

# CableFAX Daily™

Wednesday — August 13, 2008

What the Industry Reads First

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## Hush Hush: NAB's Quiet Period Proposal Doesn't Please Cable

Before cable formally asked the **FCC** to institute a "quiet period" to ensure that retrans disputes don't trigger DTV transition-related customer confusion, **NCTA** tried to broker a voluntary proposal with **NAB**, we're told. Nothing ever came of it, but on Tues the broadcast association put forth its own voluntary proposal that would prevent stations from pulling their signals around the DTV transition date. NAB's plan perhaps explains why the 2 sides weren't able to come up with a voluntary solution. NAB said its board and member companies agreed to not yank any broadcast signals between Feb 4 to Mar 4 (provided the signals were already being carried by an operator on Feb 4). But cable contends that the broadcasters' proposed timeframe of 2 weeks before and 2 weeks after the Feb 17 DTV transition is not long enough. In fact, the FCC appears to be looking at a longer quiet period. Two different dates have floated around the FCC for starting the quiet period—Jan 15 and Dec 15, 2008, sources said, with the Commission considering ending the quiet period Feb 28. **ACA** and others have suggested the quiet period start no later than Jan 1 and last through May 31. **NCTA** has taken a similar stance. "We appreciate NAB's acknowledgment that this is a very real concern, and continue to support efforts to minimize potential consumer confusion through the adoption of a quiet period," said NCTA pres/CEO *Kyle McSarrow*. "But the reality is that many outstanding retransmission consent agreements expire by the end of 2008. Any voluntary quiet period that does not begin before the agreements actually expire—or which is too brief to preclude potentially confusing messages about broadcast carriage during the time of the actual DTV transition—represents the illusion of a commitment and does not serve the consumer." NAB contends that the quiet period effectively extends through the month of Mar since **Nielsen's** sweeps don't end until Apr 1. FCC rules prohibit cable ops from dropping TV stations during sweeps. **ACA** said it appreciates the NAB step but is still pushing for the FCC to implement a quiet period for all broadcast and cable operators because the NAB proposal starts too late and doesn't cover all broadcasters. NAB briefed FCC chmn *Kevin Martin* on its voluntary effort Mon in a conference call.

**VOD: Comcast** and **MGM** are partnering for "**Impact**," a VOD channel featuring TV series and movies in the action genre. Rolling out this week to Comcast subs on a market-to-market basis, the venture will offer 25-30 titles/month and feature content (SD and HD) from MGM's action library.

**In the Courts:** **NATOA**, the **Alliance for Community Media** and the **Alliance for Communications Democracy** filed a petition for rehearing before the full 6th Circuit Appeals Court on its decision to uphold the **FCC's** video franchise ruling. The groups claim the decision conflicts with Supreme Court and circuit precedent. The order, issued last year, requires local govts to respond to franchise applications with 90 days. **NCTA** had initially challenged the order but later said the "potential harm" had been mitigated because most of the policies that originally only applied to cable's telco competitors eventually covered other providers. -- **DISH** received \$1.24mln in civil restitution against former retailer **Satel-**

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**lites & More**, which the satcaster alleged had falsified information to illegally obtain new customer account incentives. Related to the case, Satellites proprietor *Joseph Masek* pled guilty to wire fraud charges in CO, was sentenced to 33 months in prison and ordered to pay an additional \$663K in restitution to DISH.

**Vongo Goned:** Starz Ent's video download service **Vongo** is no longer accepting new customers and will discontinue operations Sept 30. The service launched in beta in Jan '06, offering subs unlimited online movie viewing and a simulcast of Starz for \$10/month. Starz called Vongo "a very big success for us because it got us into the game early and allowed us to develop the technology and platform" that is now used for **Starz Play**, a similar subscription-based download service currently available to 8.5mln **Verizon** HSI subs. Other affil deals are being sought. Starz Play is a "value add proposition" for which Verizon has delivered a 45% sell-in rate, said Starz CEO *Bob Clasen* during a Mon conference call.

**DTV Doings:** To get ready for Wilmington's early Sept 8 analog cut-off, 4 TV stations in the market will turn off their analog signals for 1 min at 7:30pm on Aug 19.

**Rebrand:** MTV's HD music channel **MHD** is rebranding as **Palladia** come Sept 1 because when we think "music," Palladia is the first word that comes to mind... MTV said the term conveys a "sense of spectacle—a grand stage, a vast arena and the excitement of live musical performances." Content includes concerts every Sat at 9pm.

**Competition:** **Verizon** is now offering new **FiOS TV** subs who sign up before Oct 4 a year's free use of either a HD DVR or HD Home Media DVR. New customers are also eligible for 1 free month of **HBO** and **Cinemax**, as are existing subs who upgrade to a bundled package. Meanwhile, FiOS TV has added 23 new channels in Pittsburgh, including 18 high-def nets such as **USA HD**, **CNN HD** and **Animal Planet HD**. The nets were also part of HD channel launches in NJ, where the telco now features approx 100 total high-def channels.

**In the States:** **Bresnan** and **Starz Ent** are partnering for a 9-city series of free outdoor screenings of **Sony's** animated film "Open Season." The series kicks off Fri in Cheyenne, WY. -- **Charter** and **Outdoor Channel** are teaming to sponsor the **2nd Annual Chippewa Valley Outdoor Games** in Eau Claire, WI (Fri-Sun). More than 500 pooches are expected to compete in the event's **DockDogs** competition, footage of which Outdoor will film for broadband content and its eponymous VOD series. -- **Comcast SportsNet Bay Area** is constructing in San Francisco a 32K-sq-ft space housing a new studio, HD prod facilities, and a 24-hr newsroom. *Chris Olivere* was named the RSN's news dir.

**Beta:** **Fox Movie Channel** (emerging), **Nat Geo** (mid-sized) and **Discovery Channel HD** (high-def) receive the greatest customer demand among their respective groups, according to **Beta's** cable subscriber interest survey. **Crime & Investigation Net** and **Hallmark Movie Channel** completed the emerging nets' top 3; **Science Channel** and **Lifetime Movie Net** did the same among mid-sized nets; and **Nat Geo HD** and **Disney Channel HD** finished a respective 2nd and 3rd among high-def nets. Top-ranked VOD nets from basic channels include those from **Discovery Channel**, **Nat Geo**, **History**, **Disney Channel**, **TNT** and **Comedy Central**.

**Technology:** **Disney** plans to open collaborative labs with **Carnegie Mellon University** in Pittsburgh and the **Swiss Federal Institute of Tech** in Zurich to conduct R&D for **Disney Media Nets**, **Disney Interactive** and other segments. Initiatives will include computer animation and autonomous interactive characters. -- A **Silicon Image** idea for more cost-effective home networking was deemed the best idea during **CableLabs'** Innovation Showcase Mon.

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Source: Nielsen Media Research, Live Data, Prime M-Su 8p-11p, delivery percent change for W18-34, W18-49 and W25-54 from Q07 (4/2/07-7/1/07) to Q08 (3/31/08-6/29/08) among ad supported cable networks with universes of 65 million or more households and excluding sports networks. Cable Network Coverage Area HH Universe Estimates, August 2008. Subject to qualifications upon request.

Through an inexpensive chip tied to set top software, Silicon seeks to allow IP-based distribution of video and interactive user interfaces to various devices within a home. Trials will likely begin next year.

**Online:** NBCU's 1st original online series "Gemini Division," featuring an NYPD vice cop drawn into a secret war between a race of artificial life forms, debuts Mon on **NBC.com** and **SciFi.com**.

**Ratings:** NBCU has achieved brilliant viewership numbers for the **Olympics'** initial 3 days, garnering 143mln total viewers across **NBC** and cable, and pulling in 107mln viewers on Sun alone. Although NBC leads the coverage charge, **USA**, **CNBC** and **MSNBC** delivered decent ratings over the same period despite some odd telecast times. USA's 1st 24 hours of coverage averaged a 1.0/940K, slightly lower than last week's total programming day avg of 1.1/1.06mln but negatively affected by a pair of 2-6am windows. MSNBC averaged a 0.6/517K over 20 hours, besting its 0.3/283K total day avg with the help of 1-5pm slots on Sat and Sun. 10.5 coverage hours on CNBC earned a 0.4/382K avg, well above the net's 0.2/203K total day avg and including the net's highest-rated show of the week, a 0.5/421K on Sat (midnight-2am). As for cable prime, **USA** (2.2/2.07mln) maintained its usual perch atop the medal stand while **Disney** (1.9/1.79mln) notched silver and **TNT** (1.7/1.64mln) took home the bronze. **Fox News** (1.5/1.38mln) landed in 4th, followed by **ESPN** (1.3/1.30mln) and **TBS** (1.3/1.21mln) in a tie for 5th. The top 5 telecasts: TNT's "The Closer" (6.1/5.83mln) and "Saving Grace" (4.1/3.90mln), USA's "Burn Notice" (3.6/3.49mln), ESPN's **NASCAR** coverage (3.6/3.44mln) and USA's **WWE** content (3.5/3.40mln).

**Cable Musings:** Seems the thing to do after making billions from cable is start a museum. *Allan Gerry*, who sold **Cablevision Industries** in '95 to **Time Warner** for \$2.6bln, was the major backer for **The Museum of Bethel Woods**. The NY museum, on the site of the legendary Woodstock concert, examines Woodstock and the '60s. It opened this summer and has already picked up 2 MUSE awards from the **American Assoc of Museums** for outstanding achievement in museum media. Over in Valley Forge, PA, cable mogul turned philanthropist *Gerry Lenfest* is trying to get the American Revolution museum off the ground. It's facing significant opposition though. Lenfest, who leads the museum board, spoke about the controversial project in the *Philly Inquirer* last week. "It would have been very easy to give this up," Lenfest said. "It's been a severe aggravation to me." But, "the cause is too important to bend."

**Affiliate Relations:** **GMC** is urging cable systems to run PSAs supporting the net's 1st **National Gospel Music Heritage Month** (Sept). GMC affils can access taggable spots, Web banners and logos at **GospelMusicChannel.com/affiliate**.

**Programming:** **Encore Western** presents the premiere of the restored and newly re-mastered "How the West Was Won," Aug 30, 8pm. -- **ESPN**, **ESPN2** and **ABC** combine to feature all 32 games of the **Little League World Series** from Aug 15-24. All ESPN and ESPN2 telecasts will be simulcast on **ESPN360.com**. -- **RFD-TV** rolls out classic TV series "Hee Haw" Sept 7 to anchor its Sun lineup. -- **E!** correspondent *Ben Lyons* hosts **Nickelodeon's** new sports competition series "My Family's Got Guts" (Sept 15). -- **AMC** started prod of a 6-part mini-series reinterpreting '60s series "The Prisoner." -- **HDNet** presents "Dan Rather Reports: The Real Iraq," a roundtable on the war that includes 2 Marine Corps veterans.

**Public Affairs:** The **S CA Cable & Telecom Association Charitable Foundation**, along with **Charter**, **Cox** and **Time Warner Cable**, awarded 15K in college scholarships to local high school seniors. -- Alaska's **GCI** donated broadband capacity worth an estimated \$30mln to the state's university system. The gift also benefits K-12 schools.

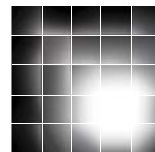
**Marketing:** **Bravo** launched a new initiative to build a "network of brand ambassadors." The net launched "Influentials," a community of Bravo fans who will provide feedback on the channel via regular polling. It also launched "B-Hive," an online program that creates customized viewing parties for fans complete with sweepstakes and exclusive content.

**Intl:** **Scripps Nets' GAC** inked its 1st intl distribution pact, with Australia's **Country Music Channel** for series "The

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**Honors:** National Geographic Channel's "Preserve Our Planet" campaign was awarded the **Academy of TV Arts & Sciences**' '08 Governors Award.

The award recognizes a company, person or organization that has made a substantial impact and demonstrated extraordinary use of TV. Nat Geo will be honored at the Creative Arts Emmys, Sept 13, LA. -- Recognizing cable nets' extraordinary marketing creativity and success, **CTAM** nominated for induction into its '08 Hall of Fame **BET**'s "Rap-It-Up" campaign, **Fox News**' "Fair and Balanced" campaign, **HBO**'s marketing of "The Sopranos," **Nickelodeon**'s marketing of "Dora the Explorer" and **Turner Classic Movie**'s "31 Days of Oscar" festival. 1 inductee will be announced during The CTAM Summit (Nov 9-11).

**People:** Scripps Nets' SN Digital appointed *Heather Keets Wright* vp, cross-network programming.

**Deadline alert:** Fill out the online nom form now for **CableFAX: The Magazine**'s Most Powerful Women in Cable list—go to <http://www.cable360.net/cablefaxmag/2008topwomen.html>. And nominate your favorite cable big shots for the **CableFAX 100** at <http://www.cable360.net/cablefaxmag/2008cablefax100.html>.

**Oops:** Advertisers paid \$350K for a 30-sec spot for the '06 Winter Games' Opening Ceremony on **NBC**, according to Nielsen stats (*Cfax*, 8/8).

## CableFAX Daily Stockwatch

Company	08/12 Close	1-Day Ch	Company	08/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	38.04	0.59	AMDOCS:	30.35	(0.2)
DIRECTV:	28.04	(0.34)	AMPHENOL:	51.36	0.65
DISNEY:	32.16	(0.64)	APPLE:	176.73	3.17
ECHOSTAR:	30.41	(0.13)	ARRIS GROUP:	9.46	(0.29)
GE:	29.74	(0.21)	AVID TECH:	24.30	(0.56)
HEARST-ARGYLE:	20.55	0.59	BIGBAND:	4.56	(0.4)
ION MEDIA:	1.44	0.00	BLNDER TONGUE:	1.11	(0.13)
NEWS CORP:	13.99	(0.26)	BROADCOM:	26.55	(0.43)
<b>MSOS</b>					
CABLEVISION:	30.21	0.22	C-COR:	11.00	0.00
CHARTER:	1.11	(0.02)	CISCO:	24.50	(0.12)
COMCAST:	21.83	0.01	COMMScope:	47.03	0.23
COMCAST SPCL:	21.71	0.03	CONCURRENT:	7.94	0.00
GCI:	10.74	0.16	CONVERGYS:	14.18	(0.1)
KNOLOGY:	10.67	0.63	CSG SYSTEMS:	19.72	0.05
LIBERTY CAPITAL:	15.95	(0.07)	ECHOSTAR HOLDING:	32.83	(0.73)
LIBERTY ENTERTAINMENT:	26.10	(0.17)	GOOGLE:	502.61	1.77
LIBERTY GLOBAL:	33.33	0.43	HARMONIC:	8.66	0.11
LIBERTY INTERACTIVE:	14.05	(0.35)	JDSU:	11.07	(0.21)
MEDIACOM:	7.48	0.26	LEVEL 3:	3.39	0.12
SHAW COMM:	21.56	0.68	MICROSOFT:	28.12	0.22
TIME WARNER CABLE:	27.91	(0.54)	MOTOROLA:	10.02	(0.03)
VIRGIN MEDIA:	10.73	0.12	NDS:	60.50	0.00
WASH POST:	641.50	(14.5)	NORTEL:	5.94	(0.15)
<b>PROGRAMMING</b>					
CBS:	17.30	(0.37)	OPENTV:	1.99	(0.1)
CROWN:	5.03	0.27	PHILIPS:	34.68	0.13
DISCOVERY:	19.43	(0.09)	RENTRAK:	14.62	0.17
EW SCRIPPS:	7.03	0.14	SEACHANGE:	7.75	(0.07)
GRUPO TELEvisa:	24.74	0.19	SONY:	39.22	(0.65)
INTERACTIVE CORP:	18.67	(0.33)	SPRINT NEXTEL:	8.68	(0.12)
LIBERTY:	42.61	(0.62)	THOMAS & BETTS:	46.39	(0.66)
LODGENET:	3.99	(0.23)	TIVO:	7.67	(0.19)
NEW FRONTIER:	3.76	0.09	TOLLGRADE:	6.28	0.06
OUTDOOR:	7.57	(0.23)	UNIVERSAL ELEC:	26.62	0.86
PLAYBOY:	4.41	0.08	VONAGE:	1.34	(0.01)
RHI:	14.10	(0.09)	WEBB SYS:	0.04	0.00
SCRIPPS INTERACTIVE:	42.16	0.59	WORLDGATE:	0.30	0.00
TIME WARNER:	15.66	(0.22)	YAHOO:	20.43	0.17
VALUEVISION:	3.05	0.05	<b>TELCOS</b>		
VIACOM:	29.22	(0.74)	AT&T:	31.65	(0.19)
WWE:	15.73	0.13	QWEST:	3.99	(0.02)
<b>TECHNOLOGY</b>					
3COM:	2.20	0.02	VERIZON:	34.82	(0.48)
ADC:	10.16	0.00	<b>MARKET INDICES</b>		
ADVANTAGE:	3.00	0.00	DOW:	11642.47	(139.88)
ALCATEL LUCENT:	6.47	0.17	NASDAQ:	2430.61	(9.34)



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### Upcoming 2008 issues of CableFAX: The Magazine

- September - Diversity Issue: This much-anticipated issue of CableFAX: The Magazine ranks the top cable executives who prove cable's definitely not diversity weak!
- October - Top Cable Programs: This issue raises the bar on what's good on and about cable, honoring the best programming and the top directors, writers and other professionals.
- November - Most Influential Women in Cable: An annual issue that showcases the professional successes, promotions and achievements of cable's Top Women.
- December - The CableFAX 100 Issue: This annual issue profiles cable's leaders, the pioneers, the influencers, the out of the box thinkers and the rainmakers.



For sales and sponsorship opportunities with the CableFAX brand contact: Debbie Vodenos - [dvodenos@accessintel.com](mailto:dvodenos@accessintel.com) or, Erica Gottlieb - [egottlieb@accessintel.com](mailto:egottlieb@accessintel.com)

For marketing partnerships with the CableFAX brand contact: Doreen Price - [dprice@accessintel.com](mailto:dprice@accessintel.com)

For editorial comments or information on CableFAX Magazine: Seth Arenstein - [sarenstein@accessintel.com](mailto:sarenstein@accessintel.com)