

CableFAX Daily™

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What the Industry Reads First

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WiMAXing Without Relaxing: Wireless Data JV Faces Challenges

While it certainly possesses game-changing potential, cable's aggressive wireless data play through the **Sprint/Clearwire** jv must still navigate a current funding shortfall, any future tech pitfalls and possible near-term competition before WiMAX's true yield can be reaped or even assessed. The deal to establish the project's investment vehicle and driver (a new Clearwire) must also close, although most involved believe the transaction will face little regulatory resistance and complete by YE. When that happens, venture partners including **Comcast** (\$1.05bln), **Intel** (\$1bln) and **Time Warner Cable** (\$550mln) will pony up \$3.2mln in investment cash, bringing to approx \$14.5bln the total initial investment from all parties—yet that's not sufficient. "Clearwire... will need to raise an additional \$2 billion before the network is completely built out," said Sprint CEO *Dan Hesse* during a Thurs conference, admitting that "the economy isn't ideal for raising capital at this time and may not be down the road." Still, Hesse expressed confidence that the project's heavy-hitting investor lineup will lure other partners. Interestingly, **Mediacom's Rocco Commisso** said back in May that it's "just a matter of time before we get involved [with WiMAX], as opposed to whether we will get involved." Comcast CFO *Michael Angelakis*, meanwhile, said this week that execution will be key in attracting new capital. WiMAX has tested well so far, delivering avg download speeds of 4Mbps and up to 10Mbps during a recent demonstration by Clearwire in San Francisco. Importantly, speeds are consistent with previous-stated goals for Baltimore, slated to go live this month, and for planned launches in Chicago and DC later this year. "With each successful launch, skepticism of Clearwire and WiMax should fade," wrote **ThinkPanmure**. Then there's **AT&T** and **Verizon**, who are unlikely to watch passively as cable adds mobile broadband options to service bundles. The telcos will use **LTE 4G** tech to compete with WiMAX, and Verizon pres/COO *Denny Strigl* surprised some this week with his avowals of basic LTE trials next year and commercial availability in '10, both sooner than widely expected. Think/Panmure, for example, posits that widespread LTE rollout in 2-3 years is "the best case" scenario. In any case, neither Strigl nor AT&T CTO *John Donovan* seems overly concerned about WiMAX. Donovan called it this week an "immature ecosystem," adding that AT&T's wireless broadband tech has "an upside that's still 5-10 times current speeds."

Deadline Time: Comcast said it would file its plans for network management with the **FCC** late Fri, the due date for the



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MSO to submit a compliance plan after the FCC voted 3-2 that it violated the Commission's open access principals with its network management practices. Comcast is challenging the ruling in federal court but still said it would comply fully with the order's requirements, which include developing a plan to comply by year-end. It said the requirements essentially codify the voluntary, protocol agnostic plan in announced in Mar. "Only at the busiest times will we apply our new congestion management practices," a Comcast spokeswoman said Fri said the MSO will use its "congestion management practices... only at the busiest times. When we do so, on average, well under 1% of users had their usage managed for brief periods of time based on our trials." As changes occur, "we'll make sure our customers are fully informed." She said the FCC plan includes thresholds and parameters on how it will deploy the service as well as vendors that would be used.

DTV Doings: ION Networks is taking the lead in an initiative to soft test the analog cutoff next month. **NBC O&Os, Telemundo** and public broadcasters are on board, with the nets planning a temporary shutdown of analog signals next month in NY, L.A., Philly, San Fran, DC and Hartford, CT. Letters have been sent to broadcasters, cable ops and DBS providers inviting them to participate. -- You can't expect Congress to adjourn Fri without one more DTV hearing. Sen Commerce will quiz **FCC** chmn *Kevin Martin* and Wilmington, NC, mayor *Bill Saffo* Tues at 2:30pm.

Down and Up: So why did **Discovery's** Class A common stock end its first trading day Thurs down by 25%? Well, it turns out that separate and more numerous Class C shares didn't start trading until later in the day. So as money shifted back and forth on Thurs, the C shares actually rose by 25% despite A shares' decline. Confused? Perhaps that's how *John Malone* likes it. On Fri, Discovery's A shares advanced by... you guessed it... 25%. C shares were up another 4%. So the Class A stock price is about where it started, and the A-to-C price gap has narrowed considerably. Something tells us Dr. John knows what he's doing, even if the rest of us can't always figure it out.

Hurricane Ike: Comcast employees were working through the weekend to restore service 1 week after Ike made landfall. Earlier in the week 75% of customers in the Houston division's footprint were without service. "Today, we were able to get that number below 50%," spokesman *Ray Purser* said Fri. More than half of its facilities are on generators, with massive power outages still a problem. Of Comcast's approx 2700 employees in the area, about 20 suffered severe damage to their homes. The MSO has been working to help set up temporary housing for them. With food, gas and other items being somewhat hard to find, it has also been doing little things to try and help folks get back to normal. One example is buying lunch for employees. **Suddenlink's** East TX systems are back to normal, except for the hard hit towns of Kingwood, Conroe, Lake Conroe, Huntsville, Lufkin and Nacogdoches. "Our people have done a great job finding creative ways to diagnose problems without having commercial power," said Texoma region vp *Todd Cruthird*. "Our tests showed yesterday that if full commercial power had been restored, about 85% of our customers would already be able to have service. Our crews already have repaired hundreds of drops and repaired downed fiber and cable." Assuming commercial power is restored, Cruthird said he expects the MSO to be able to return to business as usual by mid-week. As of Fri, Suddenlink had restored service to about 95% of Lufkin customers, about 90% in Nacogdoches and about 80% in Huntsville.

Programming: C-SPAN has agreed to post its coverage of the pres and vp debates at Elections '08 On Demand, the VOD project of 9 MSOs related to Project Canoe. -- **CBS College Sports Network** has extended its agreement to serve as the exclusive broadcast partner for Navy home football and various neutral site games (all in HD) through the '17-'18 season. The net will also various men's basketball games, lacrosse games and Olympic sports.

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WIDE APPEAL.



CableFAX Week in Review

Company	Ticker	9/19 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	33.03	1.80%	(29%)
DIRECTV:	DTV	25.24	(8.5%)	9.20%
DISNEY:	DIS	34.43	3.50%	6.70%
ECHOSTAR:	DISH	25.33	(9.9%)	(25.4%)
GE:	GE	26.60	(0.6%)	(21.6%)
HEARST-ARGYLE:	HTV	22.79	9.10%	4.70%
ION MEDIA:	ION	1.44		11.60%
NEWS CORP:	NWS	13.93	(3.3%)	(33.6%)
MSOS				
CABLEVISION:	CVC	27.50	(7.3%)	12.70%
CHARTER:	CHTR	0.98	(3.9%)	(16.2%)
COMCAST:	CMCSA	20.71	(4.6%)	14.70%
COMCAST SPCL:	CMCSK	20.61	(4.3%)	15.10%
GCI:	GNCMA	9.80	(4.4%)	12.00%
KNOLOGY:	KNOL	10.04	7.30%	(21.4%)
LIBERTY CAPITAL:	LCAPA	14.40	(5.7%)	(38.2%)
LIBERTY ENT:	LMEDIA	24.52	(9.9%)	1.40%
LIBERTY GLOBAL:	LBTYA	30.41	(5.6%)	(22.4%)
LIBERTY INT:	LINTA	14.30	3.30%	(25.1%)
MEDIACOM:	MCCC	7.35	(5.5%)	60.10%
SHAW COMM:	SJR	21.17	(5.4%)	(5.5%)
TIME WARNER CABLE:	TWC	25.78	(6%)	(6.6%)
VIRGIN MEDIA:	VMED	8.70	(21.3%)	(46.2%)
WASH POST:	WPO	597.99	(1.8%)	(22.3%)

Company	Ticker	9/19 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	15.69	(6.9%)	(37.7%)
CROWN:	CRWN	5.20	14.80%	(20%)
EW SCRIPPS:	SSP	7.28	4.60%	(92.8%)
GRUPO TELEVISIA:	TV	22.55	(1.6%)	(2.1%)
HSN:	HSNI	10.10	(30.7%)	(32.1%)
INTERACTIVE CORP:	IACI	17.11	(2.8%)	(36.4%)
LIBERTY:	L	40.76	(2.6%)	(19%)
LODGENET:	LNET	3.23	(6.1%)	(81.5%)
NEW DISCOVERY:	DISAD	17.29	5.00%	5.00%
NEW FRONTIER:	NOOF	3.44	(11.3%)	(23.3%)
OUTDOOR:	OUTD	8.40	4.60%	21.70%
PLAYBOY:	PLA	4.25	7.60%	(53.4%)
RHI:	RHIE	12.00	(2.7%)	(5%)
SCRIPPS INT:	SNI	41.59	1.80%	2.40%
TIME WARNER:	TWX	14.57	0.80%	(9.2%)
VALUEVISION:	VVTV	2.32	(2.1%)	(63.1%)
VIACOM:	VIA	26.81	(1.3%)	(39%)
WWE:	WWE	16.44	7.50%	24.40%

Company	Ticker	9/19 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	2.09	4.00%	(53.8%)
ADC:	ADCT	10.04	(2%)	(35.4%)
ADDVANTAGE:	AEY	2.68	(13.5%)	(56.6%)
ALCATEL LUCENT:	ALU	4.41	(13.7%)	(39.8%)
AMDOCS:	DOX	28.00	(0.1%)	(18.8%)
AMPHENOL:	APH	44.94	(0.5%)	(2.8%)
APPLE:	AAPL	140.91	(5.4%)	(28.9%)
ARRIS GROUP:	ARRS	9.63	1.40%	(3.5%)
AVID TECH:	AVID	25.29	(0.1%)	(10.8%)
BIGBAND:	BBND	3.52	(13.1%)	(31.5%)

Company	Ticker	9/19 Close	1-Week % Chg	YTD %Chg
BLNDER TONGUE:	BDR	1.40	0.70%	(15.7%)
BROADCOM:	BRCM	21.39	(3.4%)	(18.2%)
C-COR:	CCBL	11.00		
CISCO:	CSCO	24.29	3.50%	(10.3%)
COMMSCOPE:	CTV	42.60	0.10%	(13.4%)
CONCURRENT:	CCUR	6.25	(7.4%)	(24.1%)
CONVERGYS:	CVG	15.56	(5.1%)	(5.5%)
CSG SYSTEMS:	CSGS	17.57	(2.5%)	19.40%
ECHOSTAR HOLDING:	SATS	28.23	(1.2%)	(14.2%)
GOOGLE:	GOOG	449.15	2.60%	(35%)
HARMONIC:	HLIT	9.35	5.80%	(10.8%)
JDSU:	JDSU	9.21	(2.5%)	(30.7%)
LEVEL 3:	LVL	3.30	(4.1%)	8.60%
MICROSOFT:	MSFT	25.16	(8.1%)	(27.2%)
MOTOROLA:	MOT	7.51	(7.6%)	(50.7%)
NDS:	NNDS	57.52	(4%)	(2.9%)
NORTEL:	NT	3.00	(45%)	(80.1%)
OPENTV:	OPTV	1.60	6.70%	21.20%
PHILIPS:	PHG	30.92	1.40%	(20.5%)
RENTRAK:	RENT	14.74	2.30%	1.90%
SEACHANGE:	SEAC	9.70	20.30%	34.20%
SONY:	SNE	32.50	(6.9%)	(40.1%)
SPRINT NEXTEL:	S	7.17	(0.3%)	(45.4%)
THOMAS & BETTS:	TNB	42.68	(3%)	(13%)
TIVO:	TIVO	7.61	(1.2%)	(8.8%)
TOLLGRADE:	TLGD	5.07	(11.7%)	(36.8%)
UNIVERSAL ELEC:	UEIC	26.64	3.10%	(20.3%)
VONAGE:	VG	1.31	4.80%	(43%)
YAHOO:	YHOO	19.89	4.20%	(14.5%)

Company	Ticker	9/19 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	30.40	(3.6%)	(18.2%)
QWEST:	Q	3.66	(2.7%)	(40.9%)
VIRIZON:	VZ	33.30	(3.5%)	(15.5%)

Index	9/19 Close	1-Week % Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	11388.44	(0.3%) (14.1%)
NASDAQ:	COMPX	2273.90	0.60% (14.3%)

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. SEACHANGE:	9.70	20.30%
2. CROWN:	5.20	14.80%
3. HEARST-ARGYLE:	22.79	9.10%
4. PLAYBOY:	4.25	7.60%
5. WWE:	16.44	7.50%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. NORTEL:	3.00	(45%)
2. HSN:	10.10	(30.7%)
3. VIRGIN MEDIA:	8.70	(21.3%)
4. ALCATEL LUCENT:	4.41	(13.7%)
5. ADDVANTAGE:	2.68	(13.5%)



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MaxFAX...

Whoa...

\$1.7 million on a really down market day!

Going to be interesting next year...

Not the markets (that goes without saying... along with the surrealistic presidential campaigns).



Paul S. Maxwell

The dinner.

All the dinners.

Can two weeks of crammed events/shows/meetings/exhibits/etc live up to the hopes of the **NCTA** Board?

We're tempted to

start one of the doomsday clocks with side bets on the outcomes... with "+ or -" so many dollars above or below.

Your guesses?

Kaitz at even? (Not a chance... with the next dinner outside New York, generating the dollars from financial players in the City—presuming some are still extant next year—will be little more than a long shot).

Cable Positive up \$2?

WICT down \$2?

CTAM Red Ribbon Breakfast?

SCTE attendance up 5%?

Hall of Fame up \$1.5?

CTAM attendance up 5%?

(Being nice about this... sort of).

Or... ?

Random Notes:

• **Meanwhile:** Let's all hope subscription television is truly recession-proof.

• **Free Markets?** Ummm... regulation is coming again. Maybe 9/16 will enter the vernacular as the day the great deregulation train got stopped dead in its tracks. What form regulation takes is going to be a contentious process. For cable and the other multichannel-multiplatform-broadband and more providers, the "good news" (in that we're down the list) is that financial markets will bear the initial brunt of regulatory changes (some bad, some good, some clearly necessary). But once the regulatory avalanche begins, it is going to be hard to slow... much less to stop. The sanctity of a contract is already under siege. Entire multiplatform business models are under siege from the Federal Confusion Commission. But wouldn't it be nice if we could ditch retransmission consent? Which, of course, raises the possibilities inherent in uncertainty... a chance to press for favorable regulations. But in this election, watch what you wish for carefully...

• **Debates!** The first one is Friday evening... from Oxford, Mississippi. (Though I don't think famous Oxford resident *John Grisham* will moderate.) Shades of *Faulkner*? Literate answers to literate, probing questions? Or, confederate flags flapping? Base ac-

cusations? Or gentlemanly probity? With **PBS' Jim Lehrer**, it might just be possible. Though given the nature of the slashing ads—from both sides—any kind of reserved manners might come as a surprise.

• **Political Ads = More \$\$?** Maybe not as much as we all hoped. Too many of these presidential campaign attack ads that get picked up and run in news shows actually often don't run as paid ads... they just get released on the Web along with a press release... free media! They do have the side-benefit of giving fact checkers something to do.

• **Launch Time!** Anybody else notice that both *BusinessWeek* and *The Wall Street Journal* launched enhanced financial web sites right as the market went haywire? Traditionally good timing... really.

• **Always a Silver Lining Department:** **CNBC** ratings spiked. And a few people actually noticed **Fox Business**. **Fox News** did a nice running promo for the sister net as political and financial news blended last week.

Yo-Yo Markets: How high? How low? Same day? Ouch!

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