekend. Have a safe and happy Fourth of July.

Business/Finance: **Time Warner Cable** plans to reduce its leverage to approx 3.25 after its split from **Time Warner** later this year, and afterward may pay a recurring dividend or buy back shares, CFO *Robert Marcus* told **Bloomberg**. The MSO has no plans to invest in newspapers or Internet portals, said Marcus. -- **Thomson's Technicolor Services** div inked a deal to provide intl broadcast distribution and media mgmt services to **NBCU**, and bought NBCU's broadcast distribution center in Denver.

CableFAX Daily Stockwatch

Company	07/02 Close	1-Day Ch	Company	07/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMDOCS:	29.04	(0.73)
BRITISH SKY:	35.00	(1.31)	AMPHENOL:	45.14	(0.81)
DIRECTV:	25.26	(0.38)	APPLE:	168.18	(6.5)
DISNEY:	30.71	(0.34)	ARRIS GROUP:	8.49	(0.15)
ECHOSTAR:	26.91	(2.2)	AVID TECH:	16.92	(0.37)
GE:	26.51	(0.61)	BIGBAND:	4.58	(0.34)
HEARST-ARGYLE:	18.95	(0.4)	BROADCOM:	26.31	(0.85)
ION MEDIA:	1.45	0.00	C-COR:	11.00	0.00
NEWS CORP:	14.64	(0.42)	CISCO:	22.84	(0.31)
MSOS					
CABLEVISION:	21.81	(0.45)	COMMSCOPE:	51.20	0.02
CHARTER:	1.06	(0.03)	CONCURRENT:	0.65	0.01
COMCAST:	18.44	(0.35)	CONVERGYS:	14.46	(0.22)
COMCAST SPCL:	18.30	(0.27)	CSG SYSTEMS:	11.16	0.08
GCI:	6.82	(0.2)	ECHOSTAR HOLDING:	30.18	(0.29)
KNOLGY:	10.86	(0.17)	GOOGLE:	527.04	(7.69)
LIBERTY CAPITAL:	14.20	(0.08)	HARMONIC:	9.27	(0.34)
LIBERTY ENTERTAINMENT:	23.76	(0.01)	JDSU:	10.93	(0.42)
LIBERTY GLOBAL:	30.40	(0.66)	LEVEL 3:	2.62	(0.3)
LIBERTY INTERACTIVE:	13.85	(0.55)	MICROSOFT:	25.88	(0.99)
MEDIACOM:	5.22	0.15	MOTOROLA:	7.15	(0.22)
SHAW COMM:	20.72	0.27	NDS:	58.50	0.16
TIME WARNER CABLE:	26.22	(0.08)	NORTEL:	7.46	(0.57)
VIRGIN MEDIA:	12.57	(0.35)	OPENTV:	1.37	(0.06)
WASH POST:	574.25	(6.2)	PHILIPS:	32.45	(1.22)
PROGRAMMING					
CBS:	18.73	(0.44)	RENTRAK:	14.00	0.10
CROWN:	4.45	(0.05)	SEACHANGE:	7.04	(0.16)
DISCOVERY:	20.97	(0.4)	SONY:	42.60	(0.6)
EW SCRIPPS:	2.96	(0.05)	SPRINT NEXTEL:	8.74	(0.09)
GRUPO TELEVISA:	22.30	(0.86)	THOMAS & BETTS:	34.90	(2.3)
INTERACTIVE CORP:	18.42	(0.88)	TIVO:	5.94	(0.15)
LIBERTY:	46.42	(0.81)	TOLLGRADE:	4.96	0.34
LODGENET:	4.44	(0.13)	UNIVERSAL ELEC:	19.69	(1.4)
NEW FRONTIER:	3.75	(0.07)	VONAGE:	1.63	(0.04)
OUTDOOR:	6.61	(0.2)	WORLDGATE:	0.30	0.00
PLAYBOY:	5.03	(0.34)	YAHOO:	20.88	0.68
RHI:	13.34	0.24	TELCOS		
SCRIPPS INTERACTIVE:	41.75	2.00	AT&T:	32.89	(0.41)
TIME WARNER:	14.55	(0.27)	QWEST:	3.65	(0.22)
VALUEVISION:	3.12	(0.36)	VERIZON:	35.63	0.10
VIACOM:	30.20	(0.2)	MARKET INDICES		
WWE:	15.30	0.01	DOW:	11215.51	(166.75)
TECHNOLOGY					
3COM:	1.92	(0.15)	NASDAQ:	2251.46	(53.51)
ADC:	14.22	(0.21)			
ADVANTAGE:	2.87	0.08			
ALCATEL LUCENT:	5.73	(0.16)			

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THE MAGAZINE



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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

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

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Artwork Deadline: July 11

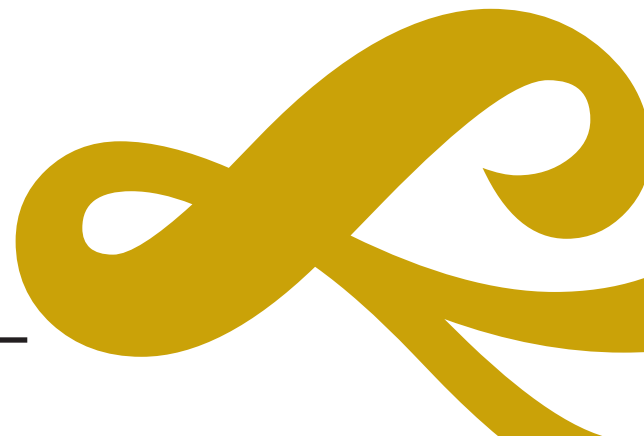
We invite you to celebrate your most important partners' success and your achievements with a congratulatory or brand ad, in the July Issue of the Magazine.

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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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Half-Year News, Notes and Musings

Ballot Box: Irrespective of your support, dear reader, of *McCain* or *Obama*, chances are you continue to root for cable in the race against broadcasters for front-running political news. As with the 2 candidates, there's no clear-cut favorite just yet, but this election cycle has seen related content dominate cable in 1Q and help the industry wrest some overall news share from the broads. As election/debate coverage took 6 of the top 7 1Q cable telecast slots, is it any surprise that **CNN** (+55%), **MSNBC** (+48%) and **Fox News** (+11%) all experienced prime viewership gains in the Q? Would it surprise you to learn that the growth continued in 2Q, to the respective tune of +23%, +37% and +6%? According to **Turner's** extrapolation of **Nielsen** data covering 2Q through Jun 22, cable now controls approx 58% of the cable/broad news share (P2+) after the tally showed equality 4 years ago. Look for the action to heat up in late summer and fall.

The TRUTH: Turner's **truTV** came out firing early this year after replacing **CourtTV**, achieving 1Q gains in prime and total day ratings and viewership vs avg '07 numbers. The net's prime data hit a lull in 2Q, however, dropping below '07, but total day viewership continued ahead. Half-year grade: C.

Ode to COs: Cable originals, that is. **Disney's** "Camp Rock" (5.6/5.35m) served as an impressive encore to the "High School Musical" duo; the premiere of **USA's** "In Plain Sight" (4.5/4.32m) was clearly a winner, and the show continues to impress; and the return of **Lifetime's** "Army Wives" (4.2/4.0m) demands a salute. The latter pair even performed well while battling same-night **NBA Finals** action on **ABC**. More original fireworks should follow for cable in July and Aug.

2Q Advances, Retreats: In prime viewership, **Lifetime Movie** (+45%), **Oxygen** (+29%), **Versus** (+48%) and **Bravo** (+23%); **BET** (-15%), **TV Land** (-12%) and **Cartoon** (-10%). *CH*

On The Circuit: The best TV series evolve. That's clearly the case with **Lifetime's** top-rated "Army Wives" (Sun, 10pm). What began as a soap with army life as a convenient if topical backdrop is now a must-see for military wives, who praise its authenticity. This was made clear to your reviewer Tues night when Lifetime staged a simple but brilliant event. It brought this Sunday's ep of "Army Wives," along with cast members *Sally Pressman* and *Brigid Brannagh*, to Walter Reed Army Medical Center in D.C. for a screening. Watching Army Wives with several hundred army wives, and husbands, most well, some wounded, was an experience. Your reporter has a theory that Wives succeeds because women identify with its female characters' bonding, and their husbands enjoy watching 5 of cable's most beautiful actresses. The 1st part of my theory withstood a field test Tues. Part 2, the male reaction, didn't. "Are you kidding? No." Army chief of staff, 4-star General *George Casey*, snapped at me when I asked if he watches the series. Interesting then that once the screening of a July 4-appropriate ep ended, the General led vigorous applause. A convert to Lifetime? "Maybe," Casey said smiling. *SA*

Basic Cable Rankings (5/26/08-6/29/08) Mon-Sun Prime			
1	USA	2.2	2122
2	DSNY	1.8	1732
3	TNT	1.7	1662
4	NAN	1.4	1328
4	ESPN	1.4	1326
4	LIFE	1.4	1304
7	TBSC	1.3	1305
7	FOXN	1.3	1236
9	HALL	1.2	958
10	A&E	1.1	1055
10	TOON	1.1	1016
12	HGTV	1	962
12	HIST	1	960
12	SPK	1	924
12	SCIF	1	913
16	DISC	0.9	897
16	FX	0.9	872
16	TRU	0.9	785
19	FAM	0.8	809
19	CMDY	0.8	803
19	CNN	0.8	781
19	AMC	0.8	779
23	MTV	0.7	710
23	FOOD	0.7	707
23	TLC	0.7	663
23	MSNB	0.7	605
23	LMN	0.7	432
28	TVLD	0.6	598
28	ESP2	0.6	591
28	BET	0.6	532
28	BRAV	0.6	524
32	APL	0.5	468
32	VH1	0.5	468
32	EN	0.5	450
32	NGC	0.5	319
32	NOGG	0.5	295
37	TTC	0.4	331
37	OXYG	0.4	306
37	WGNC	0.4	302
37	SOAP	0.4	289
37	WE	0.4	269
42	HLN	0.3	330
42	CMT	0.3	278
42	GSN	0.3	229
42	SPD	0.3	213
42	DHLT	0.3	211

*Nielsen data supplied by ABC/Disney



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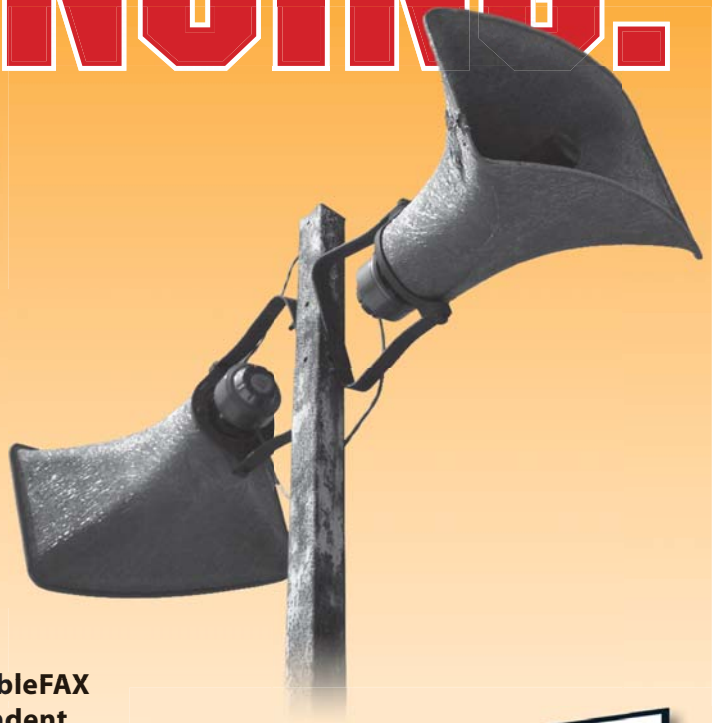
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- Analysis of linear TV, VOD, online, mobile and other new distribution methods.
- Research, charts and databases on cable TV ratings, trends and ad spend.
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