

CableFAX Daily™

Tuesday — September 19, 2006

What the Industry Reads First

Volume 17 / No. 181

Surprise, Surprise: Net Neutrality Reverberates Only Inside the Beltway

Brace yourself: 91% of registered voters recently surveyed have never even heard of net neutrality. Looks like all those eBay call-for-action emails and blog rants are getting lost on the masses. Verizon, which doled out about \$60K for the survey, may be less pleased to hear that about 82% of voters haven't heard of the debate for "video choice" or streamlined video franchising either, according to Public Opinion Strategies' Bill McInturff. "Both discussions are at much more of a policy level than a household level," said McInturff, who conducted the study along with Glover Park Group's Amy Phee. But McInturff, who presented the research in the Sen Commerce Cmte's hearing room Mon, said the research shows voters are anxious for alternatives to a "service that irritates the hell out of you." The survey also found voters viewed video choice as more important than net neutrality (66% vs 19%). But was it any wonder given the phrasing of the question? Surveyers asked respondents which of the 2 are more important: "Delivering the benefits of new TV and video choice so consumers will see increased competition and lower prices for cable TV" or "Enhancing Internet neutrality by barring high-speed Internet providers from offering specialized services like faster speed and increased security for a fee." It wasn't clear if consumers or content providers would be unable to pay for faster speeds or security. Phee acknowledged that the question might have caused some confusion but chalked it up to the difficulty of describing net neutrality. "I think there's overwhelming consistency throughout the poll that [people] want cable choice," she said. However, creating video choice did not rank as the most important reason for passing the telecom bill. 59% of respondents ranked providing funding to deploy broadband to rural and underserved communities, schools and libraries as being very important to them vs 39% for creating a streamlined franchising process.

At Last: The FCC's advanced wireless spectrum auction finally ended after 161 rounds of bidding, with bidders shelling out nearly \$13.9bln for 1,122 licenses. SpectrumCo, the consortium of cable ops and Sprint-Nextel, was the 3rd highest bidder. It won 137 licenses for nearly \$2.4bln. (It's last winning bid was back in round 121 for a license covering Wilmington, NC and SC). T-Mobile was the top bidder at \$4.2bln for 120 licenses. Winning bidders can't talk about their plans for the spectrum until they make their down payments (due within 10 business days of auction's close).

Sports Tier: Sources confirmed that Comcast is telling systems that they will only be able to offer NFL Net on a digital sports tier as of Jan 1. If Comcast does succeed in moving the net to a tier, it won't be until after the last of NFL Net's regular 8 season games air. NFL Net has vowed to fight any attempts to move it to a tier (see current Time Warner battle and it's spat with Charter last year). Most Comcast systems currently carry NFL Net on the Digital-Plus tier.

Dishheads: Not hugely surprising that Carl Vogel takes on the pres role at EchoStar as he has assumed some of the responsibilities since former pres/COO Michael Neuman departed in Feb. Vogel, Charter's former pres/CEO, contin-

COURT TV® ENJOYED A
RED-HOT
SUMMER

NOW...LEVERAGE THE APPEAL OF R.E.D.™
TO MAKE YOUR AD SALES PACKAGES SIZZLE.

- Double-Digit Growth in Key Demos During Prime!
- R.E.D.™ Action Block up 16% in A18-49 and 15% in M18-49!
- 2006 On Track to Be Court TV's Most-Watched Year Ever in Prime!

courtTV
Seriously Entertaining™
TurnerResources.com

Source: Nielsen Media Research. Summer 2006 (5/29/06-8/27/06), Summer 2005 (5/30/05-8/28/05), M-S 8-11pm; M-F 8-9 pm. 2006 YTD (12/26/05-8/27/06), 2005 YTD (12/27/04-8/28/05), M-S 8-11pm. Most current data.

TM & © 2006 Court TV. A Time Warner Company. All Rights Reserved.

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Dave Dekker, 301/354-1750, ddekker@accessintel.com ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, cdaily@accessintel.com ● Scott Gentry/VP and Group Publisher ● Online Publisher, Alison Johns, 212/621.4642 ● Paul Maxwell/Columnist. Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

ues to serve as vice chmn of EchoStar. Former **Northwest Airlines** CFO **Bernard Han** will join as CFO Sept 28. He succeeds **David Rayner**, who assumes the new role of evp heading the firm's national installation and service network.

At the Portals: The **FCC** granted **WinSonic Digital Media's** request to operate an open video system in Atlanta and Athens, GA. Open video systems don't have to obtain local franchises, but they must make up to two-thirds of capacity available to unaffiliated programmers when demand exists. -- The FCC granted requests to extend the comment and reply period for its review of broadcast ownership rules to Oct 23 and Dec 21, respectively.

In the Courts: Settlements with 2 note holders and 2 of the 3 administrative agents to Adelphia's co-borrowing facilities produced a Mon filing in which **Adelphia** outlines modifications to its draft reorganization plan and the related disclosure statement with a US Bankruptcy Court in NY. The 2 agents are now co-proponents of the modified plan with respect to the treatment of bank claims under the credit agreements for which they are agents.

Broadband: **Turner's** production technology will power broadband net "ACC Select," a jv between **Raycom Sports**, **Lincoln Financial Sports** and the **ACC Conference**. It will stream primarily Olympic-type sports at accselect.com where roughly 500 events are available for \$3.99/event or \$5.99/month for all-inclusive access. -- Following Tues' ep (10pm ET) of "The Contender," **ESPN360** will offer full-length versions of both featured semifinal matches. They will then be available Mon at espn.com, in advance of the series' Sept 26 season finale.

Technology: **BigBand Networks** and **Pace** have partnered on a technology for channel bonding interoperability, based on DOCSIS 3.0 specs. The tech can deliver broadband access speeds in excess of 100Mbps downstream.

Bunny Buzz: **Playboy** announced Mon a split of its business operations into 2 functions, media and licensing, and named former **NBCU** and **CNBC** exec **Bob Meyers** to be pres of the media division. Meyers will oversee the creation and distribution of all content, while the licensing segment will leverage brands and assets. The beleaguered brand's tough year has included: a cost reduction plan (**Cfax**, 7/20); a waning stock price (-33% since Jan 1); increased competition; and lamentable earnings results (**Cfax**, 8/9).

In the States: *The Washington Post* published Mon a correction to its Thurs story concerning the speculation that **RCN** – which the pub called a "struggling company" – is actively seeking a buyer (**Cfax**, 9/14). As rumors persist, the paper aided the possible sales pitch by amending its previous statement and asserting that RCN's "financial position is solid and continues to strengthen." RCN officials continue to refuse comment on the rumors.

IPTV: **AETN**, **Hallmark Channel**, **Starz!** and **Lifetime** signed IPTV transport agreements with **SES Americom**.

Broadband: **AOL** and **Intel** partnered to deliver on demand content from "AOL Video" to PCs equipped with Intel's "Viiiv" technology. Offerings will include premium movies, TV shows, music videos and sports programming.

Online: **Nickelodeon** and **MTVN's** Kids and Family Group announced Mon the beta launch of online community **ParentsConnect.com**. It will connect parents to each other for advice and is customizable for receipt of local activities, news and discussion boards.

Obits: **Sol Schildhause**, the 1st chief of the **FCC's** Cable TV Bureau and industry advocate, died in his sleep Fri. He was 89. His fascinating oral history is available at cablecenter.org. -- **Nick Murdocca**, brother of **Mediacom's** **Rocco**



THREE MILLION WOMEN IN THE U.S. HAVE BREAST CANCER. ONE MILLION DON'T KNOW IT YET.

my story is **knowing the facts** and doing something about it

stop
BREAST
CANCER
for life

go to lifetimeconnection.com/sbcfl
to partner with lifetime on this campaign

my story is on **Lifetime**

BUSINESS & FINANCE

Commisso and Italia Commisso Weinand, passed away Sun after a lengthy illness. A funeral mass will be held Thurs at 11am in Harrison, NY, at St Gregory the Great Church.

People: VH1 appointed former USA exec Wendy Weatherford vp, consumer and music marketing and Tony Maxwell vp, on-air promotions. -- Caleb Weinstein was named svp, strategy and business development for the Entertainment Group, the MTVN unit that houses Comedy Central, Spike, and TV Land. -- TBS tapped former AOL exec Jeremy Legg as vp, business development. -- Fox News named David Rhodes vp, news, and Jay Wallace exec prod, news. -- The ESPN Zone in Denver made some news this week as regular hostess Janie Allen returned to work... she's been pretty busy preparing for the Miss America contest (she's Miss Colorado).

Business/Finance: Rural telecom services provider Citizens Comm announced Mon its planned acquisition of Commonwealth Telephone Enterprises through a \$1.16bln cash and stock deal. Expected to close in mid-'07, the deal aims to expand CC's presence in PA, one of 23 states in which it offers triple play services under the Frontier brand name. CTE shareholders would get \$31.31 in cash and 0.768 shares of CC common stock per each CTE share.

CableFAX Daily Stockwatch

Company	09/18 Close	1-Day Ch	Company	09/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	42.65	0.07	AVID TECH:	42.37	0.04
DIRECTV:	18.90	0.17	BLNDER TONGUE:	1.35	(0.07)
DISNEY:	30.06	(0.25)	BROADCOM:	28.69	0.34
ECHOSTAR:	32.37	0.02	C-COR:	8.46	0.08
GE:	34.87	0.02	CISCO:	22.84	0.12
HEARST-ARGYLE:	23.37	(0.44)	COMMSCOPE:	31.01	0.64
ION MEDIA:	0.89	(0.01)	CONCURRENT:	1.58	0.08
NEWS CORP:	19.92	(0.22)	CONVERGYS:	20.86	0.21
TRIBUNE:	31.10	0.13	CSG SYSTEMS:	26.96	(0.08)
MSOS					
CABLEVISION:	23.77	(0.46)	GEMSTAR TVG:	3.27	(0.11)
CHARTER:	1.47	(0.04)	GOOGLE:	414.69	4.81
COMCAST:	34.18	(0.28)	HARMONIC:	7.03	(0.26)
COMCAST SPCL:	34.18	(0.22)	JDSU:	2.18	0.01
GCI:	12.88	0.03	LEVEL 3:	5.09	(0.01)
KNOLOGY:	10.04	(0.04)	LUCENT:	2.29	0.00
LIBERTY CAPITAL:	81.95	(1.02)	MICROSOFT:	26.79	(0.06)
LIBERTY GLOBAL:	25.54	0.01	MOTOROLA:	24.95	0.10
LIBERTY INTERACTIVE:	19.84	(0.07)	NDS:	41.95	(1.5)
MEDIACOM:	7.16	(0.09)	NORTEL:	2.31	(0.04)
NTL:	24.53	(0.8)	OPENTV:	2.99	(0.02)
ROGERS COMM:	51.78	0.11	PATH 1:	0.63	0.00
SHAW COMM:	29.33	0.04	PHILIPS:	34.62	0.01
TIME WARNER:	17.14	0.12	RENTRAK:	11.37	(0.01)
WASH POST:	742.50	(3.5)	SEACHANGE:	8.83	0.15
PROGRAMMING					
CBS:	28.67	0.09	SONY:	42.28	0.11
CROWN:	4.35	0.02	SPRINT NEXTEL:	17.40	0.04
DISCOVERY:	13.92	0.02	THOMAS & BETTS:	44.48	0.49
EW SCRIPPS:	45.92	(0.44)	TIVO:	7.96	0.01
GRUPO TELEVISA:	21.11	0.22	TOLLGRADE:	8.31	(0.01)
INTERACTIVE CORP:	28.42	(0.38)	UNIVERSAL ELEC:	19.57	0.00
LODGENET:	18.95	0.00	VONAGE:	7.26	(0.04)
NEW FRONTIER:	8.65	0.10	VYVO:	4.88	0.25
OUTDOOR:	11.00	0.26	WEBB SYS:	0.06	0.00
PLAYBOY:	9.33	(0.03)	WORLDGATE:	1.63	0.08
UNIVISION:	34.40	(0.48)	YAHOO:	29.00	(0.32)
VALUEVISION:	11.53	0.01	TELCOS		
VIACOM:	36.50	(0.13)	AT&T:	31.41	(0.45)
WWE:	16.93	(0.07)	BELLSOUTH:	41.28	(0.62)
TECHNOLOGY					
3COM:	4.35	0.02	QWEST:	8.80	0.10
ADC:	14.49	0.07	VERIZON:	35.76	(0.05)
ADDVANTAGE:	4.04	0.29	MARKET INDICES		
AMDOCS:	38.46	(0.61)	DOW:	11555.00	(5.77)
AMPHENOL:	60.12	(0.63)	NASDAQ:	2235.75	0.16
ARRIS GROUP:	11.42	(0.09)			

Rainbow Media Digital Conversion

for AMC, IFC and WEtv

Last chance - go to www.rainbowtechupdate.com today!

Don't leave your viewers in the dark!



Symonds Says...

Diversity Week was quite a week for news. For those of you wondering if the industry's baby steps toward a truly diverse workplace have really amounted to anything, consider these national news items:

Colin Powell breaks ranks

The big news was that three Republican senators with glowing military records went public with their opposition over President Bush's terrorist



Curtis Symonds

detainment policy. But when Colin Powell joined them, through a letter that read, "the world is beginning to doubt the moral basis of our fight against terrorism," it merited a little more than a sidebar.

Think about that: an African American publicly challenges President Bush on the issue of morality, a man who has been known to treat the moral high ground like his own, private, gated community, and no one says a word. I don't know about you, but I find that amazing—and in no small way, comforting.

Ann Richards passes

Most people remember Ann Richards as the white-haired, no-nonsense keynote speaker with the razor-sharp tongue, who said of the first President Bush: "Poor George, he can't help it. He was born with a

silver foot in his mouth."

But for all her memorable sound bites, this former school teacher's legacy might be this: she brought an amazing number of blacks, Hispanics and women into public office, she appointed the first African American regent to the University of Texas, and she installed the very first blacks and women in the state's police force, the Texas Rangers.

Thank you, Ms. Richards and may God welcome you with open arms.

Mayor vetoes Chicago's "big box" minimum wage

Last week Chicago Mayor Daley vetoed a bill that would have raised the minimum wage for big box retailers in his city. The story was fascinating because it crystallized much of the debate around the rise of retail superpowers like Wal-Mart. Do they take advantage of employees by underpaying and not giving them benefits? Or do they provide jobs to minorities and working-class people, and save them millions of dollars in low cost food, products and services? At this point, I'm not sure. But thanks to the good people of Chicago, the debate will no doubt start working its way toward Capitol Hill.

Cold Spring Harbor played Roosevelt High

In Long Island, Cold Spring Harbor, a public school from a largely white, upscale community, opened its 2006

football schedule by facing off with bitter rival, Roosevelt, a school of blacks and Hispanics, so struggling that in 2002 it was taken over by the state.

And while the juxtaposition is obvious, the reason the game made front page news was because, when it looked like Roosevelt would not be able to raise funds to field a team, the booster club of Cold Spring Harbor rode to the rescue. They raised money for Roosevelt, going door-to-door for donations. Some Cold Spring players gave up weekends and joined their rival's benefit car washes. Then, at the 11th hour, with Roosevelt's season in the balance, an anonymous Cold Spring businessman sent a check for \$20,000.

With all the horror stories you hear about hockey dads and cheerleading moms, it's nice to know you can still find, deep within the trash heap that we've made out of youth sports, a life lesson for us all. (And in case you were wondering, Roosevelt won the game, 7-0.)

OK, OK, I know: none of these news items can be directly attributed to cable's diversity efforts. But Symonds says they are reminders that even the biggest elephant gets eaten one bite at a time, and that through Kaitz, NAMIC and WICT, this industry is slowly but surely digging in.

Curtis Symonds can be reached at curtissymonds@yahoo.com.

HGTV's Design Star was the **#1** Prime Time Cable Show on 9/10/06 ¹

HGTV also broke prime time monthly records in HH ratings and delivery of key demos (A25-54, W25-54, A18-49 & W18-49)! ²

HGTV has always been the leader in lifestyle programming - and now a leader in all of cable programming!



Source: NMR; L+SD; 1 Design Star prog rtg Su 9/10/06 9P-10P, compared to all ad-supported cable progs 9/10/06 8P-11P among P25-54. 2 Nielsen Media via Star Media's Multi-Trak Analysis, Standard Prime Aug'06 TD (7/31/06-8/27/06)

cable
strategies tactics leaders
WORLD

Who Are Cable's Most Influential Women?

Help us decide by nominating the executives you think should be on our list.

We will rank the Top 50 in the Nov. 16 issue of *CableWorld*. Nominations are open to all cable operators, programmers, vendors and trade associations.

Deadline to submit a nomination is
Friday, September 29.

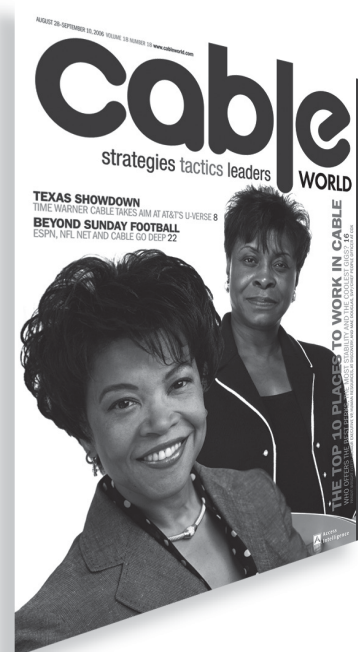
Submit nominations to:

Shirley Brady
CableWorld

email: sbrady@accessintel.com

fax: 212-621-4895

mail: 110 William St., 11th Floor, New York, NY 10038



Nomination form can be found at www.cableworld.com/cableworld