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What the Industry Reads First

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ACA's Message: Politics Remain Local

The small and mid-size cable ops in ACA's ranks are making business gains despite a "challenging environment" in DC, pres *Matt Polka* said, but the association plans to "go far deeper" in '08 by providing tools to members allowing them to involve employees and customers more extensively in the retrans fight. ACA will launch Websites to make letter-writing campaigns easier and distribute op-eds, press releases and educational materials for customers. The goal is 100% corporate involvement, a necessity for ACA's grass roots advocacy to work, a small group was told during an **Independent Show** briefing Tues. Its members face "the most horrifying retrans year ever," ACA vp/COO *Rob Shema* said. Members were urged to start relationships with lawmakers, although Shema acknowledged this would take time away from operating cable systems and Polka added getting started on a relationship with a lawmaker can be "a scary step." One tactic is to involve customers and employees. "Someone will have a [prior] relationship" with a lawmaker that can be used for entrée, Shema said. "We can win," he added, and Congress "will act, but only when responding to overwhelming constituent reaction." -- While ACA consultant *Ansley Erdel* noted the Hill's top concern is Iraq, some issues continue to brew, including Sen *Jay Rockefeller's* (D-WV) interest in media violence, and rural lawmakers' concern that some areas lack broadband service (ACA doesn't object to collecting data on this subject, but wants it to be done cost effectively, ACA vp *Ross Lieberman* said.). ACA is also monitoring the situation concerning whether **Fox's** conditions will apply to **DirectTV** if the DBS player is acquired, ACA consultant *Chris Cinnamon* said. ACA wants those conditions in place until at least 2010, he said. The association also favors a bill allowing cable ops to carry signals of neighboring broadcasters into certain markets. "You should choose the stations your customers want, not **Nielsen**," Shema said. On the DTV transition, ACA says consumer education is important, but it also wants an advocacy piece, noting cable ops must have the right to convert signals to a form their customers can receive.

Waive Again: Verizon was one of the lucky video providers granted a 1-year waiver to the FCC's integrated set-top box ban, but the telco wants more. Verizon petitioned the FCC Mon to grant it a 3-year waiver. Sounding a lot like cable, the telco argued that it would have to expend "enormous resources" to develop an interim solution to the ban only to replace that solution with Downloadable Conditional Access Security (DCAS) once the tech's available. Verizon argued that an existing, off-the-shelf CableCARD option, like the one traditional cable ops are using to comply with the ban, doesn't currently exist for it. -- **NCTA** is asking the FCC to reconsider the Media Bureau's ruling rejecting an industry wide waiver for the ban until DCAS is ready or 2010 (whichever comes first). NCTA argued that while the Bureau claims common reliance on the same security tech is vital, it only holds NCTA to that standard—exempting more than 30% of the multichannel marketplace from the rule, including Verizon and Qwest. The Bureau is "doing exactly what Congress forbids: 'freezing or chilling the development of new technologies and services'—but insidi-



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ously, only by cable," NCTA wrote. Who knows when the full Commission will get around to acting on these requests? Comcast's Jan request for a review of the Media Bureau's denial of its waiver has yet to be acted on.

Inside the Beltway: Beltway chatter Tues focused on Sen Commerce Ranking Member *Ted Stevens*(R-AK), whose home was searched Mon by federal agents. The **FBI** and **IRS** are reportedly interested in Stevens' '00 home renovation project that was overseen by a contractor who has pleaded guilty to bribing AK state legislators, according to reports. Watchdog group **Taxpayers for Common Sense** has asked that Stevens, a powerful player in telecom politics, temporarily recuse himself from his committee assignments until the investigation is resolved. -- **The Computer & Communications Industry Assoc** holds a news conference in DC Wed on its filing of a formal complaint with the **FTC** against the **NFL**, **MLB** and **NBCU**, alleging a misrepresentation of copyright law.

Competition: Postings at **Uverseusers.com** confirm **AT&T's** plans to invade another **Cox** stronghold. Following a move earlier this year into San Diego, the telco will launch its video service in Oklahoma City, OK, and environs next week. A report last week in *The Norman Transcript* said Norman, a suburb of the state capital and home of the Univ of OK, will also have access to the service. -- Certain customers of **Verizon's V Cast** mobile TV service now have access to 9 **NBCU** channels, including **BravoToGo**, **Telemundo**, and **NBC Comedy**, featuring shows such as "The Office."

Indy Show Notebook: **ACA** pres *Matt Polka* told **Independent Show** attendees that the association, **APTS** and **PBS** have reached a tentative deal for carriage of broadcasters' DTV signals. The 10-year deal requires adoption by ACA members and public TV stations. The deal, which includes digital carriage of PBS stations before and after the Feb '09 DTV transition, is voluntary for operators and stations. -- Listening to **FCC** commish *Jonathan Adelstein* you hear from a major player how often government ends up creating unintended consequences. Among the goofs he mentioned in a short, taped speech to show attendees (he remained in DC to participate in the FCC's 700 MHz auction vote) were the DTV transition (which might end up extracting concessions from cable ops and forcing citizens to buy expensive set-top boxes) and the set-top integration ban (it could be especially unfair to small and mid-size cable ops, he said). Adelstein blasted big broadcasters for fleecing smaller cable ops in retrans deals and urged ACA members to sign up for the new deal with PBS, which is similar to the pact **NCTA** cemented a short while back. While he's not made up his mind on allowing cable ops to convert their signals for the DTV transition, he thinks it's an option. "We don't want to mandate dual multicast must carry," he said.

At the Portals: The **FCC** voted Thurs to require that the winner of 22Mhz of spectrum make it open to any wireless device/app. As part of the open access rules, the winner cannot block or slow wireless and Web content from competitors. The rules stop short of requests that the FCC require auction winners to resell spectrum at wholesale rates to competitors. -- The **FCC** granted **Charter's** request for an emergency stay that keeps it from having to reduce its rates this month and make refunds to subs. Charter petitioned the FCC in '05 to declare effective competition in St Louis, which would mean the end of city regulation for basic cable service. Earlier this summer, the City adopted an order that would force Charter to reduce rates and make refunds in Aug. The FCC granted Charter's request for a stay pending its decision on effective competition. The FCC noted that it appears likely that St Louis will lose its rate regulation authority.

Champagne On Ice: Given the laborious process he has endured in attempting to acquire **Dow Jones**, Rupert

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BUSINESS & FINANCE

Murdoch has likely yet to pop the cork on some bubbly. But several published reports – including 1 from the Dow-owned *WSJ* – say Murdoch's \$5bln offer is as good as ratified after *Bancroft* family members and trusts representing approx 38% of the total vote are now in favor of the takeover. **News Corp's** board was set to convene on Tues afternoon, while DJ's directors are slated to meet Tues evening.

VOD: In Demand will launch HD VOD service **MOJO Mix** this month. Free to any affil who carries the **MOJO** network, it will feature music videos, eps of MOJO original HD series and various specials and short-form content. -- **Comcast** collaborated with *Philadelphia* magazine to launch the **Best of Philly On Demand**, featuring 30 vignettes profiling popular city establishments/attractions in categories including food and drink and kids.

In the States: Cox is offering 1 year of free Internet service to Oklahomans that qualify for **Life-line**, a govt assistance program for low-income earners. Qualifiers will be charged only half of the \$15 installation fee, and a discounted monthly rate of \$10 will apply to the service after 1 year.

Business/Finance: Expo TV, which offers VOD content through MSOs including **Comcast** and **Time Warner Cable**, added **DFJ Gotham Ventures** as an investor.

CableFAX Daily Stockwatch

Company	07/31 Close	1-Day Ch	Company	07/31 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	22.41	(0.16)	APPLE:	131.76	(9.67)
DISNEY:	33.00	(1.01)	ARRIS GROUP:	14.82	(0.41)
ECHOSTAR:	42.29	(0.64)	AVID TECH:	32.10	(0.58)
GE:	38.76	(0.51)	BLNDER TONGUE:	1.60	0.09
HEARST-ARGYLE:	21.00	(0.07)	BROADCOM:	32.81	(0.89)
ION MEDIA:	1.35	(0.03)	C-COR:	13.45	(0.01)
NEWS CORP:	22.66	(0.18)	CISCO:	28.91	(0.58)
TRIBUNE:	27.96	(0.11)	COMMSCOPE:	54.43	(4.08)
MSOS					
CABLEVISION:	35.59	0.19	CONCURRENT:	1.53	(0.05)
CHARTER:	4.06	0.05	CONVERGYS:	19.05	0.70
COMCAST:	26.27	(0.94)	CSG SYSTEMS:	25.02	0.44
COMCAST SPCL:	26.17	(0.8)	GEMSTAR TVG:	5.74	(0.07)
GCI:	11.51	(0.1)	GOOGLE:	510.00	(6.11)
KNOLGY:	15.52	1.12	HARMONIC:	8.87	(0.3)
LIBERTY CAPITAL:	114.45	(0.97)	JDSU:	14.33	(0.33)
LIBERTY GLOBAL:	41.93	0.52	LEVEL 3:	5.23	0.01
LIBERTY INTERACTIVE:	20.95	(0.3)	MICROSOFT:	28.99	(0.41)
MEDIACOM:	9.06	0.09	MOTOROLA:	16.99	0.02
NTL:	28.22	0.00	NDS:	43.72	0.16
ROGERS COMM:	42.97	0.00	NORTEL:	21.64	(0.71)
SHAW COMM:	47.53	(1.44)	OPENTV:	1.90	(0.09)
TIME WARNER CABLE:	38.22	0.22	PHILIPS:	40.40	(0.3)
WASH POST:	790.75	3.72	RENTRAK:	14.82	0.29
PROGRAMMING					
CBS:	31.72	(1.05)	SEACHANGE:	6.98	(0.12)
CROWN:	6.88	0.00	SONY:	53.76	0.72
DISCOVERY:	23.72	0.00	SPRINT NEXTEL:	20.53	(0.4)
EW SCRIPPS:	40.97	(0.38)	THOMAS & BETTS:	61.80	0.57
GRUPO TELEVISA:	25.25	(0.73)	TIVO:	5.50	(0.02)
INTERACTIVE CORP:	28.74	(1.62)	TOLLGRADE:	10.32	0.22
LODGENET:	31.42	(0.79)	UNIVERSAL ELEC:	35.24	0.46
NEW FRONTIER:	8.49	(0.06)	VONAGE:	2.13	(0.27)
OUTDOOR:	9.68	0.42	VYYO:	5.93	0.16
PLAYBOY:	11.00	(0.01)	WEBB SYS:	0.09	0.01
TIME WARNER:	19.26	(0.31)	WORLDGATE:	0.49	(0.01)
UNIVISION:	36.23	0.00	YAHOO:	23.25	(0.37)
VALUEVISION:	9.11	0.13	TELCOS		
VIACOM:	38.47	(0.26)	AT&T:	39.16	(0.61)
WWE:	15.00	0.08	QWEST:	8.53	(0.11)
TECHNOLOGY					
3COM:	4.00	(0.12)	VERIZON:	42.62	1.11
ADC:	18.69	(0.55)	MARKET INDICES		
ADDVANTAGE:	6.03	0.12	DOW:	13211.99	(146.32)
ALCATEL LUCENT:	11.60	(1.66)	NASDAQ:	2546.27	(37.01)
AMDOCS:	36.19	(0.77)			
AMPHENOL:	34.26	(0.74)			

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