

# CableFAX Daily™

Tuesday — July 22, 2008

What the Industry Reads First

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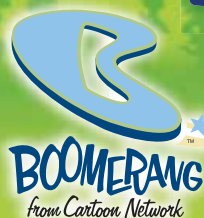
## Field Hearing: FCC Hears About Tying, Shot Clocks and 3D

At our deadline, the FCC's en banc hearing on "Broadband and the Digital Future" was still going Mon evening. While broadband may have been the main topic, program tying and bundling also made the agenda. In opening remarks, FCC chmn *Kevin Martin* once again spoke about those increasing cable rates and said he expected ACA pres/CEO *Matt Polka* to speak about program bundling. Of course Polka didn't let him down. According to prepared remarks, the independent cable assoc head urged the FCC to proceed with its rulemaking on tying and bundling and retransmission consent as soon as possible. Emphasizing that any increase in cost for its members has a direct bearing on their ability to continue to deploy existing or new broadband services, Polka said the rising costs of cable and broadcast programming are ACA's most significant concerns. "Small cable operators, who serve a limited number of subscribers, have no leverage in negotiations with network broadcasters and national programmers, who come to the table demanding that operators pay double, even triple, the fees previously paid by the larger cable providers, and who also force our members to carry undesired, affiliated broadcast or cable programming just to get the popular TV station or cable channel," Polka said in prepared testimony. Held at Pittsburgh's Carnegie Mellon Univ, the hearing was slated to run from 4pm-8:30pm ET. Also on the witness list was HDNet cofounder *Mark Cuban*, who has petitioned the FCC for revamped program carriage rules that would make it easier for independent networks to get carriage. He reiterated his support for a shot clock for action on program access carriage complaints, saying consolidation of ownership "can create roadblocks" for entrepreneurship. Cuban also reminded commissioners that "digital media" isn't synonymous with the Internet and offered up some of his predictions for the marketplace—chiefly 3D proliferation. "3D will become a mainstay of the future of digital media," he said, noting the popularity of a decision to have a Dallas Mavericks game broadcast via remote in 3D to a movie theater. "Fans loved it," he said, predicting demand will be there for gaming, concerts and other content.

**Child Porn:** The NY Attorney General sent a letter Mon threatening legal action against **Comcast** if it didn't sign within 5 days his code of conduct regarding Web sites that distribute child porn. "We appreciate the hard work by Attorney General [Andrew] Cuomo—and his Attorney General colleagues—on the pressing issue of child pornography on the Internet," Comcast said in a statement, noting its participation last week in an industrywide agreement to fight child pornography and adding that "we expect to become a signatory to his agreement as well." Cuomo has said he thinks the cable industry effort falls "well short" of NY's code of conduct. **Verizon, AT&T, Time Warner Cable, AOL** and **Sprint** have agreed to his pact.

**Keeping You Abreast:** The FCC's \$550K fine against **CBS** for *Janet Jackson's* "wardrobe malfunction" during the '04 Super Bowl was rejected by the 3rd Circuit Court of Appeals. The court said the FCC changed its policy on fleeting images without proper notification to broadcasters. "I am surprised by today's decision and disappointed for families and parents," said FCC chmn *Kevin Martin*, noting that hundreds of thousands of complaints were filed about the perfor-

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mance at the Commission. "I continue to believe that this incident was inappropriate, and this only highlights the importance of the Supreme Court's consideration of our indecency rules this fall." SCOTUS is currently considering the FCC's appeal of a 2nd Circuit decision that found its crackdown on fleeting profanity was arbitrary and capricious.

**DOCSIS: Motorola** earned "Manufacturer Certificate Authority" status for DOCSIS 3.0 products from **CableLabs**. The Motorola PKI Center, located in San Diego, passed a "rigorous audit process" of its digital security certificate generation system, allowing Moto to join the limited ranks of companies qualified to supply keys and certificates that are secure and interoperable with all previous and future generations of DOCSIS systems.

**Retrans: Cox News Orleans** has inked a retrans deal to carry both **WVUE-TV's** SD and HD feeds, as well as an additional digital channel on Cox's digital tier. Digital cable subs also will get WVUE-TV community content on VOD. Parties deemed the deal "long term," but a Cox rep declined to specify the time period covered. The deal is effective Mon. Cox said it now provides its digital customers with all HD signals broadcast from the 7 Metro New Orleans TV stations.

**Programming: ESPN** is close to a deal that would put all 4 rounds of the British Open on the net, reports *Sports Business Journal*. The deal, reportedly worth about \$25m in a year, would make it the 1st major men's golf championship to be televised solely on cable. **Turner** initially bid to renew its rights to the first 2 rounds but was not willing to meet ESPN's offer, SBJ reported. The other partner that would step aside is ESPN sibling, **ABC**.

**NBC Cable: NBCU's** recently established **Universal Cable Productions** will be headed by a L.A.-based 5-person management team responsible for identifying, developing and producing original content for cable and ancillary media platforms. Development priority will be for the **NBCU Cable Ent** division but will also include development for other cable nets and platforms. The team is: *Mark Stern*, co-head, original content; *Jeff Wachtel*, co-head, original content; *Javier Maynulet*, CFO & head of ops; *Beth Roberts*, head of business affairs; and *Jerry DiCanio*, head of production. The team, which will retain their roles at NBCU, will report directly to *Bonnie Hammer*. Additional staffing will be named shortly.

**TCA: AMC's** "Mad Men" took home mad props from the **Television Critics Assn**, winning the titles of "Outstanding New Show," "Outstanding Drama" and "Program of the Year." **HBO's** "The Wire" was given the "Heritage Award" for its long-lasting impact. Other winners include HBO mini "John Adams" (best movie or mini). -- **Showtime** announced that former "Sopranos" star *Edie Falco* will star in the upcoming dark comedy program "Nurse Jackie." The 12-episode series will be co-produced by **Lionsgate** and will premiere next year. Showtime will also be home to the new series "Lock N Load," which is set to debut in '09. The 6-ep documentary series will examine the life and business of a gun salesman and the stories of the people who frequent his shop. Returning to Showtime for its 7th season is "Penn and Teller: Bullshit."

**VOD: FearNet** will launch on **Time Warner Cable's** VOD service.

**Competition: AT&T** is launching its **U-Verse** TV and Internet services in parts of Miami-Dade and Broward counties. It will add the services in Palm Beach County on July 28.

**On the Circuit:** More than 150 educators will attend **Discovery Education's** National Institute this week at the company's HQ in Silver Spring, MD. The event kicks off a series of national conferences supporting educators as they expand integration of digital technology in the classroom. Discovery Education's services are used in 70%+ of all US classrooms.

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# BUSINESS & FINANCE

**Stork Visit:** Think The Sportsman Channel vp of aff relations *Mark Kang* and wife *Pearl* are a bit too focused on the all hunting-fishing channel? Exhibit one is the name of their first born, who arrived last Friday. We doubt it's a fluke (sorry) that the beautiful little girl's first name is *Hunter*. Our congrats.

**Business/Finance: Time Warner Cable** shares fell 4% Mon after **Pali's Rich Greenfield** lowered the stock to "Sell" from "Neutral." The analyst reduced his estimate for '09 EBITDA growth at the MSO to 7.9% from 9.6%, citing TW's increasing competition (particularly in NYC) and a weakening economy that drives people to listen to competing offers more closely. **Sanford Bernstein** compiled a long list of facts on **Verizon** vs TWC NYC, including that NYC represents about 10% of the MSO's footprint and that the telco's buildout isn't slated to be complete until '14. The firm's conclusion was hazy: "One immediately recognizes the challenge in forecasting a material impact on the cable operators, and particularly on Time Warner Cable, whose exposure is relatively low."

**People:** *Jon Diament* was named evp, **Turner Sports** ad sales and marketing. He succeeds *Trish Frohman*, who wants to spend more time with family. She'll continue to work on special projects and report directly to Turner chief *David Levy*. Diament was most recently svp, gen sales manager for **CNN** ad sales. -- **CTAM** named **Charter** evp, CMO *Ted Schremp* to its board.

## CableFAX Daily Stockwatch

Company	07/21 Close	1-Day Ch	Company	07/21 Close	1-Day Ch
BROADCASTERS/DBS/MMDS			ADC:	13.13	(0.51)
BRITISH SKY:	36.64	(0.94)	ADVANTAGE:	2.78	(0.01)
DIRECTV:	26.92	(0.16)	ALCATEL LUCENT:	6.00	0.07
DISNEY:	30.49	(0.41)	AMDOCS:	29.79	0.56
ECHOSTAR:	28.11	(0.33)	AMPHENOL:	50.78	(0.56)
GE:	27.69	(0.31)	APPLE:	166.29	1.14
HEARST-ARGYLE:	19.05	(0.11)	ARRIS GROUP:	8.62	0.04
ION MEDIA:	1.44	0.00	AVID TECH:	19.01	0.04
NEWS CORP:	14.33	(0.07)	BIGBAND:	4.00	(0.04)
MSOS			BLNDER TONGUE:	1.10	(0.01)
CABLEVISION:	21.53	(0.08)	BROADCOM:	27.44	(1.35)
CHARTER:	1.04	0.06	C-COR:	11.00	0.00
COMCAST:	19.76	(0.48)	CISCO:	21.84	0.18
COMCAST SPCL:	19.62	(0.45)	COMMSCOPE:	49.93	(1.05)
GCI:	8.34	0.01	CONCURRENT:	6.30	0.00
KNOLOGY:	10.91	0.00	CONVERGYS:	13.99	0.14
LIBERTY CAPITAL:	15.37	(0.01)	CSG SYSTEMS:	15.25	0.31
LIBERTY ENTERTAINMENT:	24.58	0.00	ECHOSTAR HOLDING:	32.21	0.92
LIBERTY GLOBAL:	29.85	0.19	GOOGLE:	468.80	(12.52)
LIBERTY INTERACTIVE:	13.49	(0.17)	HARMONIC:	9.53	(0.01)
MEDIACOM:	5.47	0.00	JDSU:	10.99	0.00
ROGERS COMM:	42.97	0.00	LEVEL 3:	2.89	(0.03)
SHAW COMM:	22.52	(0.35)	MICROSOFT:	25.64	(0.22)
TELEWEST:	24.20	0.00	MOTOROLA:	7.18	(0.28)
TIME WARNER CABLE:	26.77	(1.14)	NDS:	57.43	0.06
VIRGIN MEDIA:	11.56	(0.24)	NORTEL:	6.91	(0.1)
WASH POST:	598.99	1.99	OPENTV:	1.77	0.07
PROGRAMMING			PHILIPS:	34.89	0.11
CBS:	16.77	(0.19)	RENTRAK:	14.08	(0.05)
CROWN:	4.08	0.02	SEACHANGE:	6.91	(0.1)
DISCOVERY:	21.23	(0.05)	SONY:	41.42	(0.03)
EW SCRIPPS:	8.59	(0.21)	SPRINT NEXTEL:	8.58	0.05
GRUPO TELEVISIA:	23.90	0.20	THOMAS & BETTS:	37.15	0.33
INTERACTIVE CORP:	17.72	(0.15)	TIVO:	7.54	(0.12)
LIBERTY:	43.50	0.56	TOLLGRADE:	4.50	(0.2)
LODGENET:	2.79	(0.1)	UNIVERSAL ELEC:	21.75	(0.25)
NEW FRONTIER:	3.26	0.02	VONAGE:	1.57	0.01
OUTDOOR:	6.71	0.00	WEBB SYS:	0.03	0.00
PLAYBOY:	4.55	0.03	WORLDGATE:	0.30	0.00
RHI:	12.79	0.24	YAHOO:	21.67	(0.78)
SCRIPPS INTERACTIVE:	38.31	(1.83)	TELCOS		
TIME WARNER:	14.36	(0.34)	AT&T:	31.83	(0.29)
UNIVISION:	36.23	0.00	QWEST:	3.76	0.10
VALUEVISION:	3.09	0.04	VERIZON:	35.15	(0.3)
VIACOM:	29.72	0.15	MARKET INDICES		
WWE:	16.19	(0.08)	DOW:	11467.34	(29.23)
TECHNOLOGY			NASDAQ:	2279.53	(3.25)
3COM:	1.97	0.01			

Wednesday, July 23, 2008  
1:30-3:00 pm (ET)

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- Joanne Wolf**  
Director, Customer Care, Time Warner Cable
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