

CableFAX Daily™

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What the Industry Reads First

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Scoring Play: The mtn. Goes Long with Distribution

The mtn. could soon have something to cheer about other than football, as a long-awaited carriage deal with DISH sits at the goal line. TV consultant *Kevin O'Malley*, who has monitored the net's distribution issues for the Mountain West Conference, said the parties have worked out all significant points for a pact including national carriage. And one informed industry source said a deal appears imminent. DISH declined comment. Once completed, the agreement will represent a watershed event for the first conference-focused net in the country, launched last year while counting **CSTV** and **Comcast** as stakeholders. Distribution will rocket from 1.2mln homes to approx 14mln—a surge that could quiet schools that have complained about their lack of exposure on the net. “We really need that satellite,” admitted net vp/GM *Kim Carver*, noting the numerous swaths of bucolic land within the conference footprint. To this end, the net is using in UT conference alums *Ty Detmer* and *Alex Smith* (49ers QB) in print and radio ads marking the net's 1st pressure application on operators refusing to suit up. The ads sardonically note **DirecTV's** forthcoming carriage of the **Big Ten Net** in the region, but not The mtn. Talks with DirecTV have been ongoing since last year, but “in the meantime, we're reminding customers that they can currently see at least 50% of [conference] games on other DirecTV channels such as **CSTV** and **Versus**,” said a DirecTV rep. This season, **CSTV** will air 12 pigskin contests and **Versus** will air 9. That collectively accounts for 30% of televised conference games. Carriage talks with holdouts including **Time Warner Cable** and **Charter** have stalled mostly over financial issues, said conference cmsr *Craig Thompson*. “We are willing to go on digital tiers and sports packs,” he said, alluding to the point-of-contention plaguing Big Ten Net's negotiations with cable ops. Still, Thompson acknowledges the obvious handicap endemic to both nets' carriage aspirations: **News Corp's** interest in BTN through **Fox**, begetting no-brainer carriage by DirecTV and strife with cable ops; and Comcast's stake in The mtn., likely souring discussions with satcasters. “There is I'm sure some political wrangling going on,” said Thompson. With EchoStar, however, The mtn. looks poised to score. -- Meanwhile, the Comcast-Big Ten Net carriage battle continues. In the latest round, the MSO issued a release Tues arguing that “Comcast delivers the best Big Ten football games... all available without the additional cost of the Big Ten Network.” OK, Big Ten. Your turn.

Intl: NBCU acquired **Sparrowhawk Holdings**, a pay-TV portfolio including 18 feeds of intl versions of **Hallmark Channel** hitting more than 60mln subs in locales including the UK, Europe and Asia. NBCU pres/CEO *Jeff Zucker* said the deal plays a key part in the company's goal to more than double the size of its intl cable channels over the next 2-3 years.

Competition: **DirecTV** now is now serving **Tennis Channel** to subs through its “Choice Xtra” programming package. The pair aims to offer an HD version of the net later this year. -- Guess it's not *all* about HD. **DirecTV** continued its push in the gaming space by partnering with **Blizzard Ent** to offer MMOG “World of Warcraft” to new subs through Nov 30. Customers get 11 months of free game play. Those who aren't familiar with the game can download a trial version.

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In the Courts: The Rigas family filed Tues in a Philly court a petition to strike the discontinuance submitted by **Deloitte & Touche** last week concerning the former **Adelphia** auditor's claims against the family. "The Rigas family will continue to pursue our right to a full trial on Deloitte's claims so that a public record can be made of what really happened at Adelphia," said *James Rigas*.

VOD: The online DBS community at www.dbstalks.com this week got a sneak peek at **DirecTV's** soon-to-launch "DirecTV On Demand" service, which enables users to grab video content from DirecTV.com through their DVR set-tops (**Cfax**, May 11). Included at the site is a screenshot of the TV interface beta (which a DirecTV spokesman said "looks legit"). Interestingly enough, DirecTV subs that separately subscribe to cable-modem service would be able to use their cable pipe to get VOD from one of cable's chief competitors. Ain't convergence great? Check it out at <http://www.dbstalk.com/showthread.php?t=96052>. DirecTV has yet to announce an official launch date for the service.

Shifting Gears: BigBand Networks has "slightly reduced" the head count for its R&D team at its Westborough, MA office and will move more R&D resources to the Shenzhen office in China's Guangdong province, confirmed a BigBand rep. The move comes as the vendor shifts to modular cable-modem termination systems suited for emerging DOCSIS 3.0 infrastructures. "The traditional CMTS is becoming obsolete. The modular CMTS has significant cost advantages for the operators.," said the rep. He declined to say how many Westborough jobs have been eliminated (reports put the number at more than a dozen) but said about the same number of jobs would be created in China. The company opened the Shenzhen office in March to support its other China offices in Hong Kong, Beijing and Shanghai. That same month, it announced a deal with Dutch cable operator Multikabel to deploy M-CMTS equipment. BigBand is still trialing M-CMTS in the states. Reports of the layoffs first surfaced in a **ThinkEquity Partners** research note earlier this week.

On the Hill: The **FCC** announced agenda topics and tentative speakers for its Digital Television Consumer Education Workshop, which will be Webcast live (Sept 26) at fcc.gov. Included at the event will be a demonstration of the proposed digital converter box and roundtables addressing govt and industry roles in facilitating the transition, and advocacy group issues. Some orgs slated to participate: **NCTA**, **NTIA**, **NAB**, **AARP**, and **NAACP**.

In the States: Start-up US airline **Virgin America** and **Sundance Channel** created a custom in-flight channel to feature indie films and docs, as well as net series. Included are sneak peeks of the net's "Nimrod Nation" (Nov 26) starting Nov 1. -- **CVC's Optimum Lightpath** now offers broadcast video transport to businesses via Metro Ethernet. The service supports compressed, uncompressed, analog, digital, and HD video apps.

Ratings: Disney (2.5/2.27m) danced to a prime summer victory with great help from 1 night (Aug 17), highlighted by the premiere of "High School Musical 2" and 4 other features that hit the seasonal telecast top 15, according to **Nielsen** data. **USA** (2.2/2.06m) was 2nd, followed by **TNT** (2.0/1.88m), whose series "The Closer" posted 9 eps in the top 12. **TBS** (1.4/1.28m) and **Lifetime** (1.3/1.26m) landed in 4th and 5th, respectively. **Brag Book:** On a total day basis, **Oxygen** delivered its most watched month this year among HHs (174K), total viewers (208K), W18-49 (85K) and W18-34 (45K). -- **HGTV** scored historical monthly bests for prime rating among W18+ (1.0), and for prime averages among HHs (1.03m); W18+ (926K); P18-49 (465K); W18-49 (350K); P25-54 (594K) and W25-54 (450K). -- The Aug 26 season finale of **Lifetime's** "Army Wives" attracted 4.1m P2+, making it the most watched original telecast in net history.

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BUSINESS & FINANCE

On the Circuit: Maya Angelou will give the opening keynote at the WICT Leadership Conference in NYC (Mar 5-6).

Public Affairs: Weather Channel has launched "Forecast Earth—Going Green at Work," a campaign to bolster its support of environmental matters. As part of the initiative, the net's new 12,500-sq ft HD studio has been designed according to the guidelines from the Leadership in Energy and Environmental Design. The studio includes a small fleet of hybrid vehicles for production crews and an energy conserving lighting system. -- **Clorox and Hyundai** are joining **Weather Channel** on a grassroots tour to promote the theme of safety and preparedness as part of the net's 5-city "Weather-READY" tour.

People: Hustler TV promoted *Jim Dettman* to svp, sales, marketing and programming.

Business/Finance: Hearst-Argyle TV has formed a special cmte of independent board members to consider **Hearst's** planned \$600mln tender offer for the 27% of H-A TV outstanding shares that it doesn't already own. The company plans to advise stockholders of its position within 10 business days of an official offer.

Clarification: A CTAM study cited in Tues' issue is not a Pulse report, but rather a comprehensive study available for purchase.

CableFAX Daily Stockwatch

Company	08/28 Close	1-Day Ch	Company	08/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	53.08	(0.21)	AMPHENOL:	33.91	(1.09)
DIRECTV:	22.43	(0.93)	APPLE:	126.82	(5.43)
DISNEY:	33.20	(0.64)	ARRIS GROUP:	14.38	(1.1)
ECHOSTAR:	40.79	(0.67)	AVID TECH:	30.38	(0.12)
GE:	38.08	(0.92)	BIGBAND:	10.31	0.32
HEARST-ARGYLE:	25.41	0.05	BLNDER TONGUE:	1.35	0.02
ION MEDIA:	1.37	0.00	BROADCOM:	32.25	(0.61)
NEWS CORP:	21.37	(0.88)	C-COR:	11.41	(0.45)
TRIBUNE:	27.86	(0.74)	CISCO:	30.41	(0.69)
MSOS					
CABLEVISION:	31.85	(0.69)	COMMSCOPE:	52.45	(1)
CHARTER:	2.62	(0.15)	CONCURRENT:	1.38	0.02
COMCAST:	24.92	(0.92)	CONVERGYS:	17.12	(0.55)
COMCAST SPCL:	24.80	(0.96)	CSG SYSTEMS:	23.07	(0.71)
GCI:	12.28	(0.44)	GEMSTAR TVG:	5.86	(0.12)
KNOLOGY:	14.57	(0.03)	GOOGLE:	506.40	(6.86)
LIBERTY CAPITAL:	110.34	(0.44)	HARMONIC:	8.35	(0.41)
LIBERTY GLOBAL:	39.14	(0.86)	JDSU:	14.00	(0.11)
LIBERTY INTERACTIVE:	18.67	(0.18)	LEVEL 3:	4.85	(0.19)
MEDIACOM:	8.30	(0.43)	MICROSOFT:	27.93	(0.56)
NTL:	28.22	0.00	MOTOROLA:	16.17	(0.5)
ROGERS COMM:	42.97	0.00	NDS:	48.82	(0.04)
SHAW COMM:	22.43	(0.91)	NORTEL:	17.52	(0.94)
TIME WARNER CABLE:	35.00	(0.37)	OPENTV:	1.34	(0.09)
WASH POST:	753.25	(25.52)	PHILIPS:	37.99	(1.21)
PROGRAMMING					
CBS:	30.11	(1.14)	RENTRAK:	11.19	(0.3)
CROWN:	6.66	(0.13)	SEACHANGE:	6.92	(0.11)
DISCOVERY:	23.91	(0.64)	SONY:	45.40	(0.9)
EW SCRIPPS:	40.15	0.15	SPRINT NEXTEL:	18.63	(0.28)
GRUPO TELEVISA:	24.36	(1.08)	THOMAS & BETTS:	53.71	(1.6)
INTERACTIVE CORP:	26.95	(0.69)	TIVO:	6.02	(0.25)
LODGENET:	25.50	(0.57)	TOLLGRADE:	10.02	(0.26)
NEW FRONTIER:	6.46	(0.28)	UNIVERSAL ELEC:	26.80	(0.94)
OUTDOOR:	8.65	(0.02)	VONAGE:	2.15	(0.13)
PLAYBOY:	10.85	(0.08)	VYYO:	5.76	(0.14)
TIME WARNER:	18.45	(0.59)	WEBB SYS:	0.06	(0.04)
UNIVISION:	36.23	0.00	WORLDGATE:	0.51	0.05
VALUEVISION:	7.81	(0.25)	YAHOO:	22.52	(0.51)
VIACOM:	37.66	0.17	TELCOS		
WWE:	14.81	0.01	AT&T:	38.79	(1.31)
TECHNOLOGY					
3COM:	3.55	(0.24)	QWEST:	8.82	(0.21)
ADC:	16.81	(0.74)	VERIZON:	41.52	(1.07)
ADVANTAGE:	6.72	0.03	MARKET INDICES		
ALCATEL LUCENT:	10.67	(0.33)	DOW:	13041.85	(280.28)
AMDOCS:	34.85	(0.74)	NASDAQ:	2500.64	(60.61)



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