

CableFAX Daily™

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What the Industry Reads First

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Still Trying: Overbuilders, Consumers Union Lend Support to Wholesale Unbundling

With time running out for the **FCC** to act this year on wholesale unbundling, supporters continue to try to build momentum for the issue. The **Broadband Service Providers Association**—which counts overbuilders **RCN**, **Knology** and **SureWest** among members—says it “will now support” **ACA**’s proposal for wholesale unbundling. **BSPA** is urging the **FCC** to vote on the issue in Sept or Oct. While the grapevine has been buzzing for weeks with word that **FCC** chmn *Kevin Martin* is contemplating a wholesale a la carte proposal, the chmn has said several times in recent weeks that there is nothing currently in the works. If *Martin* leaves office in Jan when **Pres Bush** does, as some predict, time is running out for him to enact any a la carte regulations. Not surprisingly, the **Consumers Union** is also on the wholesale a la carte bandwagon, saying it is “ripe” for action. “When the largest video programmers use their market power to charge ever increasing rates and thwart choice at the wholesale level, it is consumers who pay the price,” the **Consumers Union** said in an **FCC** filing Tues. **ACA** has pushed for a rule that would force cable programmers to charge the same wholesale per channel rate to every operator, preventing them from giving volume discounts to bigger operators, which would prevent programmers from tying channels.

Retrans: A day after **NAB** unveiled its quiet period proposal, the organization announced that **Fox**, **CBS**, **ABC** and **NBC**’s affiliate boards have agreed to support the month-long initiative. Broadcasters involved in a retrans spat would be prevented from pulling a signal from cable ops from Feb 4-Mar 4 under **NAB**’s voluntary proposal. While the 4 big networks are on board, **ACA** notes that hundreds of independent broadcasters, often retransmitted by smaller cable ops, are not covered by **NAB**’s plan. **ACA** was at the **FCC** Tues, telling staffers that it appreciates the broadcast group’s recognition of the problem, but that the proposed 4-week period is too short. **ACA** estimates that 4K-5K retrans pacts will expire at year-end among its 1100 members. It believes that any disruption in service around the Feb 17 DTV transition could confuse consumers. **DISH Network** agrees that starting a quiet period on Feb 4 is insufficient. Starting it any later than December would be “pointless” as most retrans pacts expire at the end of the year, **DISH** said. “In the spirit of compromise, [DISH] agrees to the **NAB** proposed end date of Mar 4, 2009,” the **DBS** provider said in a statement. “We hope all broadcasters, even those that are not **NAB** TV Board members, will agree to work together for the benefit of consumers.”

Rate Regulation: Starting Sept 1, the **FCC** will require cable operators submitting zip code data to demonstrate effective competition in a market to use Zip Code Plus Four data instead of data for just a 5-digit zip code. Operators use the zip code data to prove that competitors have more than 15% of the HHs in a market. Once the **FCC** determines that the 15% threshold has been met, it rescinds the local franchise authority’s right to regulate rates. The **FCC** will continue to process effective competition petitions currently pending that use 5-digit data, but if the data



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leads to questions, the request will be denied and the operator will need to refile with 9-digit data.

In the Courts: *Matthew Meeds* of Fairway, KS, filed suit against **Time Warner Cable** over the monthly fees charges to rent a cable box. Meeds told the US District Court in Kansas City that he wants to buy a box, but has to rent the set-top to get premium channels. The suit is seeking class-action status. A TW Cable spokeswoman declined comment, saying she hadn't seen the suit.

Competition: **FiOS TV** will premiere **Disney** movie "The Cheetah Girls One World" on the net's VOD channel beginning Tues, 3 days prior to the movie's linear launch. -- Joining **Comcast** in elevated standing at the **Democratic Natl Convention** (Aug 25-28) is **DISH**, which has been named the event's official HD satellite TV service provider. As such, the DBS player will bring live feeds to the event from location across the US, provide unedited live convention coverage to its subs and lend its HD video feed to TV monitors at event venues. -- **Qwest** said it now offers broadband speeds of up to 20Mbps to more than 1mln homes in 18 markets, including Salt Lake City and Provo, UT.

Research: Cable nets' 2Q results were highlighted by excellent ad rev, but **SNL Kagan** postulates weakening in the year's latter half and in '09 thanks to a sluggish economy. Following 12.6% ad rev growth in '07 to \$38bln, Kagan expects cable nets to achieve 10.4% growth in '08 and 4.7% in '09. Still, network ad revenue is expected to grow 8% annually through '18. Other 10-year forecasts for cable nets include 1.3% annual growth in subs and 8.9% annual growth in total industry rev.

In the States: **Cablevision** has unveiled a free rewards program for its triple-play customers, offering through **OptimumRewards.com** discounts to places such as **Hershey Park** and the **Bronx Zoo**.

Carriage: **RCN** has launched **TV One** in NY.

VOD: **In Demand** has inked with *Howard Stern* a deal to continue the **Howard TV On Demand** service through '10. 7 new and uncensored programs will debut on the service this year, including "Wack Pack Bowling" (Aug 13), featuring personalities from Stern's show hitting the lanes, and "The Limo Driver" (Oct 8), offering a look at the daily life of Stern's security man.

Online: **C-SPAN** will debut a pair of Websites at **C-Span.org/politics** to complement its linear coverage of the '08 Democratic and Republican conventions. The sites, set to launch later this month, are designed to track coverage of the political blogosphere and social media and make embeddable net convention video available to surfers. -- **Sorpresa** has picked up the exclusive Spanish-language and non-exclusive English distribution rights to 2.5D virtual world **Club Time Machine**, which **SorpresaTV.com** will feature on a subscription basis. -- **MTV's** special digital efforts surrounding the *Jonas Brothers* hit the right note, as fans watched (Fri-Sun) at **Jonasbros.MTV.com** 6mln video streams and 60K hours of content related to the band's promotional tour.

Programming: **Nickelodeon** has inked *Victoria Justice* to a talent and music deal that includes development of a comedy series for the former "Zoey 101" actress. -- **WWE** personality *Chris Jericho* will host **fuse** original series "Shame 2 Fame" (Oct 29), featuring 10 women competing for a record deal. -- From "Six Feet Under" creator *Alan Ball* comes **HBO** series "True Blood" (Sept 7), spotlighting a world in which vampires don't need human blood to live and can walk around during the day. -- "The Hills" comes to DC, sort of. *The Washington Examiner* got the scoop that **Lifetime** has picked up a

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BUSINESS & FINANCE

reality show following 3 DC, 20-something socialites. The half-hour show will reportedly follow Lifetime's big new series "Project Runway," which moves to the net from **Bravo** in the fall.

On the Circuit: **NAMIC Mid-Atlantic** holds a Baltimore membership mixer, Aug 20, 6pm-9pm at Milton's Grill in Baltimore. Comcast vp/GM for the MD/DE region *Scott Allison* and the MSO's vp, customer service for the region, *Kelli Hill*, will speak at the event. -- **The Cable Center** and **WICT** will team for "Cable Boot Camp and Beyond," an instructional program targeting new cable industry entrants to be held in Denver (Oct 28-29). Sponsored by **Motorola** and **NBCU**, the program covers cable history, key issues and industry players. Info at **WICT.org**.

People: Former **HBO** boss *Chris Albrecht* said he has left talent agency **IMG** and will return to his content development company **Foresee Ent.** -- **Comcast** tapped *Larry Schweber* as vp, marketing for the Atlanta region.

Oops: The 45% sell-in rate on **Verizon** mentioned by **Starz** CEO *Bob Clasen* refers not to **Starz Play** but **Starz** subscriptions on **FIOSTV**.

Business/Finance: **Best Buy** will begin selling the **iPhone** on Sept 7, marking the device's 1st US availability outside **Apple** or **AT&T** stores. **Piper Jaffrey** analyst *Gene Munster* expects 4.5mln iPhone sales during Apple's 4Q.

CableFAX Daily Stockwatch

Company	08/13 Close	1-Day Ch	Company	08/13 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	36.44	(1.6)	AMDOCS:	30.12	(0.23)
DIRECTV:	28.35	0.31	AMPHENOL:	51.29	(0.07)
DISNEY:	31.74	(0.42)	APPLE:	179.30	2.57
ECHOSTAR:	31.48	1.07	ARRIS GROUP:	9.47	0.01
GE:	29.31	(0.43)	AVID TECH:	24.72	0.42
HEARST-ARGYLE:	20.75	0.20	BIGBAND:	4.55	(0.01)
ION MEDIA:	1.44	0.00	BLNDER TONGUE:	0.97	(0.14)
NEWS CORP:	14.10	0.11	BROADCOM:	26.65	0.10
MSOS					
CABLEVISION:	30.96	0.75	C-COR:	11.00	0.00
CHARTER:	1.12	0.01	CISCO:	24.31	(0.19)
COMCAST:	21.86	0.03	COMMSCOPE:	46.91	(0.12)
COMCAST SPCL:	21.74	0.03	CONCURRENT:	7.74	(0.2)
GCI:	10.65	(0.09)	CONVERGYS:	14.24	0.06
KNOLOGY:	10.75	0.08	CSG SYSTEMS:	19.66	(0.06)
LIBERTY CAPITAL:	15.81	(0.14)	ECHOSTAR HOLDING:	32.12	(0.71)
LIBERTY ENTERTAINMENT:	26.30	0.20	GOOGLE:	500.03	(2.58)
LIBERTY GLOBAL:	33.13	(0.2)	HARMONIC:	8.83	0.17
LIBERTY INTERACTIVE:	13.69	(0.36)	JDSU:	11.13	0.06
MEDIACOM:	7.69	0.21	LEVEL 3:	3.18	(0.21)
SHAW COMM:	21.75	0.25	MICROSOFT:	27.91	(0.21)
TIME WARNER CABLE:	27.55	(0.36)	MOTOROLA:	9.89	(0.13)
VIRGIN MEDIA:	10.96	0.23	NDS:	60.50	0.00
WASH POST:	627.95	(13.55)	NORTEL:	5.93	(0.01)
PROGRAMMING					
CBS:	17.20	(0.1)	OPENTV:	2.05	0.06
CROWN:	4.98	(0.05)	PHILIPS:	34.38	(0.3)
DISCOVERY:	19.74	0.31	RENTRAK:	15.40	0.78
EW SCRIPPS:	6.99	(0.04)	SEACHANGE:	7.92	0.17
GRUPO TELEVISA:	24.88	0.14	SONY:	38.35	(0.87)
INTERACTIVE CORP:	19.21	0.54	SPRINT NEXTEL:	8.65	(0.03)
LIBERTY:	42.26	(0.35)	THOMAS & BETTS:	46.50	0.11
LODGENET:	4.17	0.18	TIVO:	7.70	0.03
NEW FRONTIER:	3.96	0.20	TOLLGRADE:	6.42	0.14
OUTDOOR:	7.82	0.25	UNIVERSAL ELEC:	26.75	0.13
PLAYBOY:	4.61	0.20	VONAGE:	1.34	0.00
RHI:	15.85	1.75	WORLDGATE:	0.30	0.00
SCRIPPS INTERACTIVE:	42.30	0.14	YAHOO:	20.36	(0.07)
TIME WARNER:	15.52	(0.14)	TELCOS		
VALUEVISION:	2.97	(0.08)	AT&T:	31.30	(0.35)
VIACOM:	29.36	0.14	QWEST:	3.89	(0.1)
WWE:	15.92	0.19	VERIZON:	34.35	(0.47)
TECHNOLOGY					
3COM:	2.20	0.00	MARKET INDICES		
ADC:	10.39	0.23	DOW:	11532.96	(109.51)
ADVANTAGE:	3.03	0.03	NASDAQ:	2428.62	(1.99)
ALCATEL LUCENT:	6.15	(0.32)			

Call for Nominations

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2008 Most Powerful Women in Cable

Who are cable's most powerful women executives? Help us decide by nominating the executives you think should be included in our annual list of the Most Powerful Women in Cable. We will rank the top 50 most powerful women, and run a list of the second 50, in the November issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

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Diversity Issue

Coming September 2008

Who will be selected as the Top 50 Minorities in Cable?

This much-anticipated issue of CableFAX Magazine ranks the top cable executives who prove cable's definitely not diversity weak!

The annual issue profiles the Top 50 Minorities in Cable and will reach approximately 60,000+ industry executives through print and e-media, including CableFAX Daily and CableFAX Magazine subscribers. The issue will be released during Diversity Week in NYC and will be featured on Cable360.net for an entire year. Your message and brand will be promoted during the festivities of Diversity week and to the thousands of readers who read and reference this issue year-round.

Being a part of this unique magazine gives you the opportunity to communicate your leadership position to the top decision-makers who matter the most to your business – cable operators and key technology and programming executives. Contact us today to be apart of this special issue.

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Upcoming 2008 issues of CableFAX: The Magazine

- **September** - Diversity Issue (distribution at Kaitz)
- **October** - Top Cable Programs (distribution at CTAM)
- **November** - Most Influential Women in Cable (distribution at WICT Gala)
- **December** - The CableFAX 100 Issue (distribution at CableFAX 100 Luncheon)

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