

CableFAX Daily™

Tuesday — September 2, 2008

What the Industry Reads First

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Network DVR: How Does TiVo Fit into the Mix?

With **Cablevision** winning a major victory in its quest to launch a remote storage DVR, we've wondered just what possible network DVR proliferation could mean for **TiVo**, as it has been busy trying to sign software deals like the ones inked with **Comcast** and **Cox**. *Tom Rogers* addressed the question in the DVR company's recent earnings call. "We don't see this ruling having anything to do with our business relationships with the cable world," Rogers assured investors. "We are relating to cable based on our user interface, our search, our overall consumer experience that are independent of where the storage capacity lies, be that in the home, the headend or wherever. In fact, all our work for Comcast is a server-based deployment, and the recording device element of that is not the thrust of why we provide something very substantial and meaningful to cable operators." But Rogers also doesn't think cable has the capacity at this point for a broad scale deployment of a network DVR solution. "For individual HD streams... to be [down]streamed at key viewing times, such as prime-time, so that substantial numbers of subscribers could be watching what they want to watch when they want to watch it, is beyond the realm of most cable operators' capacity," Rogers said. And as *Glenn Britt* and others have said before him, there still are a lot of unresolved legal issues surrounding the CVC case. Earlier this month, the 2nd Circuit Appeals Court reversed a lower court ruling that Cablevision's remote storage DVR would directly infringe on programmers' rights to reproduce their copyrighted works and remanded the case to the Southern District of NY. Programmers and studios who filed the challenge against CVC are expected to appeal.

Cap in Hand: **Comcast** has officially instituted plans to limit a HSD sub's monthly usage to 250GB (that's equal to more than 100 HD movies/month) come Oct 1. **Sanford Bernstein** believes the move may be seen as another incremental step towards usage based pricing. "We believe UBP would be a welcome development for broadband providers, and would be the simplest manifestation yet of what we believe is still the primary truth of the broadband market; i.e. that demand is rising at a time when relevant supply is actually shrinking," the firm said in a note to clients.

At the Portals: **DirecTV** has agreed to pay \$150K to the federal treasury, ending an **FCC** investigation into its failure to file EEO reports for '03 and '04 and other possible EEO violations. "DirecTV has a long-standing commitment to maintaining a workforce that is representative of the diverse communities in which it does business," the DBS player said in a statement Fri. "While we regret any oversights in the implementation of the FCC rules in our recruitment, DirecTV's workforce is second to none when it comes to diversity. Our employee demographics currently met or exceed the overall equivalent U.S. labor force statistics." DirecTV does not acknowledge any violations under the deal. The DBS player volunteered to the Commission that it failed to file the reports and make them public.

Carriage: **Cox** has joined the **Big Ten Net** party, launching the net in OH. A release intimates that the MSO may move the net to a sports tier after football season. Cox serves approx 150K Cleveland-area subs.



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DNC Data: Obama, Biden and the Clintons helped the Dem Natl Convention deliver impressive ratings, according to Nielsen data. The event's 1st 3 days averaged 24.1mln total viewers (live + same day) during common coverage across ABC, CBS, NBC, CNN, FOX News, MSNBC, BET, TV One. Obama's Thurs speech night scored 38.4mln total viewers across the aforementioned nets plus Univision and Telemundo. Persons 55+ dominated viewership each night, and ethnic 4-day total viewer averages include whites (20.3mln), African Americans (5.2mln) and Latinos (2.2mln). -- The Republican National Convention is set to kick off Mon, but at our press time, questions were swirling over whether Hurricane Gustav might delay the convention's start. Like cable operators with systems on the Gulf, everyone's watching and waiting. -- More from John McCain sr policy adviser Douglas Holtz-Eakin's interview with C-SPAN's "The Communicators" (Sat, 6:30pm ET): McCain thinks "aggressive and prescriptive legislation on net neutrality is not desirable at this time," said Holtz-Eakin. Watch the marketplace, if you find a violation, apply the remedy, he said. As for Comcast, he doesn't have a particular stance on the FCC's finding it violated the Commission's open access policy.

Online: Computerworld readers ranked Verizon FiOS as the nation's top broadband ISP, with 69% of those surveyed rating the service's overall satisfaction "excellent." Following were Cox (44%), Time Warner Cable (30%), AT&T (25%), Verizon DSL (26%) and Comcast (27%). In the "excellent" category, FiOS also topped its competitors in connection reliability (86%), download speed (79%), upload speed (63%), customer service (31%), email services (37%) and value (43%). Cox topped tech support (24%).

Deals: Canadian op Shaw will acquire Campbell River TV Assoc in a deal valued at about \$46mln. -- CinemaNow.com has partnered with Winbox to deliver site content over broadband directly to TVs in Europe via OEM set tops built on the Winbox tech platform. The deal marks CinemaNow's 1st in Europe.

Programming: IFC begins Tues exclusive coverage of the Presidential election featuring 6 weekly specials exploring topics such as the party conventions and independent voters. -- MTVN announced a full ent assault on L.A. to spotlight the "'08 MTV Video Music Awards," set for the city on Sept 7. Included are 2 MTV Tr3s-hosted soirees and an awards show kick off party in Hollywood.

Reading List: A NY Times piece Fri analyzes Elections '08 On Demand, a VOD channel quietly introduced by several MSOs that is a product of Project Canoe efforts. Barack Obama is the 1st major candidate to buy time on the channel, which is available in 32mln HHs via Time Warner Cable, Comcast, Cablevision, Charter, Cox and Bright House.

Ride On: Kudos to Maggie Bellville for winning her first world championship in showmanship at the Bayer Select World Championship. She was showing GPF Legal Version (Curly), a beautiful, chocolate brown gelding.

Business/Finance: Outspoken and influential CNBC host Jim Cramer believes Discovery Comm will be put up for sale following its potential unwinding from Discovery Holding. Shareholders will vote on the issue Sept 16. Check out what else Cramer said about Discovery at Cosmos.bcst.yahoo.com/up/player/popup/?rn=289004&cl=9503313&src=finance&ch=633473. -- Microsoft plans to acquire Greenfield Online of Germany for approx \$486mln in cash. Greenfield operates a collection of European price-comparison, shopping and consumer reviews sites in 7 countries and languages, and counts more than 26mln uniques/month.

People: Broadstripe hired Gustavo Prilick as its new CEO. Bill Shreffler announced plans to retire as pres/CEO in July.

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CableFAX Week in Review

Company	Ticker	8/29 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	33.91	2.10%	(27.2%)
DIRECTV:	DTV	28.24	(1.4%)	22.10%
DISNEY:	DIS	32.39	0.60%	0.30%
ECHOSTAR:	DISH	28.24	(2.3%)	(16.8%)
GE:	GE	28.16	(3.3%)	(17.4%)
HEARST-ARGYLE:	HTV	19.80	(1%)	(8.9%)
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	14.39	1.60%	(31.4%)
MSOS				
CABLEVISION:	CVC	32.25	(0.5%)	31.60%
CHARTER:	CHTR	1.05		(10.3%)
COMCAST:	CMCSA	21.22	(2.3%)	17.50%
COMCAST SPCL:	CMCSK	21.13	(2.2%)	18.00%
GCI:	GNCMA	10.17	(2.3%)	16.20%
KNOLOGY:	KNOL	10.09	4.00%	(21%)
LIBERTY CAPITAL:	LCAPA	16.19	0.20%	(30.5%)
LIBERTY ENT:	LMDIA	27.81	0.50%	15.00%
LIBERTY GLOBAL:	LBTYA	35.20	5.10%	(10.2%)
LIBERTY INTERACTIVE:	LINTA	13.58	1.30%	(28.8%)
MEDIACOM:	MCCC	8.40	6.70%	83.00%
SHAW COMM:	SJR	21.48	4.20%	(4.2%)
TIME WARNER CABLE:	TWC	26.73	0.20%	(3.2%)
VIRGIN MEDIA:	VMED	11.42	4.40%	(29.6%)
WASH POST:	WPO	596.85	(2.2%)	(22.4%)

Company	Ticker	8/29 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	16.18	(3.6%)	(35.9%)
CROWN:	CRWN	5.03	3.70%	(22.6%)
DISCOVERY:	DISCA	20.22	0.60%	(19.6%)
EW SCRIPPS:	SSP	7.27	1.90%	(93.1%)
GRUPO TELEVISIA:	TV	23.16	(6.1%)	0.50%
LIBERTY:	L	43.53	3.40%	(13.5%)
LODGENET:	LNET	3.96	(10.8%)	(77.3%)
NEW FRONTIER:	NOOF	3.88		(15.3%)
OUTDOOR:	OUTD	8.02	3.20%	16.20%
PLAYBOY:	PLA	4.26	(6.8%)	(53.3%)
RHI:	RHIE	14.50	(0.9%)	14.80%
SCRIPPS INT:	SNI	41.16	(1.9%)	1.10%
TIME WARNER:	TWX	16.36	2.00%	0.90%
VALUEVISION:	VVTV	2.32	2.70%	(63.1%)
VIACOM:	VIA	29.60	0.00%	(32.7%)
WWE:	WWE	16.28	(3.2%)	23.30%

Company	Ticker	8/29 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.13	(3.2%)	(52.9%)
ADC:	ADCT	10.23	(3%)	(34.2%)
ADDVANTAGE:	AEY	3.14	14.60%	(49.1%)
ALCATEL LUCENT:	ALU	6.19	5.80%	(15.4%)
AMDOCS:	DOX	30.20	0.70%	(12.4%)
AMPHENOL:	APH	47.57	(3.9%)	2.80%
APPLE:	AAPL	169.67	(4%)	(14.3%)
ARRIS GROUP:	ARRS	9.48	(0.7%)	(5%)
AVID TECH:	AVID	23.22	(6.4%)	(18.1%)
BIGBAND:	BBND	3.51	(3.6%)	(31.7%)
BROADCOM:	BRCM	24.11	(12.1%)	(7.8%)
C-COR:	CCBL	11.00		

Company	Ticker	8/29 Close	1-Week % Chg	YTD %Chg
CISCO:	CSCO	24.11	(2.4%)	(10.9%)
COMMSCOPE:	CTV	49.07	6.80%	(0.3%)
CONCURRENT:	CCUR	7.09	9.20%	(14.5%)
CONVERGYS:	CVG	14.73	1.90%	(10.5%)
CSG SYSTEMS:	CSGS	18.91	(2.5%)	28.50%
ECHOSTAR HOLDING:	SATS	31.36	(2.1%)	(4.7%)
GOOGLE:	GOOG	462.33	(5.8%)	(33.1%)
HARMONIC:	HLIT	8.79	2.40%	(16.1%)
JDSU:	JDSU	10.17		(23.5%)
LEVEL 3:	LVLTL	3.43	10.60%	12.80%
MICROSOFT:	MSFT	27.38	(1.7%)	(21.5%)
MOTOROLA:	MOT	9.43	(5.6%)	(38.7%)
NDS:	NNDS	60.80	0.10%	2.60%
NORTEL:	NT	6.05	(0.8%)	(59.9%)
OPENTV:	OPTV	1.88	3.90%	42.40%
PHILIPS:	PHG	32.49	(2%)	(16.8%)
RENTRAK:	RENT	15.19	3.80%	5.00%
SEACHANGE:	SEAC	8.60	4.80%	18.90%
SONY:	SNE	38.25	(0.3%)	(29.6%)
SPRINT NEXTEL:	S	8.71	(5.7%)	(33.7%)
THOMAS & BETTS:	TNB	46.02	(0.7%)	(6.2%)
TIVO:	TIVO	8.46	10.60%	1.40%
TOLLGRADE:	TLGD	6.70	0.30%	(16.5%)
UNIVERSAL ELEC:	UEIC	26.18	(2.5%)	(21.7%)
VONAGE:	VG	1.34	8.90%	(41.7%)
WEBB SYS:	WEBB	0.04		
WORLDGATE:	WGAT	0.30		
YAHOO:	YHOO	19.39	(0.7%)	(16.6%)

Company	Ticker	8/29 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	32.03	2.80%	(14.3%)
QWEST:	Q	3.81	3.70%	(38.8%)
VERIZON:	VZ	35.12	(0.5%)	(11.3%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	11543.96	(0.7%) (13%)
NASDAQ:	COMPX	2367.52	(2%) (10.7%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. ADDVANTAGE:	3.14	14.60%
2. LEVEL 3:	3.43	10.60%
3. TIVO:	8.46	10.60%
4. CONCURRENT:	7.09	9.20%
5. VONAGE:	1.34	8.90%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. BROADCOM:	24.11	(12.1%)
2. BLNDER TONGUE:	1.15	(11.5%)
3. LODGENET:	3.96	(10.8%)
4. PLAYBOY:	4.26	(6.8%)
5. AVID TECH:	23.22	(6.4%)

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MaxFAX...

The Last “Kaitz Week”...

Is coming soon.

The 25th Anniversary dinner will probably be the last that anchors a must-participate week of cable doings once known affectionately as “Cable Hell Week.”



Paul S. Maxwell

As *Steve Villano* and *Cable Positive* have already noticed and begun to address, the whole fundraising world for the cable eleemosynary entities is shifting on its

axis—and then some.

Next week—a little **Kaitz Foundation** and dinner history... if I can find that little crystal thing they gave me to go away.

Random Notes:

• **St. Paul:** Another week; another political convention. No more distracting Olympics. Now we've got the NFL and college football. Rather be distracted ... but this stuff is just too important.

• **The McCain Metrics:** At the airport in San Francisco on the way home from Beijing, I again 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). As I mentioned before, an old friend of

mine, Xenophon Steinholzer MacGillcudy and I went to seminary together and he is now a ranking member of COAX. This time, we talked about the “presumptive” Republican nominee Sen *John McCain*. Xenophon told me that the 1st thing McCain shall do as president is declare Marshall Law and reinstate the draft because “we've got to win this war and all the other wars, and the guy in White House now is just a cheerleader.” The 2nd thing: tell all of the countries in the world “there is no more free lunch.” Third, all media must be a la carte, including cable, satellite, broadcasters, newspapers and magazines. And Xenophon said that McCain thinks cable should be more responsive to “good ideas from great bureaucrats” like McCain’s “good friend” Commissioner Martian.

• **Potemkin Village and More:** Got a few emails questioning my use of the Russian movie allusion; it was because the area just South of Tiananmen Square (opposite side of the square from the imposing *Mao* portrait that guards the Forbidden City) where the 1864-era restaurant full of ducks could be found was like a partially-finished suburban mall done in traditional Chinese architectural style, complete with lots and lots of empty storefronts. -- I'm convinced our good weather (sunny, no haze, just a sprinkle of rain one day) was because I wore a Weather Channel polo shirt on the trip. -- Police and soldiers liter-

ally everywhere. Some soldier looking over shoulders almost everywhere; many trying to listen in when we talked with locals. Lots of things had a kind of phony “just so” about them. Assumption of surveillance was pervasive—and some surprising Internet sites were blocked (I had to check – all of ours OK, *Huffington Post* blocked; not *Drudge*, though). Lots of false fronts on startling new architecture buildings, too. -- Everyone—almost literally—was smiling all of the time. -- Nice people on the streets. And the streets are often boulevards lined with trees, bike and pedestrian “lanes.” If it hadn't been for Olympic-only lanes, though, no bus would've gone anywhere—even with only half the usual cars on the roads. -- We missed the pollution; and I'm sure the Chinese won't be too happy when it returns (and it will—all the factories for about a hundred miles around were shut down). -- Vegetation around the Great Wall reminded me of some sections of what was once South Vietnam (and might have cured my desire to return). -- Wouldn't have missed it for the world. -- **NBC** set the standards to keep building upon... it'll be cooler in Vancouver!

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Call For Nominations

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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!