

CableFAX Daily™

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What the Industry Reads First

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In Harmony: Cable Ops Like Harmonic's Video-Over-DOCSIS Tech

In **CableLabs' 2nd Innovation Showcase**, cable operators voted **Harmonic's** cable IPTV solution the "best new idea that is most likely to succeed." Said **Charter CTO Marwan Fawaz**: "It was not necessarily a new idea, but a unique way to capitalize on the infrastructure of DOCSIS 3.0." The tech managed to stream compelling MPEG-4 video content to the PC with a low-bit rate via the DOCSIS network and the M-CTMS architecture. In the demo, an HD stream used 8Mbps, while standard def used 2Mbps. Harmonic also showed a personal mosaic application, featuring 1 HD stream and 2 SD streams that used about 12Mbps. Harmonic said the solution leverages M-CMTS architecture and delivers state-of-the-art switched digital and on-demand video using the Electra 7000 HD MPEG-4 encoder, StreamLiner on-demand platform and the NSG 9000 Universal edge QAM. About 120 operators voted Mon on the demos, which came from 12 companies at CableLabs' Summer Conference. At the Winter Conference, the Showcase was only open to start-ups (**Cfax**, 3/6), but this year CableLabs invited existing vendors as well. Firms had about 10 minutes each to make their pitches. **4HomeMedia** gave one of the more popular presentations among the new companies, said **David Reed**, CableLabs evp, Chief Strategy Officer. "They have a 4-screen approach for managing security and home monitoring services that was viewed as quite innovative," he said. Also participating were **ADZILLA**, **Ambit Microsystems**, **ARRIS**, **Digeo**, **Nortel**, **Oberon Media/PixelPlay**, **Pure Networks**, **Scopus**, **Sereniti** and **Tzero Technologies**. **Comcast** svp, new technology **Steve Craddock** said he was "really impressed" with a lot of the demos, noting Harmonic was in his top 3.

Telco Roadblock: CT Attorney General **Richard Blumenthal** filed a petition Mon with the state's **Department of Public Utility Control** asking legislators to stop **AT&T** from signing up new U-verse customers in the state until the telco receives a statewide video license. The filing follows a US District Court's finding last month that U-verse TV is a cable service and must obtain franchises, reversing an earlier DPUC decision. AT&T didn't respond to our requests for comment. Meanwhile, AT&T said the decision regarding U-verse's service determination is not yet final, and that Blumenthal is counteracting business that is good for CT consumers. "The Attorney General should withdraw this filing and await further court action—as the law requires," said the telco.

At the Portals: The **FCC** extended the deadline to file oppositions to **NCTA's** review of the Media Bureau's denial of its set-top integration waiver request. Oppositions are now due Sept 15; replies are due Oct 9. **CEA** and **NCTA** requested more time because responses in the FCC's 2-way plug-and-play proceeding had been due the same day.

Rigas Retorts: **Adelphia** founder **John Rigas** starts his 15-year prison term for securities fraud in Rochester, MN, on Sun, the same day son **Tim** begins serving a 20-year sentence in Elkton, OH. Interesting interview with the elder Rigas in Mon's **USA Today**. The cable pioneer told the paper that the \$2.3bln the Rigas family "co-borrowed" with Adelphia over a certain period was above-board, and regularly reviewed by independent board members and Deloitte & Touche.



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The loans were flagged only because of the frenzied regulatory environment fueled by the Enron, WorldCom and Tyco scandals, said Rigas. He also addressed the "\$6K Christmas tree" and luxury golf course project.

Trade Winds: B&C editor-in-chief *Max Robins* is out as **Reed** creates a new editorial structure aimed at advancing B&C and *Multichannel News*' growth in online media. Robins joined B&C 3.5 years ago from *TV Guide*. Changes have been long expected, with *Larry Oliver*'s departure in May as vp, gm and publisher of both pubs seen as part of a larger reorg. *Multi* ed *Tom Steinert-Threlkeld* becomes editorial dir of both pubs. A 5-person online operations group was formed. *Joel Topcik* becomes online news editor for B&C; *David Cohen* becomes Web editor at B&C; *Mike Reynolds* was named online news editor for *Multi*; and *Steve Donohue* becomes *Multi*'s Web editor. An exec editor of online ops will be named later. With Robins out, B&C's exec editor *Mark Robichaux* will head up daily operations at the pub.

Insight Restatement: **Insight** said it will restate previously issued financial results to correct the accounting for non-cash income tax expense and deferred income taxes, an error discovered by **Ernst & Young**. The correction will have no effect on revenues, operating income, cash flows or liquidity, nor will it result in an event of default under its debt agreements, **Insight** told the **SEC**. The understatement of deferred income tax expense, resulted in an estimated understatement of net loss of approx \$7.6mln, \$7.6mln and \$8mln for 2006, 2005 and 2004, respectively. **Insight** estimates that the correction will result in an aggregate increase in net loss of about \$73.9mln for the years prior to '04.

Competition: **AT&T** officially launched **U-verse TV** in parts of Oklahoma City and environs, including within the cities of Edmond, Moore and Norman. -- **DirectTV** deployed **Tealeaf** tech, which aims to optimize its customer and dealer Websites by tracking key performance indicators in real-time.

Batting Content: **TBS** will add to its online lineup early next month "TBS Hot Corner," an interactive broadband channel to be featured through **MLB.com** and aimed at extending coverage of the net's postseason baseball coverage. Offered will be live and on demand video streaming. Starting Oct 3, the mini-site will feature a live, hosted pre-game Webcast allowing fans to interact and chat with the host, as well as participate in polls and trivia.

In The Courts: As part of the **TiVo-EchoStar** patent dispute, the **US Patent and Trademark Office** rejected the aspects of TiVo's DVR patent related to hardware while upholding 2 key software-related parts. But sources said the patent office's review will likely have little or no bearing on EchoStar's pending appeal because the latter pair was the basis of a TX jury's infringement ruling against EchoStar last year. EchoStar declined to comment. Oral arguments begin in Oct.

Research: **MTVN** is using digital audience measurement data from **TNS** to analyze programming across its nets, and ultimately will dissect viewing behavior through analyses of commercial pods and digital viewership. **Scripps Nets** inked a July deal to receive similar information, gleaned from 300K anonymous **Charter** set tops in L.A. -- 92% of women make/contribute to financial decisions in the home but don't feel like ads for financial products are geared to them, according to an **Oxygen** survey. 62% of women surveyed said they consider themselves the financial head of the household.

Online: **Weather.com** rolled out "Blue Box," a new flash-based video player offering an improved video search function and the ability for users to share video with friends. In addition, advertisers may now place brand messages in 3 different areas of the player, which can measure the efficacy of in-stream ads. -- **TBS.com** launched a pair of projects tied into series "The Bill Engvall Show" and "My Boys." The former's title character offers humorous advice to viewers; the latter

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Deals: Steve Bellamy's **The Ski Channel** inked a deal with ski filmmaker **Rage Films**, including windows for all Rage films on the net, content partnerships leveraging Rage's clip library (1K+ hours) and future collaborations. The deal also includes an equity investment in Rage by the net, with an option to acquire the remainder in the future. The net hits the slopes early next year through a deal with **Time Warner Cable**.

VOD: Comcast and music production house **CenterStaging** launched **rehearsalsTV**, offering on demand viewers access to artists such as *Chris Isaak* and *Howard Hewitt* as they prepare for concerts, TV appearances and recording sessions.

People: Rosalyn Durant and Julie Sobieski were both promoted to vp, programming and acquisitions, **ESPN**. -- Turner promoted *Loretta Young Walker* to svp/chief human resources officer. -- Jody Jones was tapped as svp, **Scripps Nets Interactive**. -- TV Land tapped Scott Gregory as vp, programming. -- Ian Wallin was appointed vp, national sales, **TV Guide Online**.

Business/Finance: Buckingham Finance upgraded **DirectTV** from 'underperform' to 'neutral,' citing a recent sharp decline in the satcaster's share price and decreasing business risk. The price target rose \$2 to \$22.

CableFAX Daily Stockwatch

Company	08/06 Close	1-Day Ch	Company	08/06 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	53.67	0.48	AMPHENOL:	34.39	(0.42)
DIRECTV:	21.31	0.15	APPLE:	135.25	3.40
DISNEY:	+34.30	0.40	ARRIS GROUP:	13.68	(0.26)
ECHOSTAR:	40.71	(0.59)	AVID TECH:	30.89	0.45
GE:	39.10	1.04	BLNDER TONGUE:	1.50	0.08
HEARST-ARGYLE:	20.73	0.33	BROADCOM:	33.44	0.48
ION MEDIA:	1.35	(0.05)	C-COR:	12.12	(0.71)
NEWS CORP:	22.56	0.16	CISCO:	29.50	0.04
TRIBUNE:	27.09	(0.4)	COMMScope:	51.34	(1.89)
MSOS					
CABLEVISION:	33.40	(0.35)	CONCURRENT:	1.41	(0.04)
CHARTER:	2.98	(0.03)	CONVERGYS:	17.84	(0.3)
COMCAST:	25.92	0.35	CSG SYSTEMS:	24.23	0.24
COMCAST SPCL:	25.73	0.28	GEMSTAR TVG:	5.58	0.14
GCI:	11.50	0.21	GOOGLE:	510.00	7.00
KNOLOGY:	13.14	(0.66)	HARMONIC:	8.12	(0.39)
LIBERTY CAPITAL:	112.09	0.02	JDSU:	13.89	(0.13)
LIBERTY GLOBAL:	42.83	(0.12)	LEVEL 3:	5.06	(0.13)
LIBERTY INTERACTIVE:	20.33	(0.3)	MICROSOFT:	29.54	0.58
MEDIACOM:	8.18	(0.22)	MOTOROLA:	16.53	0.18
NFL:	28.22	0.00	NDS:	41.71	(1.55)
ROGERS COMM:	42.97	0.00	NORTEL:	18.38	(0.95)
SHAW COMM:	22.70	(0.33)	OPENTV:	1.32	(0.34)
TIME WARNER CABLE:	35.81	0.09	PHILIPS:	39.58	0.25
WASH POST:	794.50	(31)	RENTRAK:	14.18	(0.47)
PROGRAMMING					
CBS:	32.05	0.48	SEACHANGE:	6.15	(0.41)
CROWN:	6.44	(0.17)	SONY:	50.70	0.93
DISCOVERY:	23.90	0.34	SPRINT NEXTEL:	19.90	0.13
EW SCRIPPS:	40.43	0.11	THOMAS & BETTS:	56.76	(3.24)
GRUPO TELEvisa:	25.38	0.56	TIVO:	5.52	0.24
INTERACTIVE CORP:	26.80	(0.6)	TOLLGRADE:	9.96	(0.17)
LODGENET:	26.29	(1.21)	UNIVERSAL ELEC:	29.10	(1.41)
NEW FRONTIER:	8.14	0.05	VONAGE:	1.94	(0.1)
OUTDOOR:	8.87	(0.23)	VYYO:	5.28	(0.29)
PLAYBOY:	10.28	(0.12)	WEBB SYS:	0.08	0.00
TIME WARNER:	18.48	(0.13)	WORLDGATE:	0.51	0.04
UNIVISION:	36.23	0.00	YAHOO:	22.97	0.05
VALUEVISION:	9.20	0.26	TELCOs		
VIACOM:	38.86	0.16	AT&T:	40.26	0.81
WWE:	14.80	0.31	QWEST:	8.42	(0.15)
TECHNOLOGY					
3COM:	3.60	(0.26)	VERIZON:	43.42	0.67
ADC:	17.31	(1.24)	MARKET INDICES		
ADVANTAGE:	5.10	(0.68)	DOW:	13468.78	286.87
ALCATEL LUCENT:	11.33	(0.04)	NASDAQ:	2547.33	36.08
AMDOCS:	34.62	(0.79)			



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