

CableFAX Daily™

Friday — August 24, 2007

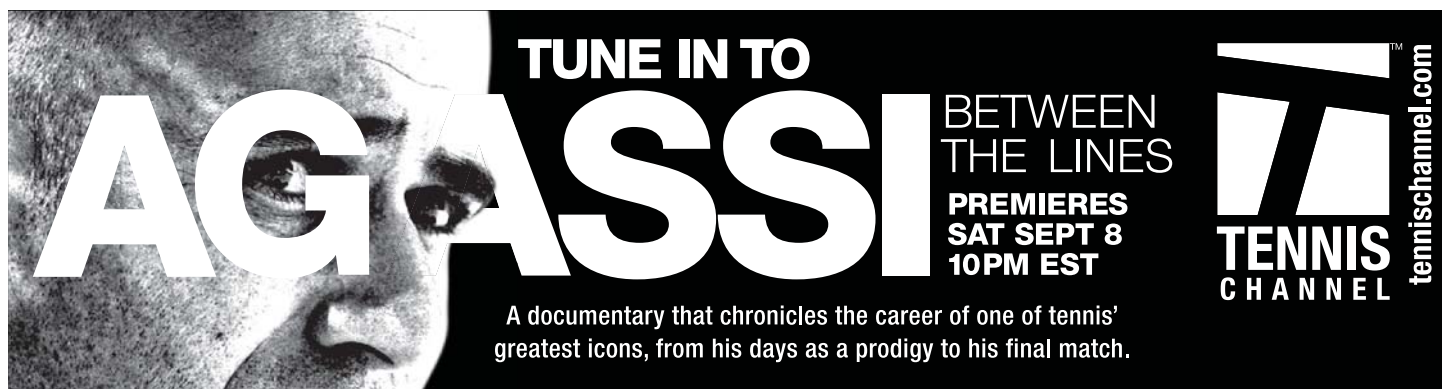
What the Industry Reads First

Volume 18 / No. 165

Here We Go Again: Martin Proposing A la Carte, Probing Retrans

FCC chmn *Kevin Martin* is banging on his a la carte drum again. Sources say the chmn is floating a Further Notice of Proposed Rulemaking on a la carte as part of an order that would extend program access rules for 5 years (they're set to sunset in Oct). The NPRM proposes that under Sect. 628 (b) of the Communications Act, satellite-delivered cable programming be offered a la carte, according to sources. It's unclear, but it appears the order proposes that *all* satellite-delivered nets (most cable nets) be offered a la carte—not just satellite-programming that is vertically integrated with a cable operator. It's unclear how the FCC would back such a stance, seeing as the agency has said Congress would have to mandate a la carte because it lacks the authority. The NPRM would seek comment on whether the Commission should require terrestrially delivered cable programming nets (like **Comcast Sports Net Philly**) to be offered a la carte. It would also seek comment on how retrans consent negotiations work when broadcasters tie carriage of their broadcast signals with other affiliated programming. Martin has repeatedly made the case for so-called "cable choice." In Apr, a FCC report on TV violence asserted that a la carte programming options would help protect children. The FCC Media Bureau had no comment. Meanwhile, civil rights groups held a conference call with reporters Thurs to express disappointment with Martin's response to their call for an apology and retraction after he suggested that civil rights groups opposed a la carte regulations because they receive money from cable operators and programmers. "We have not been purchased by the cable industry to make this statement," said **Hispanic Federation** pres *Lillian Rodriguez-Lopez*, adding that her group receives "minimal" support from cable. In full disclosure, she told reporters she also co-chairs the **NCTA-funded Broadband Everywhere**, a lobbying group fighting national franchising. **Hispanics in Telecom and Technology Partnership** co-chair *Manny Mirabal* and **National Congress of Black Women** chair *Faye Williams* each estimated that their groups get less than 1% of funding from cable. "We have the right to weigh in without being accused of being inside someone's pocket," Rodriguez-Lopez said. Martin told the groups Wed that he had the utmost respect for their organizations and apologized if his comments "led some to believe otherwise." The chmn said he was referring to a **Center for Public Integrity** study that concluded that "grassroots" opposition to a la carte is actually a highly sophisticated lobbying campaign with some of these groups getting hundreds of thousands of dollars and other benefits from cable. Williams accused Martin's a la carte stance as "pandering to the religious wing of the far right." Rodriguez-Lopez said the chmn's real interest in a la carte is to give a "few ultra right wing groups" the ability to censor programming. (Who knew *Gene Kimmelman* was a Right Winger?). An FCC spokesman declined comment beyond Martin's Wed letter to the groups (**Cfax**, 8/23).

Technology: **CableLabs** approved a DTCP-IP tech for protection of cable content across personal consumer electronics devices and PCs, allowing certain licensees to protect PPV and VOD transmissions against unauthorized copying and online retransmissions. Working in cooperation are **Paramount Pictures**, **Sony Pictures**, **Disney** and **Warner Bros**.



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In the Courts: The city of Carlsbad, CA, filed a federal suit Mon against **Time Warner Cable**, alleging that the MSO has been operating without a valid franchise agreement since Nov. In recompense, the city is seeking all of the MSO's gross revenue derived from city services over the last 9 months. Time Warner Cable declined comment. Disagreement between the parties stems from state video franchising law, enacted in Jan. It says incumbent cable ops with expiring local licenses may petition the state's PUC for a statewide license in '08, or apply any time for areas not currently served. What remains unclear is protocol for local agreements that expire prior to next year. -- Remember the claims made earlier this month by the now-incarcerated **Adelphia** founder *John Rigas* that no fraud was committed at the MSO, at least not by the Rigas family (**Cfax**, 8/7)? Well, son *James Rigas* echoed those assertions Thurs after former Adelphia auditor **Deloitte & Touche** dropped all charges against the family. "Having spent four years defending against Deloitte's baseless claims, we believe we are entitled to a full trial where the public will finally see what actually happened at Adelphia," said Rigas, whose counsel is requesting the court to strike Deloitte's discontinuance.

Online: Sen *John Edwards* will be the 1st '08 presidential candidate to engage in dialogue (Sept 27) with America's youth through a **MTV/MySpace** partnership. MTV and **mtvU** plan to air such discussions with all the leading White House aspirants (*Hillary* and *Barack* are among the confirmed), and Webcasts will run at **MTV.com** and **MySpaceTV.com**. Net viewers and online users will be able to submit questions via online and mobile handsets, and as candidates respond viewer reaction will be captured through live online polling. -- **Time Warner Cable** and **Cisco** partnered in launching **TWCinHD.com** to simplify for customers the purchase processes of buying an HDTV set and acquiring suitable service. Of course, their respective products and services are also touted at the portal. -- To fete its 5th anniversary of offering live game broadcasts, **MLB.com** will provide a free Webcast Sun of the Yankees-Tigers game. -- **WCSN** will begin Fri featuring streaming video of world championships and Olympic-qualifying events at **WCSN.com** for a \$5/month sub fee. Included are the track and field worlds from Japan and the world gymnastics championship.

In the States: **Cablevision** added to its iO International programming service a Chinese package offering 3 channels that feature content from Taiwan, China and Hong Kong.

More Big Ten: **Pali** analyst *Richard Greenfield* is advising cable investors to closely watch the carriage spat between **Big Ten Network** and cable ops, citing worries that the MSOs have the most to lose. More than 50% of **Mediacom's** sub base is affected by the impasse, as is more than 20% of **Charter's** and 15-20% of **Comcast's** and **Time Warner's**. While football season may not inflict great pain on the 4, "it would appear that BTN's leverage only goes up as we shift into basketball season," said Greenfield. And possibly more important, he said, is that cable ops' preference to tier sports nets is closely related to a la carte, of which **FCC** chmn *Kevin Martin* is obviously a big fan.

VOD: **Tandberg TV** deployed **Time Warner Cable's** 1st small market VOD solution, allowing the MSO to deliver content via satellite to Clarksburg, WV; Dothan, AL; Fort Benning, GA; and Terre Haute, IN. An additional 10 cities are expected to go live by the end of the year. -- Empowerment film "The Secret" hits cable VOD/PPV Aug 31 through **Warner Bros**, which will push on-air spots, print ads and direct mailings. **DirecTV**, **DISH**, **Verizon** and **AT&T** will also feature the film.

Research: 20% of US homes have a DVR compared to 1 in 13 just 2 years back, said **Leichtman Research Group**. DVR owners' mean HH income is 33% above avg; 53% own an HDTV set; and 45% record 5 or fewer programs each



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week. -- 19% of consumers surveyed spend 6 hours+ on personal Internet usage a day, according to an IBM survey. 9% reported the same level of TV viewing. 66% watch 1-4 hours of TV/day vs 60% who spend 1-4 hours on the Internet for personal use. -- No wonder the FCC's wireless spectrum auctions receive so much play: 84% of the US population will have mobile phones by year's end, said **SNL Kagan**. And that number, which includes consumer, business and double users, will hit 100% by '13. As increased data use will spur a 3% annual growth rate in cell phone subs over the next decade, industry ARPU is expected to expand at an inflation-paced compound annual growth rate of 1.5% over the same period, to \$61.09.

Advertising Gold: Citing data from the '07 **Mendelsohn Affluent Survey**, **Bloomberg TV** touted its claim to cable's wealthiest audience—which data show is defined by a \$200K avg HH income, avg total asset value of \$2.2mln and avg total securities value of \$700K.

Programming: **E!** will keep *Chelsea Handler* talking. Her late night show "Chelsea Lately" will continue with new eps through '07, the net announced. The show has reached more than 14mln viewers since its July launch.

Clarification: The Y-over-Y prime ratings growth/decline numbers noted in Thurs' issue are based on adults 18-49.

CableFAX Daily Stockwatch

Company	08/23 Close	1-Day Ch	Company	08/23 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	52.88	0.00	APPLE:	131.07	(1.44)
DIRECTV:	22.33	(0.09)	ARRIS GROUP:	14.87	(0.26)
DISNEY:	33.16	(0.41)	AVID TECH:	30.80	(0.51)
ECHOSTAR:	40.20	1.02	BIGBAND:	9.97	(0.45)
GE:	39.12	(0.02)	BLNDER TONGUE:	1.28	(0.05)
HEARST-ARGYLE:	20.46	0.06	BROADCOM:	33.26	(0.21)
ION MEDIA:	1.34	0.02	C-COR:	11.51	(2.63)
NEWS CORP:	22.04	0.15	CISCO:	30.27	0.01
TRIBUNE:	28.98	0.04	COMMSCOPE:	53.90	0.42
MSOS					
CABLEVISION:	33.26	0.11	CONCURRENT:	1.38	(0.02)
CHARTER:	2.69	0.02	CONVERGYS:	17.58	(0.03)
COMCAST:	25.47	0.47	CSG SYSTEMS:	23.50	0.07
COMCAST SPCL:	25.34	0.46	GEMSTAR TVG:	6.03	0.00
GCI:	12.72	(0.24)	GOOGLE:	512.19	(0.56)
KNOLOGY:	14.67	0.44	HARMONIC:	8.55	(0.11)
LIBERTY GLOBAL:	40.00	(0.35)	JDSU:	13.64	(0.72)
LIBERTY INTERACTIVE:	18.83	(0.01)	LEVEL 3:	4.98	(0.05)
MEDIACOM:	8.42	(0.03)	MICROSOFT:	28.30	0.08
NTL:	28.22	0.00	MOTOROLA:	16.60	0.06
ROGERS COMM:	42.97	0.00	NDS:	49.25	(0.09)
SHAW COMM:	22.91	0.19	NORTEL:	18.76	0.69
TIME WARNER CABLE:	34.65	0.78	OPENTV:	1.44	(0.02)
WASH POST:	768.51	(11.08)	PHILIPS:	38.35	(0.13)
PROGRAMMING					
CBS:	31.27	(0.12)	RENTRAK:	11.50	0.12
CROWN:	6.87	(0.09)	SEACHANGE:	6.94	(0.05)
DISCOVERY:	23.28	(0.92)	SONY:	46.94	0.28
EW SCRIPPS:	39.71	0.82	SPRINT NEXTEL:	18.58	(0.05)
GRUPO TELEVISIA:	24.87	0.35	THOMAS & BETTS:	55.25	(0.26)
INTERACTIVE CORP:	27.19	(0.28)	TIVO:	6.25	0.08
LODGENET:	26.47	(1.01)	TOLLGRADE:	10.22	0.12
NEW FRONTIER:	6.27	0.26	UNIVERSAL ELEC:	28.24	(1.32)
OUTDOOR:	8.86	(0.34)	VONAGE:	2.19	0.06
PLAYBOY:	10.84	0.09	VYYO:	5.84	(0.16)
TIME WARNER:	19.04	0.11	WEBB SYS:	0.10	0.01
UNIVISION:	36.23	0.00	WORLDGATE:	0.48	(0.01)
VALUEVISION:	8.06	(0.19)	YAHOO:	23.13	(0.1)
VIACOM:	37.54	(0.51)	TELCOS		
WWE:	14.94	0.02	AT&T:	40.10	0.32
TECHNOLOGY					
3COM:	3.77	(0.03)	QWEST:	8.95	0.10
ADC:	17.00	(0.14)	VERIZON:	42.15	0.33
ADDVANTAGE:	6.18	(0.09)	MARKET INDICES		
ALCATEL LUCENT:	10.94	(0.01)	DOW:	13235.88	(0.25)
AMDOCS:	34.93	(0.34)	NASDAQ:	2541.70	(11.1)
AMPHENOL:	34.25	(0.51)			

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WHAT THE INDUSTRY READS FIRST.

PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Fantasy Land

My condolences to any fantasy football enthusiast who already took the felonious *Mike Vick* in an early-round. Of course, such drafters should have thought better of such a play, yet it's exactly the unknowns (law-related or otherwise) that comprise the true essence of fantasy football. Unless acquainted with a clairvoyant, no one can foresee how the aging *Brett Favre* will fare this season or if *Clinton Portis* will remain healthy. Accordingly, fantasy footballers scour media for helpful nuggets... or at least consensus on confounding topics. And there's certainly no dearth of features and data across platforms to sate fans' hunger for it all. "We make a concerted effort to hit up fantasy wherever possible," said **ESPN** vp, games *Raphael Poplock*, adding that this important fan base spends more time online than any other (bosses beware!). Like myriad portals, **ESPN.com** has been managing fantasy leagues for a number of years, and this month kicked off a new interactive microsite giving rookies tips on league set-up and play. The sports giant has also amped up fantasy integration across **ESPNEWS** and "SportsCenter." Pigskin gurus such as *Chris Mortensen* and *Steve Young* participated this week in an ESPN special featuring a live league draft and banter about draft strategy. **NFL Net** also caters to the fantasy base, primarily through linear shows such as "Playbook," a Sun morning show featuring game analysis and updated injury information, and "Red Zone," in which the net spews game stats and scoring recaps during the action (Sun, 1-4pm ET). "We like to think all of our programs have fantasy elements," said net comm dir *Seth Palansky*. There are a few elemental aspects to fantasy football as well: stock your roster with RBs; barring injury, never bench your studs and... be discreet with team management functions while working. **CH**

Highlights: "Crazy Sexy Cancer," Wed, 9pm, **TLC**. An inspiring odyssey told nicely by 31-year-old unknown actress *Kris Carr*, who was diagnosed with a rare cancer in '03. We hope we'll see this is the kind of quality fare regularly on TLC. -- "The Road to War: Iraq," Mon, 9pm, **Nat Geo**. Nat Geo gives a day-by-day timeline of events leading to the U.S. attack on Iraq in March '03. Covering 18 months in 60 minutes leaves only seconds for commentary from insiders like *Colin Powell* deputy *Dick Armitage*, who gently whacks *Rummy*, while ex-White House chief of staff *Andy Card* gives good insight as he defends his old boss. **SA**

Worth a Look: "Pantry Raid," Wed, 9pm, **Style**. Rice Krispies beef cups? Popcorn in clam chowder? Chef *Michael Schulson* is the poster child for 'necessity is the mother of invention (in the kitchen)' as he cooks with whatever he finds in your pantry. (By the way, the Rice Krispies with beef were delicious at TCA). -- "Army Wives," season 1 finale, Sun, 10pm, **Lifetime**. Considering the ratings it pulled, we can't imagine there'll be many casualties from this cliffhanger, which could be called "I'll Have a Kamikaze." [More reviews, including **TBS**' "World's Funniest Commercials" and **Sundance's** "The Education of Ms Groves," at cable360.net] **SA**

Basic Cable Rankings (8/13/07-8/19/07) Mon-Sun Prime			
1	DSNY	4.2	3883
2	USA	2.2	2082
3	TNT	1.8	1703
4	ESPN	1.6	1513
5	TBSC	1.4	1339
6	LIFE	1.3	1246
6	TOON	1.3	1242
6	FOXN	1.3	1163
9	HALL	1.2	1013
10	HGTV	1.1	1038
10	A&E	1.1	992
12	FX	1	933
12	CORT	1	883
14	DISC	0.9	891
14	SPK	0.9	876
14	NAN	0.9	876
14	HIST	0.9	873
14	SCIF	0.9	826
14	MTV	0.9	820
20	CNN	0.8	773
20	AMC	0.8	731
22	CMDY	0.7	690
22	TVLD	0.7	688
22	TLC	0.7	631
22	FAM	0.7	611
26	VH1	0.6	606
26	FOOD	0.6	591
26	BRAV	0.6	507
26	LMN	0.6	344
30	APL	0.5	490
30	MSNB	0.5	458
30	BET	0.5	453
30	ESP2	0.5	440
34	TTC	0.4	390
34	EN	0.4	369
34	TWC	0.4	353
34	SOAP	0.4	289
34	NGC	0.4	283
39	HLN	0.3	311
39	CMT	0.3	287
39	OXYG	0.3	244
39	WGNC	0.3	220
39	TDSN	0.3	220
39	DHLT	0.3	170
39	NKTN	0.3	138
39	BIO	0.3	119

*Nielsen data supplied by ABC/Disney

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