

CableFAX Daily™

Wednesday — September 12, 2007

What the Industry Reads First

Volume 18 / No. 177

Oh, Kevin: FCC Chmn Appears Unable to Wrestle Up Votes

Has chmn *Kevin Martin* lost control? The FCC's scheduled 9:30am open meeting still hadn't started at 6:30pm Tues, leading to rumblings that the other 4 commissioners (even usual ally *Deborah Taylor Tate*) weren't willing to go along with Martin's wishes for a dual must-carry mandate and additional program access provisions. Of course, who really knows, as there was no word from the Federal *Communications* Commission on what was going on or when the meeting might start—a practice that has become typical during Martin's tenure. Points sticking in Commissioners' craws reportedly include Martin's order that cable operators carry all of a broadcaster's bits—thus disallowing the compression of signals and creating a possible backdoor to multicasting—and some of the procedural provisions included in an order extending program access rules for 5 years (including an item allowing those who file program access complaints to gain access to the contracts that the cable-affiliated programmer has with any distributor). Cable has been working hard to get Commissioners and the Hill behind a voluntary dual carriage commitment, in which it would offer must-carry broadcasters analog and digital signals for 3 years post transition. The Commissioners, sans Martin, appear to be in favor of cable's plan, sources said Tues. Cable's pushing for some exemptions, including for systems under 552Mhz or less. One possibility is that smaller systems' dual carriage concerns could be addressed in a further notice. Broadcasters are fighting any such dual carriage compromise. Across town Tues at a **Media Institute lunch**, **NAB** joint board chair *Jack Sander* told the crowd that "I take offense at the inconsistent comments of the cable industry. On one hand, they tell consumers cable will take care of the transition for them. On the other hand, they tell the FCC they lack the capacity to carry all broadcast channels." -- Assuming Tues' meeting starts, C-SPAN plans to cover it. No word on when or where it will air. Meanwhile, C-SPAN2 will air audio from oral arguments in the Janet Jackson Super Bowl halftime show indecency case Wed at 8pm ET. The 3rd Circuit heard arguments Tues morning. The arguments are also available on www.c-span.org.

Fire Damage: A fire Mon morning in Stamford, CT, has closed a building that houses several programmers' facilities as well as **Ascent Media's** uplinking facilities. As a result, the signals for **A&E HD**, **History HD**, **YES Net HD** and **NFL Net HD** were knocked off the air. YES and NFL's HD feeds were still down Tues afternoon. **A&E Television Networks** began upconverting its SD feeds to HD Tues so it could offer something. No one was injured in the fire. No word on when the building would be re-opened, but there was hope Tues that things could be up and running again over the next 24-72 hours. YES simulcasts Queens-based "Mike and the Mad Dog's" radio show via its Stamford facility. The radio show relocated to Yankees' Stadium so that YES could simulcast it through another facility. The fire, which reportedly started on the roof, took place in the same complex that houses **Time Warner Cable's** HQ, but TW is located in a different building.

Competition: **DirecTV** and **Thomson** plan to launch a satellite TV distribution platform for multiple dwelling units. Dubbed "MFH3" and timed to support the satcaster's major HD expansion this fall, the system allows service providers

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to offer a triple-play of TV, phone and Internet services, and supports standard-def and HD video and DVR services. Liberty Harbor, a \$1.5bln development under construction in Brunswick, GA, will be the 1st to feature the platform. The announcements come as the **FCC** continues to look into—at the behest of **AT&T**, **Verizon** and other telcos—cable operators' exclusive deals for video service with MDUs. Verizon and DirecTV agreed last year to jointly service MDUs in non-FiOS TV markets throughout the northeast and Mid-Atlantic regions. -- **DISH** will televise in HD 40 regular-season games of both the **NHL's** Colorado Avalanche and the **NBA's** Denver Nuggets, beginning with an Avalanche tilt Oct 7.

In the States: Charter launched phone service in San Luis Obispo County, CA.

Advertising: Although total US ad expenditures fell 0.3% during the 1st half of '07, cable delivered a 2.8% increase to \$8.38bln and was the only TV medium to achieve growth, according to **TNS Media**. Internet ad spends experienced the greatest growth of all media (18% to \$5.52bln), while the magazine segment (+4.6% to \$14.55bln) was the top performer, led by Spanish-language mags (+13.1% to \$102mln). **AT&T** (\$1.1bln), **Verizon** (\$1.04bln), **Time Warner** (\$793mln) and **Disney** (\$664mln) were among the top 10 advertisers.

Ratings: MTV's Sun night VMAs (4.7/4.48mln) delivered a ratings increase for the 1st time in 4 years, a positive for the net now overshadowed by widespread negative reaction to the telecast. Paradoxically, *Britney Spears'* performance was likely responsible for the good and the bad. More people may have tuned in to witness the former pop princess' return to the stage, but the performance was roundly panned. — **TNT** (2.2/2.08mln) and **Disney** (2.2/2.04mln) tied for the prime ratings crown, powered by original dramas and a "High School Musical 2" re-airing, respectively. **USA** (2.1/2.01mln) notched 3rd, followed by **ESPN** (2.0/1.88mln) and **MTV** (1.4/1.36mln).

Deadline Alert: Should your employer be in **CableWorld's** annual Top 10 Places to Work in Cable list? If so, fill out the online nomination form at <http://www.cable360.net/top10workplaces.html>. You have until this Mon, Sept 17, to chime in.

Summer Sizzle: It's well known that cable has been beating the 5 broadcast nets' collective average in summer lately. This year was no exception, with the total cable rating for adults 18-49 128% higher than the total broadcast rating (16.2 vs 7.1), according to a **Magna Global** analysis of **Nielsen** data. Among adults 50+, cable was 93% higher. Still, it's not easy for cable shows to break into the top 10 primetime shows among all broadcast, cable and syndication. Cable's #1 series, **TNT's** "The Closer," ranks 51st among 25-54s, 89th among 18-49s and 16th among adults 50+, Magna Global reports. "Of course, five years ago, no cable series would have ranked nearly that highly in relation to broadcast series," notes Magna Global's *Steve Sternberg*. Other notable cable summer series include **TNT's** "Saving Grace" (#2 cable series) and **Lifetime's** "Army Wives," which is challenging "The Closer" for the lead among women under 50. "It's interesting to note that even during the summer, the average adult 18-49 ratings for the 71st-80th ranked broadcast series was the same as the average for the top 10 cable series," Sternberg writes. "On the other hand, the top 10 cable series averaged ratings about 45% as high as the average for the top 10 broadcast series (which is closer than it's ever been)."

HD Haven: Turns out **BendBroadband** beat **DISH Network** to launching **History HD** by a few days (*Cfax*, 9/5). The Oregon cable op launched the channel on Aug 31, along with **TLC**, **Discovery**, **Science** and **Animal Planet's** HD nets.

Honors: Retiring **Time Warner Cable** evp, corporate affairs *Lynn Yaeger* will be honored as the '07 Woman of the Year at **WICT's** Gala, Nov 15, DC. **Weather Channel** evp, gm *Wonya Lucas* was named "Woman to Watch." **WE**

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will receive the Tribute Accolade in the documentary/bio category for "Vietnam Nurses with Dana Delany," and TNT's "The Closer" gets the award for the drama/music/variety/comedy category.

On the Circuit: Thurs is the online registration deadline for **NAMIC's** annual diversity conference (Sept 16-18, NYC). Visit www.namic.com.

People: Lynne Frank was promoted to svp, **ESPN Intl.** -- **Spike TV** named **MTVN** vet *Niels Schuurmans* as svp, brand creative and mktg. -- **Millennium Digital** chmn/chief strategic officer *Kelvin Westbrook* resigned, effective Oct 5. -- **Nielsen** named *Catherine Herkovic* svp/managing dir, national TV client services, *Kevin Svenningsen* svp/managing dir, local TV client services, and *Tom Ziangas* svp, Nielsen sports. -- **ReelzChannel** named *Jordan Beck* vp, on-air promotion.

Business/Finance: **Lehman Brothers** initiated coverage of **Charter** with an 'underweight' rating and a \$2 price target. Analyst *James Ratcliffe* is concerned about the MSO's high debt load, although he said operating performance is improving. -- **Liberty Global's** modified Dutch auction self-tender offers for Series A and C common stock expired Mon, with 9.16mln Series A shares and 48.82mln Series shares validly tendered. Both offers were oversubscribed, and preliminary tabulations place the Series A purchase price at \$43.60/share and the Series C price at \$40/share.

CableFAX Daily Stockwatch

| Company | 09/11 Close | 1-Day Ch | Company | 09/11 Close | 1-Day Ch |
|------------------------------|-------------|----------|-----------------------|-------------|----------|
| BROADCASTERS/DBS/MMDS | | | | | |
| BRITISH SKY: | 55.25 | 0.69 | AMPHENOL: | 37.62 | 0.81 |
| DIRECTV: | 22.59 | (0.25) | APPLE: | 135.49 | (1.22) |
| DISNEY: | 33.49 | (0.07) | ARRIS GROUP: | 14.05 | (0.02) |
| ECHOSTAR: | 41.40 | 0.20 | AVID TECH: | 28.55 | (1.42) |
| GE: | 39.50 | 0.31 | BIGBAND: | 8.94 | (0.6) |
| HEARST-ARGYLE: | 25.51 | (0.02) | BLNDER TONGUE: | 1.25 | 0.00 |
| ION MEDIA: | 1.33 | (0.03) | BROADCOM: | 35.46 | 0.22 |
| NEWS CORP: | 22.55 | 0.16 | C-COR: | 10.30 | (0.01) |
| TRIBUNE: | 27.51 | 0.47 | CISCO: | 32.16 | 0.42 |
| MSOS | | | | | |
| CABLEVISION: | 33.79 | 0.05 | COMMSCOPE: | 55.00 | 0.80 |
| CHARTER: | 2.68 | 0.01 | CONCURRENT: | 1.34 | 0.00 |
| COMCAST: | 25.49 | 0.38 | CONVERGYS: | 16.61 | 0.57 |
| COMCAST SPCL: | 25.27 | 0.34 | CSG SYSTEMS: | 22.03 | 0.25 |
| GCI: | 12.28 | 0.20 | GEMSTAR TVG: | 6.48 | 0.28 |
| KNOLOGY: | 16.76 | 0.96 | GOOGLE: | 521.33 | 6.85 |
| LIBERTY CAPITAL: | 115.64 | 0.59 | HARMONIC: | 10.38 | 0.53 |
| LIBERTY GLOBAL: | 40.71 | (0.8) | JDSU: | 14.54 | 0.15 |
| LIBERTY INTERACTIVE: | 18.71 | 0.03 | LEVEL 3: | 4.72 | 0.05 |
| MEDIACOM: | 7.56 | (0.05) | MICROSOFT: | 28.93 | 0.45 |
| NTL: | 28.22 | 0.00 | MOTOROLA: | 17.31 | 0.29 |
| ROGERS COMM: | 42.97 | 0.00 | NDS: | 49.10 | (0.01) |
| SHAW COMM: | 23.02 | 0.61 | NORTEL: | 16.93 | 0.11 |
| TIME WARNER CABLE: | 35.52 | 0.45 | OPENTV: | 1.44 | 0.11 |
| WASH POST: | 781.50 | (0.6) | PHILIPS: | 41.73 | 1.03 |
| PROGRAMMING | | | | | |
| CBS: | 31.04 | 0.31 | RENTRAK: | 12.00 | 0.07 |
| CROWN: | 6.66 | (0.02) | SEACHANGE: | 6.45 | (0.01) |
| DISCOVERY: | 26.19 | 0.31 | SONY: | 47.63 | 0.90 |
| EW SCRIPPS: | 40.80 | (0.34) | SPRINT NEXTEL: | 17.94 | 0.12 |
| GRUPO TELEVISA: | 26.52 | 0.94 | THOMAS & BETTS: | 54.40 | (0.16) |
| INTERACTIVE CORP: | 27.66 | 0.15 | TIVO: | 6.02 | 0.43 |
| LODGENET: | 26.13 | 1.40 | TOLLGRADE: | 10.25 | 0.34 |
| NEW FRONTIER: | 6.69 | 0.17 | UNIVERSAL ELEC: | 27.22 | 0.45 |
| OUTDOOR: | 8.95 | (0.04) | VONAGE: | 2.03 | 0.02 |
| PLAYBOY: | 11.17 | 0.05 | VYYO: | 5.79 | 0.07 |
| TIME WARNER: | 18.30 | 0.10 | WEBB SYS: | 0.07 | 0.00 |
| UNIVISION: | 36.23 | 0.00 | WORLDGATE: | 0.40 | (0.01) |
| VALUEVISION: | 8.08 | 0.27 | YAHOO: | 23.71 | 0.41 |
| VIACOM: | 38.82 | 0.15 | TELCOS | | |
| WWE: | 14.83 | (0.12) | AT&T: | 39.81 | 1.03 |
| TECHNOLOGY | | | | | |
| 3COM: | 3.91 | 0.05 | QWEST: | 8.90 | 0.06 |
| ADC: | 20.56 | 0.10 | VERIZON: | 41.87 | 0.62 |
| ADVANTAGE: | 7.60 | 0.32 | MARKET INDICES | | |
| ALCATEL LUCENT: | 10.20 | 0.09 | DOW: | 13308.39 | 180.54 |
| AMDOCS: | 34.82 | 0.44 | NASDAQ: | 2597.47 | 38.36 |

Source: Nielsen Media Research, GAC Cable Coverage Area Universe Estimate, Sept '07

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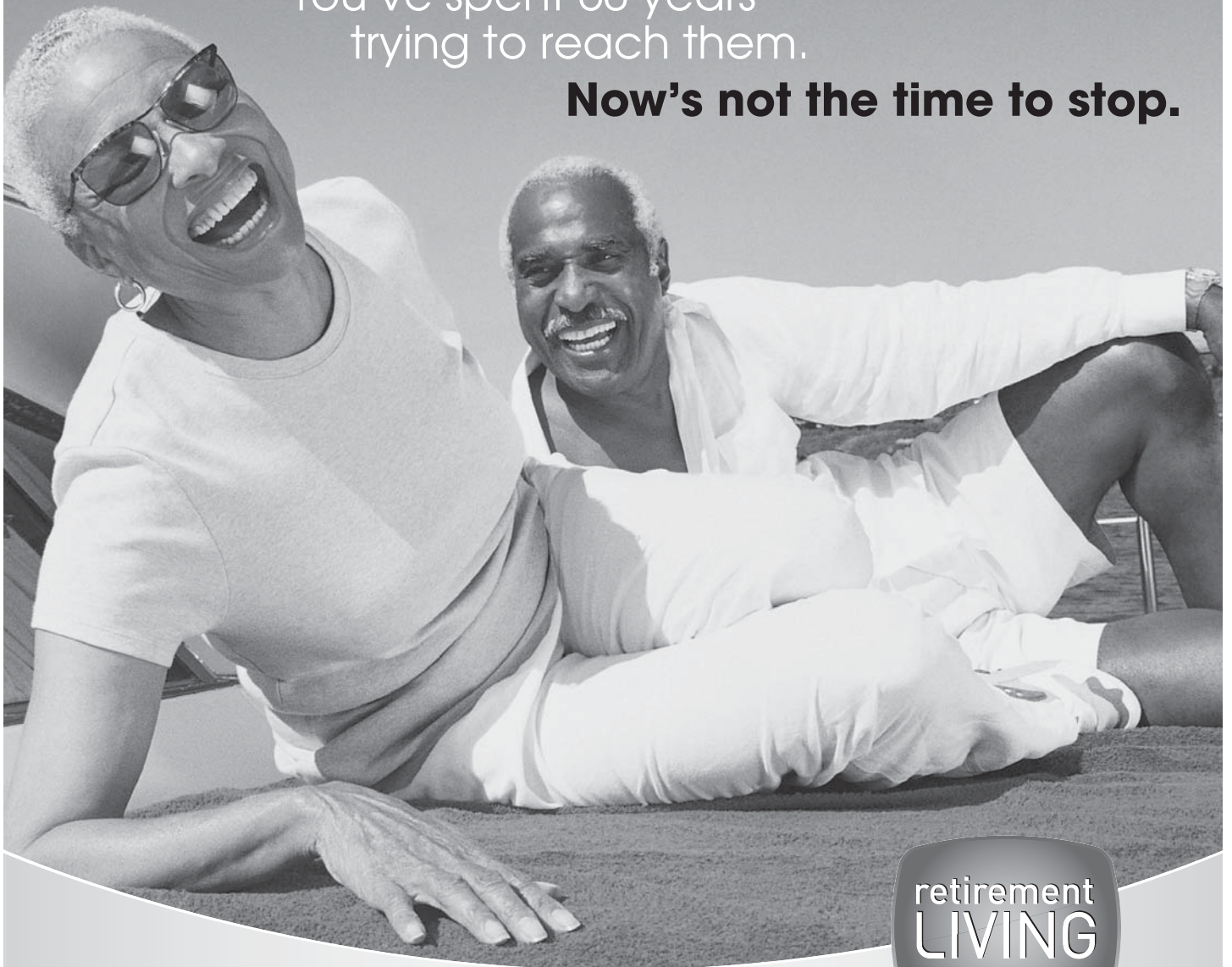
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Call for Nominations

CableWorld's 2007 Top 10 Places to Work in Cable

What are the best companies to work for in the cable industry? Help us decide by nominating the companies you think should be on our list of the **Top 10 Best Places to Work in Cable**. We will rank the top 10 in the Oct. 15, 2007, issue of **CableWorld**. Nominations are open to all cable operators, programmers and vendors.

**Deadline for nominations:
Monday, Sept. 17, 2007**

Nomination form can be found at:

www.cable360.net/top10workplaces.html

