

CableFAX Daily™

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What the Industry Reads First

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Privacy Protections: Online Ad Hearing Looks to be First of Many

They came, they questioned and they listened. But those expecting members of the Sen Commerce Committee to rip into the online advertising industry Wed for violating consumers' privacy were in for a surprise. The 2-hour hearing was more informational, with senators expressing support for the advertising medium while showing some concern for potential privacy issues. One thing was clear: this won't be the end of the issue. Sen *Byron Dorgan* (D-ND) promised to hold another hearing that will feature only Internet service providers. ISPs were invited to Wed's hearing, but declined the invitation, he said. Dorgan pressed execs from **Google** and **Microsoft** on whether they would have information that he searched for something like "post nasal drip" on their search engines. The firms wouldn't know Dorgan searched for that term, but they would know that his IP address did. Google and Microsoft both store search logs for 18 months before deleting cookie IDs and IP address information. While Dorgan expressed optimism for what online advertising could mean for the Internet, he suggested that some govt regulation may be necessary. The panel, which also included execs from online ad firm **NebuAd**, **Facebook** and the **FTC**, were in general agreement that some baseline privacy regulation is needed. The FTC is currently working on online data collection principals, but doesn't know when they will be released. The matter received recent attention when **Charter** announced a trial with NebuAd in which it would sell some online viewing data to the firm. Charter put the plan on hold last month after criticism from Congress and some customers. NebuAd CEO *Robert Dykes* stressed during testimony that his company does not collect personally identifiable information, nor does it store raw data linked to identifiable individuals. "NebuAd's service is designed so that no one—not even the govt—can determine the identity of our users," he said.

Competition: **AT&T**, **Verizon** and **Qwest** are the major backers of **Movearoo.com**, a free resource aimed at helping movers set up new services such as phone, TV and electricity—and ostensibly at usurping cable business as well. **DirecTV** and **DISH** services are also available at the site, but nary a cable op is mentioned.

Network Management: **Comcast** continues to form new partnerships for addressing network management. The MSO's now committed to working with **Vonage** to ensure that management techniques balance avoiding congestion with ensuring that over-the-top VoIP services work well for consumers. It doesn't give Vonage priority over any other VoIP provider.

In the States: Despite complaints from the **Screen Actors Guild**, **AFTRA** members voted Tues to ratify a new 3-year contract with the **Alliance of Motion Picture and Television Producers** by a 62.4% margin. Now, Hollywood's eyes turn to Thurs, when SAG is expected to respond to AMPTP's offer, which is similar to the contract AFTRA approved. -- **LMN** got a bump up in carriage. **DISH** moved the net from its Top 250 package to its Top 200 package. -- **RCN** has launched **Pentagon Channel** in Boston.

Affiliate Relations: *Mike Hopkins* was promoted to pres, affil sales and marketing for **Fox Cable Nets**. Hopkins told

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us that his top priorities will be successfully retrofitting all of Fox's channels so they will be able to offer advanced services such as HD, VOD and broadband and, of course, "finalizing the last 3 or 4 **Big Ten Network** deals." Speaking of Big Ten, the net and **Verizon** finally announced Wed their carriage pact, which includes expanded basic launches in all FiOS TV markets (*Cfax*, 6/27). Hopkins said the recently announced **Comcast** deal for Big Ten "showed everyone that we're flexible," which he's hoping will translate into more carriage.

Ratings: TNT hardly had time for a pit stop before following its successful **NBA** playoffs coverage with weekly **NASCAR** races, which are burning up cable. Through 5 races, the net's telecasts have averaged a 4.26/4.09mln and have never ranked lower than 2nd among cable shows. And the most recent version scored a 4.5/4.30, helping TNT (2.1/1.99mln) accelerate up the prime rankings to tie **USA** (2.1/2.04mln) for pole position. **Disney** (1.7/1.62mln) notched a distant 3rd, followed by a 4-net traffic jam involving **Nick at Nite** (1.2/1.15mln), **Lifetime** (1.2/1.14mln), **TBS** (1.2/1.13mln) and **Hallmark** (1.2/1.03). USA's "In Plain Sight" (3.5/3.39mln) and Lifetime's "Army Wives" (3.2/3.08mln) continued their scorching summers.

TCA Notebook: The runaway success of **AMC's** "Mad Men" (Sun, 10pm ET) drew a packed room for the net's 9am session in L.A. (not an easy feat, considering many critics' hangovers). And critics unsuccessfully tried to squeeze plot details out of writer/creator *Matthew Weiner* about Season 2 of the show, which begins July 21. "Trust me," he said. "I will give you the information as you need it." Weiner predicted the show's ratings will grow as viewers find AMC and its slate of new originals. -- **Comedy Central's** extended clip of the "Gong Show" remake (July 17, 10pm) made it clear the series isn't family viewing. Indeed, host *Dave Attell* told critics "we drew the line at full penetration." -- *David Alan Grier* quickly scotched speculation that "The Daily Show with Jon Stewart" was the influence for Comedy's "Chocolate News" (Oct 15, 10:30 pm). It's more of a spoof on news magazine shows, from the African-American perspective, he says. -- **CMT** has brought back *Maureen McCormick*, *Bobby Brown* and *Carnie Wilson* from Season 1 of "Gone Country" and made them owners of a rural inn in the unscripted "Outsider's Inn" (Aug 15, 9pm). -- Loved **TV Land** chief *Larry Jones* introducing *George Foreman* ("Family Foreman," July 16, 10pm) as a "grillionaire." The series will show the Foreman clan living on their huge ranch. -- **Bravo** did well following *Kathy Griffin* and her quirky family and assistants, so **VH1** will try it with comedian **Margaret Cho**, 3-foot, 10-inch assistant *Selene Luna* and her quaint parents ("Cho Show," Aug 21, 11pm). "It was either this or a home for them," Cho jokes. -- Exec producer *Jamie Foxx* told critics that his new show "From Gs to Gents" (**MTV**, July 15, 10pm) will be "transformational." Host *Fonzworth Bentley* says the series will be edited so viewers can take notes. Bentley insists his goal was to make the competition part of the show (\$100K is at stake) less important than the lessons about being a gentleman. "It's a little high brow. That's a good thing." -- **HD-Net** co-founder *Mark Cuban* told critics that "the independent movie business is broken" and evangelized his efforts to release movies on VOD before their theatrical release. Cuban said the content industry needs to face the multiplatform reality, which he called "complementary" to linear TV and theatrical movies. (For an extended version of our TCA coverage, please visit our new Web site www.cablefaxcontentbusiness.com).

Programming: **NBCU's** approx 3.6K hours of **Olympics** coverage (Aug 8-24) will include 165 hours on **USA**, 175 hours on **MSNBC**, 96 hours on **CNBC** and 20 hours on **Oxygen**. -- From Jul 11-20, **ReelzChannel** will devote its original programs to coverage of feature film "The Dark Knight," due out Jul 18. Included in the stunt will be interviews with lead *Christian Bale* and director *Christopher Nolan*, and a look at *Sen Patrick Leahy's* (D-VT) collection of Batman memo-

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BUSINESS & FINANCE

rabilia. -- **Disney's** feature film "High School Musical 3: Senior Year" won't hit theaters until Oct, but fans of the franchise can catch a 1st look at the film across **Disney Channels** worldwide and **Disney.com** beginning Sun and Mon, respectively.

Public Affairs: To coincide with the July 13 premiere of **HBO** miniseries "Generation Kill," the net is spearheading a drive to deliver care packages to troops in Iraq and Afghanistan. Partners that are donating products for the drive include **AT&T, Duracell, Johnson & Johnson, Random House, Time Warner** and **Unilever**. Visitors to www.genkilltroopdrive.com select items requested by soldiers to be sent at no charge to them. The donation drive will continue through the mini's Aug 24 finale.

People: Former **Turner Ent Group** pres **Mark Lazarus** has landed as pres, media and marketing for **Career Sports & Ent.** Full-service firm CS&E provides more than 200 annual hours of outdoors programming to **ESPN**. -- **Fuse** tapped **Paul Villadolid** as vp, dev and original series, West Coast.

Business/Finance: **Arris** shares fell 17% Wed after the company forecast disappointing 2Q earnings on weaker sales of voice-enabled cable modems and other products. Arris mgmt clearly believes that "cable telephony deployment has begun to mature," said **Pali** analyst **Richard Greenfield**, who nonetheless expects growth for the industry.

CableFAX Daily Stockwatch

Company	07/09 Close	1-Day Ch	Company	07/09 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	35.56	0.45	AMDOCS:	29.63	0.14
DIRECTV:	24.79	(0.46)	AMPHENOL:	44.59	(0.81)
DISNEY:	29.54	(0.41)	APPLE:	174.25	(5.3)
ECHOSTAR:	27.42	(0.25)	ARRIS GROUP:	7.35	(1.55)
GE:	27.19	(0.87)	AVID TECH:	16.97	(0.84)
HEARST-ARGYLE:	19.65	0.16	BIGBAND:	3.76	(0.39)
ION MEDIA:	1.45	0.00	BLNDER TONGUE:	1.12	0.00
NEWS CORP:	14.63	(0.34)	BROADCOM:	27.59	(1.13)
MSOS					
CABLEVISION:	20.83	(0.02)	C-COR:	11.00	0.00
CHARTER:	1.04	(0.03)	CISCO:	21.58	(1.3)
COMCAST:	18.48	(0.46)	COMMSCOPE:	49.79	(0.74)
COMCAST SPCL:	18.36	(0.42)	CONVERGYS:	14.67	(0.33)
GCI:	7.27	(0.26)	CSG SYSTEMS:	11.45	(0.31)
KNOLGY:	10.23	(0.53)	ECHOSTAR HOLDING:	30.47	0.52
LIBERTY CAPITAL:	15.13	0.04	GOOGLE:	541.55	(12.98)
LIBERTY ENTERTAINMENT:	23.04	(0.41)	HARMONIC:	9.17	(0.24)
LIBERTY GLOBAL:	30.08	(0.16)	JDSU:	10.71	(0.6)
LIBERTY INTERACTIVE:	13.26	(0.7)	LEVEL 3:	2.65	(0.13)
MEDIACOM:	5.23	(0.11)	MICROSOFT:	25.23	(0.62)
SHAW COMM:	21.31	(0.1)	MOTOROLA:	7.15	(0.18)
TIME WARNER CABLE:	26.24	(0.28)	NDS:	58.03	(0.4)
VIRGIN MEDIA:	11.44	(0.51)	NORTEL:	7.04	(0.42)
WASH POST:	589.70	3.50	OPENTV:	1.57	0.09
PROGRAMMING					
CBS:	17.63	(0.18)	PHILIPS:	32.56	(0.15)
CROWN:	4.32	(0.27)	RENTRAK:	13.95	(0.03)
DISCOVERY:	20.53	0.01	SEACHANGE:	6.71	(0.3)
EW SCRIPPS:	3.25	(0.07)	SONY:	40.42	(1.53)
GRUPO TELEVISA:	22.81	(0.19)	SPRINT NEXTEL:	8.60	(0.36)
INTERACTIVE CORP:	17.37	(1.01)	THOMAS & BETTS:	34.31	(1.27)
LIBERTY:	45.63	(1)	TIVO:	6.29	(0.15)
LODGENET:	3.69	0.10	TOLLGRADE:	4.41	(0.05)
NEW FRONTIER:	3.37	(0.01)	UNIVERSAL ELEC:	20.34	(0.51)
OUTDOOR:	6.71	(0.11)	VONAGE:	1.47	(0.13)
PLAYBOY:	4.82	(0.27)	WEBB SYS:	0.05	0.00
RHI:	12.00	0.00	WORLDGATE:	0.30	0.00
SCRIPPS INTERACTIVE:	40.00	(0.8)	YAHOO:	23.82	(0.82)
TIME WARNER:	13.89	(0.46)	TELCOS		
VALUEVISION:	3.25	(0.05)	AT&T:	32.12	(0.84)
VIACOM:	28.41	(0.67)	QWEST:	3.73	(0.15)
WWE:	15.37	(0.31)	VERIZON:	34.66	(0.7)
TECHNOLOGY					
3COM:	2.00	(0.1)	MARKET INDICES		
ADC:	13.89	(0.58)	DOW:	11147.44	(236.77)
ADVANTAGE:	2.76	0.01	NASDAQ:	2234.89	(59.55)
ALCATEL LUCENT:	5.80	0.06			

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The volume is rising over concerns about the broadcast "Digital Transition," and now there's also an increasing tendency to confuse the broadcast and cable transitions as well. This can only lead to more heartburn for cable executives. We're blamed, even though consumers benefit.

The broadcast DTV transition is getting lots of attention as we arrive at the seven-months-and-counting point before television stations switch to all-digital transmission.



Steve Effros

No question, there will be problems. Converter boxes are needed by some folks who are less likely than any others to get their information from a Web site. They also don't have outdoor antennas, which may very well be needed. And the older folks in particular are going to have challenges in hooking up all that equipment.

But is this "Y2K" as some are suggesting? I don't think so. Of course no major disaster happened then, either, but there certainly was a lot of overwrought rhetoric leading up to the event. In this case, those who don't get the message will have to take care of it after the "flash-cut" to digital. They may miss a week of their favorite programs. A crisis? No. The suggestion that they'll lose vital connection to emergency information is just silly. Ever hear of a radio? You really don't need to see the weather guy standing out in the gale force wind to keep informed about a hurricane, for instance. Actually, radio is far better and more useful for emergency purposes than anything else.

But the corollary issue of the cable digital transition, which has been going on for at least the last seven years, is now getting intertwined in some quarters with the broadcast DTV transition. This is not good. In some cases cable is being "blamed" for the requirement for

new converters, or the capability of cable and "DTV" converters is confused. We are being labeled as the instigators of the DTV transition so that we can get more customers. Admittedly, we are likely to get more customers. It's a lot easier, and a better value, to get all the benefits of cable, including installation, than it is to put up a rooftop antenna. But this was not our doing.

Yes, when folks switch to digital cable—the "other" transition—they may have to pay more for a new digital box, or digital service. There's nothing different here from the transition from records to tape, from tape to CDs, and from CDs to iPods. In each case, as the digital transition took place, consumers, who may have already had a record in analog form, wound up buying new equipment and new digital versions of the same music. They also got the benefits of the better digital transcription.

It's easy to complain that all the consumer wants is the same thing they were already getting, and that switching from analog to digital should not cost them additional money. But that's not how any technological advance works—including cable. The only thing we can do is explain that and make it clear that it's ultimately a consumer's choice whether they want to get those benefits or not. They can always go back to buying, installing and maintaining that rooftop antenna.

There's no easy way to explain all this, but we've got to try—repeatedly, over the coming months. There's good reason for the DTV transition. There's also very good reason for the broadband move to digital video. Consumers ultimately benefit. A little Digitalis, to keep the heart strong, may be needed as we go through the last phase of the "digital transition."

Steve

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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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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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