

CableFAX Daily™

Monday — July 9, 2007

What the Industry Reads First

Volume 18 / No. 131

Strong Ties: Cable's Relationship with Baseball Increasing, Pleasing

Cable and **MLB** might not yet go together like baseball and Crackerjacks, but positive season-to-date telecast ratings and related ad sales across myriad cable nets bodes well for the future. As the league's All-Star Game festivities kick-off this weekend in San Francisco, **ESPN**, **FSN** and **Comcast** represent a collective Murderer's Row where ratings are concerned: ESPN's telecasts are up 14% vs last year in both rating (1.6) and HH impressions (1.46mln), with impressions of Sun games up a solid 32% to 2.28mln; baseball across FSN's 19 RSNs has delivered a 9% increase in average rating; and viewership of the Phillies (+19%) and Athletics (+25%) is performing quite well for Comcast while **SNY** is averaging a 3.1 rating (+15). Even **YES'** Yankees coverage is up 5% despite a lackluster start by the Bronx Bombers. All is good news for cable and the league, a pair that became much more intertwined earlier this year when roughly 35 MSOs, including Comcast, **Time Warner Cable** and **Cox**, agreed to carry the league's linear channel when it launches in '09. The dalliance intensifies further this fall, when **TBS** initially exercises its exclusive rights to air a League Championship Series through '13. "This property is now the cornerstone of TBS' sports programming," said **Turner Sports** pres *David Levy* last fall of MLB content, which includes this year on the net all 4 divisional playoff series. Ad sales thus far for the coverage is "strong," said a net spokesman. There are, of course, exceptions to all this good news, such as FSN's coverage of the White Sox (-46%) and Cubs (-5%). But the early results from a burgeoning relationship are promising. -- **Fox Sports en Espanol** will air the MLB All-Star Game in Spanish for the 4th straight year, beginning Tues (8pm ET) with a half-hour pre-game show. -- ESPN's All-Star coverage will be of the traditional variety across its stable of media, including **ESPN Deportes** and **ESPN360.com**, but comedic reporter *Kenny Mayne* will provide atypical views during Mon's home run derby on the flagship net. Mayne will provide commentary from within a kayak in McCovery's Cove, just over AT&T Park's right field wall. "I'll be like Gallagher out there with as many props as possible," said Mayne.

More CableCARDS: With Jul 4 week now behind us, the fallout from the Jul 1 CableCARD deadline continues to rain down upon the cable industry. And it increasingly appears that **AT&T** and **Verizon** deftly dodged the **FCC's** bullet—even as cable took it right between the eyes. Not only did both telcos avoid a separable security mandate (AT&T by convincing the feds that its IPTV model should be treated differently than cable; Verizon by promising the FCC to go all-digital and riding that "new entrant" moniker), but now cable's starting to voice its anger at the whole process. In a Jul 3 ex parte letter posted Fri by the FCC, **Comcast** (through counsel **Willkie Farr & Gallagher**) challenged the agency's justification that non-integrated boxes aren't designed to work with the telcos' IPTV-, ATM- or hybrid QAM/IP-based systems. "At least with respect to Verizon, this

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claim is preposterous,” stated the ex parte, noting that Verizon “knew full well what its obligations were under the Commission’s rules... and yet apparently did nothing over the last three years to get boxes with separate security developed.” It also questioned “the integrity of the waiver process” following the disclosure of Verizon’s apparent last-minute promise to go all digital by Feb 17, ‘09: “Curiously, Verizon finally made that commitment in an ex parte filed with the Commission on June 29, 2007—the very same day it received its waiver grant.” Meanwhile, Comcast also raised the larger issue of why certain video providers are getting waivers while other operators are not—even though the waiver requests are very similar in many cases. “In short, the Commission must explain why it’s discriminating in favor of the customers of certain MVPDs at the expense of customers of other MVPDs,” it stated.

Competition: **DirectTV** added Hispanic net **Azteca America** to its channel lineup in Wichita, KS.

In the States: **Cox** launched HD on demand movies in northern VA, which follows San Diego as the 2nd market to receive the service.

CableFAX 100 Time!: Just another friendly reminder that this year’s considerably earlier **CableFAX 100** nomination deadline of Jul 16 is fast approaching. Send us your best pitches for your best execs—and don’t forget to give us lots of details on why they should be included. Send your brilliant prose to **CableFAX100@accessintel.com**.

Programming: **ESPNEWS’** 6-week series “City by City” kicks off Mon, when the net will profile 30 sports cities beginning with Anaheim, CA, for customized segments during “The Hotlist”, “Pregame” and “Gametime.” -- **The History Channel’s** “Human Weapon” (Jul 20, 10pm) explores the history of fisticuffs, from Muay Thai to Karate. -- **G4** plans to devote more than 17 hours to the video-game centric E3 Media & Business Summit, covering major press conferences, new game premieres and conducting one-on-one interviews.

Public Affairs: **MTV** seeks to mobilize young people in the fight against global warming with the launch of **LiveEarth.MTV.com**, featuring content from the net’s “Break the Addiction” pro-social campaign, daily video tips, and methods to take global action. Also, **VH1.com** and **CMT.com** will feature live reports from the various Live Earth concerts from around the world. -- On behalf of **Current TV** and with the **Alliance for Climate Protection**, **Al Gore** and **Cameron Diaz** will launch during Sat’s (Jul 7) Live Earth concerts the “:60 Seconds to Save Earth” contest, challenging viewers in the US, UK and Ireland to create eco-focused PSAs about taking action to fight the climate crisis.

On the Circuit: **TV One** will host at next month’s **CTAM Summit ’07** a luncheon focused on the changing African-American market segment and featuring author **Pepper Miller**.

Investigation: **NBCU’s Telemundo** put L.A. anchor **Mirthala Salinas** on a leave of absence following the disclosure of her affair with L.A. Mayor **Antonio Villaraigosa**. **Manuel Abud**, gm of Telemundo’s L.A. station **KVEA**, said the station would conduct its internal investigation “with the utmost respect to personal privacy and journalistic standards.”

Business/Finance: **Motorola** said it will post a 2Q net pretax charge of \$101mln due to a slew of jobs cuts. As the company’s cost-reduction initiatives led to a May announcement of 4K layoffs, specific 2Q actions affecting roughly 2.1K employees led to the charge.



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CableFAX Week in Review

Company	Ticker	7/06 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	53.88	4.50%	33.30%
DIRECTV:	DTV	23.94	3.60%	(4%)
DISNEY:	DIS	34.49	1.00%	3.40%
ECHOSTAR:	DISH	44.56	2.70%	17.20%
GE:	GE	38.48	0.50%	7.20%
HEARST-ARGYLE:	HTV	23.75	(1.5%)	(5.5%)
ION MEDIA:	ION	1.43	(0.7%)	186.00%
NEWS CORP:	NWS	23.26	1.40%	4.90%
TRIBUNE:	TRB	30.73	4.50%	1.00%

Company	Ticker	7/06 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	38.30	5.80%	34.50%
CHARTER:	CHTR	4.37	7.90%	42.80%
COMCAST:	CMCSA	28.58	1.60%	1.30%
COMCAST SPCL:	CMCSK	28.41	1.60%	1.80%
GCI:	GNCMA	12.80	(0.1%)	(18.6%)
KNOLOGY:	KNOL	17.61	1.40%	65.50%
LIBERTY CAPITAL:	LCAPA	118.98	1.10%	21.40%
LIBERTY GLOBAL:	LBTYA	42.72	4.10%	46.60%
LIBERTY INTERACTIVE:	LINTA	22.54	0.90%	4.50%
MEDIACOM:	MCCC	9.91	2.30%	23.30%
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	42.97		44.70%
SHAW COMM:	SJR	43.18	3.40%	40.60%
TIME WARNER CABLE:	TWC	40.27	2.80%	5.10%
WASH POST:	WPO	780.00	0.50%	6.30%

Company	Ticker	7/06 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	34.68	4.10%	14.80%
CROWN:	CRWN	7.33	1.80%	101.90%
DISCOVERY:	DISCA	23.26	1.20%	59.00%
EW SCRIPPS:	SSP	46.65	2.10%	(5.3%)
GRUPO TELEVISIA:	TV	27.83	0.80%	10.40%
INTERACTIVE CORP:	IACI	34.23	(1.1%)	(7.9%)
LODGENET:	LNET	30.60	(4.6%)	22.30%
NEW FRONTIER:	NOOF	8.70	(0.2%)	13.30%
OUTDOOR:	OUTD	11.79	4.60%	(8.1%)
PLAYBOY:	PLA	11.46	1.10%	
TIME WARNER:	TWX	21.02	(0.1%)	(2.4%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	11.74	3.70%	(10.7%)
VIACOM:	VIA	43.00	3.40%	(0.3%)
WWE:	WWE	16.52	7.80%	13.10%

Company	Ticker	7/06 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.21	1.90%	2.40%
ADC:	ADCT	18.82	2.70%	15.00%
ADVANTAGE:	AEY	5.60	6.50%	100.70%
ALCATEL LUCENT:	ALU	14.35	2.50%	15.30%
AMDOCS:	DOX	38.99	(2.1%)	0.60%
AMPHENOL:	APH	35.62	0.00%	15.10%
APPLE:	AAPL	132.30	8.40%	46.50%
ARRIS GROUP:	ARRS	17.19	(2.3%)	37.40%
AVID TECH:	AVID	36.01	1.90%	(3.4%)
BROADCOM:	BRCM	30.63	4.70%	(5.2%)
C-COR:	CCBL	14.55	3.50%	30.60%
CISCO:	CSCO	28.47	2.20%	4.20%

Company	Ticker	7/06 Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	58.71	0.60%	92.60%
CONCURRENT:	CCUR	1.85	3.40%	2.20%
CONVERGYS:	CVG	23.94	(1.2%)	0.70%
CSG SYSTEMS:	CSGS	26.67	0.60%	(0.2%)
GEMSTAR TVG:	GMST	5.10	3.70%	27.20%
GOOGLE:	GOOG	539.40	3.20%	17.10%
HARMONIC:	HLIT	8.95	0.90%	23.10%
JDSU:	JDSU	14.12	5.40%	(14.9%)
LEVEL 3:	LVL3	6.15	5.10%	9.80%
MICROSOFT:	MSFT	29.97	1.70%	2.40%
MOTOROLA:	MOT	17.84	1.60%	(11.3%)
NDS:	NNDS	46.94	0.00%	(2.7%)
NORTEL:	NT	23.38	(2.7%)	(12.5%)
OPENTV:	OPTV	2.18	2.80%	(6%)
PHILIPS:	PHG	44.41	4.90%	22.40%
RENTRAK:	RENT	15.01	1.40%	(3.2%)
SEACHANGE:	SEAC	7.96	2.60%	(22.1%)
SONY:	SNE	53.14	3.40%	24.60%
SPRINT NEXTEL:	S	21.87	5.60%	16.60%
THOMAS & BETTS:	TNB	61.51	6.10%	30.10%
TIVO:	TIVO	5.84	0.90%	14.10%
TOLLGRADE:	TLGD	10.35	(1.9%)	(2.1%)
UNIVERSAL ELEC:	UEIC	36.78	1.30%	75.00%
VONAGE:	VG	3.06	(1.6%)	(55.9%)
VYVO:	VYVO	7.16	7.50%	58.10%
WEBB SYS:	WEBB	0.11	10.00%	175.00%
WORLDGATE:	WGAT	0.42	(16%)	(68.7%)
YAHOO:	YHOO	27.10	(0.1%)	6.10%

Company	Ticker	7/06 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	40.66	(2%)	18.70%
QWEST:	Q	9.84	1.40%	17.60%
VERIZON:	VZ	41.55	0.90%	17.10%

Index	Value	1-Week % Chg	YTD %Chg
MARKET INDICES			
DOW:	13611.68	1.50%	9.20%
NASDAQ:	2666.51	2.40%	10.40%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS				
RANK	COMPANY	TICKER	CLOSE	1-WK % CHG
1.	BLINDER TONGUE	BLIN	1.79	11.20%
2.	WEBB SYS	WEBB	0.11	10.00%
3.	APPLE	AAPL	132.30	8.4%
4.	CHARTER	CHTR	4.37	7.90%
5.	WWE	WWE	16.52	7.80%

THIS WEEK'S STOCK PRICE LOSERS				
RANK	COMPANY	TICKER	CLOSE	1-WK % CHG
1.	WORLDGATE	WGAT	0.42	(16%)
2.	ARRIS GROUP	ARRS	17.19	(2.3%)
3.	NORTEL	NT	23.38	(2.7%)
4.	ARRIS GROUP	ARRS	17.19	(2.3%)
5.	AMDOCS	DOX	38.99	(2.1%)



HOLLYWOOD ICON

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ALL MONTH LONG

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MaxFAX...

Kevin's Stealth Tax?

Oh. Now I get it.

Kevin Martin and his band at the Federal Confusion Commission either:

1) Never read (or understood) *David Hume*. Or... 2) Crafted a diabolically clever methodology to stealthily compel a la carte on the cable industry (NOT, of course, satellite or telco video providers) by forcing operators to raise rates across the board to cover federally-mandated, more expensive set-top boxes—

thus inciting (or hoping to incite) riots by newly taxed subscribers forced to subsidize the FCC's folly!

Wonder which version is the truth? I'm pretty sure it is the former; the latter would require too much thought... so we're adrift in the regulatory world of unintended consequences.

Random Notes:

• **Any Presidential Cable Candidates?** Read through *Barron's* (07/02) assessment, from it's own bias, of the major Presidential candidates (in order of choice - R: Romney, Giuliani, McCain and D: Richardson, Obama, Clinton, Dodd, Biden, Edwards) ranking them from a putative investors point of view... that

is, what's best for the stock market (I suppose). Brought to mind the conundrum of '00: *Bush v. Gore*. Just couldn't bring myself to pull the Gore lever (tsk, tsk... but Gore flat out lied, on the Senate floor, to some cable executives, tough to forgive... but, on second thought, given the experiment in one party hubris coupled with astonishing incompetence...). Just means that—while it will be worth it to delve into the candidate positions—deciding from a cable perspective alone ain't the right way to cast a vote.

• **Waiver... Time To Re-File:** Here's how to get that waiver you wanted from the Federal Confusion Commission... first, change your name... seems the way to get the waiver is be a "telecommunications" or "telephone" company. So, **Comcast** can be Universal Telecomcast (or SBC?); **Time Warner** can be Frontier (back to the future? Or split itself an be PacBell/NyNex both at the same time?); **Cox** could be Tele-South (or BellSouth?)... lots of now un-used names around to invoke... no need to hire a logo/naming consultant... FCC won't notice.

• **List It!** On *Mark Cuban's* blog a few weeks ago, he was asking folks to submit ideas for a TV show... something unique. I was tempted to submit: 5 bad blog ideas... but didn't. Turns out I should have... according to CNN.com (<http://www.cnn.com/2007/SHOWBIZ/TV/07/02/apon-tv.listmania.ap/index.html>), making

lists is the best TV show idea... 5 best **C-SPAN** interviews? 5 best NFL Game Body Blows? (Oops, that's been done). Make up your own...

• **A Cable Beer?** A micro-brewery in Nebraska, SchillingBridge Winery & MicroBrewery, has launched Git-R-Done lager in "honor" of Larry the Cable Guy (aka *Dan Whitney*). Just another product getting launched—ort of like **TiVo**, **Agile** and **SlingBox**—that should've been a cable company project? Save a cold one for me.

• **CTAM in DC!** To the swamp, everyone! Not just any swamp, but the over-arching national one! DC in July. Can't wait to compare the humidity there to that I experienced in the upper Amazon basin! Still, good program and a can't miss event.

• **Better Venue!** The **NCTC** and the **ACA** co-host The Independent Show the week after **CTAM** in DC... smart move: Monterey, California. I once spent nine months there at the Defense Language Institute living in a BOQ above Canary Row... looking forward to returning. Of course, I was in the American Army, so after learning Russian, I promptly headed for South Vietnam.



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2007 CableFAX 100

Now Taking Nominations for 2007!
Due July 16th

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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.

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