

CableFAX Daily™

Wednesday — October 3, 2007

What the Industry Reads First

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Full Calendar: Cable's Ratings Success Extends Beyond Summer

Ad-supported cable is still basking in the afterglow of a scorching summer that paced a record-setting 3Q prime viewing share of 62% for the industry, according to **Turner** extrapolation of **Nielsen** data. But even as cable extends its Y-over-Y quarterly lead over broadcasters in 18-49 prime viewing as well (52% versus 26% in 3Q), the industry seems to be evolving into far more than a seasonal one-trick pony. "The steady erosion [of broadcast viewership] has in fact continued beyond the summer for some time," said **Lifetime** research boss *Tim Brooks*, who noted that cable now attracts more viewers in every month of the year. One critical factor in this TV change, he said, has been a cumulative positive effect from original cable programming, really beginning early this decade with **USA's** "Monk" and continuing through this year with shows such as **TNT's** "Saving Grace" and **Lifetime's** "Army Wives." And with the proliferation of new cable series, "the number of different [broadcast] network series is slowly shrinking," said Brooks. Also aiding cable is a population shift in which today's 18-30ish year-olds have grown up on pay-TV, engendering a certain comfort level with shows from the cable universe. -- **Disney** (2.5/2.34mln) took home the 3Q prime ratings crown, bolstered largely by runaway sequel "High School Musical 2." **USA** (2.1/1.97mln) notched 2nd with consistency, as the net's highest-ranked 3Q telecast was an 8/24 "Monk" ep in 33rd position. Continued success of "The Closer" propelled **TNT** (2.0/1.89mln) to 3rd, followed by **ESPN** (1.7/1.61mln) and 3 nights of highly rated "MNF." **TBS** (1.3/1.27mln) and **Lifetime** (1.3/1.22mln) tied to finish the top 5. -- Following a stellar industry Q are several net records for the period: **Oxygen** (166K HHs, 198K total viewers); **E!** (323K total); **Style** (103K total); **G4** (92K total); **HGTV** (1.1 HH rating, 1.15mln prime avg); and **Disney** (3.2mln total). **Adult Swim** posted the largest 3Q total day delivery in basic cable history with A18-34, A18-24, M18-34, and M18-24.

On the Ice: While no deal has been announced, it appears **Time Warner Cable** has signed on to carry **NHL Network** (*Cfax*, 10/1). The channel was up and running on the MSO's digital sports package in NY Tues (channel 458). Meanwhile, the NHL announced Tues that it has renewed its deal with cable via **In Demand**, **DirectTV** and **EchoStar** for the NHL Center Ice out-of-market game package. New this year is a mosaic for subs that will rotate live action telecasts for every hockey game playing concurrently through a 4-part screen (as with NBA League Pass). For the 1st time, In Demand affils will have the option of making the League's broadband content from NHL Center Ice Online available at no charge to subs who take the package. A free preview of Center Ice begins immediately and runs through Tues. Early bird/auto renewal is \$149. After Oct 9, the suggested retail price is \$169 for the full season, \$119 for the half season. Playoff package is \$59.

At the Portals: FCC chmn *Kevin Martin* pushed multicast must-carry during a speech before the Congressional Hispanic Caucus Institute Conference in DC Tues, saying that additional free broadcast streams, including those

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Source: Nielsen, M-Su 8-11pm, A25-54 (000), 9/25/06-9/23/07 vs. 9/26/05-9/24/06, most current data.

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from Spanish-language broadcasters, could spur excitement over buying a converter box. But the only way to make multicast channels a reality is "if the cable companies are required to carry these additional channels," he said in prepared remarks. "To date, the FCC has not required them to carry anything beyond a broadcaster's main signal. But as the courts have recognized, cable carriage is necessary for broadcast channels to survive." Martin noted that he circulated a multicast must-carry proposal about 16 months ago, but it's "unfortunately" still pending.

DTV Doings: Sen Aging Committee chmn *Herb Kohl* on Tues introduced his bill for preparing seniors for the DTV transition. It would formalize a partnership between the **FCC**, **NTIA** and **Administration on Aging**, with specific reporting requirements. At a committee hearing last month, a **GAO** rep cited a lack of coordination between the FCC and NTIA. Kohl said the partnership would coordinate with a diverse advisory board to craft a national consumer education campaign targeting older individuals who depend on analog TV. The FCC and NTIA would have to monitor and report on the overall progress of the transition and implementation of the convert coupon program. The bill would also amend the gov't's \$40 digital-to-analog converter program so that priority is given to HHs relying solely on over-the-air TVs. The program is open to anyone with an analog TV set, even cable and satellite homes. Kohl also wants to see to it that nursing home/assisted living residents could participate in the coupon program. Other bill provisions: a grant program to support non-profits and state and local govt agencies, as they help seniors and other vulnerable groups navigate the Feb 17, '09 transition; mandatory PSAs for the broadcast industry, CE makers and CE retailers; placement of easily identifiable labels on coupon-eligible converter boxes; and toll-free phone lines to help individuals with converter box installation.

Slam Dunked: NY Knicks coach **Isiah Thomas** did the harassing but **MSG** must write the check, a NYC jury decided Tues. Because the jury determined that plaintiff *Anucha Browne Sanders* was wrongly terminated after complaining of mistreatment, MSG chmn *James Dolan* was also named liable along with MSG, which was ordered to pay \$11.6mln in damages (Dolan must personally pay \$3mln of that amount). "We believe that the jury's decision was incorrect and plan to vigorously appeal the verdict," MSG said in a statement. No word on whether NBA com-mish *David Stern* will impose any sanctions on the team.

In the States: Outdoor Channel Holdings renewed its carriage pact with **NCTC**, adding incentives to induce broader carriage of **Outdoor Channel**. The company said the deal is expected to reduce Outdoor's sub fee revenue initially but lead to higher fees over the 5-year term. -- Without citing a reason, **Comcast** withdrew its offer to acquire certain MD assets of **Broadstripe**, formerly Millennium Digital Media. The deal was to affect 40K cable subs in the state's Anne Arundel County, just south of Baltimore. Broadstripe pres/CEO *Bill Shreffler* said the MSO plans to retain and upgrade the system. -- **Comcast** added **TBS** and **CNN** in HD in MA and most of NH. -- **Cox** dialed up **Pivot** in northern VA, the MSO's 6th market to receive the mobile service.

Deal: **DirectTV** is amending a deal that will increase to 3 from 2 the number of adult-content services carried by **New Frontier** subsidiary **Colorado Satellite Broadcasting** on the DBS platform, according to an **SEC** filing. DirectTV will carry **TEN Clips**, **Juicy** and **Real** for a 2-year term through Oct 14, '09.

Ratings Game: **MLB** will test **Teletrax**' digital video monitoring and tracking service through Mar. The test will include post-season games on **TBS**. The service covers satellite, cable and terrestrial stations in all 210 US TV markets.

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Ratings: Showtime is pleased as blood-red punch over the Season 2 debut of "Dexter," which notched just over a million viewers for its 9pm showing—the 1st time the premium net's broken a million in 1 viewing. The premiere was up 67% over Season 1's debut. An 11pm encore drew 414K viewers for a total of 1.42mln for the night—up 16% over Season 1's finale. Viewers dropped off for "Brotherhood" at 10pm, but its 371K viewers is still more than double the 172K that tuned in for Season 1's finale.

Editor's Note: Space is filling up for the annual **CableFAX** Leaders Retreat later this month. But we still have a few VIP slots open. If you feel you qualify as a VIP and would like to join us on Oct 24-26 at the Ritz Carlton Key Biscayne in Miami, please contact *Michael Grebb* at mgrebb@accessintel.com or 301-354-1790. For information on sponsorships, please contact *Amy Abbey* at aabbey@accessintel.com or 301-354-1783.

Deadline: The deadline for nominations for **CableWorld's** annual Most Powerful Women in Cable list has been extended to Oct. 5. Go to <http://www.cable360.net/topwomen.html> for the nomination form.

People: The **SCTE** board elected **Suddenlink** CTO *Terry Cordova* a member, replacing *Walter Ciciora*, who resigned. -- **Spike** promoted *In-ess Moskowitz* to vp, on-air promotions, creative group.

CableFAX Daily Stockwatch

Company	10/02 Close	1-Day Ch	Company	10/02 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	56.50	0.19	AMPHENOL:	39.71	(0.57)
DIRECTV:	24.47	(0.12)	APPLE:	158.45	2.11
DISNEY:	34.77	0.12	ARRIS GROUP:	12.01	(0.36)
ECHOSTAR:	46.77	(0.13)	AVID TECH:	27.97	0.63
GE:	42.12	0.10	BIGBAND:	6.51	0.07
HEARST-ARGYLE:	25.83	0.09	BLNDER TONGUE:	1.35	0.00
ION MEDIA:	1.32	(0.05)	BROADCOM:	36.96	(0.21)
NEWS CORP:	23.81	0.04	C-COR:	11.34	(0.25)
TRIBUNE:	28.12	0.62	CISCO:	33.01	0.02
MSOS					
CABLEVISION:	34.79	(0.27)	COMMSCOPE:	51.90	0.00
CHARTER:	2.68	(0.01)	CONCURRENT:	1.22	(0.04)
COMCAST:	24.00	(0.35)	CONVERGYS:	17.52	(0.21)
COMCAST SPCL:	23.75	(0.34)	CSG SYSTEMS:	21.69	0.33
GCI:	12.15	(0.1)	GEMSTAR TVG:	6.97	(0.01)
KNOLOGY:	16.94	(0.22)	GOOGLE:	584.39	1.84
LIBERTY CAPITAL:	124.87	(0.88)	HARMONIC:	11.20	0.21
LIBERTY GLOBAL:	41.52	(0.27)	JDSU:	15.24	(0.02)
LIBERTY INTERACTIVE:	19.75	0.00	LEVEL 3:	4.76	0.05
MEDIACOM:	7.10	0.08	MICROSOFT:	29.70	(0.07)
NTL:	28.22	0.00	MOTOROLA:	18.72	(0.06)
ROGERS COMM:	42.97	0.00	NDS:	52.97	1.19
SHAW COMM:	25.30	0.29	NORTEL:	17.36	(0.15)
TIME WARNER CABLE:	33.14	0.39	OPENTV:	1.59	0.04
WASH POST:	808.83	(6.53)	PHILIPS:	44.75	(0.46)
PROGRAMMING					
CBS:	30.81	(0.25)	RENTRAK:	13.46	0.08
CROWN:	7.52	0.22	SEACHANGE:	6.93	(0.08)
DISCOVERY:	28.90	(0.06)	SONY:	51.14	1.76
EW SCRIPPS:	42.67	(0.07)	SPRINT NEXTEL:	19.00	(0.05)
GRUPO TELEVISA:	24.40	0.82	THOMAS & BETTS:	59.18	0.32
INTERACTIVE CORP:	29.70	(0.3)	TIVO:	6.60	0.00
LODGENET:	26.97	0.38	TOLLGRADE:	10.01	(0.16)
NEW FRONTIER:	6.20	0.10	UNIVERSAL ELEC:	33.05	0.18
OUTDOOR:	9.00	(0.03)	VONAGE:	0.98	0.02
PLAYBOY:	11.24	0.09	VYYO:	5.41	(0.09)
TIME WARNER:	18.59	(0.16)	WEBB SYS:	0.13	0.05
UNIVISION:	36.23	0.00	WORLDGATE:	0.38	0.01
VALUEVISION:	7.65	(0.22)	YAHOO:	26.95	(0.09)
VIACOM:	38.61	(0.63)	TELCOS		
WWE:	15.76	0.19	AT&T:	42.41	0.18
TECHNOLOGY					
3COM:	4.89	(0.01)	QWEST:	9.18	0.03
ADC:	19.97	(0.37)	VERIZON:	45.34	(0.06)
ADVANTAGE:	8.10	0.00	MARKET INDICES		
ALCATEL LUCENT:	10.12	0.08	DOW:	14047.31	(40.24)
AMDOCS:	37.79	0.24	NASDAQ:	2747.11	6.12



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Attendees include high-level MSO executives and some of the most influential leaders in the industry. Confirmed attendees:

ACA - President & CEO
Advanced Cable - VP/General Manager
American Life - SVP, Marketing and VP, Eastern Region
Atlantic Broadband - CEO
Broadstripe - SVP, Programming & Prod Dev
Buford Media Group, LLC - Chairman, CEO
C-SPAN - VP, Affiliate Relations
Cequel III - Suddenlink Communications - SVP, Programming & Marketing
Comcast - Sr. Advisor for Govt. Relations & Comm.
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ION Media - President, Affiliate Relations & Distribution
Mediacom, LLC - SVP, Programming & HR
NBC Universal - SVP, TV Networks Distribution
NCTA - President & CEO
NCTC - President & CEO, SVP, Programming
New Wave Communications - President & CEO
Ovation - COO
Retirement Living TV - VP, Strategic Development, VP, Affiliate Relations & Distribution
SCTE - President & CEO
The Outdoor Channel - COO, SVP, Affiliate Sales & Marketing
The Weather Channel - EVP, Distribution & Business Affairs
Wave Broadband - CEO
WindBreak Cable - President & 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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This exclusive event is by invitation only; however, sponsorship opportunities are available. Please contact Amy Abbey at 301-354-1783 or aabbey@accessintel.com.