

CableFAX Daily™

Monday — September 18, 2006

What the Industry Reads First

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Doubting Thomas: Senator Suggests Starting Over on Telecom Bill

The number of senators doubting the passage of telecom legislation this session continues to grow. "We only have 3 weeks," Sen *John Sununu* (R-NH) told **C-SPAN's** "The Communicators" (Sat, 6:30pm ET; the show encores on **C-SPAN 2** today, Mon, at 8am and 8pm). Noting that some lawmakers are threatening a filibuster over net neutrality, Sununu predicted Congress will return next year to "take a look at the lay of the land and perhaps craft a new piece of legislation." In a client note Fri, **Stifel Nicolaus** suggested that passage of a broad bill during a lame-duck session is iffy, although "efforts have begun to attach some of its provisions to separate legislation" as some key Republicans worry about prospects for near-term Senate passage of a comprehensive bill. Franchising or other components, for example, could end up attached to must-pass appropriations legislation. Meanwhile, the **Telecommunications Industry Association** held a press briefing Thurs to call for franchise reform for telcos, with a senior TIA contingent hitting the Hill afterwards to plead their case. **Sununu Speaks**: Sen Commerce member Sununu also explained his questioning last week of **FCC** chmn *Kevin Martin* during his renomination hearing. "I'm concerned about the FCC and their commitment to the deregulatory process," he told C-SPAN, criticizing what he called Martin's efforts to institute cable price controls and discourage "the marketing of new VoIP products." The FCC also should be more aggressive in USF reform, Sununu added. The Commerce committee is expected to approve Martin's nomination Tues in an off-the-floor vote.

Playing Doctor: Just when you think you know what *Dr John Malone* has planned, he surprises you. Prevailing thought was that **Liberty** would swap its 19% **News Corp** stake for cash and operating assets such as TV stations. Now it looks like Malone may end up with News' 36% controlling interest in **DirectTV** (Malone as a US operator again?). Of course, when and if is anyone's guess, given the convoluted nature of Liberty transactions (we're still waiting for that **Liberty-Atlanta Braves** deal to work out). **Pali's Rich Greenfield** does venture a guess on timing, suggesting Liberty and News would prefer to complete a transaction in '07 as tax laws could change with a potential shift in the White House/Congress in '08. Greenfield's take is that Murdoch has grown increasingly concerned with long-term growth prospects for the US satellite business. Shares of **DirectTV** and **EchoStar** were down, 2.4% and 1.2%, respectively. **Liberty Capital** closed down 3.6%. **Citigroup's Jason Bazinet** sees the move as a positive for all: News would be able to ditch a non-consolidated asset that's viewed as a modest negative by investors; EchoStar would likely merge with a Liberty-controlled **DirectTV**; and Liberty would get a solid operating entity instead of a "rag-tag collection of assets." -- Kudos to **CNBC's David Faber** for breaking the story.

Upstream Boost: **Cablevision** is upping its premium HSD product to speeds of up to 5Mbps upstream (from 2Mbps). Downstream speed of 30Mbps will stick. The upgrade continues to rollout to CVC markets this month. Lots of positive chatter on the upgrade at **BroadbandReports.com**, though users reported seeing speeds closer to 2.6Mbps.

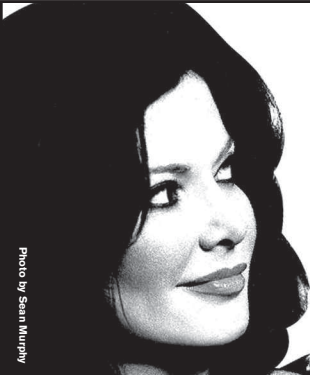


Photo by Sean Murphy

The **MINOR** Accomplishments of Jackie Woodman

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In the States: New Mountain West Conference sports network, **The mtn**, has 2 more cable ops on board: **Cable One** (ID and NM) and **Sweetwater Cable** (WY and UT). The deals, signed Thurs, came just in time for Boise State-Wyoming's Sat game. Still no deals with **Cox**, **Time Warner**, **DirectTV** or **DISH Net** though. The mtn counts 12 providers in 5 states, including partner **Comcast**.

Kaitz Wrap: While the identities of the 14 companies that responded to the **NAMIC** employment survey are secret, **Scripps** is one of them. In a video interview for our soon-to-launch Cable360.net Web site, Scripps exec *Lenore Washington-Graham* confirmed her company's participation. Other video interviewees said NAMIC must educate cable execs that the survey isn't painful and takes just hours to complete.

Trademark Watch: Poor **Comcast**. It can't file a trademark these days without a reporter sniffing around. Ah, the curse of being the largest MSO... *McNews* picked up Fri on its recent trademarking of "Anyplay" for portable media players. A few weeks ago, *Cfax* wrote about Comcast trademarking "Ziddeo" and "Ziddio" for a video broadcasting service over the Internet (*Cfax*, 8/28). Only time will tell if we actually see the products come to market, but it's fun to guess... We expect to see more of these type of trademark filings as Comcast Interactive Media considers its opportunities.

Carriage: **Horry Telephone Co-op** launched **Turner South** on its basic tier in the Myrtle Beach, SC, area.

Ratings: **Discovery Channel's** Wed special "Mythbusters: Mega Movie Myths" earned a 2.2 HH rating, the highest-rated series telecast to date.

Public Affairs: **CSTV's Fields & Dreams Foundation** began Sun, in conjunction with Conference USA and the Dallas All Sports Assoc, offering 10 SAT tutorial classes to 50 Dallas-area students.

Business/Finance: **Standard & Poor's Ratings Services** downgraded Fri the credit ratings on **Charter Comm** and subsidiary **Charter Comm Holdings** to 'SD' from 'CCC+', and reassigned the corporate credit ratings on the pair, at 'CCC+' with a negative outlook. It also lowered the rating to 'D' on Charter's \$862.5mln convertible notes and on an aggregate \$1.66bln of Charter Holdings notes with maturities from '09 to '12. They were the objects of exchange offers that were tantamount to a default on the original terms, S&P said.

Oops: **Emma Bowen** intern/**Kaitz** speaker *Alfonso Rosales* is a production coordinator at **Discovery's Travel Channel**—our apologies!

Ed's Note: Fri's ratings chart reflected the kids 6-11 demo. Below is the correct HH ranking.

Basic Cable Rankings (9/04/06-9/10/06) Mon-Sun Prime		
1	TNT	2.7 2484
2	DSNY	2.2 1984
3	USA	2 1823
4	ESPN	1.9 1762
5	LIFE	1.5 1403
6	TOON	1.4 1299
7	TBSC	1.2 1102
7	A&E	1.2 1079
7	FOXN	1.2 1062
10	NAN	1.1 1036
10	HGTV	1.1 1035
10	FX	1.1 1018
10	SCIF	1.1 943
10	HALL	1.1 849
15	DISC	1 961
15	AMC	1 907
17	SPK	0.9 855
17	MTV	0.9 813
17	CORT	0.9 787
17	HIST	0.9 776
21	CNN	0.8 753
21	TLC	0.8 745
21	TVLD	0.8 740
24	ESP2	0.7 676
24	VH1	0.7 668
24	CMDY	0.7 659
24	APL	0.7 652
24	FOOD	0.7 597
24	BRAV	0.7 567
30	FAM	0.6 590
30	BET	0.6 514
30	LMN	0.6 304
33	EN	0.5 407
33	SOAP	0.5 287
35	TTC	0.4 387
35	MSNB	0.4 348

Nielsen Data Supplied by ABC/Disney



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CableFAX Week in Review

Company	Ticker	9/15 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	42.58	1.40%	26.20%
DIRECTV:	DTV	18.73	(3.8%)	32.60%
DISNEY:	DIS	30.31	2.50%	26.40%
ECHOSTAR:	DISH	32.35	(3.5%)	19.00%
GE:	GE	34.85	2.50%	5.10%
HEARST-ARGYLE:	HTV	23.81	1.90%	4.50%
ION MEDIA:	ION	0.90	2.30%	(2.2%)
NEWS CORP:	NWS	20.14	3.10%	21.90%
TRIBUNE:	TRB	30.97	(1.1%)	5.30%

Company	Ticker	9/15 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	24.23	3.00%	3.20%
CHARTER:	CHTR	1.51	(1.9%)	23.80%
COMCAST:	CMCSA	34.46	(1.3%)	32.90%
COMCAST SPCL:	CMCSK	34.40	(1.2%)	33.90%
GCI:	GNCMA	12.85	0.90%	24.40%
KNOLOGY:	KNOL	10.08	(1.2%)	162.50%
LIBERTY CAPITAL:	LCAPA	83.31	(3.9%)	5.10%
LIBERTY GLOBAL:	LBTYA	25.53	5.00%	13.50%
LIBERTY INTERACTIVE:	LINTA	19.91	1.60%	3.40%
MEDIACOM:	MCCC	7.25	3.30%	32.10%
NTL:	NTLI	25.33	(5.8%)	6.50%
ROGERS COMM:	RG	51.67	1.90%	23.00%
SHAW COMM:	SJR	29.29	0.20%	44.10%
TIME WARNER:	TWX	17.02	0.90%	(0.7%)
WASH POST:	WPO	746.00	(1.1%)	0.10%

Company	Ticker	9/15 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	28.58	0.40%	10.80%
CROWN:	CRWN	4.33	3.60%	(52.8%)
DISCOVERY:	DISCA	13.90	1.60%	(5%)
EW SCRIPPS:	SSP	46.36	1.20%	(1.5%)
GRUPO TELEVISIA:	TV	20.89	10.20%	3.80%
INTERACTIVE CORP:	IACI	28.80	2.40%	1.70%
LODGENET:	LNET	18.91	2.20%	35.70%
NEW FRONTIER:	NOOF	8.55	(2.7%)	30.90%
OUTDOOR:	OUTD	10.74	3.40%	(20.4%)
PLAYBOY:	PLA	9.36	1.80%	(32.6%)
UNIVISION:	UVN	34.88	0.70%	18.70%
VALUEVISION:	VVTV	11.52	3.80%	(8.6%)
VIACOM:	VIA	36.63	6.00%	(15.1%)
WWE:	WWE	17.00	(1.7%)	27.20%

Company	Ticker	9/15 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.33	0.20%	20.30%
ADC:	ADCT	14.42	7.00%	(12%)
ADVANTAGE:	AEY	3.75	(2.6%)	(39%)
AMDOCS:	DOX	39.07	0.20%	16.20%
AMPHENOL:	APH	60.75	5.40%	37.70%
ARRIS GROUP:	ARRS	11.51	(1%)	21.50%
AVID TECH:	AVID	42.33	6.90%	14.80%
BLNDER TONGUE:	BDR	1.42	16.40%	(27.2%)
BROADCOM:	BRCM	28.35	8.70%	(9.8%)
C-COR:	CCBL	8.38	6.10%	72.40%
CISCO:	CSCO	22.72	4.50%	32.70%
COMMSCOPE:	CTV	30.37	3.00%	50.90%
CONCURRENT:	CCUR	1.50	(10.7%)	(20.6%)

Company	Ticker	9/15 Close	1-Week % Chg	YTD %Chg
CONVERGYS:	CVG	20.65	0.30%	30.30%
CSG SYSTEMS:	CSGS	27.04	0.40%	21.10%
GEMSTAR TVG:	GMST	3.38	4.60%	29.50%
GOOGLE:	GOOG	409.88	8.50%	(7%)
HARMONIC:	HLIT	7.29	8.60%	50.30%
JDSU:	JDSU	2.17	4.30%	(22.2%)
LEVEL 3:	LVL3	5.10	22.60%	77.70%
LUCENT:	LU	2.29	1.80%	(13.9%)
MICROSOFT:	MSFT	26.85	5.90%	8.10%
MOTOROLA:	MOT	24.85	4.90%	11.30%
NDS:	NNDS	43.45	(3.9%)	5.60%
NORTEL:	NT	2.35	9.80%	(23.2%)
OPENTV:	OPTV	3.01	8.30%	34.40%
PATH 1:	PNO	0.63		(68.8%)
PHILIPS:	PHG	34.61	3.10%	14.70%
RENTAK:	RENT	11.38	(0.2%)	6.40%
SEACHANGE:	SEAC	8.68	(2.6%)	9.90%
SONY:	SNE	42.17	(0.8%)	3.90%
SPRINT NEXTEL:	S	17.36	5.10%	(16.7%)
THOMAS & BETTS:	TNB	43.99	1.70%	3.50%
TIVO:	TIVO	7.95	2.30%	55.30%
TOLLGRADE:	TLGD	8.36	(0.9%)	(23.5%)
UNIVERSAL ELEC:	UEIC	19.57	4.20%	10.30%
VONAGE:	VG	7.30	(7.1%)	(39.1%)
VYVO:	VYVO	4.63	0.90%	(13.6%)
WEBB SYS:	WEBB	0.06		(25%)
WORLDGATE:	WGAT	1.55	(3.1%)	(24.8%)
YAHOO:	YHOO	29.32	4.20%	(11.2%)

Company	Ticker	9/15 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	31.86	1.60%	41.00%
BELLSOUTH:	BLS	41.90	1.70%	65.30%
QWEST:	Q	8.70	1.30%	54.00%
VERIZON:	VZ	35.81	1.20%	28.40%

Index	Value	% Chg	YTD %Chg
DOW	11560.77	1.50%	7.90%
NASDAQ	2235.59	3.20%	1.40%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. LEVEL 3:	5.10	22.60%
2. BLNDER TONGUE:	1.42	16.40%
3. GRUPO TELEVISIA:	20.89	10.20%
4. NORTEL:	2.35	9.80%
5. BROADCOM:	28.35	8.70%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CONCURRENT:	1.50	(10.7%)
2. VONAGE:	7.30	(7.1%)
3. NTL:	25.33	(5.8%)
4. LIBERTY CAPITAL:	83.31	(3.9%)
5. NDS:	43.45	(3.9%)

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MaxFAX...

'Honest about Self-Assessment?'

That's what the NCTA's Kyle McSarrow told the audience at last Tuesday's opening general session of NAMIC's 20th conference in New York. Kyle was talking about the just-released NAMIC diversity study.



Paul S. Maxwell

He made a good point ... the study isn't particularly complimentary to cable. In fact, as the Sept 11th special edition of *CableFAX Daily* detailed, it

was a bit of an embarrassment.

More specifically, though, Kyle said, "I'm proud of an industry that's honest about self-assessment and where we stand."

Perhaps, that is a fair description of the industry (Hey! Some guy I worked for @ *Stars & Stripes* back in the '60s said I had to be "fair and balanced") ... but I don't think it is ... quite. Not quite. Not yet.

Fact is, not as many senior cable executives allowed for the survey to include their companies ... some were (maybe afraid?) not willing to even repeat their participation in the 2004 study that covered 2003 (This year's study covered 2005).

So, I'd say, Kyle meant to congratulate "some" in the industry. And, you know who you are.

No need to repeat the disappointing news ... but I do really wonder why more CEOs don't buy into the survey ... well, not really ... but, shouldn't they stand up and be counted, too? And, how can they let Kyle stand up and be proud when ... well, they aren't?

Maybe next year?

But ... and I do say, but ... well, somebody better make certain that the survey itself makes sense ... and makes sense not just in what it reports but in how and what it does.

Random Notes:

• **Joisey?** Ah, when it's Jersey Boys ... well, I guess you can never have too much falsetto! Thanks to **AETN** for the 2nd best night of Hell Week (can't diss the **Kaitz** Dinner ... after all, *Ray Joslin*, *Ralph Baruch* and I sort of started it). But I love Tuesday evening during Diversity Week.

• **Tsk, Tsk:** Unseemly. Did ya'll see the Tues, Sept 12th edition of *The New York Times' Business Day*? Did **CBS' Les Moonves** look smug in his picture on the front page of that section? Tacky. Maybe he's a "tortoise" who "won." Probably not. Seems *Sumner* might have other ideas if the markets turn ... and I bet they do. And, I admit, I'm biased ... for a guy who built some great once-"cable" brands and against a guy who wants to charge for "retransmission con-

sent" when he proudly and loudly simulcasts content free on the web. (Which reminds me, are you ready for retrans and *Haim Saban*?)

• **NAMIC & Blogging:** If you missed the excellent NAMIC 20th Anniversary forums last week in New York ... you can check out what you missed at their blog ... but, more importantly, if you're looking for a sales job in cable, send an email to *Vimal Verma* – a "brown guy" of Indian descent who runs **American Desi** ("Desi" is an Indian endearment sort of like "mate" for an Aussie) – at vimal@americandesitv.com. Who knows, you might get a great job! At the very least, you could keep the blog going and perhaps create an ongoing community.

• **Belated Thanks:** To *Leo Hindery* for eliminating the Black Tie @ the Kaitz dinner.

• **Classy Acceptance:** By the sometimes-shy *Judith McGrath* at Kaitz last Wed night. Her mid-oration nod to *Tom Freston* really resonated ... and *Josh Sapan* took me to task for thinking she maybe wasn't polished enough. He was right: she said it, and she meant it.

Paul Maxwell

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do you have it?





CableWorld's Top 50 Influential Women in Cable Nomination Form

Who are cable's most influential women executives? Help us decide by nominating the executives you think should be on our list of the Top 50 Most Influential Women in Cable. We will rank the Top 50 in the Nov. 6 issue of *CableWorld*. Nominations are open to all cable operators, programmers, vendors and trade associations.

Deadline for nominations: Sept. 29, 2006

Submit by fax: 212-621-4895

By mail: Shirley Brady, *CableWorld*, 110 William St., 11th Floor, New York, NY 10038

Online: www.cableworld.com/cableworld/

PLEASE FILL OUT THE FOLLOWING:

Nominee Information

Name _____
 Title _____
 Company _____
 Address _____

 Email _____
 Phone _____

Nominator Information

Name _____
 Title _____
 Company _____
 Address _____

 Email _____
 Phone _____

Why should this person make our list? (50 words max)

Does this person make/break deals? (50 words max)

Does this person's influence extend beyond his/her company? (50 words max)