

CableFAX Daily™

Monday — August 25, 2008

What the Industry Reads First

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'Murky' Waters: Former FCC Chmn Questions Legality of Comcast Ruling

Comcast isn't the only one questioning the **FCC's** legal authority to find the MSO in violation of the Commission's Internet open access policy. "It's pretty clear to me that if Comcast or any other party thought to appeal it, they would have a very compelling case," said former FCC chmn *Bill Kennard* during an interview with **C-SPAN's** "The Communicators" that airs Sat. Kennard is a former general counsel for the FCC and telecom adviser to Democratic presidential candidate *Barack Obama*. "The jurisdictional basis in my view is murky," he said, noting that Obama supports net neutrality legislation. "Legislation would certainly clear that up, and it's not going to be subject to years of litigation. That is the danger we face now." Comcast, which was ordered earlier this month to submit a plan on how it will stop "unreasonable" network management practices, hasn't indicated whether it will file a challenge to the FCC ruling, though a spokeswoman has said the MSO's considering legal options. Kennard appeared on C-SPAN to discuss Obama's approach to issues dealing with tech and telecom. It's the 1st of 2 programs looking at the plans of the presidential candidates. Asked if Obama has any plans to overhaul the FCC, Kennard said that he has "clearly indicated that he wants to change the way decision making is made in Washington, and generally this would include all the political agencies." As for FCC chmn *Kevin Martin's* a la carte pet project, Obama has not taken a position on it, though Kennard noted that the senator is very concerned about making sure there are opportunities for more diverse programming choices on cable. Some, including various minority groups, have argued that a la carte would reduce diversity. Kennard provided no detail on who Obama might choose to head the FCC should he be elected president, but added that he's "convinced this is an area of government that will get a lot of focus and attention" because of the Democrat's love of technology. The interview airs at 6:30pm ET on C-SPAN Sat and repeats at 8am ET, Mon on **C-SPAN 2**.

At the Portals: Apparently, **FCC** commissioners don't want to spend one of the last remaining summer Fridays hanging around the Commission for an Open Meeting. We can't blame them. The FCC opted early Fri to cancel its scheduled meeting. The issue most important to cable had already been approved, a waiver exempting small cable operators from rules requiring carriage of broadcasters' digital and analog signals post transition. An order has not been released yet. The FCC held a public meeting earlier this month, and is only required to hold 1 such meeting per month. "This reasonable exemption will benefit thousands of small communities and millions of consumers served by ACA's members," ACA pres/CEO Matt Polka said.

Retrans: A typical retrans back-and-forth between cable and broadcast factions is playing out online and in OH. This one concerns **Buckeye CableSystem** and a Toledo-area **NBC** affil. Already extended from a previous Jul 31 deadline, the pair's previous deal is set to expire Aug 24. Check out details of the spat at **NBC24.com**.

Carriage: **DISH** will join **DirecTV** in launching **Inspiration Networks** Wed, giving the channel a 150% distribution boost

Gospel Music Channel Goes to Washington
Brings Home Gospel Music Heritage Month National Proclamation!

We're proud to announce that Congress has declared every September as Gospel Music Heritage Month. Celebrate with TV's fastest growing network and official home of this beloved American art form, Gospel Music Channel.

Go to GospelMusicChannel.com/affiliate for ways to honor this occasion in your community.



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(54mln+ HHs).

DTV Doings: NAB has launched a new series of ads reminding viewers about the upcoming nationwide DTV transition that will run during the Democratic and Republican conventions. Signs highlighting the DTV switch have been placed in highly visible areas in Denver and Minneapolis-St Paul.

Competition: Qwest has become an authorized reseller of Verizon Wireless services, and has been contacting its Qwest Wireless customers directly with specific VZ device and calling plan recommendations. The telco is waiving any contract termination fees for a limited time, and will offer Verizon Wireless billing on Qwest bills later this year.

In the States: Documentary Channel has chosen BroadView Software's traffic and programming software as its information infrastructure. Set to launch in the fall, the software will handle programming, scheduling, logs, and ad contracts for the combination satellite/VOD service. -- Scam artists are mailing bogus checks for \$4,500 allegedly from a company affiliated with Verizon. They trick consumers into depositing the fake checks and wiring funds to the scammers, promising the recipient a \$750K prize in turn. Verizon informed consumers Fri that it has no connection to the scam and is working with law enforcement on the case.

Mobile: Verizon and Google are nearing a pact that would make Google the default search provider for the telco's mobile handsets, according to WSJ. The pair is expected to split rev from the service. Mobile phones featuring Google's "Android" software are expected later this year. The software is designed to allow other developers such as Motorola and Sprint to write apps for it.

Online: Film dir Craig Brewer is teaming with MTV New Media for online drama series "\$5 Cover," chronicling the dreams of several musicians in Memphis. MTV will social networking apps to viewers of the show that's set to appear at FiveDollarCover.com.

Programming: IFC original "Z Rock" (Aug 24) follows a rock band that doubles as birthday party talent, with slated guest stars including Joan Rivers and Gilbert Gottfried. -- American Life TV will air the Genesis Awards for the 2nd consecutive year. The Humane Society awards recognize those in the media who have demonstrated outstanding commitments to raising awareness for animal issues.

Public Affairs: Discovery Education and 3M announced the 10 middle school students and 5 science teachers who are finalists in the '08 Discovery Education 3M Young Scientist Challenge. The students will compete for the chance to win the title plus a \$50K US Savings Bond in DC, Oct 4-6.

Business/Finance: Hedge fund Harbinger Capital upped its stake in Cablevision to 8% from 5%, seemingly intent on having a greater say in what the MSO will do to stoke shareholder value. CVC recently began the process with a quarterly dividend of 10 cents/share on A and B shares. -- Clearwire is seeking shareholder approval to issue in exchange for outstanding Clearwire shares approx \$1.62bln in stock in the Sprint WiMax jv that includes Comcast and Time Warner Cable, according to SEC filings. No date was given for a special meeting to discuss the issue.

Editor's Note: Due to technical problems, the Week In Review stock chart does not appear in today's issue. We are working on correcting the problem.

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WIDE APPEAL.



MaxFAX...

More Cultural Clashes ...

On Monday, the Democratic Convention opens in Denver. So, I left town again.

Forty years ago, I was in the U.S. Army and was one of those deployed to Chicago just in case. Not one demonstrator charged us. In a stopover at Fort Riley, KS, I had our guys pick a bunch (well, bunches) of sunflowers. We put them in the barrels of our (unloaded) rifles. We got smiles instead of clashes.



Paul S. Maxwell

I doubt this year will be quite as noisy, bloody or chaotic. At least I certainly hope so. The ad wars are nasty enough.

But for the good of the industry – if not the country – may we have many, many more political ads, nasty or not.

Random Notes:

• **The Obama Metrics:** While in Ireland recently I had lunch with one of the key members of the **Committee-That-Really-Rules-the-World** (officially known as the **Committee of ALL Media** – or COAX). An old friend of mine, *Xenophon Steinholzer MacGillicudy* (XSM and I went

to seminary together—and I could have sworn I saw him in the Beijing airport last week!) is now a ranking member of the COAX and he invited me to lunch at the Westin—just a block from Trinity College and the Book of Kells—in Dublin. He explained to me that *Barack Obama*, the “presumptive” (until later this week when he gets real) Democratic nominee for president, is really that “citizen of the world” of his rhetoric. In fact, the 1st thing he’ll do as president is declare the metric system the law of the land. No more inches, no more yards and no more foot-long hot dogs. The 2nd thing will be to tell all of the countries in the world that drive on the left side of the road to get over it ... saying it “costs too much” to make mirror image dashboards, from here on in, everyone has to drive on the right. Beginning January 21. (When Norway did that back in the last century, it did some gene pool cleansing and eliminated more than a few pensioners.) The 3rd thing he’ll do is get rid of any extra-terrestrial aliens in the American government, which would mean ... good-bye *Kevin Martian!*

• **Broadband Price War?** Cable is eating DSL’s lunch ... and telcos are losing landline customers at an astounding clip ... and telco video isn’t exactly setting the world on fire. So, a telco-driven desperation price war for an ersatz quad play begin-

ning next month wouldn’t be a big surprise. Wall Street will only wait so long until the telco stocks come under serious pressure (just ask **Qwest**).

• **Just Ducky:** Just got home from a whirlwind trip to observe NBCU’s semi-annual dominance of all things sport (and, yep, *Michael Phelps* can swim), Beijing was quite nice—big, full moon on a clear night; smog-free sunny days; a little misty rain; long walk along the (truly great) Great Wall; a dinner that consisted of 17 courses of duck in a restaurant founded in 1864 that has been relocated to the Potemkin-like revitalized old-style commercial area adjacent to the world’s biggest great urban square (thanks much to NBCU’s *Henry Ahn* who navigated the bustling world with frantic grace—complete with paparazzi-like photo session on the way to the games); a fabulous Olympic village; stunning architecture scattered amidst the not-so-great-leap-forward square, squat apartment complexes; lovely people; great hotel; fabulous excursions; a city that sprawls forever; so eat your heart out.

Paul Maxwell

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Call For Nominations

The 2008

100
CableFAX

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 to nominate online today!