

CableFAX Daily™

Wednesday — September 3, 2008

What the Industry Reads First

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'Cane vs McCain: No Politics As Usual

Day 1 of the **Republican National Convention** didn't kick off quite like folks had planned, as cable nets instead turned to wall-to-wall Hurricane Gustav coverage. The storm's impact ended up being less severe than originally feared, but the nets are already gearing up for another round with Hanna, Ike and Josephine on the horizon. The **FCC** is keeping an eye on the storms, with forecasters saying Hanna could make landfall as early as Fri somewhere between FL and NC. Wilmington, NC, will be the first market to switch to digital broadcast signals. That transition is currently scheduled for Mon, but the FCC could choose to change the date if it's worried about the weather. The FCC has previously said Wilmington stations may elect to provide emergency info on their old analog channels after the switch. One cable net that didn't depart too much from convention activities was **C-SPAN**, which plowed ahead with coverage of the GOP's scaled back Mon convention activities as well live call-ins on the event and AK Gov *Sarah Palin* as Sen John McCain's (R-AZ) running mate. C-SPAN wasn't Gustav free though, airing the presidential briefing on the storm and **FEMA's** news conference.

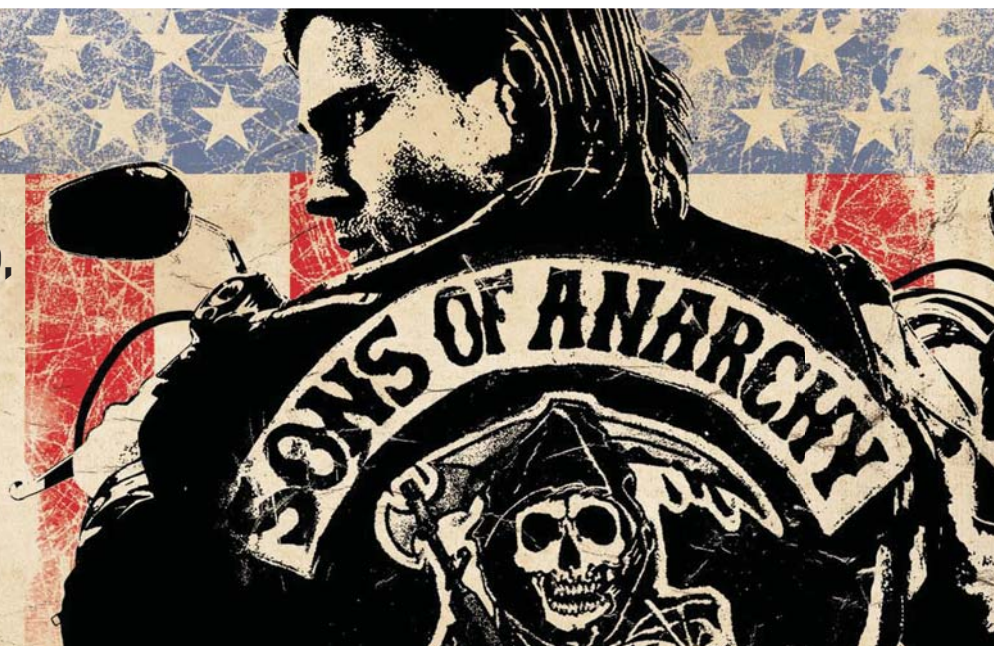
Weather Channel's coverage of Gustav brought in the viewers, with the net saying it averaged a total day (3am-3am) HH rating of 1.1 for Mon according to **Nielsen Cable Fast Nationals**. The net said its reach across Sat and Sun was almost 50mln people, ahead of Nielsen/**NPower's** 43mln estimate for **CNN** and 36mln for **Fox News**. As for cable operators, most were still trying to assess the damage Tues. "We expect the majority of our communities won't allow people back in until at the earliest tomorrow [Wed]," said a **Charter** spokesman, noting that power outages are the biggest contributor to its outages. **Cox** also said it was early in the assessment phase, estimating that as many as 80% of its customers in impacted areas were without power Tues afternoon. It's estimated the power company will need 7-10 days to restore service to all. Although New Orleans was still under mandatory evacuation Tues, Cox had teams in the city beginning assessment work, a spokesman said. Early reports suggest Baton Rouge and Lafayette may have been hit harder than New Orleans.

Research: More teens (15-17) than adults buy VOD movies (especially girls), but 74% ask permission from their parents first. So says a **Lieberman Research** study commissioned by VOD player **TVN**. Other findings: 71% of VOD-enabled subs have used it recently; more than half buy VOD content; nearly 70% are highly satisfied; and a large majority of VOD users will only watch transactional content in a group—even free movies are watched in a group by more than half.

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Carriage: News Corp's **STAR** signed its 1st US cable deal with **Cox** launching its 3 Indian channels in N VA. **STAR India PLUS**, **STAR ONE**, and **STAR India Gold** are available to Cox subs with individual monthly subscriptions. -- A new agreement gives **Golf Channel** placement in **DISH's** America's Top 200 programming package and higher, bringing the net's domestic distribution to more than 80mln HHs.

Rate Regulation: Cable ops got a reprieve from new **FCC** standards for showing effective competition (**Cfax**, 8/14). The FCC said Tues that the rules requiring ops to submit information using 9-digit zip code data have been postponed from their effective start date of Mon (9/1) pending approval from the Office of Management and Budget pursuant to the Paperwork Reduction Act. The FCC also clarified that the 9-digit data is required for areas only partly within a franchise area. 5-digit zip data will continue to suffice for zip codes entirely within a franchise area. Operators use the data to show that competitors have more than 15% of the HHs in a market, the threshold rescinding LFA's right to regulate basic cable rates.

Competition: **AT&T** bowed its **U-verse** product suite in 6 central AR communities including Little Rock. -- **AT&T's** exclusive content surrounding **Nelly's** forthcoming album includes select song downloads for AT&T wireless customers, a webcast Nelly concert at **ATTBlueRoom.com** and performance/interview content on U-verse TV VOD. -- **FIOS TV** has expanded its availability in the DC area to include parts of Stafford County, VA.

In the Courts: The **CT Superior Court** dismissed **WWE's** claim that its videogame license with **THQ** and **Jakks Pacific** was void or could be voided because of Jakks' alleged bribery of WWE's licensing agent. WWE will appeal the ruling.

Online: **Hulu.com** will feature a number of season premieres from **NBC** and **Fox** series before their linear debuts, including Fox's "House" and NBC's "Chuck." The series premiere of the latter's "Knight Rider" will also be featured.

Ratings: **Turner Networks** pres **Steve Koonin** was in very good spirits Tues when we spoke. Why not? TNT continued its scorching ratings summer with the series premiere Mon of "Raising the Bar," which delivered 5.7mln HHs and 7.7mln total viewers to become ad-supported cable's top-rated series launch ever. The **Steven Bochco** legal drama also garnered 2.8mln 18-49s and 3.5mln 25-54s, making it ad-supported cable's top new series launch year-to-date in those demos. "Cable's had a lot of success in the summer, now we're able to go in the fall," Koonin said. "There were broadcast premieres on the **CW** and **Fox**, plus college football [Mon]. To have had this kind of success in the face of that bodes real well for cable... it shows cable and we can program all year long." [To read how TNT literally raised the bar see: **cable360.net/blog**] -- Longtime out-of-home ratings proponent **ESPN** is a charter client of a **Nielsen/Integrated Media Measurement** jv delivering daily national TV ratings for shows viewed in out-of-home locations such as college dorms, fitness clubs, hotels and bars. Initial data covering July show ESPN's coverage of **MLB's** Home Run Derby lured 570K out-of-home viewers during the month, best in cable and tied with **Fox's** "House" and "Moment of Truth" for tops in all of TV. **TNT's NASCAR** action from Daytona (501K) and **Disney Channel's** telecast of "The Incredibles" (466K) completed cable's top 3. Broadcast's top 10 monthly shows averaged 530K out-of-home viewers, cable's 449K.

WiMAX: **Sprint's** mobile broadband initiative, dubbed **Xohm** and slated to merge with **Clearwire** next year as part of a jv with cable, launches this month in Baltimore as planned after completion of more than 1K base stations ahead of schedule, according to **MuniWireless.com**. Launches in Chicago and DC are on schedule for later this year, and Boston, Philadelphia and Dallas/Fort Worth will follow. The 1st 3 cities will offer avg download speeds of 3-5Mbps. The service is

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WIDE APPEAL.



BUSINESS & FINANCE

slated to cover 15mln people by YE.

Intl: MTVN is nearing a launch of MTVNHD, its 1st intl high-def service dedicated to music and kids. The 24-hour English language channel will bow Sept 15 in Belgium, Denmark, Finland, Norway, Poland and Sweden.

Convention Circuit: Hurricane Gustav prompted **Lifetime** and other sponsors to turn their Mon night RNC party into a benefit for the **American Red Cross** Hurricane Relief Fund. Country star *John Rich* of *Big & Rich* performed "Raisin' McCain," while rising country group *Carter's Chord* performed the theme song it wrote for the net's "Every Women Counts" campaign.

Oops: The *Computerworld* ISP rankings within Mon's issue are from '07. -- *Bill Shreffler* announced his resignation, not retirement, as pres/CEO of **Broadstripe** in July.

Business/Finance: Pali analyst *Richard Greenfield* has downgraded **Mediacom** to 'neutral' from 'buy,' citing **DISH's** increasing marketing spend, weak local advertising throughout cable and rising programming costs. "We suspect MCCC got a less favorable deal than its larger peers, which could imply as much as \$1 per sub/month on at least 600,000 of its subscribers who fall in core Big Ten markets," said Greenfield of the MSO's recent carriage deal with **Big Ten Net**. Mediacom shares have gained 98% since early Mar.

CableFAX Daily Stockwatch

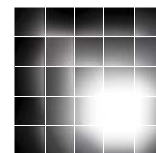
Company	09/02 Close	1-Day Ch	Company	09/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	34.45	0.53	AMPHENOL:	46.76	(0.76)
DIRECTV:	27.62	(0.59)	APPLE:	166.19	(3.34)
DISNEY:	32.44	0.09	ARRIS GROUP:	9.47	0.01
ECHOSTAR:	28.33	0.12	AVID TECH:	23.44	0.20
GE:	28.53	0.43	BIGBAND:	3.46	(0.05)
HEARST-ARGYLE:	19.99	0.19	BLNDER TONGUE:	1.10	(0.05)
ION MEDIA:	1.44	0.00	BROADCOM:	23.77	(0.29)
NEWS CORP:	14.40	0.04	C-COR:	11.00	0.00
MSOS					
CABLEVISION:	31.89	(0.38)	CISCO:	23.75	(0.3)
CHARTER:	1.03	(0.02)	COMMSCOPE:	47.19	(1.78)
COMCAST:	21.16	(0.02)	CONCURRENT:	7.00	(0.09)
COMCAST SPCL:	21.00	(0.14)	CONVERGYS:	15.72	0.97
GCI:	10.34	0.20	CSG SYSTEMS:	19.70	0.80
KNOLGY:	9.86	(0.24)	ECHOSTAR HOLDING:	31.12	(0.22)
LIBERTY CAPITAL:	15.93	(0.32)	GOOGLE:	465.25	1.96
LIBERTY ENTERTAINMENT:	27.12	(0.67)	HARMONIC:	8.39	(0.41)
LIBERTY GLOBAL:	35.12	(0.06)	JDSU:	10.20	0.04
LIBERTY INTERACTIVE:	13.63	0.04	LEVEL 3:	3.41	(0.02)
MEDIACOM:	7.85	(0.55)	MICROSOFT:	27.10	(0.19)
SHAW COMM:	22.31	0.79	MOTOROLA:	9.51	0.09
TIME WARNER CABLE:	26.98	0.23	NDS:	60.60	(0.19)
VIRGIN MEDIA:	11.92	0.52	NORTELV:	5.90	(0.13)
WASH POST:	605.58	9.08	OPENTV:	1.79	(0.09)
PROGRAMMING					
CBS:	16.40	0.22	PHILIPS:	32.92	0.51
CROWN:	4.80	(0.23)	RENTRAK:	15.02	(0.13)
DISCOVERY:	19.92	(0.31)	SEACHANGE:	8.75	0.17
EW SCRIPPS:	6.84	(0.43)	SONY:	37.68	(0.52)
GRUPO TELEVISA:	23.64	0.46	SPRINT NEXTEL:	8.83	0.11
LIBERTY:	43.02	(0.41)	THOMAS & BETTS:	45.50	(0.58)
LODGENET:	4.12	0.13	TIVO:	8.51	0.05
NEW FRONTIER:	3.88	0.01	TOLLGRADE:	6.72	0.00
OUTDOOR:	7.96	(0.03)	UNIVERSAL ELEC:	26.80	0.58
PLAYBOY:	4.09	(0.17)	VONAGE:	1.30	(0.18)
RHI:	13.64	(0.86)	WEBB SYS:	0.04	0.00
SCRIPPS INTERACTIVE:	41.51	(0.03)	WORLDGATE:	0.30	0.00
TIME WARNER:	16.70	0.33	YAHOO:	18.75	(0.63)
VALUEVISION:	2.46	0.12	TELCOS		
VIACOM:	30.28	0.67	AT&T:	32.25	0.26
WWE:	16.42	0.15	QWEST:	3.85	0.07
TECHNOLOGY					
3COM:	2.19	0.07	VERIZON:	35.83	0.71
ADC:	10.12	(0.13)	MARKET INDICES		
ADVANTAGE:	3.22	0.08	DOW:	11516.92	(26.63)
ALCATEL LUCENT:	5.89	(0.29)	NASDAQ:	2349.24	(18.28)
AMDOCS:	30.19	0.00			

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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*.

There are a number of changes we have made to the 100 for this year, so please read the online form carefully.

Please do not limit yourself to CEOs, SVPs, etc. Also nominate influential people who might not be headline makers but who are influential behind the scenes within their company and the industry.

New for 2008!

We are also looking for important regional/local/state cable executives (operators, vendors, programmers and others in the industry) to honor on a new Regional 100 list.

**Visit www.cable360.net/cablefaxmag/2008cablefax100.html
to nominate online today!**