

# CableFAX Daily™

Tuesday — July 10, 2007

What the Industry Reads First

Volume 18 / No. 132

## Copper Controversy: Verizon Defends Wire Removal During FiOS Installs

There was a bit of Schadenfreude Mon as the cable industry watched **Verizon** squirm to explain its FiOS install practices. At issue was an *AP* article over the weekend questioning the telco's tendency to remove customers' old twisted-pair copper phone lines when installing shiny, new fiber connections. But Verizon came out swinging on Mon. "The article is just plain wrong," said Verizon's Sharon Cohen-Hagar. "We don't remove the copper network, as the article suggests—only the few dozen yards of copper wire from the street to the home. Customers benefit because they don't need the copper cable, and it looks better to remove it. We remove this copper drop if runs overhead from a pole to the house. If it's buried, we leave the copper in place." Remember the old days when cable felt besieged all the time? Guess now it's Verizon's turn. Our requests for snarky comments from cable execs went largely unheeded, although one exec noted the irony that Verizon was ripping out copper just as **AT&T** is trying to pump everything from HD to high-speed data through those ole' copper wires (supplemented with fiber, of course). Meanwhile, **Pike & Fischer** released a study Mon suggesting that from 2008 to 2010 Verizon must boost FiOS Internet and TV penetration by an average of 6.5 and 2.7 percentage points per year, respectively, to achieve penetration targets. P&F also estimated it will take Verizon a decade or more to get a solid return on investment if it falls short of market penetration targets, adding that the telco faces greater hurdles rolling out video than cable operators face introducing VoIP service. While the FiOS TV footprint has grown to 9.4% of homes passed, **Comcast's** VoIP footprint had expanded to 73% of homes, P&F said. Of course, such challenges and a little bad press aren't likely to slow Verizon's FiOS onslaught, which continues to steal cable customers. Cohen-Hagar, meanwhile, also took issue with the suggestion that existing customers or new homeowners might have trouble switching back to copper. "If a customer asks, we'll leave the copper in place, and if a new resident wants or needs a copper-based service, we'll provide [the copper] without charge," she said. And get this: Henry Powderly, the main subject of *AP's* article, said in his blog Mon that the wire service "used my name to make a point I completely disagree with... And as for my FiOS experience, I've had no problems, the service has not cost me more than Verizon said it would, and I'm full-on addicted to **Food Network HD**." Oh well. At least cable can take solace that for once (and perhaps never again), the media beat up on a telco rather than a cable operator. Enjoy it while it lasts.

**What's In The Gemstars?: Gemstar-TV Guide** got board approval to "explore strategic alternatives intended to maximize shareholder value, which may include a sale of the company." Said chmn *Anthea Disney*: "The company has made significant improvements throughout its businesses, and the board is very pleased with the growth and strategic direction under CEO *Richard Battista*," **UBS** is acting as financial advisor. **Wachtell, Lipton, Rosen & Katz** is the legal advisor.

**Competition: DirecTV** agreed to issue \$125 refunds to more than 1K WV customers for failing to inform some rural subs of certain service options. The state's AG *Darrell McGraw* said the DBS op did not apprise those who couldn't re-

## OUR MOST-WATCHED Q2 EVER!

- ▶ AUDIENCE UP 32% OVER '06
- ▶ BEST-EVER PRIMETIME NUMBERS
- ▶ A18-49 UP 16%

Source: Nielsen, M-Su 8-11pm, A18-49, A25-54, P2+ (000), 2nd quarters, 1999-2007. Most current data.

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ceive quality reception of local broadcast affils that they were eligible to receive distant programming from NY or L.A., and in some cases denied access to the signals. -- **DISH** and **SOAPnet** will stage next month a 6-market promotional tour for the net's reality series "I Wanna Be a Soap Star." The live event will include a chance to win a walk-on role on **NBC's** "Days of our Lives," and a trip to L.A. to attend the series' live season finale. -- **DirectTV** lost earlier this year a satellite slated to deliver expanded HD content (**Cfax**, 2/1), but on Fri the DirecTV 10 satellite successfully launched from Kazakhstan. The DBS op said the satellite will let it expand its local HD channel services to up to 75 markets this year.

**Ergen Rivals Murdoch:** Deep into negotiations with *Rupert Murdoch* over his \$5bln acquisition offer, **Dow Jones** is still entertaining other proposals, 1 of which is being pitched by a consortium including **EchoStar** and **MySpace** co-founder *Brad Greenspan*, according to the *WSJ*. The group reportedly desires to purchase a portion of DJ for \$60/share.

**In the States:** **Charter** and **Time Warner Cable** launched on digital cable in parts of WI **WisconsinEye**, which will carry live coverage of the state Assembly's floor session, beginning Tues.

**L.A. Story:** **Scripps Nets** inked a pact to receive digital audience measurement data from **TNS Media Research**, which will leverage aggregated and anonymous set top data from 300K digital **Charter** subs in L.A. to provide insight into consumer viewing habits and programming performance. Data already shows that ads on Scripps Nets in mid-pod positions typically have greater retention levels than those in earlier pod positions within competitors' breaks.

**Online:** **TVGuide.com** will offer coverage (Jul 16-26) from the **TV Critics Assoc's** bi-annual press tour, including daily blogs offering inside scoops and commentary about forthcoming fall shows. -- **MLB**, in concert with **Turner Sports** and **Fox Sports**, plans to launch Tues a new postseason marketing campaign, which includes on-air, print and radio spots and broadband site **October.com**. -- **ESPN.com** will hike next week drafting and mock-drafting capabilities for fantasy football enthusiasts. The site this season will return free league- and team-hosting, as well as mobile alerts for all carriers.

**End of an Era:** Nearly as synonymous with **ESPN** as *Chris Berman*, *Dan Patrick* announced Mon his imminent departure from the company, which he joined in '89 as a "SportsCenter" anchor. Patrick's final show on ESPN Radio will be Aug 17. "I told ESPN that I believe it's time for me to try something different, something that will also be challenging and rewarding," said Patrick in a prepared statement.

**Technology:** **AMD** bowed a pair of TV-related products for desktop and notebook PCs. 1 allows them to become a DVR for HDTVs; the other allows the capture of both local over-the-air channels and cable programming.

**Programming:** **Travel Channel's** "Anthony Bourdain: No Reservations," which the net considers its most popular series, returns for a 3rd season Jul 30 (10pm). Such disparate locales as Brazil, Tuscany and Cleveland will be visited this season, which kicks off Fri with a special VOD premiere. -- **TV Guide Net's** "Fall TV: First Look" (Aug 19, 8pm) will feature interviews with creators and stars from this month's **TV Critics Assoc** festivities in L.A. -- *Scott Baio* and *Poison* front man *Bret Michaels* become part of **VH1's** reality lineup Sun, when "Rock of Love with Bret Michaels" and "Scott Baio is 45... and Single" both premiere. Both series bowed Mon online at **VH1.com**.

**Public Affairs:** **The Sportsman Channel** and the **Safari Club International Foundation** will jointly feed homeless persons in Washington, D.C., on Jul 22 during **CTAM's** Summit '07. Meals will consist of venison donated by area hunters.



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Source: Nielsen Media Research, Live Data, Bridezillas 6/24/07 9p-10p telecast compared to all WE tv original telecasts (12/31/01- 6/24/07) HH RTG, W18-49 (000), W25-54 (000), ratings based on coverage area; P2+ (000) reach based on WE go Bridal Sunday 6/24/07 9p-1a time period, 6 minute qualifier, 75% unification; Subject to qualifications upon request.

# BUSINESS & FINANCE

**People:** In Demand tapped Nathan Fong as svp/CFO and Roger Strong as vp, research. -- **Scripps Nets** svp, interactive Beth Higbee has assumed the new role of svp/GM emerging ventures. -- **Comedy Central** promoted Bob Pederson to svp/creative dir, on-air brand creative. -- **NBCU** promoted Michael Aaronson to vp, digital platforms.

**Business/Finance:** Revenue growth of 8.1% across **Viacom's** media nets is expected when the conglomerate reports 2Q results early next month, according to **UBS**, but problems still linger. "We believe that several of Viacom's cable nets, including **Nick-at-Nite**, **MTV** and **BET** continued to work through ratings challenges during the second quarter," said the firm. "This business [media nets] is highly-leveraged to advertising, which we expect to see continued slowing growth in the coming years." -- **Trion World Network**, a publisher and developer of games and entertainment that connect online, gaming, and traditional media, raised \$30mln of funding from investors including **Time Warner** and **GE/NBCU's Peacock Equity Fund**. -- **Verizon Business** completed its acquisition of **Cybertrust**, and is now offering an integrated portfolio of security offerings under the "Verizon Business Security Solutions powered by Cybertrust" brand.

**Oops:** **Comcast SportsNet** transmits Cubs and White Sox games, not **FSN** as indicated in a Mon story.

## CableFAX Daily Stockwatch

Company	07/09 Close	1-Day Ch	Company	07/09 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	54.46	0.58	AMPHENOL:	36.05	0.43
DIRECTV:	24.39	0.45	APPLE:	130.33	(1.97)
DISNEY:	34.46	(0.03)	ARRIS GROUP:	17.31	0.12
ECHOSTAR:	44.06	(0.5)	AVID TECH:	36.07	0.06
GE:	38.62	0.14	BLNDER TONGUE:	1.73	(0.06)
HEARST-ARGYLE:	23.72	(0.03)	BROADCOM:	31.26	0.63
ION MEDIA:	1.43	0.00	C-COR:	14.53	(0.02)
NEWS CORP:	23.53	0.27	CISCO:	28.45	(0.02)
TRIBUNE:	30.83	0.10	COMMSCOPE:	58.49	(0.22)
<b>MSOS</b>					
CABLEVISION:	38.03	(0.27)	CONCURRENT:	1.86	0.01
CHARTER:	4.36	(0.01)	CONVERGYS:	23.87	(0.07)
COMCAST:	28.29	(0.29)	CSG SYSTEMS:	26.55	(0.12)
COMCAST SPCL:	28.14	(0.27)	GEMSTAR TVG:	5.34	0.24
GCI:	12.82	0.02	GOOGLE:	542.56	3.16
KNOLOGY:	17.31	(0.3)	HARMONIC:	9.14	0.19
LIBERTY CAPITAL:	120.30	1.32	JDSU:	14.23	0.11
LIBERTY GLOBAL:	42.93	0.21	LEVEL 3:	6.41	0.26
LIBERTY INTERACTIVE:	22.19	(0.35)	MICROSOFT:	29.87	(0.1)
MEDIACOM:	9.99	0.08	MOTOROLA:	17.80	(0.04)
NTL:	28.22	0.00	NDS:	47.70	0.76
ROGERS COMM:	42.97	0.00	NORTEL:	23.35	(0.03)
SHAW COMM:	44.22	1.04	OPENTV:	2.17	(0.01)
TIME WARNER CABLE:	40.00	(0.27)	PHILIPS:	44.61	0.20
WASH POST:	775.80	(4.2)	RENTRAK:	15.04	0.03
<b>PROGRAMMING</b>					
CBS:	34.29	(0.39)	SEACHANGE:	7.96	0.00
CROWN:	7.10	(0.23)	SONY:	53.04	(0.1)
DISCOVERY:	23.44	0.18	SPRINT NEXTEL:	21.48	(0.39)
EW SCRIPPS:	46.26	(0.39)	THOMAS & BETTS:	61.52	0.01
GRUPO TELEVISA:	27.90	0.07	TIVO:	5.91	0.07
INTERACTIVE CORP:	33.87	(0.36)	TOLLGRADE:	10.38	0.03
LODGENET:	31.68	1.08	UNIVERSAL ELEC:	37.83	1.05
NEW FRONTIER:	8.57	(0.14)	VONAGE:	3.05	(0.01)
OUTDOOR:	11.86	0.07	VYYO:	7.14	(0.02)
PLAYBOY:	11.48	0.02	WEBB SYS:	0.15	0.04
TIME WARNER:	20.99	(0.03)	WORLDGATE:	0.44	0.02
UNIVISION:	36.23	0.00	YAHOO:	27.20	0.10
VALUEVISION:	11.75	0.01	<b>TELCOS</b>		
VIACOM:	42.38	(0.62)	AT&T:	40.49	(0.17)
WWE:	16.53	0.01	QWEST:	9.73	(0.11)
<b>TECHNOLOGY</b>					
3COM:	4.22	0.01	VERIZON:	42.02	0.47
ADC:	19.09	0.27	<b>MARKET INDICES</b>		
ADVANTAGE:	5.75	0.15	DOW:	13649.97	38.29
ALCATEL LUCENT:	14.43	0.08	NASDAQ:	2670.02	3.51
AMDOCS:	39.83	0.84			

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# CORPORATE LICENSES



CableFAX Daily™

# WHAT THE INDUSTRY READS FIRST.

# Call for Nominations

## CableWorld's 2007 Most Influential Minorities in Cable

Who are cable's most influential minority executives? Help us decide by nominating the executives you think should be on our list of the **Top 50 Most Influential Minorities in Cable**. We will rank the top 50 in the Sept. 10, 2007, issue of **CableWorld**. Nominations are open to all cable operators, programmers, vendors and trade associations.

**Deadline for nominations:  
July 13, 2007**

Nomination form can be found at:

**[www.cable360.net/nominate.html](http://www.cable360.net/nominate.html)**

