

CableFAX Daily™

Monday — July 21, 2008

What the Industry Reads First

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5Qs: AFTRA Negotiator Sees New Day for Actors, Producers

It's no secret **SAG** has been playing hardball, this week rejecting **Alliance of Motion Picture and Television Producers'** "final" contract offer. But **AFTRA**, which ratified its labor deal last week, has taken a different road and even repelled SAG's recent effort to convince AFTRA members to vote down their own agreement. Why do AFTRA and SAG look at things so differently? We caught up with actor *Holter Graham*, AFTRA vp and co-chair of the negotiating committee, to get his take. **Why do you think SAG's arguments didn't resonate with the majority of AFTRA members?** Flexibility and a sense of partnership with management—from the UAW to modern shareholder-based conglomerates—are the ways of the future for employee success. If every major entertainment company has been merging in the past decades, then we need to use that same mentality on the labor side—merge our unions as well as partner with our employers to guarantee job security and profitability for the product moving forward. The members sense that and so would not follow SAG LA's lead. **But despite that, nearly 40% of AFTRA's membership did side with SAG.** I don't blame members for being scared about their jobs, and thinking maybe someone on a successful TV shows has the answers. Sadly, it isn't always true. It just shows AFTRA's leadership that we have a job to do in keeping our members informed of the facts at all times, and trusting that the majority will always help us do the right thing in protecting them. **Why did AFTRA's leadership use the writers' deal as a model rather than fight for more concessions?** Management stated a long time ago that there were very specific parameters within which they were going to work on new deal for the entertainment industry. Even after a 100-day, \$2.3bln-dollar-loss strike, the WGA did not get any movement off of that pattern. The labor negotiators at AFTRA saw very wisely and very early that the best way to get the best deal available was to adhere to the general tenets of the "pattern," and spend our diplomatic and strategic capital getting performer-specific improvements in that pattern. **Are you optimistic or pessimistic about the future of labor relations?** I am optimistic. **Why?** It seems like the membership in the majority understand the shifting world on information and entertainment we now live in, and the membership at large is seeing that the leaders of AFTRA and the Guild outside of LA have their fingers on the right pulse. I think the growth of really fine dramatic programming on cable, coupled with AFTRA's growing influence there and a growth in union coverage on cable at large, will all be harbingers of better quality and better product in the years ahead. *[For an extended version of this interview, go to www.cablefaxcontentbusiness.com].*

Competition: **DirectTV's** blimp will tout something other than the DBS op's content in NYC Mon, when it will fly over Madison Ave to promote the 2nd season of **AMC's** "Mad Men" (Jul 27). Last year, the dirigible highlighted DirectTV's HD initiatives from above Fenway Park during the World Series and floated over Tampa, St Pete and Orlando show-



is for happy hour



June marks the 25th consecutive month we're happily at home as a Top 10 network in primetime.

Source: Nielsen Galaxy Explorer, Jun 04-Jun 06 15/29/06 - 4/29/08, Monthly Prime Time (M-Su 8-11p) average, Live/SD coverage area HI ratings among all 44 supported cable networks. Further qualifications available upon request.

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ing **NFL Net** game telecasts, pointedly dissing **Bright House** for not carrying the net. -- **Verizon's** wholesale clients now have the option to bundle wireline services from the telco with wireless voice, text messaging and mobile broadband services for their retail end-users.

At the Portals: **Verizon** complained to the **FCC** Thurs of “the growing practice” of vertically-integrated programmers refusing to sell competitive providers access to HD programming feeds—and accused **Cablevision** of doing just that with **MSG** in NYC and Buffalo. CVC could not be reached for comment. The telco’s letter stated that “some cable incumbents attempt to circumvent the Commission’s [program access] rules... by routing [the HD] format (but not a lower quality version of the same programming) over fiber and arguing that, as a result, the ‘HD feed’ is not covered by the rules.” Verizon claimed CVC won’t sell the high-def feed for its **MSG-Buffalo** channel after doing the same in NYC but does provide the feed to “one or more” other video providers in Buffalo. Verizon urged the FCC to “promptly condemn [such] anticompetitive and unfair practices.” -- **HDNet** co-founder **Mark Cuban**, **ACA** pres/CEO **Matt Polka** and **Google** vp, content partnerships **David Eun** are among witnesses testifying at the **FCC’s** public en banc hearing on “broadband and the digital future” at Carnegie Mellon U in Pittsburgh on July 21. The hearing runs from 4pm-8:30pm ET. A live webcast will be available to the public at <http://www.fcc.gov/realaudio/#jul21>.

In the States: **Time Warner Cable** launched in San Antonio its **PowerBoost** service that gives broadband subs free temporary speed upgrades for downloading large files. -- **Charter** launched **WealthTV** in VA, NC and SC, and offers the net’s HD VOD programming throughout its footprint.

HD Update: **DISH** has added HD local channels in Beaumont-Port Arthur, TX.

Research: DVR penetration now sits at one-quarter of US homes, according to **Nielsen**, a healthy increase from the 5% reported just 9 months ago. That’s approx 28mln HHs—53% cable subs, 40% satellite—of which approx one-third have a DVR connected to multiple TVs.

Online: **NBCU’s ChillerTV.com** rolls out Tues “The Hills Are Alive,” a series of 28 Webisodes comprising horror-themed net **Chiller’s** 1st original world premiere.

Ratings: **Bravo** has enjoyed quite a week, as its series “Shear Genius” and “Flipping Out” broke the 2mln and 1mln total viewers mark, respectively, for the 1st time and the 5th season premiere of “Project Runway” scored a net record for season premieres with 2.92mln total viewers.

Programming: **FSN** picked up the exclusive broadcast rights to the **World Poker Tour’s** 7th season (26 eps). -- **CBS College Sports Net** will air nationally at least 20 **Conference USA** football games this season, while the **ESPN** family will feature at least 10.

Business/Finance: **AT&T** kicks off Wed what should be yet another interesting multichannel earnings period while trading near its 52-wk low, a weakness that **Sanford Bernstein** analyst **Craig Moffett** said last month provides an attractive entry point. And heading into earnings season, Moffett said AT&T and **Verizon** will likely report YOY declines in line losses. **Fitch**, meanwhile, affirmed AT&T’s issuer default rating at ‘A’ and foresees continued rev growth for the telco this year in wireless and enterprise.

REALITY SUSPENDED.

CRISS ANGEL
MINDFREAK

WEDNESDAYS 10/9C NEW SEASON JULY 23

A&E HD

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CableFAX Week in Review

Company	Ticker	7/18 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	37.58	10.10%	(19.7%)
DIRECTV:	DTV	27.08	6.30%	17.10%
DISNEY:	DIS	30.90	5.80%	(4.3%)
ECHOSTAR:	DISH	28.44	5.40%	(16.2%)
GE:	GE	28.00	3.50%	(17.8%)
HEARST-ARGYLE:	HTV	19.16	(2.2%)	(12.1%)
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	14.40	(0.5%)	(31.4%)
MSOS				
CABLEVISION:	CVC	21.61	8.70%	(11.8%)
CHARTER:	CHTR	0.98	(4.9%)	(16.2%)
COMCAST:	CMCSA	20.24	9.40%	11.50%
COMCAST SPCL:	CMCSK	20.07	9.50%	11.40%
GCI:	GNCMA	8.33	6.70%	(4.8%)
KNOLOGY:	KNOL	10.91	5.50%	(14.6%)
LIBERTY CAPITAL:	LCAPA	15.38	0.90%	(34%)
LIBERTY ENT:	LMEDIA	24.58	5.00%	1.70%
LIBERTY GLOBAL:	LBTYA	29.66	0.70%	(24.3%)
LIBERTY INTERACTIVE:	LINTA	13.66	4.10%	(28.4%)
MEDIACOM:	MCCC	5.47	5.80%	19.20%
SHAW COMM:	SJR	22.87	8.00%	1.10%
TIME WARNER CABLE:	TWC	27.91	8.10%	1.10%
VIRGIN MEDIA:	VMED	11.80	1.10%	(27.3%)
WASH POST:	WPO	597.00	2.70%	(22.9%)

Company	Ticker	7/18 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	16.96	(1.5%)	(33%)
CROWN:	CRWN	4.06	(3.8%)	(37.5%)
DISCOVERY:	DISCA	21.28	3.10%	(15.4%)
EW SCRIPPS:	SSP	8.80	(8.6%)	(91.9%)
GRUPO TELEVISA:	TV	23.70	7.20%	2.70%
INTERACTIVE CORP:	IACI	17.87	5.50%	(33.6%)
LIBERTY:	L	42.94	(5.3%)	(14.7%)
LODGENET:	LNET	2.89	(15%)	(83.4%)
NEW FRONTIER:	NOOF	3.24	(12.2%)	(26.9%)
OUTDOOR:	OUTD	6.71	(0.6%)	(2.8%)
PLAYBOY:	PLA	4.52	(7.6%)	(50.4%)
RHI:	RHIE	12.55	(6.8%)	(0.6%)
SCRIPPS INT:	SNI	40.14	(0.1%)	(1.6%)
TIME WARNER:	TWX	14.70	6.70%	(9.1%)
VALUEVISION:	VVTV	3.05	(3.5%)	(51.5%)
VIACOM:	VIA	29.57	4.90%	(32.8%)
WWE:	WWE	16.27	9.40%	23.20%

Company	Ticker	7/18 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	1.96	(2.5%)	(56.6%)
ADC:	ADCT	13.64	(1.8%)	(12.2%)
ADVANTAGE:	AEY	2.79	1.80%	(54.8%)
ALCATEL LUCENT:	ALU	5.93	10.20%	(19%)
AMDOCS:	DOX	29.23	(0.8%)	(15.2%)
AMPHENOL:	APH	51.34	13.60%	11.00%
APPLE:	AAPL	165.15	(4.3%)	(16.6%)
ARRIS GROUP:	ARRS	8.58	10.70%	(14%)
AVID TECH:	AVID	18.97	8.00%	(33.1%)
BIGBAND:	BBND	4.04	1.00%	(21.4%)
BLNDER TONGUE:	BDR	1.11	(0.9%)	(33.1%)

Company	Ticker	7/18 Close	1-Week % Chg	YTD %Chg
BROADCOM:	BRCM	28.79	3.90%	10.20%
C-COR:	CCBL	11.00		(20%)
CISCO:	CSCO	21.66	(0.7%)	(20%)
COMMSCOPE:	CTV	50.98	0.90%	3.60%
CONVERGYS:	CVG	13.85	(3.9%)	(15.9%)
CSG SYSTEMS:	CSGS	14.94	29.90%	1.50%
ECHOSTAR HOLDING:	SATS	31.29	4.20%	(4.9%)
GOOGLE:	GOOG	481.32	(9.8%)	(30.4%)
HARMONIC:	HLIT	9.54	1.60%	(9%)
JDSU:	JDSU	10.99	3.80%	(17.5%)
LEVEL 3:	LVLTL	2.92	17.70%	(3.9%)
MICROSOFT:	MSFT	25.86	2.40%	(25.8%)
MOTOROLA:	MOT	7.46	6.70%	(51%)
NDS:	NNDS	57.37	(1.5%)	(3.2%)
NORTEL:	NT	7.01	6.90%	(53.6%)
OPENTV:	OPTV	1.70	12.60%	28.80%
PHILIPS:	PHG	34.78	11.70%	(11.5%)
RENTRAK:	RENT	14.13	1.00%	(2.3%)
SEACHANGE:	SEAC	7.01	5.60%	(3%)
SONY:	SNE	41.45	2.40%	(23.7%)
SPRINT NEXTEL:	S	8.53	1.20%	(35%)
THOMAS & BETTS:	TNB	36.82	8.10%	(24.9%)
TIVO:	TIVO	7.66	9.40%	(8.2%)
TOLLGRADE:	TLGD	4.70	4.90%	(41.4%)
UNIVERSAL ELEC:	UEIC	22.00	9.20%	(34.2%)
VONAGE:	VG	1.56	(2.5%)	(32.2%)
WEBB SYS:	WEBB	0.03	(40%)	(25%)
WORLDGATE:	WGAT	0.30		
YAHOO:	YHOO	22.45	(4.8%)	(3.5%)

Company	Ticker	7/18 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	32.12	(1.4%)	(16.9%)
QWEST:	Q	3.66	(2.9%)	(42.1%)
VERIZON:	VZ	35.45	1.50%	(13.5%)

Index	7/18 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	11496.57	3.60%	(13.3%)
NASDAQ:	COMPX	2282.78	2.00%	(13.9%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. CSG SYSTEMS:	14.94	29.90%
2. LEVEL 3:	2.92	17.70%
3. AMPHENOL:	51.34	13.60%
4. OPENTV:	1.70	12.60%
5. PHILIPS:	34.78	11.70%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.03	(40%)
2. LODGENET:	2.89	(15%)
3. NEW FRONTIER:	3.24	(12.2%)
4. GOOGLE:	481.32	(9.8%)
5. EW SCRIPPS:	8.80	(8.6%)



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MaxFAX...

Programming Parity

With the Emmy nominations for AMC's "Mad Men" and FX's "Damages" making history as the first basic network best series nods make the only thing remaining to get is parity for CPMs.



Paul S. Maxwell

Quite the haul for "cable" shows this year. HBO led with 85! That's nine more than runner-up ABC.

Just take a look at the so-called "major" categories... the over-the-air big

four got 60 nominations; premium and basic cable got 70.

[Anomalies abound, though... "Boston Legal" is a "drama"?)

Nice to see real quality be showcased... like *John Adams*, *Kyra Sedgwick*, *Holly Hunter*, *Michael C. Hall* and so on... but no nods for "The Wire" or "The Tudors"?

All of those "cable" winners will be announced on Sun evening, Sept 21 on ABC.

Random Notes:

• **Maria & Jerry:** It is old news for regular readers of *BusinessWeek* (7/14-21), but I just got around to reading *Maria Bartiromo's* "Face-time" with Moonview (really, that's the name) Sanctuary's *Jerry Levin* in

which the once powerful mogul says about his misplaced acceptance of then AOL's "valuation": "For those who experienced financial difficulty, of course, I do [apologize]. I'm sorry about that. I really am." You can go to Moonview in Santa Barbara for a minimum of \$15k to reflect on the experience; and you can spend as much as \$175k/year! Jerry has (finally) apologized; and, I must say, I believe he really means it.

• **Meanwhile, Another Online Loser?** How much do you think **Time Warner** will have to pay another company to take AOL off its hands and books? Case closed?

• **Other Media Matters:** Is *The Wall Street Journal* worth \$2/day? I suppose so, if you don't get home, office, computer or Kindle (my preferred method) delivery, and the front page gets your attention. Love the Kindle; it goes everywhere in the US and gets the morning papers wirelessly (without all of the pix; and no ads) eliminating a lot of waste. -- Is satire dead this year? Did anyone smirk at *The New Yorker* cartoon cover? Cringe? Get it? Deplore it? Most ink the magazine has gotten in years. -- Is controversy the only thing that will save "old media"?

• **"The Stock Market Is Rational":** Sure it is.

• **New York City "Overbuilding":** Here comes FiOS; there goes CVC and/or TWC? Not so fast. We

agree with analyst *Tom Eagan*...

Verizon will have slower going than planned... unless they lay a lot of silver on the building managers in crowded Manhattan. Talk about accounting for subscriber acquisition costs...

• **VOD?** Many cable operators have VOD... and now so does **Amazon** not to mention **DirecTV** and **DISH** and **Google** and **Apple** and **Microsoft** and **Netflix** and **Sony** and 7 million kids in China. Anybody got an Unbox?

• **Olympics... then Football:** Means more HDTV set sales (and watch the prices drop a bit and then accelerate) and more demand for hi-def channels.

• **Why I Can Hardly Wait Until Next Week:** I'll be in Dublin... no doubt drinking Guinness Stout, Bass Ale and playing the national symbol (a Harp, of course) while crying over the value of the dollar. Will be in that great city on the Liffey for a week... then to Galway via Cork for bicycling up the Connemara coast. Reports on TV, cable and satellite in Eire next week. Forty shades of green.

Paul Maxwell

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- Luncheon celebrating the 15th Anniversary of the L. Patrick Mellon Mentorship Program
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