

CableFAX Daily™

Monday — September 8, 2008

What the Industry Reads First

Volume 19 / No. 173

Fine Tuning: Time Warner Cable Repackages Hispanic Offerings

With **Time Warner Cable's** large Hispanic footprint (one analyst estimates that 46% of US Hispanics fall within it), the MSO is working to better hone in on the demo. Enter *El Paquetazo*, a new Hispanic offering that launched in about a third of the L.A. footprint in Apr. It's now in more than half of TW's L.A. market, with a gradual rollout to the market planned through Feb, according to *Maureen Lane*, TW's vp of programming for L.A. During last month's earnings call, COO *Landel Hobbs* hailed it as a "big hit," adding that the company would launch it in NYC later this year (a market closely watched given **Verizon's** planned **FiOS** launch) and then TX. TW is targeting new customers, who make up more than half of *El Paquetazo* subs. The old Hispanic offering (still in existence) required subs to buy-in to a Hispanic tier. But *El Paquetazo* is a complete package made up of 50 English- and Spanish-networks (a number that Lane said is growing) and about 100 audio channels for about \$35/month. It can also be combined with voice and/or HSD. "Basically, being new to the market, it gave us a chance to rethink things... from a wider, more consolidated point of view," Lane said. "We listened to what they wanted and put the package together." She said the offering will differ in NY and TX because each market is unique, with an emphasis on programming from their home countries (ie, NYC has a higher Puerto Rican population, while L.A. has a high Mexican population). L.A.'s package includes **Cine Mexicano**, **TV Chile** and English-language nets **HGTV** and **Animal Planet**. Lane admitted that DBS, particularly **DISH Network**, beat cable to the punch on reaching out to Hispanics and other ethnic groups. "DISH did a very good job at getting out early with a low price and establishing a strong relationship," she said. We've improved our Hispanic offering as quickly as we could. In the end, what is very, very important is having the best product, and we're delivering on that." NYC wants to launch *El Paquetazo* in 4Q and is still working on the details of the package. No word from either side on negotiations status with **Univision**, which recently notified affils it will change from must-carry status to retrans consent. Former **Gemstar-TV Guide** affiliate heavyweight *Tonia O'Connor* joined the Spanish-language programmer in Jan to lead the retrans initiative.

Wilmington Wait: With tropical storms/hurricanes threatening the East Coast, the **FCC's** early digital transition in Wilmington, NC, continues to remain uncertain. "At this point, I think it's still going to end up taking place... They are calling for any potential weather to have cleared out by then," FCC chmn *Kevin Martin* told reporters Fri afternoon. The FCC held a conference call with Wilmington broadcasters and community officials Thurs, and another call is slated for Sun to evaluate the weather situation. Wilmington is slated to make the switch to analog at 12pm ET on Mon, months ahead of the national digital transition in Feb. **C-SPAN** devoted this week's "The Communicators" to interviews with federal, state and local officials from the city (airs Sat, 6:30pm ET).

Retrans: Things may be looking up in **DISH Network** and **Citadel's** retrans dispute. "We are encouraged by recent developments in our negotiations with the DISH Network," Citadel pres/COO Ray Cole said in a message posted on

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the affected stations' Websites Fri afternoon. "Discussions over the past week have been productive and, we hope, have put us within reach of our objective from the outset of this dispute: a carriage agreement that's fair to both parties." DISH Network declined to comment. Cole said it's Citadel's hope that the channels will be back on DISH in the "very near future." DISH lost the signals last month for **WOI**, an **ABC** affil for Des Moines, IA; **WHBF**, a **CBS** affil in Davenport, IA; **KCAU**, an ABC affil in Sioux City, IA; and **KLKN**, an ABC affil in Lincoln, NE. -- **DirecTV** and **AT&T** have reached multi-year retrans deals with **Nexstar**. The deals cover 29 markets.

In the Courts: The **NCTA** on Fri filed a motion to intervene in support of **Comcast's** appeal of the FCC network management order. "We do so because of the significant and potentially harmful implications of this decision for the vast majority of consumers who are served by network providers," said NCTA pres/CEO *Kyle McStarow*. "While we support the FCC's Internet Policy Statement, we do not believe the FCC has the authority to make up rules on the fly."

In the States: Fri's draft decision by the **CT PUC** found that **AT&T's** VRAD cabinets for its **U-Verse** service require the consent of adjoining proprietors and municipalities prior to installations. Bridgeport, Danbury and Stamford had asked for an investigation into the safety and placement of telecom equipment. A final decision is expected Sept 29.

Ratings: More people tuned into watch *John McCain's* acceptance speech Thurs night than Democrat *Barack Obama's* the previous week. **Nielsen** pegs total viewers for Republican McCain at 38.9mln; Obama netted 38.4mln. And more nets carried Obama's speech, as **TV One** and **BET** televised his historic acceptance but didn't cover the RNC. Thurs' NFL opener could've boosted McCain's audience. When the game ended, **NBC** directly fed audiences to his speech.

Programming: When **ESPN's** "Monday Night Football" kicks off Mon, it'll feature "ESPN Axis." Axis is a brand-spanking new graphic enhancement that creates virtual replays using video captured by cameras covering the live action. Virtual freeze-frames are created for multiple angle views, creating 3-D, birds-eye views of key plays from varied vantage points.

Earnings: **SeaChange** posted a 2Q profit of \$1.5mln vs a loss of \$7.9mln a year ago (2Q08 included charges of \$6mln). VOD server shipments to US customers helped boost earnings, with the server/storage segment generating \$14.9mln.

Honors: **C-SPAN** co-founder *John Evans* will receive **The Institute of Human Virology's** '08 Lifetime Achievement Award for Public Service during a banquet Fri in Baltimore. Evans, an Honorary Chair for **Cable Positive**, said he's "humbled" by the award, "but the true honor goes to the hundreds of dedicated men and women I have had the privilege of working and associating with who are in the science labs, clinics and our global communities fighting with all of us to end this pandemic," said Evans, who is chmn/CEO of **Evans Telecommunications**.

On the Circuit: **NAMIC Mid-Atlantic** holds a panel on reaching multi-ethnic consumers, Sept 26, 12pm ET, **C-SPAN's** DC headquarters. Contact *Pam Ford* for more info (pford@ncta.com or 202-222-2356).

People: **ActiveVideo Networks** hired **Google's** *Jason Harvey* as vp, gm of programming strategy and operations.

Business/Finance: **S&P** reduced billing provider **CSG** to "sell" from "hold," saying it believes the stock is now over-valued (it's up 50% since it announced a contract extension in mid-July with **Comcast**, its largest customer). -- **Harbinger Capital** upped its stake in **Cablevision** to 9.1% (21mln shares). That's up from the 8.1% reported by the hedge fund in a regulatory filing last month.

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102
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CableFAX Week in Review

Company	Ticker	9/05 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	31.67	(6.6%)	(31.8%)
DIRECTV:	DTV	26.57	(5.8%)	14.90%
DISNEY:	DIS	31.36	(3.1%)	(2.9%)
ECHOSTAR:	DISH	27.75	(1.6%)	(18.3%)
GE:	GE	27.88	(0.8%)	(18.1%)
HEARST-ARGYLE:	HTV	20.45	3.30%	(5.9%)
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	13.76	(4.2%)	(34.4%)

Company	Ticker	9/05 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	30.54	(5.4%)	24.70%
CHARTER:	CHTR	1.04	(1%)	(11.1%)
COMCAST:	CMCSA	20.61	(2.7%)	14.20%
COMCAST SPCL:	CMCSK	20.48	(3.1%)	14.30%
GCI:	GNCMA	10.48	3.40%	19.80%
KNOLOGY:	KNOL	9.79	(3.1%)	(23.4%)
LIBERTY CAPITAL:	LCAPA	15.64	(3.8%)	(32.9%)
LIBERTY ENT:	LMDIA	26.65	(4.1%)	10.20%
LIBERTY GLOBAL:	LBTYA	33.67	(4.3%)	(14.1%)
LIBERTY INTERACTIVE:	LINTA	13.70	0.80%	(28.2%)
MEDIACOM:	MCCC	7.45	(11.3%)	62.30%
ROGERS COMM:	RG	42.97		
SHAW COMM:	SJR	21.49	(0.1%)	(4.2%)
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	26.97	0.80%	(2.3%)
VIRGIN MEDIA:	VMED	11.44	0.40%	(29.5%)
WASH POST:	WPO	578.80	(3%)	(24.7%)

Company	Ticker	9/05 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	16.56	2.30%	(34.5%)
CROWN:	CRWN	4.66	(7.4%)	(28.3%)
DISCOVERY:	DISCA	19.52	(3.5%)	(22.4%)
EW SCRIPPS:	SSP	6.89	(5.4%)	(80%)
GRUPO TELEVISIA:	TV	22.76	(1.8%)	(1.2%)
HSN:	HSNI	15.04	1.10%	1.10%
LIBERTY:	L	42.29	(2.6%)	(16%)
LODGENET:	LNET	4.12	3.30%	(76.4%)
NEW FRONTIER:	NOOF	3.84	(0.8%)	(16%)
OUTDOOR:	OUTD	7.67	(4%)	11.20%
PLAYBOY:	PLA	4.04	(5.2%)	(55.7%)
RHI:	RHIE	14.14	(2.5%)	12.00%
SCRIPPS INT:	SNI	40.24	(3.1%)	(0.9%)
TIME WARNER:	TWX	15.25	(6.8%)	(5.8%)
UNIVISION:	UVN	36.23		
VALUEVISION:	VVTV	2.47	5.60%	(60.7%)
VIACOM:	VIA	28.27	(4.5%)	(35.7%)
WWE:	WWE	16.06	(1.3%)	21.80%

Company	Ticker	9/05 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.13	0.50%	(52.9%)
ADC:	ADCT	10.18	(0.7%)	(34.5%)
ADVANTAGE:	AEY	3.12	(0.6%)	(49.4%)
ALCATEL LUCENT:	ALU	5.38	(12.9%)	(26.5%)
AMDOCS:	DOX	29.30	(2.9%)	(15%)
AMPHENOL:	APH	44.51	(6.3%)	(3.8%)
APPLE:	AAPL	160.18	(5.5%)	(19.1%)
ARRIS GROUP:	ARRS	8.88	(6.1%)	(11%)

Company	Ticker	9/05 Close	1-Week % Chg	YTD %Chg
AVID TECH:	AVID	23.04	(0.9%)	(18.7%)
BIGBAND:	BBND	3.18	(9.4%)	(38.1%)
BLNDER TONGUE:	BDR	1.25	8.70%	(24.7%)
BROADCOM:	BRCM	22.33	(7.2%)	(14.6%)
CISCO:	CSCO	22.26	(7.4%)	(17.8%)
COMMSCOPE:	CTV	44.13	(9.9%)	(10.3%)
CONCURRENT:	CCUR	6.93	(2.8%)	762.50%
CONVERGYS:	CVG	16.06	8.90%	(2.4%)
CSG SYSTEMS:	CSGS	18.45	(2.4%)	25.30%
ECHOSTAR HOLDING:	SATS	31.23	(0.4%)	(5.1%)
GOOGLE:	GOOG	444.25	(4.1%)	(35.8%)
HARMONIC:	HLIT	8.03	(8.8%)	(23.4%)
JDSU:	JDSU	9.59	(5.5%)	(27.7%)
LEVEL 3:	LVLTL	3.21	(6.4%)	5.60%
MICROSOFT:	MSFT	25.65	(6%)	(26.4%)
MOTOROLA:	MOT	9.06	(3.8%)	(41%)
NDS:	NNDS	60.60	(0.3%)	2.30%
NORTEL:	NT	5.73	(5%)	(61.9%)
OPENTV:	OPTV	1.60	(14.9%)	21.20%
PHILIPS:	PHG	31.42	(3.1%)	(19.3%)
RENTAK:	RENT	14.54	(4%)	0.60%
SEACHANGE:	SEAC	7.85	(8.5%)	8.60%
SONY:	SNE	36.06	(5.6%)	(33.6%)
SPRINT NEXTEL:	S	7.99	(8.4%)	(39.1%)
THOMAS & BETTS:	TNB	42.65	(7.4%)	(13%)
TIVO:	TIVO	7.85	(7.2%)	(5.9%)
TOLLGRADE:	TLGD	6.77	0.70%	(15.6%)
UNIVERSAL ELEC:	UEIC	25.63	(2.3%)	(23.4%)
VONAGE:	VG	1.27	(14.2%)	(44.8%)
WEBB SYS:	WEBB	0.06	50.00%	50.00%
YAHOO:	YHOO	18.08	(6.7%)	(22.3%)

Company	Ticker	9/05 Close	1-Week % Chg	YTD %Chg
TELCOs				
AT&T:	T	31.50	(1.5%)	(15.5%)
QWEST:	Q	3.80	0.50%	(38.9%)
VERIZON:	VZ	34.08	(3%)	(14.1%)

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	11220.96	(2.8%) (15.4%)
NASDAQ:	COMPX	2255.88	(4.7%) (14.9%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS		
COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.06	50.00%
2. CONVERGYS:	16.06	8.90%
3. BLNDER TONGUE:	1.25	8.70%
4. INTERACTIVE CORP:	17.60	6.00%
5. VALUEVISION:	2.47	5.60%

THIS WEEK'S STOCK PRICE LOSERS		
COMPANY	CLOSE	1-WK CH
1. OPENTV:	1.60	(14.9%)
2. VONAGE:	1.27	(14.2%)
3. ALCATEL LUCENT:	5.38	(12.9%)
4. MEDIACOM:	7.45	(11.3%)
5. COMMSCOPE:	44.13	(9.9%)

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MaxFAX...

25 Years of The Kaitz Dinner

It was one of those moments when I wasn't part of the industry... got a call in late 1979 telling me that *Walter Kaitz* had died and about the funeral arrangements. Had a family conflict



Paul S. Maxwell

and couldn't go... but got a call just after the funeral from *Spencer Kaitz, Ray Joslin, Don Anderson, Chris Derrick* and others who were there at the following reception.

They told me that they, *Amos Hostetter* (in first with funding) and *Bill Daniels* (in big and almost tied for first) had been talking and wanted to start a foundation to honor Walter's life and accomplishments. Good idea.

The upshot was what became **The Walter Kaitz Foundation** dedicated to helping minorities make it in our industry... and, believe it or not, it was the first of its kind in any media industry.

The next year it got formal as I was about to return to the business (I was just planning the launch of *Multichannel News*)... and I joined the founding board along with the usual suspects and California Assembly-woman *Gwen Moore* (who I ran into at the **Apple** store in Denver during

the DNC a couple of weeks ago).

The question became, how do we make funding this thing an ongoing success?

It was *Ray Joslin* who, at a board meeting in, I think late '82, said, let's have a dinner... Ray, having moved east with **Hearst**—even though he was president of the **California Cable TV Association** those days—said it had to be in New York. I demurred, saying it should move around the country like cable (I was naïve). Ray prevailed... and asked the well-wired and great **Viacom** chief **Ralph Baruch** to chair the first dinner... which he did... in spades... and Multichannel News became a very noisy cheerleader... we convened at the Waldorf Astoria with about 300 or so of us to honor **NCTA** head *Tom Wheeler*. It worked. (Only time Ray has worn jeans to such an event—but we won't disclose why he emulated me that week... unless you ask.)

And grew and grew and grew.

And that's why you'll be in New York for the last of what we once called—before someone got politically correct—"Cable Hell Week" the week of the 15th.

[Note: Seems we'll be have two "Cable Hell Weeks" next year].

Random Notes:

• **Busy Week Coming the 15th:** **NAMIC. Cable Positive.** Board

meetings. Sales meetings. Old friends.

• **Young A&E = Scary?** No... just funny. Kaitz week does bring one of my favorite events—and this might be the last (boo!). A&E has long hosted the best cocktail party of the year the evening before the dinner at the Rainbow Room atop Rockefeller Center. Instead of a couple of thousand of our best friends, the pre-show gathering is always the right size, right food, right folks and best views. Not to mention the play's the thing afterward. This year is "Young Frankenstein" which, I understand, is a metaphor for the political season.

• **Speaking of A&E:** Our friend *David Zagin* (how else do you think I get invited to these things) says he shot a hole in one the other day... 150-yard one at that. He has promised to bring proof.

• **In the Meantime:** Love the political advertising in the sense that a lot of it is on "cable"—sick of the two prevalent kinds that run ad nauseum. (1) The other guy is a bad guy. (2) I love the flag, vote for me.

Paul Maxwell

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Call for Nominations

CableFAX
THE MAGAZINE

2008 Most Powerful Women in Cable

Who are cable's most powerful women executives? Help us decide by nominating the executives you think should be included in our annual list of the Most Powerful Women in Cable. We will rank the top 50 most powerful women, and run a list of the second 50, in the November issue of CableFAX: The Magazine. Nominations are open to all cable operators, programmers, vendors and trade associations.

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- Luncheon celebrating the 15th Anniversary of the L. Patrick Mellon Mentorship Program
- Presentation of the Mickey Leland Humanitarian Achievement Award
- Educational Tracks: Ad Sales, Corporate Diversity & Inclusion, Digital Media and Leadership Development
- Presentation of the Excellence in Multi-cultural Marketing Awards (EMMAS)
- Diversity in Communications Career Expo

QUESTIONS? For questions about the conference, please contact NAMIC at **212.594.5985** or info@namic.com.

For a complete agenda and speaker line-up, visit www.namic.com.

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