

# CableFAX Daily™

Thursday — August 30, 2007

What the Industry Reads First

Volume 18 / No. 169

## Big Ten: Insight First Major Cable Op to Carry Network

On the eve of **Big Ten Network's** launch, **Insight** surprised many by signing on to carry the channel. After all, this is the same operator that paraded its CEO out on a Website ([www.whatsthebigtendeal.com](http://www.whatsthebigtendeal.com)) to criticize Big Ten's demand of expanded basic carriage. The Website had become a blank page by press time Wed. In the end, Insight CEO *Michael Willner* said the MSO had reached a "reasonable agreement" to carry Big Ten on expanded basic in Columbus, OH, and Evansville, IN. The network will be relegated to digital in all of its systems in the non-Big Ten state of KY, including Louisville, Lexington and Bowling Green. Not every Insight system in Big Ten territory will have the channel for Thurs' 7pm CT launch. Insight said it was not planning any changes in rates at this time as a result of BTN's launch. **Comcast** will handle negotiations for systems in IN and IL that are being transitioned to them as part of the dissolution of Comcast and Insight's **Insight Midwest** partnership, which is expected to be complete by year-end. Comcast, which has been steadfast in its sports tier stance for Big Ten, is taking control of systems serving Rockford/Dixon, Quincy/Macomb, Springfield, Peoria and Champaign/Urbana, IL; as well as IN customers in Bloomington, Anderson, and Lafayette/Kokomo. News of Insight's impending deal was 1st reported by our former colleague *Johnny O* at *Sports Business Daily*. It's the first major cable net to carry Big Ten, with Comcast, **Time Warner Cable**, **Cox**, **Charter** and **Mediacom** without deals. **DirectTV** and **AT&T** also will carry the net, which launches Thurs with a special edition of "Big Ten Tonight," its studio-based news and highlight show. Insight's KY systems will get a free, 2-week promo of Big Ten expanded basic. The deal comes in time for Sat's OH State-Youngstown and Indiana-Indiana State match-ups.

**TiVo Doings:** **Comcast** and **TiVo** on Mon entered into a deal in which the MSO will fund additional engineering work to bring TiVo to other platforms, including **S-A** set-tops. The 2 were expected to roll out their joint product on **Motorola** platforms in parts of New England this month. TiVo CEO *Tom Rogers* said during a 2Q earnings call that he expects the rollout process will start in Sept, with increasing activity in Oct and through the fall, including in metro Boston, South-east MA and NH. TiVo lost \$17.7mln in the Q vs \$6.5mln a year ago, with 2Q07 including an inventory write-down and \$11.2mln purchase commitment charge. TiVo-owned gross subscription adds totaled 41K vs 74K a year ago. Rogers also said he's hopeful Cox will roll out its own TiVo product before year-end.

**Online:** An enhanced **ESPN360.com** broadband product will soft launch Sat with a renewed and sole commitment to live events. The goal is to intensify fan interest in the product and ultimately increase distribution of the service, now available in 17mln HHs (mostly telcos). **Charter** is a customer, too, and **RCN** will launch the service this fall in all of its HSD homes. 26 disparate sports contests will break from the blocks Sat, starting at 9am with the women's world decathlon championship from Germany, and including throughout the day college football, high school football and NAS-



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CAR racing. The intuitive interface entails 1 large content window with 5 interchangeable smaller screens, powered by a programming guide along the right side. 10 events may be accessed at any one time. Current usage of the service's on demand video led to the change, said vp/GM *Jeff Cravens*, who envisions ESPN360.com as an effective differentiator for cable ops. The site's formerly available archived video now migrates to ESPN.com. – Come Sat, ESPNEWS will top 61mln in home distribution, and an HD studio for the net is under construction in Bristol.

**Who Huh?** Are all the normal names trademarked already? First, we were scratching our heads over **Sprint's** decision to name its WiMax network Xohm. Now come **News Corp** and **NBCU** christening their online video jv "Hulu." Whatever that means... The site will launch private beta testing in Oct (sign up at <http://hulu.com>).

**Wireless:** **Verizon Wireless** and **MediaFLO** will offer live, full-length college football games on mobile phones for the 1st time ever. **ESPN Mobile TV** will air more than 75 live match-ups and up to 20 bowl games on Verizon's V-Cast service. **CBS Mobile (CSTV)**, **FOX Mobile** and **NBC 2Go** channels also will offer games.

**Have Faith:** **Oppenheimer's Thomas Eagan** advised patience for **Crown Media** investors as the company awaits a decision by **National Interfaith Cable Coalition** on its "put" option for 4mln Crown shares (*Cfax*, 8/9). The option, which goes active on Thurs and runs through Nov 1, allows NICC to sell the shares directly to the public or to a strategic investor, or to use its put right to force Crown to buy them back. All those scenarios become moot if Crown renews its programming agreement with NICC. Eagan said he expects NICC to sell shares to the public, a "middle case" scenario (with best case being a sale to a strategic investor and worst case being an exercise of the put right). Eagan noted that **Hallmark's** ratings are up, its A55-64 target demo is the fastest growing in the U.S. and that **NBCU's** Tues announcement that it would acquire the net's international programming assets "reflects positively on the demand for the Hallmark brand and its genre of programming."

**Are You Ready for Some Football?:** **ESPN's** revamped "Monday Night Football" intro with *Hank Williams, Jr.* is nice, as it's a vibrant extension of arguably cable's preeminent brand. But the integration of anchor *Ron Jaworski* into the fold—along with his phenomenal football acumen—is the show's critical newness. At the net's press tour in Bristol on Wed, MNF dir *Chip Dean* said telecast tech has been upgraded, allowing Jaws and his trademark play breakdown to become "more visual" and informative to viewers. The key will be striking an effective balance in sating hardcore fans and generating increased interest through game knowledge—all while maintaining the interest of casual viewers more interested in pageantry than playbooks. My job is to "crystallize the play" in quick bites, said Jaworski, who's aware that "MNF is different" because of its entertainment value. Still, he said, "people want more access... [even] ladies want to know about blitzes." As for special guests this season, MNF will stick strictly to A-listers, said Dean, and even then only stars that are additive to telecasts. Also new this year: viewers will be able to submit online video touting teams that will appear on MNF the following week. The top 2 will be broadcast on-air during the pertinent contest.

**Dance Fever:** Wondering why *Mark Cuban* is a part of the new season of **ABC's** "Dancing with the Stars"? It beat physical therapy, the **HDNet** co-founder told *Cfax*, referring to his recent hip replacement. "It's been 7 weeks since I had the total hip done and it's not perfect, but it's going to be a lot more fun dancing with *Kym Johnson* than grunting it out with a physical therapist," he said.

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TV GUIDE NETWORK

# BUSINESS & FINANCE

**On the Circuit:** The SCTE Foundation bestowed a \$4K grant to Jones/NCTI dir of instruction *Pete Collegio*. He'll use the money to complete his master's in business admin degree at Jones Intl Univ.

**People:** **Cartoon** promoted *Alice Cahn* to the new post of vp, social responsibility, where she'll be in charge of providing guidance, content direction and coordination on outreach and social responsibility initiatives. -- **MSG** appointed *Eric Swanson* to the newly created role of vp, programming and acquisitions.

**Business/Finance:** **Charter** filed a registration statement with the SEC Wed for an exchange offer of up to \$309mln of its convertible sr notes. It seeks to swap new 7% convertible notes due '27 for up to \$309mln (75%) of its \$413mln existing 5.875% notes due in '09. -- **Pali** is still keen on **Discovery Comm**, raising its price target to \$31. Analyst *Rich Greenfield* writes that its low margins create an opportunity to sustain EBITDA and free cash flow growth well above its peer group for the next several years. He now expects '08 EBITDA of close to \$1.1bln, if not above, vs a prior estimate of \$1.036bln. -- **Dow Jones** and **News Corp** said the **FTC** on Aug 28 granted early termination of the antitrust waiting period, satisfying one of the conditions necessary for News Corp to complete its proposed purchase of the news/information firm.

## CableFAX Daily Stockwatch

Company	08/29 Close	1-Day Ch	Company	08/29 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
AMDOCS:	35.39	0.51	AMPHENOL:	35.83	1.92
BRITISH SKY:	54.35	1.49	APPLE:	134.08	7.26
DIRECTV:	23.36	0.93	ARRIS GROUP:	14.85	0.47
DISNEY:	33.89	0.69	AVID TECH:	30.91	0.53
ECHOSTAR:	41.68	0.89	BIGBAND:	10.51	0.20
GE:	38.71	0.66	BLNDER TONGUE:	1.30	(0.04)
HEARST-ARGYLE:	25.60	0.19	BROADCOM:	32.84	0.59
ION MEDIA:	1.38	0.02	C-COR:	11.68	0.27
NEWS CORP:	21.85	0.48	CISCO:	31.00	0.59
TRIBUNE:	27.38	(0.48)	COMMSCOPE:	52.80	0.35
<b>MSOS</b>					
CABLEVISION:	32.50	0.65	CONCURRENT:	1.34	(0.04)
CHARTER:	2.73	0.11	CONVERGYS:	17.02	(0.1)
COMCAST:	25.73	0.81	CSG SYSTEMS:	23.48	0.41
COMCAST SPCL:	25.50	0.70	GEMSTAR TVG:	6.13	0.27
GCI:	12.59	0.31	GOOGLE:	512.88	6.48
KNOLOGY:	14.92	0.35	HARMONIC:	8.59	0.24
LIBERTY GLOBAL:	39.55	0.41	JDSU:	14.37	0.37
LIBERTY INTERACTIVE:	18.95	0.28	LEVEL 3:	4.94	0.09
MEDIACOM:	8.45	0.15	MICROSOFT:	28.59	0.66
NTL:	28.22	0.00	MOTOROLA:	16.47	0.30
ROGERS COMM:	42.97	0.00	NDS:	49.05	0.23
SHAW COMM:	23.18	0.75	NORTEL:	17.60	0.08
TELEWEST:	24.20	0.00	OPENTV:	1.39	0.05
TIME WARNER CABLE:	36.16	1.16	PATH 1:	1.34	0.00
WASH POST:	790.45	37.20	PHILIPS:	39.16	1.17
<b>PROGRAMMING</b>					
CBS:	31.16	1.05	RENTRAK:	11.00	(0.19)
CROWN:	6.85	0.19	SEACHANGE:	7.06	0.14
DISCOVERY:	24.77	0.86	SONY:	46.11	0.69
EW SCRIPPS:	41.24	1.23	SPRINT NEXTEL:	19.15	0.52
GRUPO TELEVISA:	25.40	1.04	THOMAS & BETTS:	54.86	1.15
INTERACTIVE CORP:	27.32	0.37	TIVO:	6.20	0.18
LIBERTY:	8.63	(0.07)	TOLLGRADE:	9.99	(0.03)
LODGENET:	25.98	0.48	UNIVERSAL ELEC:	28.01	1.21
NEW FRONTIER:	6.80	0.34	VONAGE:	2.13	(0.02)
OUTDOOR:	8.82	0.17	VYYO:	5.89	0.13
PLAYBOY:	11.00	0.15	WEBB SYS:	0.06	0.00
TIME WARNER:	18.81	0.42	WORLDGATE:	0.51	0.00
UNIVISION:	36.23	0.00	YAHOO:	22.55	0.03
VALUEVISION:	7.83	0.02	<b>TELCOS</b>		
VIACOM:	38.79	1.13	AT&T:	40.20	1.41
WWE:	15.01	0.20	QWEST:	9.00	0.18
<b>TECHNOLOGY</b>					
3COM:	3.70	0.15	VERIZON:	42.23	0.71
ADC:	17.59	0.78	<b>MARKET INDICES</b>		
ADDVANTAGE:	7.18	0.44	DOW:	13289.29	247.44
ALCATEL LUCENT:	10.92	0.25	NASDAQ:	2563.16	62.52



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## Think about that for a minute...

### The End of August

This is one of the most predictable times of the year here in Washington.

Most of the decision-makers are gone, the staffs are trying to catch up on the various piles of work that have accumulated over the past few months while still leaving early and taking Fridays (and sometimes Mondays) off. And anything you want to "bury" before all the spotlights come back on in September gets a quick send-off.

It's no mystery why both Karl Rove and Alberto Gonzalez chose the hot hazy days of August in Washington to announce their departures. They are simply following a long-standing practice of looking for the slowest news month to try to avoid notice. Of course in their cases they are a little too high profile to accomplish that. But for most of the rest of Washington, this is the ideal time



**Steve Effros**

to both slack off and deal with things you don't particularly want noticed. That means you should read any new rulemaking announcements, policy guidelines and the like coming out around this time with great care.

Our friends over at the FCC are no different from the rest of the folks here in DC. They do the same sort of "house cleaning" when they hope no one is watching. This isn't unique to the present administration, either.

By reading and listening closely to the "throw-aways" that are launched in August you can get a pretty good sense of where the focus is likely to be for the next several months.

So what's on tap?

Well, we are still hearing the Chairman talk a lot about a la carte any time he gets the chance. He has now had the concept included in a new proceeding looking at the question of program access rules. Nevermind that

a majority of Commissioners have already indicated they don't think the FCC has current authority to require anything as industry-altering as a la carte. Constantly raising the issue is meant not to necessarily regulate, but to maintain the pressure on the cable industry.

It is very clear we are not going to get a friendly reception on anything else with this Chairman until the a la carte demand is met. The problem with that, of course, is that the industry can't meet that demand, so the stalemate continues.

We can also look forward to a lot more hand-wringing, saber rattling and demands for action regarding the "DTV Transition" when the powers that be get back in September. I'll have a lot more to say about that in the next few columns. Suffice it to say that the fundamental question has to be: whose "transition" is this?

I'll give you a hint: it's not the cable industry's! You would be hard pressed to know that by listening to the comments being made these days.

The auctions of the "beachfront" spectrum being reclaimed by the government as a result of the DTV transition are also going to take up a lot of time and attention. We're talking about real money here. Billions. The jockeying over the auction rules has been going on for months. Of course, the decision as to how they would be conducted waited for the hot Washington summer to be announced. Rest assured there will be lots of back and forth on that when folks revive in the fall.

All in all, the end of August really should be a time we just take off and ignore all this stuff.

You do so, however, at your own peril.

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# CableFAX Leaders Retreat

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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.

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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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