

# CableFAX Daily™

Thursday — August 21, 2008

What the Industry Reads First

Volume 19 / No. 162

## Here We Go Again: MASN Files FCC Complaint Against Comcast

We thought the hatchet had been buried when **Comcast** launched **MASN** in Aug '06 after facing **FCC** pressure to carry the DC-Baltimore RSN. But MASN has filed a program carriage complaint against the MSO, which currently carries both MASN and **MASN 2** in the DC area. An FCC order released Wed granted MASN an extension to respond to Comcast's answer in a program carriage complaint captioned "MASN vs Comcast." Cfax was unable to obtain a copy of the complaint by press time, and MASN declined to comment. While we haven't seen a copy of the complaint, our understanding is the beef is over whether Comcast is obligated to launch the channel in additional markets, including Harrisburg, PA, and Roanoke, VA. Comcast did chime in on the programmer's grievance. "MASN signed an agreement almost 2 years ago to be carried on Comcast systems, and now MASN has simply decided that it no longer likes the deal it made," a spokeswoman said. "Comcast has fulfilled its part of the bargain and intends to hold MASN to the deal it struck. The complaint filed by MASN is completely without merit." Comcast and MASN's 2-year-old agreement was prompted by the FCC's order outlining the approval of Comcast and Time Warner Cable's acquisition of Adelphia. In the order, the FCC gave MASN 10 days to decide whether to use an arbitrator or an FCC administrative law judge to intervene in the spat. Instead, the 2 reached a carriage pact, which Comcast says is for 2.1mln subs.

**Widget Mania:** **Comcast** and **Intel** are teaming to bring IP-based apps to the TV based on a new technology by Intel and **Yahoo** called the "Widget Channel" framework. The MSO is the 1st service provider to embrace the open software development framework, which enables combination of Internet-based apps with a TV experience through a widget-based user interface that can be easily accessed while watching television programs. TV viewers can click on an onscreen widget to view a variety of Web-based apps and content, such as weather updates and games. Comcast and Intel are expected to begin integration testing of the framework in the 1st half of '09 on Comcast's IPG using tru2way technology. The Widget Channel, unveiled at the Intel Developer Forum in San Fran, will allow developers to use HTML, JavaScript and other Internet tools/standards to write applications for TVs and other devices. **Disney-ABC TV Group**, **MTV**, **eBay**, **Showtime**, **GE**, **Blockbuster** and **Twitter** are among the companies working on Widgets for the tech.

**Block Clock:** The 30-day clock is officially ticking for **Comcast** to submit its network management practices to the **FCC**. On Wed, the FCC released its order finding that Comcast violated its Internet access policy, thus giving the MSO 30 days to detail its practices and submit a compliance plan describing how it intends to stop "unreasonable" practices by year-end. The Commission approved the order 3-2 at its Aug 4 meeting. Comcast announced back in Mar that it was working with **BitTorrent** to phase out its current practices and develop a protocol-agnostic approach this year. A Comcast rep wasn't available for comment Wed, but at the time the order was passed the MSO said it was disappointed and considering legal options. Now that the order has been made public, the industry is scrutinizing it to see what it

#1


 Discovery  
CHANNEL  
HD


 Discovery  
ON DEMAND

## DRIVE YOUR DIGITAL BUSINESS WITH DISCOVERY

Source: Beta Research Cable Subscriber Study - Interest in Emerging/Mid-Sized/VOD Networks (among subscribers with high interest in services), August 2008

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Debbie Vodenos, 240/753-5696, dvodenos@accessintel.com ● Advertising Mgr: Erica Gottlieb, 212/621-4612 ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, 301/354-1681, cdaily@accessintel.com ● Diane Schwartz/VP and Group Publisher ● Paul Maxwell/Columnist.Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

could mean for network management practices. **Cox** said it was still reviewing the order, but noted it's "actively exploring new and evolving technologies for bandwidth management, factoring in the new guidance provided by the FCC, and we will continue to communicate openly with our customers about the methods we use to ensure a high-quality online experience." A German study released in May claimed that both Comcast and Cox were "blocking" file sharing connections in the US, while the 2 companies said they only manage traffic—not block it (*Cfax*, 5/16).

**A la Carte Fanatic:** Forget the high cost of filling up your tank or the mortgage crisis. "I think the single biggest problem from a consumer perspective that they face today is the significant, ever increasing prices they're paying for cable." That quote's from **FCC** chmn *Kevin Martin's* interview with the *Washington Times* Wed, in which he waxes about the utopia he thinks an a la carte pricing model would create.

**Research:** Digital cable became more penetrated than satellite in '06 and now continues to advance the disparity, notching 34% penetration this year versus 27% for satellite, according to **CTAM**. The numbers mark a 4% increase for digital cable over '07, a 2% rise for satellite. Overall, cable owns 65% of the multichannel market, while the telcos own 2%.

**Deals: Comcast Entertainment Group** and *Ryan Seacrest* signed a multi-year deal that will expand Seacrest's TV and new media production business across the company's networks. The "American Idol" host will continue to serve as managing ed/anchor of "E! News" as well as exec producer and host of the net's Red Carpet specials. Comcast also gets 1st look rights to all **Ryan Seacrest Production** projects through Aug '11. The production company will develop programming for all of the Comcast nets, whereas it only worked on projects for **E!** and **Style** previously.

**Wii Spat: Startup Hillcrest** has filed a patent complaint against **Nintendo**, alleging that its motion sensing Wii controller infringes on 3 Hillcrest patents. Hillcrest has a remote with 2 buttons that uses motion sensing, gyration technology. The complaint also alleges that Wii violates a 4th patent related to on-screen graphics. The Rockville, MD-based company is seeking to ban import of the world's best-selling game console into the US and is filing a lawsuit in US District Court.

**Competition: DISH Network** shares dropped nearly 4% after **Sanford Bernstein's Craig Moffett** cut the stock to "underperform" from "market perform" and trimmed the target price to \$25. Moffett cited deteriorating operating results, an upcoming contempt hearing in the TiVo patent case, the risk of losing its **AT&T** marketing contract and eroding DBS industry trends. -- Hoping to entice analog-only homes to sign up for satellite, **DISH Network** introduced American and Latino Welcome Packs, featuring 20 channels for \$9.99/month (\$14.99 with local channels). DISH Network is also selling an entry-level, DTA converter box at [www.TR40CRA.com](http://www.TR40CRA.com) that is priced at \$40, making it free when the govt's \$40 coupon is applied.

**VOD: C-SPAN** will make major speeches from the Democratic and Republican National Conventions available via VOD to C-SPAN affils. The net's working with **Comcast Media Center** and **TVN** to supply the content to affiliates for rapid turnaround.

**Online:** An auction for a portrait of *Zoila Chavez*, *Jeff Lewis'* loving housekeeper from **Bravo's** "Flipping Out," broke records for **BravoTV.com**, raising more than \$10K. All proceeds go directly to Lewis. -- **IFC.com** spoofs the viral video craze with 6-ep, original Web series "Get Hit." It marks the site's 7th original Web series debut this summer.

**Celebrating 20 Years and 83 Million Homes**

More Stars. More Shows. More to Come.

AWARD SEASON

HOLLYWOOD

idol tonight!

**TV GUIDE NETWORK**

America's TV Headquarters

TV Guide®, TV Guide Network™, the TV Guide logo, and the TV Guide Network logo are trademarks or registered trademarks of Gemstar-TV Guide International, Inc. and/or its subsidiaries. ©2008 Gemstar-TV Guide International, Inc. All rights reserved. 8/1/08-8/20/08

# BUSINESS & FINANCE

-- Turner Sports and the PGA Tour bow Thurs on **PGATour.com** a graphical live scoring app indicating shot trails, exact ball location and performance of each golfer for every PGA tourney. The app offers viewing of the entire field, by group or for individual players through customization.

**Programming:** Valerie Bertinelli will star in the pilot of a **TBS** comedy series centered on a single mother trying to run a business while raising two children.

**Public Affairs:** ION's qubo has partnered with nonprofit **kaBoom** to honor communities that make children's play a priority and build a playground in '09. A related marketing campaign includes on-air and online promotions, PSAs and conferences.

**People:** Nancy McGee was upped to evp, marketing for **Starz Ent**, where she'll be responsible for over-all Starz branding and marketing live-action productions for Starz or other distribution outlets. She joined Starz last Feb after serving as svp, marketing and sales for **Adelphia**.  
 -- **Comcast Sports Group** appointed **Phil Weinberg** evp, business and legal affairs, and promoted **Amy Cohen** to svp/general counsel.  
 -- **GoITV** tapped **Ivan Perez** as vp, network ad sales. -- **Qwest** named **Teresa Taylor** evp, business markets group; **Dan Yost** evp, mass markets organization; and **Neil Cox** evp, product and IT.

## CableFAX Daily Stockwatch

Company	08/20 Close	1-Day Ch	Company	08/20 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	32.76	(0.11)	AMDOCS:	30.02	(0.07)
DIRECTV:	27.71	(0.15)	AMPHENOL:	48.99	(0.21)
DISNEY:	31.82	0.07	APPLE:	175.84	2.31
ECHOSTAR:	28.84	(1.17)	ARRIS GROUP:	9.45	0.14
GE:	28.65	(0.06)	AVID TECH:	23.67	0.14
HEARST-ARGYLE:	19.88	(0.26)	BIGBAND:	3.85	(0.16)
ION MEDIA:	1.44	0.00	BLNDER TONGUE:	1.25	(0.05)
NEWS CORP:	13.75	(0.15)	BROADCOM:	27.32	0.33
<b>MSOS</b>					
CABLEVISION:	32.56	1.60	C-COR:	11.00	0.00
CHARTER:	1.06	(0.04)	CISCO:	24.23	(0.01)
COMCAST:	21.28	(0.21)	COMMSCOPE:	46.28	0.41
COMCAST SPCL:	21.16	(0.23)	CONCURRENT:	6.28	0.20
GCI:	10.19	(0.22)	CONVERGYS:	14.30	0.21
KNOLGY:	10.05	0.04	CSG SYSTEMS:	19.12	0.01
LIBERTY CAPITAL:	16.29	0.31	ECHOSTAR HOLDING:	32.04	0.30
LIBERTY ENTERTAINMENT:	26.17	(0.01)	GOOGLE:	485.00	(5.5)
LIBERTY GLOBAL:	33.41	0.59	HARMONIC:	8.45	0.12
LIBERTY INTERACTIVE:	13.29	(0.08)	JDSU:	11.90	0.32
MEDIACOM:	7.92	0.36	LEVEL 3:	3.16	(0.03)
SHAW COMM:	20.57	0.20	MICROSOFT:	27.29	(0.03)
TIME WARNER CABLE:	25.97	(0.31)	MOTOROLA:	9.68	(0.04)
VIRGIN MEDIA:	10.65	0.00	NDS:	60.65	(0.03)
WASH POST:	608.03	(5.44)	NORTEL:	5.96	0.09
<b>PROGRAMMING</b>					
CBS:	16.46	(0.31)	OPENTV:	1.85	(0.03)
CROWN:	5.02	0.10	PHILIPS:	32.83	(0.22)
DISCOVERY:	19.74	0.00	RENTRAK:	14.63	(0.64)
EW SCRIPPS:	6.97	(0.1)	SEACHANGE:	7.98	(0.14)
GRUPO TELEVISA:	24.62	(0.24)	SONY:	37.66	(0.49)
INTERACTIVE CORP:	17.60	(0.07)	SPRINT NEXTEL:	9.11	0.08
LIBERTY:	41.21	0.27	THOMAS & BETTS:	46.32	1.33
LODGENET:	4.01	0.10	TIVO:	7.73	0.03
NEW FRONTIER:	3.69	(0.23)	TOLLGRADE:	6.94	0.09
OUTDOOR:	7.84	(0.04)	UNIVERSAL ELEC:	26.68	0.10
PLAYBOY:	4.32	(0.02)	VONAGE:	1.21	(0.03)
RHI:	14.60	0.12	WEBB SYS:	0.04	0.00
SCRIPPS INTERACTIVE:	41.79	0.32	WORLDGATE:	0.30	0.00
TIME WARNER:	15.50	(0.22)	YAHOO:	19.17	(0.25)
VALUEVISION:	2.77	(0.03)	<b>TELCOS</b>		
VIACOM:	28.90	(0.24)	AT&T:	30.69	(0.11)
WWE:	16.55	0.37	QWEST:	3.68	(0.07)
<b>TECHNOLOGY</b>					
3COM:	2.09	(0.05)	VERIZON:	34.45	0.25
ADC:	10.30	(0.01)	<b>MARKET INDICES</b>		
ADVANTAGE:	2.76	0.02	DOW:	11417.43	68.88
ALCATEL LUCENT:	5.68	(0.12)	NASDAQ:	2389.08	4.72

## Call for Nominations

**CableFAX**  
THE MAGAZINE

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.

Deadline for nominations: Sept. 8, 2008 • Nominate online at [www.CableFaxMag.com](http://www.CableFaxMag.com)

## Think about that for a minute...

### SATISFIED CUSTOMERS

There are several ways to satisfy your customer. The trick is to find out what works best, and then do it relentlessly.

In many cases the answer is the obvious one: price. Folks feel very good when they think they are getting something at a good (notice I did not say necessarily “fair”) price. The bargain hunters among us will always gravitate toward the lowest price, and they will be satisfied if they think they have gotten it. Of course this cannot always work for the business, as the airlines are now finding out.



**Steve Effros**

I just got a notice from American Airlines that they will no longer participate on the Kayak web site. That site culls information on just about every flight from every city and lists them in cost order, or time order, etc.

The result: if you are just looking at price, the lowest cost flight is the only one you are likely to see before buying. The airlines are getting killed in part because price competition through Internet sites like this are forcing them into an ever-downward pricing spiral at the same time their fuel costs are going up.

Satisfying folks regarding price in our business is even harder, since many still think television is “free.” How can you compete with that? And we have done a very poor job of explaining that our costs, especially for programming (our customers still don’t appreciate that we pay for it), are constantly going up. And by the way, we also run one of the largest truck fleets in the country—think about those gas prices.

So, if we are not going to be engaging in any price wars anytime soon—notice that DBS prices and telco prices seem to be in the same ballpark as ours—then how else do you satisfy the customer, especially since all of the competitors now have technology that does

an excellent job of getting the programming to the home?

Well, simply using the word “service” may not do it justice, but it really is going to be the answer to the competitive battle going forward. No, I’m not really talking about how much faster my fast broadband service is than the other guy’s. And the battle over how many “HD” signals we deliver is going to be a short-run issue as well.

I’m talking about the basics; how do we relate with the customer? How do we talk to them? How do we respond to issues? That’s what is going to be the measure of success.

I’m an Amazon customer. I pay their one-time-a-year fee for delivery service, so I don’t have to think about shipping costs. Their prices are in the ballpark and their service is incredible. By phone, by email, it doesn’t matter. When there is an issue, they are all over it. I got a replacement on a microwave oven I ordered a few months ago before I even asked for it! And of course they handled all the costs of getting the first one shipped back. That’s service. I stick with Amazon and shop more with them because of my satisfaction with their service.

I’m sure we all have stories from various vendors about bad service. But when you get really good service, good communication, good attention, you notice it even more, and you stick with that provider, even when they screw up, like Netflix did the other day. They still instantly communicated and explained what was going on. That’s what we have to learn to do: take care of our customers.

*Steve*

T:703-631-2099  
steve@effros.com

**Call For Nominations** The 2008 **CableFAX 100**

**Deadline for nominations: Sept. 5, 2008**

It’s that time again. Nominate your colleagues, your boss or even yourself for the CableFAX100—our annual cable industry power list—which will appear in the December edition of *CableFAX: The Magazine*.

Visit [www.cable360.net/cablefaxmag/2008cablefax100.html](http://www.cable360.net/cablefaxmag/2008cablefax100.html) to nominate online today!