

CableFAX Daily™

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What the Industry Reads First

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Big Spender: NCTA's Lobbying Spending Continues to Rise

NCTA's lobbying expenditures for the first 6 months of the year kept pace with its spending for the 1st half of '06—when it was facing massive telecom reform. The cable group spent \$6.78mln from Jan 1-June 30 vs \$6.54mln for the same period last year, according to lobbying disclosure forms filed with the govt. NCTA declined to comment for the story. The continued increase in spending shows just how many legislative pies that cable, with its increasing amount of service offerings, has to stick its thumb into. Just 2 years ago, NCTA spent only \$7mln on lobbying all year. Hot issues in '07 include the DTV transition, universal service, Internet safety and the Dept of Agriculture's rural broadband loan program—though nothing has been as volatile as last year's efforts to overhaul the Telecom Act. Meanwhile, telco lobbying arm **US Telecom**, whose members include **Verizon** and **AT&T**, only doled out \$1.68mln for the 1st half of the year. That's nowhere near the \$15.3mln US Telecom spent early last year as it pushed for net neutrality, video franchise reform and new telecom legislation that ultimately failed. **NAB** spent \$4.28mln through June 30, on par with spending for the first 6 months of '06. **CEA** spent a mere \$380K during the period. **Comcast**, the country's largest MSO, increased its spending for the 1st half of the year by 39% to \$3.87mln. Disclosure forms for AT&T and Verizon were not yet available online through the US Senate's public records office.

DTV Doings: NCTA told the **FCC** that it needs broadcasters to declare their DTV transition plans by Dec 1 so cable can plan for a seamless transition. For example, cable ops need to know if a broadcast station will keep its over-the-air identification number, even if that channel number no longer exists, or will instead identify itself by its new digital frequency. Cable also wants to know when a station will actually cease analog transmissions; NCTA suggests some form of pre-transition testing of broadcast signals over cable. Meanwhile, **NAB** and NCTA continue to bicker over an FCC proposal to require dual carriage of must-carry broadcast stations if a cable system isn't all digital. In comments filed late Thurs, NAB said the FCC's proposal "will minimize the burden imposed on consumers" and ensure a smoother transition.

WiMax: The blogosphere was right. **Sprint's** WiMax network that it will market with **Clearwire** really is going to be called **Xohm** (pronounced zoam). Makes **Pivot** sound pretty darn good, eh? Sprint plans to spend as much as \$5bln through '10 on the network. Xohm is expected to reach 100mln people by the end of '08 (70mln through Sprint; 30mln covered by Clearwire). By '10, it expects to expand coverage to 125mln and generate \$2bln-\$2.5bln in revenue from WiMax.

Competition: AT&T now allows customers that buy certain online content to charge the purchases to their phone bills. "Billing aggregators send information and entertainment charges for billing" is how AT&T explains the service provided by **BSG Clearing Solutions**, although the telco wouldn't disclose further details about who may now use it or to what information it applies. -- **DirectTV** wants to stoke enthusiasm for "Passions" by featuring devoted live call-in shows prior to the soap's debut (Sept 17) on its entertainment channel. "Passions Live" will feature the cast of the show, which the satcaster

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scooped up from **NBC**, over the next 4 Thursdays (8pm ET). -- **Verizon** bowed in MD and VA its interactive media guide, bringing to 6 the number of states in which customers may access services such as TV listings and VOD catalogs.

WOWza: More from this week's **J.D. Power** cable/satellite satisfaction survey: Overbuilder **WOW!** ranked highest in the North Central region for the 2nd consecutive year. Its satisfaction score of 729 was the highest of *any* video provider in any region and a whopping 113 points above **Insight**, the region's top traditional MSO. WOW seems to be on a roll. It was rated highest for residential phone satisfaction earlier this year, its 1st year in the study.

Stay the Course: **Pali** analyst *Rich Greenfield* warns against overreaction to *Paul Allen's* Wed **Charter** filing, noting that the billionaire's researching of strategic alternatives and financing options for the MSO isn't novel. Furthermore, with Charter's "ARPU and margins well below its peers and triple play penetration ramping (with EBITDA growth now double-digit), selling now appears unlikely," he said. Even so, fears over the US credit markets and cable's disappointing 2Q have triggered a recent sell-off of Charter shares, which have lost half their value since Jul 19 and closed Thurs at \$2.41.

Narrowing Band: Total 2Q broadband adds across the 19th largest cable MSOs and telcos were the fewest since 2Q04 and approx 400K fewer than last year, according to **Leichtman Research Group**. **Charter** (60K) was the only major provider to record a significant Y-over-Y increase, and every top telco added fewer broadband subs than in '06. **AT&T** (400K) helped the telcos best cable in adds, 925K-793K, while also earning individual honors over **Comcast** (330K), **Verizon** (288K) and **Time Warner Cable** (188K). Top cable providers count 32mln broadband subs; the top telcos 26mln.

Where the Subs Are: While some blame the weak housing market for dampening 2Q video sub adds, **Bear Stearns' Spencer Wang** finds "little or no correlation" and points to telcos' addition of 205K new video customers. "We believe that growth for telco video exaggerated what is traditionally a seasonally weak quarter for video net adds, leading to the disappointing net add performance for the cable/DBS industry," he said in a client note. He said the pullback makes the cable/DBS group more attractive, noting that **Comcast** and **Time Warner Cable** remain the firm's top picks.

2 Hands Needed: It's perhaps a conservationist's worst nightmare. **AT&T** began remitting to customers this week the 1st **iPhone** bills, and bloggers are all abuzz about the gargantuan size. Reports include receipts of a 52-pg beast and even a 300-pg behemoth requiring boxed delivery. Check out a humorous depiction of 1 such bill at One.revver.com/watch/360274. Adding to the bills' heft is itemized text messages and Internet usage. AT&T said customers can go online or call to request a detail-free bill, and can also get their bill exclusively online.

In the States: **Cox** launched VOD services in the FL markets of Gainesville/Ocala and Pensacola/Fort Walton.

Public Affairs: **Comcast SportsNet Mid-Atlantic** is joining **MLS' D.C. United** to raise money for **The Children's Inn** at NIH, where seriously ill children and their families stay while receiving medical treatment. A special net broadcast of the team's Wed game against the NY Red Bulls will include features of and interviews with Inn lodgers, and also feature information on how viewers can donate to the cause.

Programming: **NFL Net** is close to a deal for **MyNetworkTV** to air an exclusive edition of "NFL Total Access," *Mediaweek* reports. The show, hosted by *Rich Eisen*, would feature fresh content created specifically for the broadcast net's audience and air Sat nights (9pm ET), Sept 8-mid-Feb. "The second quarter earnings reports indicate many consumers

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BUSINESS & FINANCE

recognize the value of NFL Network. It's just too bad the people running some of the cable companies don't," said an NFL spokesman before tweaking cable for 2Q sub losses and lack of NFL Net carriage. -- Production has started in Australia on HBO's "The Pacific," a 10-hour mini-series chronicling the tours of 3 Marines in the region, and exec prod by Tom Hanks and Steven Spielberg. -- TV Land is partnering with Wilhelmina Models for "The Next Great Supermodel" (spring), a 6-part series looking for a female star that is 35 or over.

Obit: Broadcasting pioneer Chet Collier passed away Wed after an extended bout with illness. Collier helped launch Fox News Channel in '96 with Fox News chmn Roger Ailes.

People: TV Guide Net promoted Paul Adler to vp, current programming. -- Vyvo promoted Jeff Fryling to svp, business development.

Business/Finance: Banc of America reinitiated Mediacom with a "buy" rating and a \$10 price target. -- MTVN's Logo inked a deal to acquire DowneLink.com, a social networking site for the LGBT audience. The site counts more than 400K members, roughly 72% of which are African American, Asian or Latino. -- AT&T and Verizon both have "attractive earnings levels," said Zacks.com analyst David Weissman, making the telcos a solid investment play amid a struggling US market.

CableFAX Daily Stockwatch

Company	08/16 Close	1-Day Ch	Company	08/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	51.58	(0.28)	AMPHENOL:	33.30	(0.27)
DIRECTV:	21.59	0.12	APPLE:	117.05	(2.85)
DISNEY:	32.58	0.87	ARRIS GROUP:	14.38	(0.01)
ECHOSTAR:	38.00	(0.79)	AVID TECH:	31.68	0.18
GE:	37.20	0.30	BIGBAND:	9.09	0.16
HEARST-ARGYLE:	19.74	(0.16)	BLNDER TONGUE:	1.26	(0.11)
ION MEDIA:	1.19	(0.12)	BROADCOM:	33.39	(0.08)
NEWS CORP:	21.09	(0.13)	C-COR:	12.91	0.25
TRIBUNE:	25.41	0.15	CISCO:	29.30	(0.62)
MSOS					
CABLEVISION:	32.92	0.03	COMMSCOPE:	48.59	(0.41)
CHARTER:	2.41	(0.16)	CONCURRENT:	1.35	(0.05)
COMCAST:	24.98	(0.11)	CONVERGYS:	16.75	(0.57)
COMCAST SPCL:	24.91	(0.07)	CSG SYSTEMS:	22.73	0.21
GCI:	13.12	0.25	GEMSTAR TVG:	5.56	0.06
KNOLOGY:	14.61	0.17	GOOGLE:	491.52	(6.03)
LIBERTY CAPITAL:	109.66	(1.99)	HARMONIC:	8.12	0.07
LIBERTY GLOBAL:	38.97	(2.51)	JDSU:	13.45	0.10
LIBERTY INTERACTIVE:	18.28	(0.05)	LEVEL 3:	4.75	(0.24)
MEDIACOM:	7.97	0.02	MICROSOFT:	27.81	(0.29)
NTL:	28.22	0.00	MOTOROLA:	16.06	(0.15)
ROGERS COMM:	42.97	0.00	NDS:	47.99	(1.29)
SHAW COMM:	21.17	(0.08)	NORTEL:	18.09	(0.27)
TIME WARNER CABLE:	34.03	(0.39)	OPENTV:	1.45	0.13
WASH POST:	793.00	3.00	PHILIPS:	36.78	0.09
PROGRAMMING					
CBS:	29.31	(0.35)	RENTRAK:	11.28	(0.23)
CROWN:	7.17	0.31	SEACHANGE:	6.69	0.20
DISCOVERY:	22.46	(1.28)	SONY:	46.74	0.28
EW SCRIPPS:	38.84	(0.16)	SPRINT NEXTEL:	18.20	(0.43)
GRUPO TELEVISA:	23.48	(0.2)	THOMAS & BETTS:	52.84	(2.03)
INTERACTIVE CORP:	26.81	(0.81)	TIVO:	5.97	0.17
LODGENET:	26.70	0.04	TOLLGRADE:	9.89	0.13
NEW FRONTIER:	6.00	(0.28)	UNIVERSAL ELEC:	28.86	2.15
OUTDOOR:	8.63	(0.38)	VONAGE:	2.15	(0.03)
PLAYBOY:	10.78	0.26	VYYO:	5.95	0.02
TIME WARNER:	18.21	(0.11)	WORLDGATE:	0.37	0.00
UNIVISION:	36.23	0.00	YAHOO:	22.76	(0.56)
VALUEVISION:	8.20	0.13	TELCOS		
VIACOM:	38.26	0.68	AT&T:	37.92	(0.07)
WWE:	14.20	0.31	QWEST:	8.72	0.17
TECHNOLOGY					
3COM:	3.40	(0.04)	VERIZON:	40.23	(0.27)
ADC:	16.12	(0.27)	MARKET INDICES		
ADVANTAGE:	5.49	(0.31)	DOW:	12845.78	(15.69)
ALCATEL LUCENT:	10.59	(0.08)	NASDAQ:	2451.07	(7.76)
AMDOCS:	34.93	(0.77)			



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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Casting Stones

Comcast recently launched in beta **Fancast.com**, which includes some questionable show ratings that may rile some programmers. According to the site—perhaps best described as a hybrid TV/film portal that draws from the models of both **TVGuide.com** and **IMBD.com**—TNT's cable stalwart "The Closer" is 'pretty good,' **USA**'s beloved and decorated "Monk" is 'okay' and **FX**'s popular "Rescue Me" is 'bad.' Want more? The likes of **Lifetime**'s "Army Wives" and **AMC**'s "Mad Men" and "Broken Trail" rank beneath 'dreadful,' and even **HBO**'s "The Sopranos" is slighted with a 'so so' rating. Given the various Emmy nods, popularity and/or critical acclaim of these shows, can these ratings be trusted? The underlying problem (yes, it's in beta) is that ratings are assigned as an average of user opinions, precipitating an initial skewing as a mass of people has presumably yet to interact. But given that the site recommends on its home page shows to watch using these ratings and 1 other metric, the problem seems critical to exposure of various content. Also, the site's traffic seems to be initially comprised of a younger-leaning demo, further distorting content ratings. For example, **Nickelodeon**'s "SpongeBob SquarePants" and **Disney**'s "Hannah Montana" are deemed 'great,' while **Disney**'s "Suite Life of Zack & Cody" rates as 'amazing.' Comcast declined to comment. All this said, the site's concept is cool, features are neat and navigation is fairly simple. Users may search TV listings, personalize a favorites list and easily cross-reference virtually any show, movie or actor. There's plenty of streaming video, too, including the season 3 debut ep of **Showtime**'s "Weeds" and a slew of TV and film peeks/trailers. And if you like what you see within some of the trailers, the site offers a search function for local movie times and a ticket purchase option. Pretty sweet, and further sweetening is likely as Fancast will be a key distribution site for **News Corp** and **NBCU**'s forthcoming online video venture. Just don't believe everything you read. *CH*

Highlights: "Shakespeare's As You Like It," Tues, 9pm, **HBO**. *Shakespeare* purists will detest this Japanese-flavored adaptation of one of the Bard's comedies. Everyone else who sees it (true, this is not going to be a lot of people) will revel in its grand production values and the direction of *Kenneth Branagh*, who once again has made Shakespeare accessible.-- "Mad Men," Thurs, 10pm, **AMC**. Infidelity, smoking, sexism and anti-Semitism—weren't the 60s great. Seriously, this is a good week for your subs to join the rush to "Mad Men," and a handy online guide can bring them up to date on missed eps, which are downloadable on iTunes. *SA*

Worth a Look: "God's Warriors," Tues-Thurs, 9pm, **CNN**. Your subscribers know the arguments about [write in your least favorite news organization] being biased when it comes to reporting on the Middle East. Those who wrote in "CNN" will not change their minds after watching this relatively informative 3-night affair that looks at Jewish, Muslim and Christian fundamentalists, and that's partly because of the subject matter. Yet if leaving the viewer with a visceral reaction to what's on the screen equals success, than CNN's been successful. *SA*

Basic Cable Rankings (8/06/07-8/12/07)			
Mon-Sun Prime			
1	DSNY	2.4	2230
2	USA	2.3	2126
3	TNT	1.9	1772
4	TBSC	1.3	1235
4	HALL	1.3	1071
6	LIFE	1.2	1121
6	TOON	1.2	1114
6	FOXN	1.2	1087
9	HGTV	1.1	1073
9	A&E	1.1	1035
9	CORT	1.1	962
12	NAN	1	971
12	DISC	1	959
12	FX	1	952
12	ESPN	1	918
12	HIST	1	908
17	SPK	0.9	874
17	FAM	0.9	823
17	CMDY	0.9	800
17	SCIF	0.9	790
17	AMC	0.9	789
22	MTV	0.8	764
22	TLC	0.8	724
22	TVLD	0.8	718
25	CNN	0.7	678
25	FOOD	0.7	637
25	LMN	0.7	395
28	BRAV	0.6	514
28	BET	0.6	478
30	VH1	0.5	481
30	ESP2	0.5	455
30	EN	0.5	419
30	APL	0.5	418
30	MSNB	0.5	407
30	SOAP	0.5	296
36	TTC	0.4	348
36	CMT	0.4	311
36	WGNC	0.4	291
36	NGC	0.4	284
36	TDSN	0.4	277
36	NFLN	0.4	154
42	HLN	0.3	304
42	OXYG	0.3	256
42	DHLT	0.3	194
42	WE	0.3	185
42	NKTN	0.3	124

*Nielsen data supplied by ABC/Disney



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