

CableFAX Daily™

Wednesday — September 20, 2006

What the Industry Reads First

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Fox Legalese: News Net Runs Legal Notices Warning of Contract Expiration

We're used to full-page newspaper advertisements popping up during contract negotiations, but tiny legal notices buried amongst the classifieds are a new one on us. **Fox News** made the unusual move of placing legal notices Sun in 2 CT newspapers warning **Cablevision** subs that programming might be interrupted or terminated in the next 30 days because its 10-year contract with the MSO is expiring. Both sides say they are talking. "We are currently in negotiations with Fox News Channel and are hopeful of reaching an agreement," Cablevision said. The current contract expires on Fox News' 10th anniv, Oct 7. It's unclear whether Fox News has posted notices in other markets (check your local papers!). No one **Cfax** contacted could recall similar legal notices ever being filed by a net. Fox News vp, affil marketing *John Malkin* told the *Stamford (CT) Advocate* that's its "standard operating procedure" to alert viewers of potential channel interruptions. "It's just a notification and not meant to be anything more than that," he said. No one from Fox News was immediately available for specific comment. It wasn't clear if the notices relate to a recent **FCC** ruling that found **Time Warner Cable** didn't give viewers the proper 30 days notice before dropping **NFL Net** in recently acquired systems. The legal notices appeared in *The Advocate* and *The Greenwich Time*. They come after **News Corp** chief *Peter Chernin's* remarks last week that he expects contentious negotiations (reports have the net jumping from about a quarter to \$1/sub) that could include the network pulling its signal from distributors if a deal can't be reached. "I would assume these are likely to be really tough, tough, tough negotiations," Chernin said during a **Merrill Lynch** investment conference. "But I believe it has earned the right to get a significant, significant increase." Fox began talking up a rate increase several years ago, as Fox News emerged as the news net ratings leader (it frequently ranks as a Top 10 cable net prime). DirecTV's deal with the net expires this month.

Deals: Allegiance Comm closed on a deal to buy 29K **Charter** video subs in OK, KS, MO and TX. **Daniels & Assoc** was the exclusive broker in the transaction. Financials weren't disclosed. -- Who knew **Adelphia** had anything left to sell? **ADDvantage** subsidiary **Broadband Redistribution Intl** bought 82,034 **S-A** and 16,889 **Motorola** surplus digital set-tops from the former MSO for \$1.8mln. Broadband Redistribution will put \$2mln-\$3mln into refurbishing the boxes.

On the Hill: As expected, the Sen Commerce Committee unanimously approved **FCC** chmn *Kevin Martin* and **NTIA** nominee *John Kneuer's* nominations. The 2 now need full Senate approval.

Competition: **AT&T** announced the addition of 14 religious channels to its "U-verse" TV lineup, including **The Inspiration Nets**, **Trinity Broadcasting Net** and **Eternal World TV Net**. -- **CBS** on Mon announced an audio promotion of its fall TV lineup on **1-800-FREE411**, a free directory assistance service that includes recorded messages from stars or hosts of shows like "The Amazing Race" and "Jericho." -- **DirecTV** and **HP** unveiled a 7-year extension to their IT out-

She loves to watch!

August 2006 was Oxygen's most-watched month ever among Households, P2+, W18-49 and W18-34 for Primetime.

oh!
oxygen

Source: NMR January 2003-August 2006 (12/30/02-8/27/06) Primetime (M-Su 8P-11P). Qualifications available upon request.

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sourcing contract valued at \$500mln. HP provides IT ops and app testing services designed to help the DBS op roll out new services, acquire new customers and provide billing to current subs. -- **BellSouth** partnered with **DirecTech** and **MasTec** to jointly market and deploy voice, HIS and DirecTV services to residential MDUs in its service area.

Grappling for Subs: **NBCU** and **WWE** are uniting for a VOD/PPV promotion to help cable ops attract and upgrade broadband subs. Included is a free gift pack of automotive paraphernalia for consumers who order both WWE's "Cyber Sunday" PPV event and feature film "The Fast and the Furious: Tokyo Drift," offered by NBCU on VOD and PPV, and a contest at highspeedstakes.com to win a driving school experience with a WWE star. Participating cable systems will get marketing materials and the opportunity to tag all materials with broadband info and promotions. NBCU and WWE will support the initiative with national exposure and a media buy.

On the Course: **Comcast** is searching for a new **Golf Channel** pres, with CEO *David Manougian* to step back from day-to-day operations, reports *Sports Business Journal*. (What a week for our old *Johnny O*. He breaks the **Comcast-NFL Net** tier story, gets a co-bylines on Golf Channel and reports that *Tanya Vancourt* has resigned as vp, gm of **ESPN** broadband and ITV). Exec search firm **Spencer Stuart** is handling the search.

In the States: **Comcast** on Tues announced plans to add more than 500 jobs across CO, primarily customer service reps who will work in new Denver and Colorado Springs call centers. -- **Buckeye CableSystem** announced it will offer upgraded e-mail solutions from **Everyone.net** to its subs, providing a reduction in spam and junk e-mail.

People-friendly Cable: The **CTHRA's** inaugural "Human Capital Metrics Survey" suggests the cable industry effectively manages human capital investments relative to the general industry database of **Saratoga**, the **PricewaterhouseCoopers** division that conducted the research. Cable realizes a \$3.24 avg human capital ROI compared to Saratoga's general industry median of \$1.24. Labor cost rev percentage for the industry is 14.61% (vs. 29.3%). Voluntary separation rate (the percentage of employees who voluntarily leave the company on an annual basis) is a negative for cable, as employee "churn" is 12.61% (vs. 10.5%). The research initiative was implemented by CTHRA to establish industry-specific benchmarks, and examined 25 metrics in 6 categories: org and ops; HR staff and structure; compensation and benefits; retention and separations; staffing and hiring; and diversity.

Affiliate Relations: **Showtime** is teaming up with MSOs to help them sell phone service. **Cox** and **Comcast** are running various promos offering free or discounted Showtime programming when a consumer signs up for voice in select markets. One of the richer promos featured an entire free year of Showtime. More common are 3-month and 6-month offers, said Showtime vp, distributor marketing *Laura Palmer*. **Time Warner Cable's** corporate office signed up to allow its divisions to run the Showtime-phone promo in 4Q. A recent telemarketing case study found response rates increased by 50% when subs received free Showtime and **Movie Channel** offers during phone signups, *Palmer* said.

Ratings: The NFL season-opening "Monday Night Football" doubleheader helped **ESPN** (3.0 HH rating/2.72mln HH delivery) pummel the prime competition last week, earning a 9.2 avg rating and an avg HH delivery of 8.53mln. **USA** (2.0/1.85mln) notched a distant 2nd, followed by **TNT** (2.0/1.84mln), **Disney** (1.8/1.64mln) and **Lifetime** (1.5/1.39mln). Nextel Cup racing on TNT, a "SpongeBob SquarePants" ep on **Nickelodeon** and **Bravo's** "Project Runway" completed the top 5 telecasts with identical 3.7 ratings. **Brag Book:** FSN's Mon telecast featuring the

The NHL® on HDNet is back!
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Detroit Tigers vs. Chicago White Sox averaged a 10.3 rating, besting **NBC** (10.0), **CBS** (7.4), **ABC** (6.4) and **ESPN** (5.7) in the Detroit market. -- The Sun ep of **VH1's** "The Flavor of Love" garnered a 2.0 rating in the 18-49 demo, making it the highest rated ep of the season and the 3rd highest in the show's history. Streams of the series on broadband channel **VSPOT**, have topped at least 1mln in each of the past 3 weeks.

Programming: The Far East plays a leading role in 3 new shows from **IFC**. "IFC News Special: Terror from Tokyo" (Oct 7, 7:30pm ET) examines the Japanese horror scene and its impact on American film, and Japanese anime series "Basilisk" (Oct 6, 11pm ET) and "Gunslinger Girl" (Jan '07) are set in feudal Japan and Italy, respectively. -- **USA** picked up 16 additional eps (2nd season) of "Psych" and 13 eps (6th season) of "The Dead Zone." -- Mystery authors including *Michael Connelly* and *James Ellroy* will host eps of **Court TV's** series "Murder by the Book," premiering Nov 13 (10pm). -- Multiplatform lifestyle brand **LIME** signed a deal with **Captivate Network** to deliver content across Captivate's wireless flat-panel TVs in office tower elevators across N America. -- **AMC** is offering MSOs exclusive VOD and broadband content to celebrate the 10th anniversary of its "Monsterfest" Halloween initiative. Available films include "American Werewolf in London" and "Evil Dead."

A&E Lets the Dog Out: **A&E** is adroitly using the arrest last week of bounty hunter *Duane "Dog" Chapman* to drive Web traffic and viewership of series "Dog the Bounty Hunter," which chronicles Chapman's real-life pursuit of bail jumpers. The homepage of the net's site at aetv.com is almost exclusively Dog-related, offering an ep guide, a link to send messages to the Chapman family, and video of his arrest as a fugitive from Mexican authorities. A new series ep offering Chapman's views of his recent brush with the law was slated to run last night (Tues) at 10pm ET. The capture of Chapman and 2 members of his team ironically stems from an incident in Mexico (where bounty hunting is illegal) that spurred the show's creation. Chapman apprehended fugitive rapist *Andrew Luster* 3 years ago in Puerto Vallarta, then jumped bail and fled back to the US. An extradition hearing is set for Nov 16 in US District Court in HI.

Promo Semantics: *USA Today* took issue with our description of its upcoming articles about sports figures featured in **OLN's** "Soul of a Champion" series (Sept 26, 9 pm ET) as "promotional" (*Cfax*, 9/15). While the paper's sports editors did co-develop the series with the net, *USA Today* spokesman *Steven Anderson* said "the newspaper will not run a promotional story" when it writes about featured sports figures. We'll just let our readers decide on this one.

Public Affairs: As part of its "Stop Breast Cancer for Life" campaign, **Lifetime** and singer *Jewel* will deliver to Capitol Hill Wed 12mln petition signatures urging Congress to pass the bipartisan Breast Cancer Protection Act of 2005. The bill would end so-called "drive-through" mastectomies, in which women are forced to leave hospitals soon after such procedures. -- **Nickelodeon** will go dark Sept 30 (noon-3pm) to celebrate the 3rd annual "Worldwide Day of Play," part of its "Let's Just Play" campaign to encourage kids to participate in active, healthy, and playful lifestyles. -- **Cartoon Net** launched Mon "National Recess Week" in support of its "Rescuing Recess" campaign that combats initiatives to remove playtime from school schedules. More than 10K elementary schools representing 4.6K US cities will host rallies this week to inspire adults to volunteer as recess monitors.

On the Circuit: While what was once known as **Outdoor Life** transforms itself into **Versus**, **The Outdoor Channel** is solidifying itself as an outdoor programming source by sponsoring the 35th annual National Hunting and Fishing Day on Sat. Celebrations are slated for Springfield, MO, and Detroit, home of the 5th winner of TOC's "Win Your Own Fishing Show" contest. -- Registration is now open for the '07 **CTAM** Research Conference taking place Feb 7-9 in St. Petersburg, FL. The dinner speaker will be *Morgan Spurlock*, director of "Super Size Me." -- **BCFM's** Thurs (4-5:15pm ET) teleconference seminar will review details of the **TMLC/SESAC** arbitration panel's retroactive SESAC blanket and per

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Jockeying for Dollars: HRTV is expected to imminently offer coverage of thoroughbred racing from Hawthorne Race Course in IL, and to accept bets on HRC races through its **XPressBet** wagering platform. The addition comes after rival **TVG** announced Fri that it would cease relations with HRC due to a dispute with the **IL Thoroughbred Horesmen's Assoc**, the track operator. ITHC exec dir *Justin Cassity* said a sub-contractual dispute between TVG and wagering firm **YouBet** led to the change.

Obit: Sad to hear that **HDNet's David Green** died last week of a heart attack. Green, 60, was exec producer for news and doc programming, including "HDNet World Report."

People: **CEA Pres/CEO Gary Shapiro** was appointed to the **US Dept of Commerce's** Spectrum Mgmt Advisory Committee. -- **Time Warner Cable** named *Mike Munley* pres of its Charlotte, NC, division.

Business/Finance: **Motorola** announced Tues a definitive merger agreement with **Symbol Technologies**, a manufacturer of products used in end-to-end enterprise mobility solutions. Motorola agreed to acquire all the outstanding shares of Symbol for \$15/share in cash, a transaction worth roughly \$3.9bln on a fully-diluted basis.

CableFAX Daily Stockwatch

Company	09/19 Close	1-Day Ch	Company	09/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AVID TECH:	42.33	(0.04)
BRITISH SKY:	41.99	(0.66)	BLNDER TONGUE:	1.22	(0.13)
DIRECTV:	19.21	0.31	BROADCOM:	28.23	(0.46)
DISNEY:	30.47	0.41	C-COR:	8.68	0.22
ECHOSTAR:	31.79	(0.58)	CISCO:	22.76	(0.08)
GE:	34.85	(0.02)	COMMSCOPE:	31.53	0.52
HEARST-ARGYLE:	23.15	(0.22)	CONCURRENT:	1.54	(0.04)
ION MEDIA:	0.89	0.00	CONVERGYS:	20.59	(0.27)
NEWS CORP:	19.73	(0.19)	CSG SYSTEMS:	26.00	(0.96)
TRIBUNE:	30.61	(0.49)	GEMSTAR TVG:	3.25	(0.02)
MSOS					
CABLEVISION:	23.23	(0.54)	GOOGLE:	403.81	(10.88)
CHARTER:	1.47	0.00	HARMONIC:	7.16	0.13
COMCAST:	34.51	0.33	JDSU:	2.15	(0.03)
COMCAST SPCL:	34.46	0.28	LEVEL 3:	5.18	0.09
GCI:	12.75	(0.13)	LUCENT:	2.28	(0.01)
KNOLOGY:	10.01	(0.03)	MICROSOFT:	26.86	0.07
LIBERTY CAPITAL:	82.08	0.13	MOTOROLA:	24.93	(0.02)
LIBERTY GLOBAL:	25.44	(0.1)	NDS:	41.64	(0.31)
LIBERTY INTERACTIVE:	19.89	0.05	NORTEL:	2.30	(0.01)
MEDIACOM:	7.12	(0.04)	OPENTV:	3.02	0.03
NTL:	24.34	(0.19)	PATH 1:	0.63	0.00
ROGERS COMM:	52.10	0.32	PHILIPS:	34.20	(0.42)
SHAW COMM:	28.77	(0.56)	RENTRAK:	11.23	(0.14)
TIME WARNER:	17.39	0.25	SEACHANGE:	8.65	(0.21)
WASH POST:	741.00	(1.5)	SONY:	41.76	(0.52)
PROGRAMMING					
CBS:	28.64	(0.03)	SPRINT NEXTEL:	17.34	(0.06)
CROWN:	4.37	0.02	THOMAS & BETTS:	44.99	0.51
DISCOVERY:	13.89	(0.03)	TIVO:	7.67	(0.29)
EW SCRIPPS:	46.05	0.13	TOLLGRADE:	8.40	0.09
GRUPO TELEVISA:	21.23	0.12	UNIVERSAL ELEC:	19.47	(0.1)
INTERACTIVE CORP:	27.97	(0.45)	VONAGE:	7.20	(0.06)
LODGENET:	18.61	(0.32)	VYYO:	4.65	(0.23)
NEW FRONTIER:	8.65	0.00	WEBB SYS:	0.06	0.00
OUTDOOR:	10.67	(0.33)	WORLDGATE:	1.56	(0.07)
PLAYBOY:	9.37	0.04	YAHOO:	25.75	(3.25)
UNIVISION:	34.44	0.04	TELCOS		
VALUEVISION:	11.65	0.12	AT&T:	31.44	0.03
VIACOM:	36.96	0.46	BELLSOUTH:	41.33	0.05
WWE:	16.61	(0.32)	QWEST:	8.65	(0.15)
TECHNOLOGY					
3COM:	4.29	(0.06)	VERIZON:	36.00	0.24
ADC:	14.32	(0.17)	MARKET INDICES		
ADDVANTAGE:	4.07	0.03	DOW:	11540.91	(14.09)
AMDOCS:	38.48	0.02	NASDAQ:	2222.37	(13.38)
AMPHENOL:	59.76	(0.36)			
ARRIS GROUP:	11.25	(0.17)			

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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.

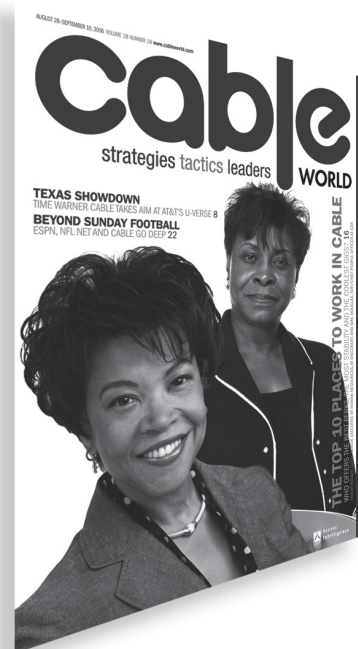
Submit nominations to:

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