

CableFAX Daily™

Wednesday — September 19, 2007

What the Industry Reads First

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A Different Policy: Industry Execs Honest About Competition Woes

An interesting thread linked the **Goldman Sachs** conference appearances of **Time Warner Cable** pres/CEO *Glenn Britt*, **Comcast** COO *Steve Burke* and **DirecTV** pres/CEO *Chase Carey*: candor. Specifically, they said competition is weighing more heavily on their respective companies than the struggling economy. Burke admitted that **Verizon's** entry into 5% of its footprint has led to customer defections, although primarily analog subs. "I do think competition is going to get worse, not better," he said. Britt cited some success by Verizon and **AT&T**, particularly in troubled markets Dallas and L.A., but maintained that DirecTV and EchoStar pose the greatest challenge. Carey, meanwhile, said cable competition has become a "force," and that DirecTV must work on customer retention. He also said most defectors to cable are more often lured by price than service bundles. But Carey said the satcaster is "moving to where we sell [more] bundles" than those offered by partners such as **Qwest** and AT&T. In addition to DirecTV's HD push, Carey said its VOD service (by YE) will also be key. "It's a much more user friendly experience [than cable VOD], much more than 'here are 10K things, now go find it,'" said Carey. Britt took his own shot at DBS ops, saying he's not sure how EchoStar and particularly DirecTV will deliver on their HD channel promises. "I don't see it as a sustainable advantage," said Britt of HD capacity. "Our signals are better, and we don't charge customers more for HD." Meanwhile, Burke shrugged off the HSD market's slowdown, arguing that phone, commercial services and interactive advertising will pick up the slack through '11 and beyond. "I don't see the [RGU additions] train slowing down in '08 and '09," he said.

Media Matters: Journos Reflect on Race in Reporting

When it comes to diversity in the media, nothing's going to change until senior management takes responsibility. That was the thrust of a **NAMIC** panel discussion Tues on the media's representation of ethnic groups. "We can have all the diversity group marketing videos, but it doesn't matter until management has that sensitivity," said **Telemundo** anchor *Jose Diaz-Balart*. Diaz-Balart spoke about how as a Cuban-American he has been asked if he can objectively report on *Fidel Castro*. He wondered how many female reporters were asked if they could objectively report on *Hillary Clinton's* presidential bid or whether African-Americans were asked if they could fairly report on *Barack Obama*. "Where's that line drawn when it comes to asking some people and not others?" Diaz-Balart asked. There were also concerns raised about media using people of color only on "ethnic" stories. **Essence** magazine editor-in-chief *Angela Burt-Murray* also blasted the laziness that causes reporters to rely on self-anointed spokespersons, like *Jesse Jackson*. **CNN Worldwide** svp, intl newsgathering *Parisa Khosravi* said CNN's Diversity Council combs through the network's coverage and creates video clips to help with diversity. "It's incredibly important to us that when we have a black man on TV, he's not talking about black issues but about anything and everything," she said. Khosravi credited CNN founder *Ted Turner* for helping develop this culture early on by banning the word "foreign" from air because "who is the foreigner? We're an international news



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SOURCE: Nielsen Galaxy Explorer, 2007-to-date (7/30 - 8/26/07), Prime Time (M-Su 8-11p) Live+SD coverage area HH ratings among all ad-supported cable networks. 3. Nielsen People Meter Sample, Sep '07 Universe Estimate of 84.535 million subscriber households. Further qualifications available upon request.

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organization.” Adding some levity to the panel was **Comedy Central**’s self-proclaimed “senior black correspondent” for “The Daily Show,” *Larry Wilmore*, who cracked that he’s “looking forward to the day when you can turn on ‘Cops’ and a black man has his shirt on.” But Wilmore made some serious points as well, saying people should be judged on their merits. As for the *Don Imus* controversy, he quipped that a “white guy plus black slang usually equals comedy” but chastised Imus for calling Rutgers women’s basketball team “nappy-headed hos.” “Not even the rappers do that anymore,” Wilmore said. “He doesn’t understand the rules, and they were so undeserving of that label.”

Goldman Sachs Notebook: Time Warner chmn/CEO *Dick Parsons* on Tues further teased investors who want a spinoff of **Time Warner Cable**, inferring that the media conglomerate could make a decision as early as 2008. “We’re at least in the zone where we can start to make plans for doing something next year,” he said, noting that it’s not a question of if but when the cable arm will go free. Interestingly, he said cable’s foray into wireless and its response to new competitive threats will be “the guiding principals” on timing. Parsons also addressed the so-far rocky integration of **Adelphia**’s systems into Time Warner Cable, arguing that investors will see “a lot of upside” once the process is complete. – **Disney** pres/CEO *Bob Iger* said the Mouse continues to wean itself off of ad dollars, which now account for only 23% of its overall revenues, while nurturing “multiple creative engines” across its many divisions. Of Disney’s TV ad revenue, he noted that “much of that comes from **ESPN**, which is virtually DVR proof” because of its reliance on live sports events.

Ready to Roar: **MGM** has secured a carriage deal with **DirectTV** for **MGM HD**, its 1st wholly-owned channel in the US. **Cfax** first reported that MGM backed out of plans to exhibit the channel at **NCTA**’s **Cable Show** in May as it worked on securing carriage (**Cfax** 4/12). The 24/7 linear HD net will feature classic and contemporary films, such as “West Side Story” and “Usual Suspects,” when it launches on DirecTV this fall.

NAMIC Notebook: Gripping lineup of speakers at the final day of **NAMIC**’s annual conference in NYC. *Mariane Pearl*, who’s book “A Mighty Heart: The Brave Life and Death of My Husband Daniel Pearl,” was recently turned into a movie starring *Angelina Jolie*, held a captivated audience as she spoke of her and her slain husband’s mission to promote tolerance and inspire respect for differences. -- Later, **CNN**’s *Anderson Cooper*, **NAMIC**’s *Mickey Leland* Humanitarian Achievement award recipient, recounted tales of dying children in Niger and tragedy in New Orleans (including the lack of a marker recognizing where 91-year-old *Ethel Freeman* died—she was the woman in a wheelchair who died and had been wheeled off to the side at the city’s convention center, a photograph seen all over the world). Cooper said he used to believe that his reporting would move someone to act. Now, “I’m not sure my stories make a difference,” he said, noting that he believes it’s his duty to tell the stories nevertheless.

Competition: **AT&T** expanded **U-verse** availability in Dallas-Fort Worth, TX, where the service now passes 325K homes. Also, area customers of the telco’s HSI service may customize **U-bar**, a service that brings Web content such as local weather, sports and traffic to the TV screen. -- **DirectTV** will launch next month **CNBC HD+**, featuring programmed content linked to on-air discussions, such as a new charting tool and detailed company information highlighting fundamentals, price performance and competitors.

Deals: **New Frontier Media** inked a deal with **Penthouse** to develop and launch a Penthouse-branded linear chan-

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nel (within 2 years) and VOD service (within 6 months) for pay-TV distribution. -- **Gemstar-TV Guide** signed a patent license deal with **MediaFLO** covering use of Gemstar's EPGs on the **FLO TV** mobile entertainment service.

Moving Company: **CTAM** led cable to secure a successful bid to exclusively advertise digital cable in the **US Postal Service's** change of address program. The 2-year project, "Cable Move National Change of Address Program," launches in Jan and will include advertising in the pre-moving change of address guide, an online address change option and a post-move welcome kit. CTAM led the process for 14 cable companies, with support from **Sand Cherry Assoc.**

On the Circuit: New Yorkers are unflappable, but even they will stop to watch dogs running down a dock and jumping long and high into a pool after a toy. Hundreds did Tues as **Outdoor Channel** staged an event 10 blocks from the **NAMIC** conference to tout its "DockDogs" series (premieres Oct 4, 9pm ET). The eps will show the newly sanctioned sport's qualifying events and championship (we're not making this up). In addition to crowds of curious New Yorkers, the dogs (and their humans) attracted mass local and national media coverage. [You can see the action at outdoorchannel.com].

People: Former **Charter** programming exec **Sue Ann Hamilton** joins **HDNet** as a strategic consultant.

CableFAX Daily Stockwatch

Company	09/18 Close	1-Day Ch	Company	09/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMPHENOL:	38.72	1.51
BRITISH SKY:	54.45	1.31	APPLE:	140.92	2.51
DIRECTV:	23.75	1.40	ARRIS GROUP:	14.22	0.63
DISNEY:	34.58	1.20	AVID TECH:	27.75	0.89
ECHOSTAR:	42.04	1.08	BIGBAND:	8.99	0.38
GE:	41.68	1.50	BLNDER TONGUE:	1.25	0.04
HEARST-ARGYLE:	26.15	0.15	BROADCOM:	36.31	1.46
ION MEDIA:	1.29	(0.01)	C-COR:	10.10	0.51
NEWS CORP:	22.87	0.85	CISCO:	32.04	0.54
TRIBUNE:	27.67	0.40	COMMSCOPE:	54.30	0.49
MSOS					
CABLEVISION:	34.47	0.10	CONCURRENT:	1.35	0.03
CHARTER:	2.77	0.18	CONVERGYS:	16.54	0.29
COMCAST:	25.00	0.11	CSG SYSTEMS:	22.02	0.52
COMCAST SPCL:	24.58	0.07	GEMSTAR TVG:	6.33	0.07
GCI:	12.66	0.66	GOOGLE:	535.27	9.97
KNOLOGY:	17.34	1.10	HARMONIC:	10.64	0.44
LIBERTY CAPITAL:	118.99	2.74	JDSU:	13.85	0.27
LIBERTY GLOBAL:	42.81	1.67	LEVEL 3:	4.67	0.21
LIBERTY INTERACTIVE:	19.06	0.22	MICROSOFT:	28.93	0.20
MEDIACOM:	7.52	0.26	MOTOROLA:	17.23	0.40
NTL:	28.22	0.00	NDS:	47.80	(0.27)
ROGERS COMM:	42.97	0.00	NORTEL:	16.87	(0.04)
SHAW COMM:	24.63	0.45	OPENTV:	1.54	0.04
TIME WARNER CABLE:	34.18	0.06	PHILIPS:	43.48	1.52
WASH POST:	775.25	12.50	RENTRAK:	11.99	0.22
PROGRAMMING					
CBS:	32.14	1.35	SEACHANGE:	6.98	0.57
CROWN:	6.97	0.22	SONY:	47.31	0.61
DISCOVERY:	25.80	(0.01)	SPRINT NEXTEL:	17.90	0.25
EW SCRIPPS:	43.56	0.69	THOMAS & BETTS:	57.59	2.37
GRUPO TELEVISIA:	26.03	1.11	TIVO:	6.15	0.20
INTERACTIVE CORP:	28.05	0.93	TOLLGRADE:	9.98	0.04
LODGENET:	23.67	(1.52)	UNIVERSAL ELEC:	28.79	1.32
NEW FRONTIER:	6.38	0.09	VONAGE:	2.05	0.11
OUTDOOR:	8.74	0.28	VYYO:	5.36	(0.1)
PLAYBOY:	11.03	0.50	WEBB SYS:	0.09	0.02
TIME WARNER:	18.66	0.42	WORLDGATE:	0.40	(0.01)
UNIVISION:	36.23	0.00	YAHOO:	25.06	0.11
VALUEVISION:	8.06	0.25	TELCOS		
VIACOM:	38.51	1.39	AT&T:	40.83	0.83
WWE:	14.56	0.47	QWEST:	9.33	0.26
TECHNOLOGY					
3COM:	3.53	0.07	VERIZON:	43.31	0.72
ADC:	20.49	0.13	MARKET INDICES		
ADVANTAGE:	7.27	0.21	DOW:	13739.39	335.97
ALCATEL LUCENT:	9.00	0.39	NASDAQ:	2651.66	70.00
AMDOCS:	35.41	0.91			

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and Communications

Cox Cable Communications - SVP, Programming

Google - Director, Google TV Ads

HSN - EVP, Affiliate Relations

Mediacom, LLC - SVP, Programming & HR

Millennium Digital Media - SVP, Programming &
Product Development

NCTC - President & CEO

New Wave Communications - President

Ovation

Retirement Living TV

Time Warner Cable - SVP & Chief Business Affairs Officer

Wave Broadband - CEO

Tentative Schedule Of Events

Wednesday, October 24, 2007

12:00 pm – 3:00 pm Registration

3:00 pm – 5:00 pm Industry Leaders Forum

7:00 pm – 10:00 pm Dinner

Thursday, October 25, 2007

8:00 am – 11:30 am Industry Leaders Forum/Breakfast

12:00 pm – 4:30 pm Recreation Activities

7:00 pm – 10:00 pm Dinner (Ritz-Carlton)

Friday, October 26, 2007

8:00 am – 11:00 am Industry Leaders Forum/Breakfast

11:00 am Departure

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