

# CableFAX Daily™

Monday — August 27, 2007

What the Industry Reads First

Volume 18 / No. 166

## Pretexting Challenge: NCTA Appeals FCC Order on Opt-Ins

**NCTA** has filed an appeal in federal court over an **FCC** pretexting order released earlier this year. Once again, the association is taking issue with like services being treated dissimilarly. The cable group is challenging the FCC's Mar decision to require telecommunications carriers and providers of interconnected VoIP services to obtain "opt in" customer approval before disclosing customer proprietary network information to joint venture partners and independent contractors. NCTA told the US Court of Appeals for the DC Circuit earlier this month that the rule is arbitrary and capricious, and violates the 1st Amendment. NCTA sees the problem like this: **Verizon** can share info with **Verizon Wireless** because it's a part owner in the wireless jv with **Vodafone**. **AT&T** can share info with **AT&T Wireless** (formerly **Cingular**) because it's an AT&T subsidiary. But cable companies are unable to share info with key jv partner **Sprint** unless customers opt in. The FCC said it doesn't comment on litigation. The agency originally adopted the opt-in requirement in an order strengthening privacy rules for phone and wireless carriers. NCTA said it doesn't object to any other provisions of the order, which includes rules prohibiting the release of a customer's phone records unless the customer provides a password. This is the 2nd federal appeal of an FCC order that NCTA has filed this year. In May, NCTA joined local govts in challenging the FCC's new video franchising rules.

**More Xs and Os:** While **Fox Cable** exec **Bob Thompson** said the **Big Ten Net** will go live Thurs without **Comcast** as a teammate, the net continues to reach out to fans in hopes of forging carriage deals with **Charter**, **Mediacom**, **Time Warner Cable** and **Insight**. In a Fri email, BTN tells its "Fans First" members (who sign up at the net's portal) that "We need your help TODAY! If you don't want to miss any college football action please take the following steps TODAY and EVERY DAY for the next 6 days." It then directs fans to call a designated phone line and to incite friends and family to action. Some season ticket holders and boosters of conference teams are even receiving similar directives via recorded phone messages featuring conference football coaches. Although the script is unknown, Purdue coach **Joe Tiller** has been supporting the net in Boilermaker country. Meanwhile, BTN inked a deal with the University of IA to provide its programming for free to the school's 3K residence hall rooms, and 700 apartments and other campus buildings.

**Deals:** Even as **Insight** remains on the block (at least for now), smaller system deals continue to get done. **Charter** is selling its Sandy and Silverton, OR, systems serving approx 3800 basic customers to **Wave Broadband**. Financial terms aren't known. -- Meanwhile, **RBC Capital Markets**, which includes **RBC Daniels**, ranked 1st in the number of M&A transactions for the 1st half of the year in cable, telecom, broadcast and Internet services, with 16 deals with an aggregate value of \$1.37bln, according to **Thomson Financial Securities Data**. 14 of those 16 deals were RBC Daniels transactions. RBC Daniels says it actually completed 27 M&A and finance transactions with an aggregate value of \$2.1bln during the first half of the year (Thomson rankings don't pick up all deals). **JP Morgan**

"deliciously skewed comedy" - *Associated Press*



**NEW SEASON  
SUNDAYS AT 11PM**

**IFC**  
series, uncut.™

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was 2nd in the rankings with 11 deals that have an aggregate value of \$18.6bln.

**Cored:** **Apple** can't be pleased that a group of techies has apparently cracked the SIM lock system on its iPhone, but the folks at **AT&T** must be apoplectic. Threatening the telco's exclusive iPhone service pact is the brain trust behind **iPhoneSimFree.com**, which touts a software-driven SIM unlocking solution that purportedly allows iPhone customers to use SIM cards from any network provider. Furthermore, it says that "individual per unit licenses will be available starting next week. We are currently opening up our mail for bulk purchase enquiries of 500 licenses and above." Skeptical? So was **Engadget.com**, which tested the solution, found it to work and even posted a corroborative video. Also at the Engadget site, in bold: "we can confirm with 100% certainty" that the solution works and that it also "should make the iPhone fully functional for users outside the US." AT&T declined to comment.

**By the Numbers:** **Nielsen** said the total number of TV households in the US will rise 1.3% by year's end, to 112.8mln, and that the number of viewers aged 2+ has increased 1% to 286mln. Not surprisingly, the 55-64 demo (+3.8%) has shown the greatest growth over last year, while the 12-17 set (-0.4%) was the only decliner. With these new estimates, each HH rating point this TV season will represent 1.13mln HHs, and each 2+ point will represent 2.86mln people.

**In the States:** **Time Warner Cable** brought its co-branded **Sprint** wireless service **Pivot** to Binghamton, NY, launching the product at the state fair on Thurs. Pivot also hit Syracuse and central NY Thurs (**Cfax**, 08/08). -- **Comcast** committed nearly \$7.5mln in cash and advertising to rename Puget Sound area's Everett Events Center the Comcast Arena. -- **Comcast** launched digital phone to Colorado Springs, CO. The VoIP offering is now available in more than 70 markets.

**Technology:** **SCTE's** Engineering Committee approved a new version of the industry standard for Emergency Alert Messaging. Download it from the standards section at [www.scte.org](http://www.scte.org).

**Online:** **BBC America** will bow US premiere eps of teen drama "Hollyoaks" at BBCAmerica.com daily, starting with a 2-ep launch on Sept 4. The linear net has the first 65 eps in late night repeats. -- **Playboy** is after the college set with **PlayboyU.com**, a non-nude social networking site open to students 18+ with a valid .edu address. It encourages user-generated content and also features school pages moderated by an "official" student rep for the site.

**In the Courts:** A Philly law firm filed in an IL district court a class action suit against **Motorola**, alleging that CEO **Edward Zander** and 6 other Moto officers misled investors last year. The class covers investors who bought Moto common stock between Jul 19, '06, and Jan 4, and seeks damages to cover Moto's fall to \$18.60 from \$20.55 over 2 trading days following its Jan 4 announcement that 4Q sales and earnings fell short of previous estimates. -- Comedy writer **Buddy Sheffield** is suing **Disney** over **Disney Channel's** "Hannah Montana," alleging that the company stole the idea from him. Disney said it had not seen the lawsuit and therefore has no comment.

**Business/Finance:** **Hearst** will make a \$600mln tender offer for the 27% of outstanding shares of **Hearst-Argyle TV** that it doesn't already own. That's approx 15% premium over Thurs' close. It expects to commence the tender offer in early Sept. Hearst owns 50% of **Lifetime** and has used the Hearst-Argyle stations in negotiating deals. -- Investors evaluating **News Corp** should assess MySpace's ad thrust, said **Pali** analyst **Richard Greenfield**. "Social networking has become a must-advertise destination for the biggest spending, highest quality brands across the world," he said. MySpace ad rev is expected to double over the next year to \$80mln, aided largely by its nascent ad targeting campaign, he said.

Be careful what you look for

**DIGGING**  
FOR THE  
**TRUTH**

SEASON PREMIERE 9/3 AT 9PM/8C

**H** THE HISTORY CHANNEL

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### CableFAX Week in Review

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	53.70	3.30%	32.90%
DIRECTV:	DTV	23.12	2.40%	(7.3%)
DISNEY:	DIS	33.87	3.60%	1.50%
ECHOSTAR:	DISH	42.45	6.60%	11.60%
GE:	GE	39.41	2.50%	11.20%
HEARST-ARGYLE:	HTV	25.22	23.30%	1.10%
ION MEDIA:	ION	1.35	6.30%	170.00%
NEWS CORP:	NWS	22.45	3.20%	1.30%
TRIBUNE:	TRB	28.75	12.00%	(5.4%)

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	32.81	1.10%	15.20%
CHARTER:	CHTR	2.79	10.70%	(8.8%)
COMCAST:	CMCSA	25.48	0.90%	(9.7%)
COMCAST SPCL:	CMCSK	25.27	0.70%	(9.5%)
GCI:	GNCMA	13.16	(3.7%)	(16.3%)
KNOLOGY:	KNOL	14.98	1.80%	40.80%
LIBERTY CAPITAL:	LCAPA	109.32	(0.3%)	11.60%
LIBERTY GLOBAL:	LBTYA	40.68	1.80%	39.60%
LIBERTY INTERACTIVE:	LINTA	19.16	6.00%	(11.2%)
MEDIACOM:	MCCC	8.63	4.50%	7.30%
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	23.15	6.60%	51.30%
TIME WARNER CABLE:	TWC	35.22	4.40%	(8%)
WASH POST:	WPO	792.67	0.20%	8.50%

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	31.79	5.10%	5.50%
CROWN:	CRWN	6.85	(4.5%)	88.70%
DISCOVERY:	DISCA	22.84	(1.4%)	42.00%
EW SCRIPPS:	SSP	40.01	3.90%	(18.6%)
GRUPO TELEVISIA:	TV	25.69	5.70%	2.50%
INTERACTIVE CORP:	IACI	28.11	3.10%	(24.3%)
LODGENET:	LNET	26.37	(3.7%)	5.40%
NEW FRONTIER:	NOOF	6.56	9.50%	(8.9%)
OUTDOOR:	OUTD	8.76	(6.6%)	(31.7%)
PLAYBOY:	PLA	10.85	1.10%	(5.3%)
TIME WARNER:	TWX	19.01	3.90%	(11.6%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	8.03	(2.2%)	(38.9%)
VIACOM:	VIA	38.41	2.80%	(6.3%)
WWE:	WWE	14.84	2.90%	2.80%

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	3.89	9.90%	(5.4%)
ADC:	ADCT	17.46	5.10%	20.20%
ADDVANTAGE:	AEY	6.34	12.20%	127.20%
ALCATEL LUCENT:	ALU	11.13	5.50%	(9.4%)
AMDOCS:	DOX	35.32	1.80%	(8.9%)
AMPHENOL:	APH	35.75	4.50%	15.60%
APPLE:	AAPL	135.30	10.80%	49.80%
ARRIS GROUP:	ARRS	15.55	4.40%	24.30%
AVID TECH:	AVID	31.01	0.30%	(16.8%)
BIGBAND:	BBND	10.05	11.80%	(5.9%)
BLNDER TONGUE:	BDR	1.30	2.40%	(23.5%)
BROADCOM:	BRCM	33.34	(3.1%)	3.20%

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.27	(11.9%)	10.10%
CISCO:	CSCO	30.73	2.50%	12.40%
COMMSCOPE:	CTV	54.18	2.70%	77.80%
CONCURRENT:	CCUR	1.40	0.70%	(22.7%)
CONVERGYS:	CVG	17.69	3.50%	(25.6%)
CSG SYSTEMS:	CSGS	23.82	3.10%	(10.9%)
GEMSTAR TVG:	GMST	6.02	7.70%	50.10%
GOOGLE:	GOOG	515.00	3.00%	11.80%
HARMONIC:	HLIT	8.92	5.20%	22.70%
JDSU:	JDSU	14.08	2.30%	(15.4%)
LEVEL 3:	LVL	5.02	1.60%	(10.4%)
MICROSOFT:	MSFT	28.81	2.00%	(1.5%)
MOTOROLA:	MOT	16.74	2.60%	(16.6%)
NDS:	NNDS	48.95	(0.8%)	1.50%
NORTEL:	NT	18.54	1.60%	(30.7%)
OPENTV:	OPTV	1.44	(4%)	(37.9%)
PHILIPS:	PHG	39.66	6.60%	9.70%
RENTRAK:	RENT	11.35	(0.1%)	(26.8%)
SEACHANGE:	SEAC	6.99	1.20%	(31.6%)
SONY:	SNE	47.40	1.80%	11.20%
SPRINT NEXTEL:	S	18.95	3.40%	1.10%
THOMAS & BETTS:	TNB	56.00	5.30%	18.40%
TIVO:	TIVO	6.32	1.30%	23.40%
TOLLGRADE:	TLGD	10.11	(0.9%)	(4.4%)
UNIVERSAL ELEC:	UEIC	27.96	(1.8%)	33.00%
VONAGE:	VG	2.19	2.30%	(68.4%)
VYYO:	VYYO	5.78	(4.3%)	27.60%
WORLDGATE:	WGAT	0.49	32.40%	(63.4%)
YAHOO:	YHOO	23.59	0.20%	(7.6%)

Company	Ticker	8/24 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	40.36	3.40%	20.90%
QWEST:	Q	9.09	1.00%	8.60%
VERIZON:	VZ	42.64	4.50%	23.30%

Index	Value	1-Week % Chg	YTD %Chg	
<b>MARKET INDICES</b>				
DOW:	INDU	13378.87	2.30%	7.30%
NASDAQ:	COMPX	2576.69	2.90%	6.70%

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. WORLDGATE:	0.49	32.40%
2. HEARST-ARGYLE:	25.22	23.30%
3. ADDVANTAGE:	6.34	12.20%
4. TRIBUNE:	28.75	12.00%
5. BIGBAND:	10.05	11.80%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. C-COR:	12.27	(11.9%)
2. OUTDOOR:	8.76	(6.6%)
3. CROWN:	6.85	(4.5%)
4. VYYO:	5.78	(4.3%)
5. OPENTV:	1.44	(4%)

# New product enthusiasts want Hallmark Movie Channel

Hallmark Movie Channel ranks #1 on high interest among subscribers interested in HDTV, VOD, digital cable, and DVR.



insidehallmarkchannel.com

Source: NETA Research 2007 Cable Subscriber Interest Study. Based among all supported emerging/digital networks, and exclude commercial-free networks.



## MaxFAX...

### Missed Opportunities?

Is cable getting too big? Are **Comcast** and **Time Warner Cable** too big to take any chances except the easy sure thing?

I'm wondering out loud (albeit in "print") because of a story in *BusinessWeek* (8/20-27) by **Cliff Edwards** in his "Tech&You" column that reminded me of just how many true breakthroughs the other guys



Paul S. Maxwell

(meaning satellite, telco, computer and other groups of full time and semi-competitors) are bringing to market... and a lot of time with products that cable has had the chance to "own."

It's a big list.

One of the latest blown chances: the breakthrough remote from **Logitech** built on **Hillcrest** technologies... once demonstrated at the **NCTA** show in San Francisco. With no cable takers. The Hillcrest remote is as cool to use as the wii controllers. Others? Besides the cool stuff that **NBCU** is doing via satellite (!) for the U.S. Open? Lots:

- **TiVo**: instead, here come the work-around and the reverse-engineered versions (OK, give **TWC** credit for taking the DVR concept into the next steps of usage and ad-friendly terri-

tory). First time I saw **TiVo** was years ago at a CES show in Las Vegas ... and the DVR in the **EchoStar** booth was of great interest to the now-retired **John Billock**, who was walking the floor with me.

- **Agile TV**: voice activated remote controls.
- **Slingbox**: place shifting on top of time shifting.
- **Akimbo** and/or **totalVID**: the set-top box as Internet video retriever/player.
- **Interoperability**: complete cross-platform seamless communications (OK, easier for **at&t** to do this in U-Verse and for **Verizon** in FiOS than for cable... but we're going to have to figure out how... slow Pivot or not).

Any one of these innovations might have set cable apart... and, along with broadband, stymied competitors. Sure, DVRs are everywhere... but we were followers. It's part of why venture capitalists don't back many, if any, innovative "cable" products. Doesn't have to be that way... remember when we were the innovators?

### Random Notes:

- **Diversity Week**: Time to start making definitive plans as you get ready to go to **NAMIC** and **Kaitz** (honoring **George Bodenheimer**) events next month. For instance, I always look forward to Tuesday night and **A&E's** Rockefeller Center cocktails followed by a great theater event (this

year features **David Hyde Pierce** in "Curtains")... one of the better social events of the year. The only thing is, I miss the after-show drinks as the next morning always brings the very early and always interesting **CTAM** New York Blue Ribbon Breakfast. This year has **Will Richmond** moderating a panel with **Next New Nets'** **Herb Scannel**, **Google's David Eun**, **Cox's Dallas Clement**, **Comcast's Matt Strauss** and **Discovery's Bruce Campbell**. (Details @ [http://www.ctamny.com/event\\_BRB2007.htm](http://www.ctamny.com/event_BRB2007.htm)).

- **Speaking of NAMIC**: Always great panels, but don't miss our sister pub's **EMMA** (Excellence in Multi-Cultural Marketing) Award Mon afternoon at 3:45 (skip the concurrent session; all you need to do is sign on to **Facebook** to learn about social marketing)... and don't miss **Anderson Cooper** at the luncheon on Tuesday.

- **Trivia?** Sure, during "Cable Days" in October at the Cable Center the day before the real cable Hall of Fame dinner. I think questioner **Jim Honiotes** should ask me for some questions to use... Bet I could stump everyone. The first answer—will it be Jeopardy! style?

Paul Maxwell

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# CableFAX Leaders Retreat

## October 24–26, 2007

The Ritz-Carlton, Key Biscayne  
Miami, Florida

Join Kyle McSarrow, NCTA President & CEO, George Bodenheimer, ESPN/ABC Sports President & Disney Media Networks Co-Chairman and Joshua Sapan, President and CEO, Rainbow Media Holdings for the 5th Annual Off-The-Record Gathering for Cable's Leaders.

**Attendees include high-level MSO executives and some of the most influential leaders in the industry. Confirmed attendees:**

ACA - CEO

Atlantic Broadband - CEO

AmericanLife

Bresnan Communications - EVP, Operations

Buford Media Group, LLC - CEO & COO

Cequel III -Suddenlink Communications - SVP,  
Programming & Marketing

Comcast - Senior Advisor for Government Relations  
and Communications

Cox Cable Communications - SVP, Programming

Google - Director, Google TV Ads

HSN - EVP, Affiliate Relations

Mediacom, LLC - SVP, Programming & HR

Millennium Digital Media - SVP, Programming &  
Product Development

NCTC - SVP, Business Affairs & SVP, Programming

New Wave Communications - President

Ovation

Retirement Living TV

Time Warner Cable - SVP & Chief Business Affairs Officer

Wave Broadband - CEO

### Tentative Schedule Of Events

#### Wednesday, October 24, 2007

- 12:00 pm – 3:00 pm Registration
- 3:00 pm – 5:00 pm Industry Leaders Forum
- 7:00 pm – 10:00 pm Dinner

#### Thursday, October 25, 2007

- 8:00 am – 11:30 am Industry Leaders Forum/Breakfast
- 12:00 pm – 4:30 pm Recreation Activities
- 7:00 pm – 10:00 pm Dinner (Ritz-Carlton)

#### Friday, October 26, 2007

- 8:00 am – 11:00 am Industry Leaders Forum/Breakfast
- 11:00 am Departure

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