

# CableFAX Daily™

Wednesday — July 11, 2007

What the Industry Reads First

Volume 18 / No. 133

## Martin's Next Quest: FCC Chmn Pushes for 'Open' 700MHz Auction

FCC chmn *Kevin Martin* is on yet another crusade—this time to turn the upcoming 700MHz spectrum auction into a potential game-changer for the burgeoning wireless broadband space. Under Martin's plan, which he planned to start circulating as early as Tues, 22 of the 60 megahertz of spectrum up for grabs would include conditions limiting carriers' ability to restrict what devices and related services can attach to the network. The finer details aren't yet available, but one expected implication for cable operators is that big Web-based players like **Google**, **Skype** and **Yahoo!**—which have been lobbying the FCC for more open conditions—could become major wireless broadband players. The development also comes just as MSOs and cable partner **Sprint Nextel** contemplate their own wireless strategies. According to one FCC official, the hope is that other broadband and wireless competitors might loosen restrictions on their own networks rather than risk losing customers to services/devices on a more open spectrum band. Some that have pushed for open access, however, question whether Martin is going far enough. "A true open access regime could allow Google, or satellite companies, or any sort smaller entrepreneur with a great idea the chance to offer something newer and different from what the existing carriers provide," said **Public Knowledge's** Art Brodsky. "If Martin's plan holds up, they may never get the chance." House Telecom/Internet subcmte chmn *Ed Markey* (D-MA), however, said he's encouraged by Martin's public statements and wants to see the "fine points" of his proposal. He added that the concept of "requiring greater openness and freedom for innovators in wireless services and devices gives hope to consumers and technology entrepreneurs alike." Of course, cable operators have been mostly tight lipped about any plans to participate in the 700MHz auction, making it unclear how Martin's proposal might change those plans. **NCTA** declined comment on the matter.

**Cronin's Post-GSN Life:** **GSN** pres/CEO *Rich Cronin* apparently wasn't playing games when he announced on Tues his resignation from the company, effective Jul 31. In fact, he's already getting revved up for the next chapter. "There's a lot going on with video on the Internet, and with TV networks trying to figure out the Internet," he said, noting his experience with interactivity and Web integration. "I have a lot to offer." **GSN** apparently had a lot to offer Cronin as well: sources tell us he walked away with a nice bonus package—enough to bide his time as he decides whether to start his own venture or run someone else's shop. "I'm exploring all options," he said. As for the timing of his departure, Cronin said he had simply finished what he started in '01—bringing the net into the black, creating a slate of original programming to replace the old lineup of mostly game-show reruns and growing the net from 31mln to 64mln homes. "I'm very proud of being able to transform the network and make it profitable," he said. **GSN**, which is co-owned by **Liberty Media** and **Sony Pictures Ent**, expects to name a successor in the next few weeks. Cronin said he won't be directly involved in that process but hopes he'll still be there to "pass the torch" when his replacement comes on board. Oh, and Cronin apparently has one other post-**GSN** goal. "I'd like to try out for *Bob Barker's* old job," he joked. Well... at least we *think* he's joking.



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Source: 2006 Yankelovich Television Viewing Habits Study. Further qualifications available upon request.

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**Bucolic Battling:** The **NCTA** said before the **RUS** Tues that it “strongly disagrees” with 2 points related to the proposed rules that would govern the RUS Broadband Loan Program. Instead of viewing a rural area as officially served only if the service is provided by a RUS borrower, the NCTA believes service deployment by entities using private risk capital should also qualify. The assoc also said the RUS shouldn’t allow loans in eligible communities with multiple service providers. “Providing loans to new entrants in this case would be manifestly unfair to existing providers who have used risk capital to construct their networks and provide service,” the NCTA said. The **ACA** agreed with the latter point within its own comments, arguing that “the program should not waste tax dollars subsidizing providers who are seeking to compete” against incumbents. -- Meanwhile, Rep *Zach Smith* (D-OH) introduced The Rural Broadband Access Enhancement Act, which seeks to increase the availability of broadband loans to telecommunications companies willing to provide network access.

**Direct Content:** **TiVo** and **Amazon** expanded their relationship to include “Buy on TV,” a service allowing TiVo subs to purchase movies and TV shows with their remotes, with the content downloaded directly to their DVRs. The move represents a step up from a similar service launched earlier this year by the pair (**Cfax**, 3/8), which required downloads to a PC before a transfer to a DVR could occur. Series from **Showtime**, **MTV**, **A&E** and numerous other cable nets are available for download through both services.

**Competition:** **DISH** will add Wed to its “DishHD” programming package 8 RSNs, including 6 **FSNs**, SportsTime Ohio and **SNY**. On Aug 15, the satcaster will add to the same package of 7 national HD channels, including **Animal Planet HD**, **MTV** and **Golf/Versus HD**. -- **NBCU** and **DISH** is cooking up interactivity surrounding **Bravo**’s “Top Chef 3 Miami” using as the main ingredient an **Ensequence** app, which allows viewers to vote, view fun facts and answer trivia questions that are synchronized to each series ep.

**Malone To March On:** **Citigroup** analyst *Jason Bazinet* sees a \$30/share takeover offer by **Liberty Media** for **DirecTV** within a year, which would likely solidify *John Malone* as the sole owner of the DBS op and a powerful cable rival (still requiring regulatory approval is the asset swap between Liberty and **News Corp** that would grant Liberty a 39% ownership stake in DirecTV). Bazinet predicted Liberty Media will form a pair of related tracker stocks: 1 to house exchangeable debentures and equity stakes, and the other to sheath DirecTV and other operating assets. The analyst upgraded DirecTV to ‘buy’ from ‘hold’ and raised his price target to \$30 from \$24. DirecTV’s stock rose 1.64% on Tues, to \$24.79.

**More Pitches:** Execs representing all 9 minor league baseball franchises in NC sent a letter Mon to **Time Warner Cable** pres/CEO *Glenn Britt*, urging the MSO to add **MASN** to its basic programming lineup in the area. MASN and TW are now in arbitration over **MLB/Orioles** carriage after more than 2 years of failed talks. The MSO wants to place the sports net only on its digital tier, arguing that basic carriage “would result in almost all of our customers having to pay for a service in which very few have any interest.” A Time Warner Cable rep said when MASN pulled the rights to Orioles games in ’06 from **FSN**, the MSO “received virtually no calls” from subs. MASN launched late last month **Playballnow.org**, which urges PA, VA and NC residents to contact cable ops, elected officials and the **FCC** about carrying the net.

**Defining Mark:** Citing **TNS Media Research** data from set tops in 1 major market, *Mark Cuban* said **HDNet** and **HD-Net Movies** outperformed all other HD-exclusive nets in all dayparts, and beat both cable and broadcast simulcasts on

# EXPERIENCE SPORTS



MLS Behind the Net - David Beckham in America

LIVE Friday 1:00 PM ET

**HDNet**

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The reason HDTV was invented.

# BUSINESS & FINANCE

weekends. Cuban said HDNet's share of the high-def viewing audience for the week ended Jul 1 included a 6.1% total-day share during the week and 8.6% during the weekend.

**Marketing: BBC World News** launched a marketing campaign to urge Americans to ask for the net on their cable and satellite platforms. Included in L.A., San Diego and Columbus are 450 giant map pieces in parks, on beaches and at universities, representing 12 countries the net says are rarely covered by US news media.

**People: Comcast's** programming group promoted *Bill Bridgen* to an as-yet-unnamed post at **Comcast SportsNet**, where he will help develop/expand CSN's RSN roster; *Alan Dannenbaum* to evp, network distribution; and *Earl Marshall* to vp, business dev. The MSO's content acquisition group upped *Jennifer Gaiski* to svp, content acquisition; *Allan Singer* to svp, content acquisition; and *Matthew Strauss* to svp, new media. -- **NBCU** evp/general counsel *Rick Cotton* will serve as gala chair for the **35th Intl Emmy Awards**, to be held Nov 19 in NYC. -- **Fox Broadcasting** promoted *Peter Liguori* chmn, entertainment and named former **FX** exec *Kevin Reilly* pres, entertainment.

**Business/Finance: Motorola** inked a definitive merger agreement to acquire for an undisclosed amount **Leapstone Systems**, a developer of software platforms for converged services and apps.

## CableFAX Daily Stockwatch

Company	07/10 Close	1-Day Ch	Company	07/10 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	54.06	(0.4)	AMPHENOL:	35.65	(0.4)
DIRECTV:	24.79	0.40	APPLE:	132.35	2.02
DISNEY:	33.89	(0.57)	ARRIS GROUP:	17.28	(0.03)
ECHOSTAR:	43.37	(0.69)	AVID TECH:	36.28	0.21
GE:	37.90	(0.72)	BLNDER TONGUE:	1.76	0.03
HEARST-ARGYLE:	23.48	(0.24)	BROADCOM:	31.24	(0.02)
ION MEDIA:	1.43	0.00	C-COR:	14.05	(0.48)
NEWS CORP:	23.05	(0.48)	CISCO:	28.31	(0.14)
TRIBUNE:	30.30	(0.53)	COMMSCOPE:	58.24	(0.25)
<b>MSOS</b>					
CABLEVISION:	37.13	(0.9)	CONCURRENT:	1.85	(0.01)
CHARTER:	4.34	(0.02)	CONVERGYS:	24.18	0.31
COMCAST:	27.60	(0.69)	CSG SYSTEMS:	26.44	(0.11)
COMCAST SPCL:	27.47	(0.67)	GEMSTAR TVG:	5.98	0.64
GCI:	12.59	(0.23)	GOOGLE:	543.34	0.78
KNOLOGY:	17.31	0.00	HARMONIC:	9.00	(0.14)
LIBERTY CAPITAL:	122.47	2.17	JDSU:	14.92	0.69
LIBERTY GLOBAL:	42.90	(0.03)	LEVEL 3:	6.09	(0.32)
LIBERTY INTERACTIVE:	21.98	(0.21)	MICROSOFT:	29.33	(0.54)
MEDIACOM:	9.69	(0.3)	MOTOROLA:	17.62	(0.18)
NTL:	28.22	0.00	NDS:	47.06	(0.64)
ROGERS COMM:	42.97	0.00	NORTEL:	23.30	(0.05)
SHAW COMM:	44.05	(0.17)	OPENTV:	2.12	(0.05)
TIME WARNER CABLE:	39.89	(0.11)	PHILIPS:	43.49	(1.12)
WASH POST:	769.00	(6.8)	RENTRAK:	14.78	(0.26)
<b>PROGRAMMING</b>					
CBS:	34.14	(0.15)	SEACHANGE:	7.83	(0.13)
CROWN:	7.02	(0.08)	SONY:	52.13	(0.91)
DISCOVERY:	23.60	0.16	SPRINT NEXTEL:	21.40	(0.08)
EW SCRIPPS:	45.39	(0.87)	THOMAS & BETTS:	60.45	(1.07)
GRUPO TELEVISIA:	27.24	(0.66)	TIVO:	6.16	0.25
INTERACTIVE CORP:	33.40	(0.47)	TOLLGRADE:	10.29	(0.09)
LODGENET:	31.58	(0.1)	UNIVERSAL ELEC:	37.58	(0.25)
NEW FRONTIER:	8.60	0.04	VONAGE:	2.96	(0.09)
OUTDOOR:	11.74	(0.12)	VYYO:	7.08	(0.06)
PLAYBOY:	11.21	(0.27)	WEBB SYS:	0.12	(0.03)
TIME WARNER:	20.51	(0.48)	WORLDGATE:	0.45	0.01
UNIVISION:	36.23	0.00	YAHOO:	26.97	(0.23)
VALUEVISION:	11.34	(0.41)	<b>TELCOS</b>		
VIACOM:	41.65	(0.73)	AT&T:	39.50	(0.99)
WWE:	16.51	(0.02)	QWEST:	9.62	(0.11)
<b>TECHNOLOGY</b>					
3COM:	4.11	(0.11)	VERIZON:	40.52	(1.5)
ADC:	18.76	(0.33)	<b>MARKET INDICES</b>		
ADVANTAGE:	5.60	(0.15)	DOW:	13501.70	(148.27)
ALCATEL LUCENT:	13.97	(0.46)	NASDAQ:	2639.16	(30.86)
AMDOCS:	39.95	0.12			



**WE tv's Highest Rated Original Telecast Ever!**

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● 411K W18-49 ● 366K W25-54

Part of **We go** bridal programming block  
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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.

# 2007 CableFAX 100

Now Taking Nominations for 2007!  
Due July 16<sup>th</sup>

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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](mailto: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](mailto:mgrebb@accessintel.com).

You may nominate as many times as you wish.  
CableFAX 100 will be published in December.