

CableFAX Daily™

Monday — July 28, 2008

What the Industry Reads First

Volume 19 / No. 144

World of Independents: NCTC Contemplates Negotiating Retrans

For years, **NCTC** has served as the collective bargaining arm for more than 1100 independent cable operators in negotiations with cable programmers, but it has not attempted to broker retrans deals with broadcasters for its members. That may be about to change. "It will definitely be a subject in play" at NCTC and **ACA's Independent Show** (Orlando, Sun-Wed), said NCTC pres *Jeff Abbas*. "Historically, we haven't negotiated retransmission, but enough members are feeling enough pain." According to Abbas, some broadcast network groups have approached the organization to see if they could negotiate. NCTC plans to look at whether it's an option. Larger broadcast groups have a pretty sophisticated retrans process in place, but some of the medium-sized groups may be interested, according to NCTC. Undoubtedly, retrans will be a hot topic at the gathering of smaller cable operators with '08 a consent election year for broadcasters and with the FCC considering a rulemaking to revamp the retrans process and program bundling. "We have been at this same event every 3 years with increasingly dire consequences. And it's not getting any better individually, despite what **Disney** has proffered," said ACA pres/CEO *Matt Polka*. Earlier this month, Disney announced that it would offer small cable ops free retransmission of the 10 ABC broadcast stations it owns and operates. ACA doesn't think Disney's offer is enough. (Are we the only ones who find it ironic that this year's confab is being held inside Walt Disney World? Should members be on the lookout for spies with really big, black ears?) Polka said he remains optimistic about the chances for the retrans/tying/bundling rulemaking at the FCC. "This is an issue that I think is important to the chairman, and I think he would like to see it completed in his tenure," he said. ACA's decision to urge the FCC to adopt new rules that would prevent bundling of networks and require programmers and broadcasters to offer channels on a standalone basis resulted in the loss of 3 members (**Bresnan**, **Atlantic Broadband** and **Midcontinent** pulled out of the association earlier this year because they disagreed with ACA's stance). The defections aren't hurting show attendance, with 1189 attendees registered as of Fri. Total member attendance is up 8% over '07, NCTC said. Another issue that will get big play at the show is the upcoming DTV transition. Given the contentions independent ops have had with broadcasters over the years, we're planning on getting a front row seat for Tues' panel on working with broadcasters for the transition, which features **MSTV's David Donovan**.

TLC Ouster: A surprise shakeup at **Discovery** Fri resulted in the dismissal of **TLC** pres/gm *Angela Shapiro-Mathes* a little more than a year after she started the job. Calling it a change in "creative and organizational direction," Discovery pres/CEO *David Zaslav* announced that 18-year vet *Eileen O'Neill* will replace her. His choice may seem a bit unusual given that O'Neill was serving as pres/gm of **Planet Green**, which just launched in June. However, given that O'Neill's responsible for TLC's highest-rated series, "Jon & Kate Plus 8," the move makes some sense. Prior to Planet Green, she headed **Discovery Health**, which experienced record ratings during her tenure. One of her



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CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

tasks will be to resuscitate TLC's lagging ratings. O'Neill laughed and told us Fri that she's a "glutton for punishment" because she actually "really likes ratings," though she acknowledged that it's an "enormous challenge." She marks the 3rd gm following *Roger Marmet's* resignation in Jan '05. "I've got a lot of thinking to do to understand what's been done to date," O'Neill said. "There's a good base with 'Little People, Big World' and 'Jon and Kate'... With those bookends, there's a lot to be accomplished there. It's a great brand that resonates, particularly with women." While Shapiro-Mathes moved much of TLC to L.A. last year, O'Neill will stay in Silver Spring, MD. "It really will be an East Coast-West Coast operation... draw[ing] content and talent from both coasts," she said, adding that specifics of who will be where are to be determined. As for Planet Green, **Discovery Emerging Networks Group** pres *Clark Bunting* will oversee it while the company determines plans for leadership of the brand. Zaslav thanked Shapiro-Mathes for her work, saying she diversified TLC's programming mix and increased its presence in L.A. Her tenure included a 3-year deal for Miss America and the return of *Paige Davis* as host of "Trading Spaces."

At the Portals: It's official. The **FCC** late Fri announced that its Aug 1 open meeting will include a vote on an order addressing **Comcast's** network management practices. -- The **FCC** changed the location of Tues' NY hearing on overcoming barriers in communications financing. It will now take place at the Schomburg Center at 515 Malcolm X Blvd.

Mas Retrans: One analyst is betting that **Univision's** decision to end its must-carry status and elect retrans will be bad news for **Time Warner Cable**. Noting that 46% of all US Hispanic HHs fall within the MSO's footprint, **Pali's Rich Greenfield** wrote Fri that he believes the company will be "forced to absorb significant incremental costs in 2009 and/or lose a significant number of subscribers." Pali estimates that 14% of all TW subs are Hispanic HHs.

Competition: **AT&T** announced plans to make a \$400mln investment to bring its **U-Verse** service to Alabama.

In the States: Tongues were wagging Fri over UK report that newly merged **Thomson Reuters** is preparing to launch a business cable channel a la **Bloomberg** and **CNBC**. The channel is expected to appear online and on cable, and could launch as early as Jan, *The Daily Telegraph* reported. -- **Comcast SportsNet Bay Area** is relocating to a new, larger 32K sq foot studio in San Fran. The sports net will construct HD facilities and 24-hour newsroom as it plans to ramp up programming.

DTV Doings: To date, more than 6.3mln digital converts have been purchased using the gov't's \$40 coupons, **NTIA** reported. More than 150 boxes, including 63 that enable LPTV viewing, have been certified for the NTIA coupon program. Meanwhile, Radio Shack posted better-than-expected 2Q results Thurs thanks to converter box sales.

Programming: **TV Guide Net** reached a deal to promote **NBC's** coverage of the Summer Olympics with a line-up of programming and a dedicated TV listing scroll for all 7 NBC channels showing the Games. "Summer Games Superstars" is a 1-hour special on the net previewing the games. There also will be daily updates on TV Guide's "Hollywood 411."

On the Hill: Sen Judiciary chmn *Patrick Leahy* (D-VT) on Thurs introduced an intellectual property bill that has the backing of **MPAA** and **NBCU**. Among other things, the bill creates an intellectual property coordinator that would report directly to the president. It also allows the atty general to bring civil actions against copyright violators and allows for the seizure of equipment being used to infringe. The bill is similar to legislation that passed the House last year.



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CableFAX Week in Review

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	36.20	(3.7%)	(22.5%)
DIRECTV:	DTV	26.77	(1.1%)	15.80%
DISNEY:	DIS	31.10	0.60%	(3.7%)
ECHOSTAR:	DISH	28.38	(0.2%)	(16.4%)
GE:	GE	28.71	2.50%	(15.9%)
HEARST-ARGYLE:	HTV	20.01	4.40%	(8.2%)
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	14.92	3.60%	(28.9%)
MSOS				
CABLEVISION:	CVC	21.49	(0.6%)	(12.3%)
CHARTER:	CHTR	1.14	16.30%	(2.6%)
COMCAST:	CMCSA	19.62	(3.1%)	8.10%
COMCAST SPCL:	CMCSK	19.50	(2.9%)	8.30%
GCI:	GNCMA	8.98	7.80%	2.60%
KNOLOGY:	KNOL	11.12	1.90%	(13%)
LIBERTY CAPITAL:	LCAPA	15.47	0.60%	(33.6%)
LIBERTY ENTERTAINMENT:	LMDIA	23.90	(2.8%)	(1.2%)
LIBERTY GLOBAL:	LBTYA	28.87	(2.7%)	(26.3%)
LIBERTY INTERACTIVE:	LINTA	13.69	0.20%	(28.2%)
MEDIACOM:	MCCC	5.82	6.40%	26.80%
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	21.74	(4.9%)	(3.6%)
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	26.34	(5.6%)	(4.6%)
VIRGIN MEDIA:	VMED	11.11	(5.8%)	(31.5%)
WASH POST:	WPO	602.01	0.80%	(22.3%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	17.03	0.40%	(32.8%)
CROWN:	CRWN	4.35	7.10%	(33.1%)
DISCOVERY:	DISCA	21.15	(0.6%)	(15.9%)
EW SCRIPPS:	SSP	7.46	(15.3%)	(78.8%)
GRUPO TELEVISIA:	TV	22.63	(4.5%)	(1.8%)
INTERACTIVE CORP:	IACI	17.78	(0.6%)	(34%)
LIBERTY:	L	41.92	(2.4%)	(16.7%)
LODGENET:	LNET	3.93	36.00%	(77.5%)
NEW FRONTIER:	NOOF	3.20	(1.2%)	(27.6%)
OUTDOOR:	OUTD	6.80	1.30%	(1.4%)
PLAYBOY:	PLA	5.25	16.20%	(42.4%)
RHI:	RHIE	12.55		(0.6%)
SCRIPPS INTERACTIVE:	SNI	40.64	1.20%	(0.3%)
TIME WARNER:	TWX	14.61	(0.6%)	(9.7%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	3.08	1.00%	(51%)
VIACOM:	VIA	30.59	3.40%	(30.4%)
WWE:	WWE	16.64	2.30%	25.70%

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	1.99	1.50%	(56%)
ADC:	ADCT	10.40	(23.8%)	(33.1%)
ADVANTAGE:	AEY	2.75	(1.4%)	(55.4%)
ALCATEL LUCENT:	ALU	6.17	4.00%	(15.7%)
AMDOCS:	DOX	29.99	2.60%	(13%)
AMPHENOL:	APH	48.29	(5.9%)	4.40%
APPLE:	AAPL	162.12	(1.8%)	(18.2%)
ARRIS GROUP:	ARRS	9.07	5.70%	(9.1%)
AVID TECH:	AVID	21.38	12.70%	(24.6%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
BIGBAND:	BBND	4.21	4.20%	(18.1%)
BLNDER TONGUE:	BDR	1.12	0.90%	(32.5%)
BROADCOM:	BRCM	23.37	(18.8%)	(10.6%)
C-COR:	CCBL	11.00		
CISCO:	CSCO	22.43	3.60%	(17.1%)
COMMSCOPE:	CTV	50.59	(0.8%)	2.80%
CONCURRENT:	CCUR	6.30		659.00%
CONVERGYS:	CVG	11.90	(14.1%)	(27.7%)
CSG SYSTEMS:	CSGS	17.70	18.50%	20.20%
ECHOSTAR HOLDING:	SATS	32.42	3.60%	(1.5%)
GOOGLE:	GOOG	491.98	2.20%	(28.9%)
HARMONIC:	HLIT	9.68	1.50%	(7.6%)
JDSU:	JDSU	10.94		(17.5%)
LEVEL 3:	LVLTL	3.12	6.80%	2.60%
MICROSOFT:	MSFT	26.16	1.20%	(25%)
MOTOROLA:	MOT	7.25	(2.8%)	(52.3%)
NDS:	NNDS	57.52	0.30%	(2.9%)
NORTEL:	NT	7.20	2.90%	(52.3%)
OPENTV:	OPTV	1.90	11.80%	43.90%
PHILIPS:	PHG	33.87	(2.6%)	(13.6%)
RENTRAK:	RENT	14.31	1.30%	(1%)
SEACHANGE:	SEAC	7.71	10.00%	6.60%
SONY:	SNE	40.81	(1.5%)	(24.8%)
SPRINT NEXTEL:	S	8.74	2.50%	(33.4%)
THOMAS & BETTS:	TNB	40.88	11.00%	(16.6%)
TIVO:	TIVO	7.67	0.10%	(8%)
TOLLGRADE:	TLGD	4.77	1.50%	(40.5%)
UNIVERSAL ELEC:	UEIC	23.50	6.80%	(29.7%)
VONAGE:	VG	1.50	(3.8%)	(34.8%)
WORLDGATE:	WGAT	0.30		
YAHOO:	YHOO	21.13	(5.9%)	(9.2%)

Company	Ticker	7/25 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	31.40	(2.2%)	(18.7%)
QWEST:	Q	3.55	(3%)	(43.7%)
VERIZON:	VZ	34.45	(2.8%)	(16.2%)

Index	7/25 Close	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	11370.69	(1.1%)	(14.3%)
NASDAQ:	COMPX	2310.53	0.70%	(12.9%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS			
COMPANY	CLOSE	1-WK CH	
1. LODGENET:	3.93	36.00%	
2. WEBB SYS:	0.04	33.30%	
3. CSG SYSTEMS:	17.70	18.50%	
4. CHARTER:	1.14	16.30%	
5. PLAYBOY:	5.25	16.20%	

THIS WEEK'S STOCK PRICE LOSERS			
COMPANY	CLOSE	1-WK CH	
1. ADC:	10.40	(23.8%)	
2. BROADCOM:	23.37	(18.8%)	
3. EW SCRIPPS:	7.46	(15.3%)	
4. CONVERGYS:	11.90	(14.1%)	
5. AMPHENOL:	48.29	(5.9%)	

LESS THAN 14 DAYS TO BEIJING

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MaxFAX...

Death to Indecency!

Of course.

Kill it now!

Or, rather, let's cut back on the fines anyway.

Hardly anyone is "for" porn (well, except for maybe Marriott's bankers).



Paul S. Maxwell

Certainly not Andrew Cuomo and his partners in anti-kid smut (soon to be joined by Comcast).

Certainly not Kevin Martian and his coterie of eager

enforcers.

Certainly not me.

Nevertheless, I was glad to see the resurgence of the "reasonable man" as a Federal Appeals Court ruled the Federal Confusion Commission had overstepped its authority when it fined CBS \$550,000 for that 9/16th of a second "wardrobe malfunction" during the 2004 Super Bowl. (That was, by the way, about a \$1 a complaint... might be one way to make the Commission richer as it might partner with this or that interest group for another few rounds of protesting had the fine been ratified!)

The Court even said the FCC had "capriciously departed" from decades of policy when it fined the broadcaster. I could not agree more.

Meanwhile, one of rock 'n roll's certified good guys, U2's Bono, got NBC in trouble, too. That so-called "fleeting expletive" that Bono uttered was fined... but is under appeal. The Supreme Court will hear a related case in the next session involving Fox's failure to bleep some celebrity swearing during live shows in 2002 and 2003. That should set the matter straight for a while. And the FCC can probably return to being mildly embarrassed, like the rest of us, instead of rushing to impose a fine for... (bleep).

Random Notes:

- **Harp:** Tastes great. It rains here in Eire.
- **Halls of Fame:** Commercial v. Non-Profit. Honoring deserving luminaries in the business is a big business. Oct seems to be the season. The 18th Annual Hall of Fame from *Broadcasting (& Cable)* is set for Oct 21 at the Waldorf-Astoria in New York and boasts a stellar (if New York-centric) cast. CBS's *Katie Couric* will host as **Fox's Roger Ailes**, **Hearst-Argyle's David Barrett**, **Telemundo's Dan Browne**, **Twentieth Television's Bob Cook**, **Zenith's Peggy Green**, NBC's *Matt Lauer*, **The Paley Center's Pat Mitchell** and 4 of our good friends are honored. The "cable" contingent consists of **Showtime's Matt Blank**, **Time Warner Cable's Glenn Britt**, **ESPN's** (and lots of other current and emeritus titles and companies) **Herb Granath** and **Rainbow's Josh**

Sapan. Just a few days before, on Oct 16 during Cable Days in Denver, 6 new inductees join the 65 already in the Cable Hall of Fame. This year's class consists of *George Bodenheimer*, pres, **ESPN, Inc. & ABC Sports** and co-chmn, **Disney Media Networks**; *Richard R. Green*, pres/CEO, **CableLabs.**; *Raymond E. Joslin*, founder/former pres, Hearst Entertainment & Syndication; former senior vice president and member of the board of directors, **Hearst Corp**; *Susan E. Packard*, president, brand outreach, **Scripps Networks**; *Hubert "Hub" Schlafly*, former pres, **Teleprompter**; and *Michael S. Willner*, vice chmn/CEO, **Insight**. Guess which one I'll be attending. Nice to see guys like Hub recognized. Sometimes we forget; and we shouldn't.

• **If You Can't Make It in New York:** Love the analysts dissecting the upcoming block-by-block and building-by-building competition in New York now that **Verizon's FiOS** will begin, ever so painfully, rolling out. Have you ever seen the conduits in Manhattan? The wiring in the buildings? Gonna be fun to watch. And, where is *Dick Aurelio* when you really need him?

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