

CableFAX Daily™

Friday — October 6, 2006

What the Industry Reads First

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Raising Rates: AT&T Ups U-Verse \$5 Per Month

Where's the price conscious **Corduroy Crew**? A little more than 3 months after launching video service in San Antonio, **AT&T** raised the prices last week for its **U-Verse** IPTV service by \$5 a month. That's a 7% hike for its "U200" video/DSL package, which now retails for \$74/month. The "U300" video/DSL pack now goes for \$94 (+5.6%) and the "U400" is up 4.4% to \$119. The higher prices do come with more channels. At launch, the U200 had more than 100 channels. It now boasts nearly 200. The U300 package climbed from more than 150 channels to more than 240, while the U400 jumped from 175 to 300 channels. AT&T spokesman said packages and offers are "evolving," adding that U-verse's pricing includes set-top boxes and wireless home networking. "We think they are still very competitive to what's available in the marketplace today," he said. **Time Warner** San Antonio is offering digital (300+ channels), HSD and digital phone for \$99.95/month for 1 year, according to TW's Website. AT&T's new rates reminded us of an **NCTA** filing in May that warned against claims that telco entry into video would result in lower prices for consumers. AT&T's Project Lightspeed will probably be somewhat higher than the avg cable subscription, NCTA quoted AT&T CFO *Rich Lindner* as saying. The Bells counter that incumbent ops often discount or decline to raise rates when telco video enters a market.

All's Quiet: With **Cablevision's Fox News** contract set to expire Sat, signs pointed more toward smooth sailing than a brewing storm Thurs afternoon. "We have enjoyed extremely productive discussions with Fox News Channel and do not expect any disruption of this popular service," Cablevision said. The MSO's rosy statement appears to conflict with speculation that talks would be contentious, with the programmer reportedly seeking approx \$1/month in subscriber fees. Last month, **News Corp's Rupert Murdoch** told an investor conference that negotiations with Cablevision had not been productive. Fox News said Thurs that no deal or extension had been reached.

Finger Pointing: To **Cox** subs and others inquiring about its HD retrans fee disagreement with Cox (**Cfax**, 10/4), **Hearst-Argyle** has been responding with a special message via email. "Cox refuses to compensate us fairly for these channels for which they are charging you," reads the missive that is also posted on Hearst's Website. It also asks subs to call a Cox phone number "to demand that Cox either a) refund you the monthly cable bill with respect to the loss of our digital signal, or b) compensate us fairly so that we may allow Cox to provide you with our digital signal." A Hearst spokesman conceded that while "legitimate arguments on both sides" do exist, a blast email sent by Cox last week to its subs was "alarming and inaccurate." Hearst's message also urges Cox subs to contact **Di-recTV** and **DISH** to determine HD availability of the affected stations.

Box Office Haul: **Crown Media** announced Thurs its 1st major deal under *Henry Schleiff's* regime, entering into a definitive agreement to sell the domestic rights to its film library for \$160mln to **RHI Enterprises**. The sale includes



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all US rights to more than 600 TV movies, mini-series and series, for which Crown retains broadcast rights on its **Hallmark Movie Channel** for up to 2 years.

At the Portals: **BendBroadband** is the latest cable op to ask for a waiver to the **FCC's** set-top integration ban. It wants to keep putting into service low-cost, limited-function Motorola DCT-700 digital boxes after July 1, '07. FCC rules require all boxes deployed after that date to have CableCARDS. In the 12 months since BendBroadband started leasing the DCT-700 for \$1.95/month, it says digital penetration is up 33%. **Comcast** and **Charter** have requested similar waivers.

Wireless: Cable provided few new details Thurs about plans for the 137 wireless spectrum licenses it won for nearly \$2.4bln in last month's **FCC** auction (*Cfax*, 9/19). "While no plans have as yet been finalized, including no specific plans to build out the networks at this time, in coming months the members of **SpectrumCo** will fully evaluate all options including possible testing in limited markets," the consortium's members said in a release. **Comcast's** portion of the total costs for the licenses is \$1.29bln; **Time Warner Cable's** is \$632.2mln and **Cox's** is \$248.3mln. **Advance/Newhouse** and **Sprint Nextel** are also members of SpectrumCo. The consortium said the licenses won averaged 45 cents per megahertz, the lowest price paid of all major bidders.

In the Courts: **Liberty** chmn *John Malone* sued **AT&T** and **Comcast** this week, claiming they have not paid his attorney fees since Feb 28 in relation to a **TCI** shareholder suit, according to *Bloomberg*. Shareholders sued Malone and other directors, claiming their interests were not adequately represented when AT&T acquired TCI in 1999. That case is set to go to trial later this month. Malone says TCI's successor companies, AT&T and Comcast, are obligated to pay his legal fees. -- **Verizon** is contacting this week all NJ customers who are members of a class that in July settled with the telco for overbilling. Through phone bill audits and surveys performed by customer advocacy group **Teletruth**, a NJ Superior Court affirmed that Verizon continued to bill customers for telephony and data circuits that were no longer being used. Teletruth is performing audits of bills from myriad telecom providers in NY, PA and CA.

Rate Dereg: **Charter** scored a victory in Nevada this week, with the **FCC** determining that it's subject to effective competition in Carson City, Reno, Sparks and Washoe County. That means it's no longer subject to local basic rate regulation in those communities because it has proven the franchises each have 15% DBS penetration. The municipalities all had fought Charter's request, which was filed in Nov '04. The FCC also found that Charter should be exempt from rate regulation in Clark County, NV, because fewer than 30% of the local HHs subscribe to its cable services. -- **Mediacom** was relieved of local basic rate regulation in Mt Pleasant and Bedford, IA (the towns did not oppose Mediacom's request).

In the States: The co-sponsors of 2 state franchising bills in PA are dropping the legislation for now. **Verizon** says it will continue to support efforts to accelerate competition for cable in PA (in other words, look for it to return next year).

Programming: **Comcast SportsNet** launches new series "net IMPACT" this month on its family of 8 sports channels. A new ep exploring the human elements of sports will bow each month. The Oct edition features a young baseball fan who has written a book on catching a game ball and a segment on late astronaut *Willie McCool's* cross country days.

On the Circuit: Want to bend **Cox** marketing svp *Joe Rooney's* ear on best practices or hair care techniques? Here's your chance. Rooney is the 1st item up for bid in **BeachTAM's** silent auction (opening price \$200). Winner gets sponsorship to **SkITAM** and the opportunity to ski with Rooney. It's all part of the 3rd annual BeachTAM, Nov 2, Palm Beach, FL,

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(www.beachtam.com), which features Rooney and **Bright House's Steve Stiger** as speakers. A percentage of money raised from registration, sponsorship and auction will go toward the **FL Cable Hurricane Relief Fund** and **Stay Focused**, a scuba diving program for mobility-challenged teens.

People: *Ray Hutton* was named evp/CFO of **TBS Intl.** Most recently vp, corporate finance and deputy controller for TBS, Hutton succeeds *Ivar Fitje*, who is retiring as evp, finance and administration later this year. Hutton will oversee of all external and internal financial reporting, corporate governance, budgeting and forecasting for Turner's intl division.

Business/Financial: **Cablevision** subsidiary **CSC Holdings** announced an extension until Nov 2 of its offer to exchange up to \$500mln aggregate principal amount of its 6.75% Senior Notes due '12, for an equal aggregate amount of its registered 6.75% Series B Senior Notes due '12. -- **Qwest Comm** announced Thurs a Board-approved stock repurchase program for up to \$2bln of its common stock over the next 2 years. Qwest shares closed down 3.3%, at \$8.41. -- **Shaw Comm** announced the re-branding of 4 wholly-owned subsidiaries. Name changes include **Cancom Broadcast** to **Shaw Broadcast Services**; **Star Choice Comm** to **Star Choice**, a Shaw Co; and **Big Pipe** to **Shaw Business Solutions**.

CableFAX Daily Stockwatch

Company	10/05 Close	1-Day Ch	Company	10/05 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	41.25	(1)	AVID TECH:	37.04	0.42
DIRECTV:	19.98	(0.07)	BLNDER TONGUE:	1.22	(0.01)
DISNEY:	31.07	(0.12)	BROADCOM:	29.52	0.03
ECHOSTAR:	33.16	1.03	C-COR:	9.10	0.15
GE:	36.29	0.19	CISCO:	23.90	(0.03)
HEARST-ARGYLE:	23.05	(0.02)	COMMSCOPE:	33.22	2.65
ION MEDIA:	0.82	(0.01)	CONCURRENT:	1.75	0.10
NEWS CORP:	20.61	0.08	CONVERGYS:	20.96	(0.04)
TRIBUNE:	32.88	(0.09)	CSG SYSTEMS:	27.39	0.70
MSOS					
CABLEVISION:	23.75	0.31	GEMSTAR TVG:	3.39	0.01
CHARTER:	1.67	0.06	GOOGLE:	411.81	(3.89)
COMCAST:	36.71	(0.66)	HARMONIC:	7.50	0.11
COMCAST SPCL:	36.62	(0.69)	JDSU:	2.20	(0.04)
GCI:	12.50	(0.05)	LEVEL 3:	5.16	0.23
KNOLOGY:	9.86	0.01	LUCENT:	2.36	0.00
LIBERTY CAPITAL:	86.33	(0.1)	MICROSOFT:	27.92	(0.02)
LIBERTY GLOBAL:	26.18	0.29	MOTOROLA:	25.73	0.36
LIBERTY INTERACTIVE:	20.75	0.25	NDS:	44.10	1.35
MEDIACOM:	7.27	0.07	NORTEL:	2.18	0.04
NTL:	26.31	0.03	OPENTV:	2.99	0.15
ROGERS COMM:	54.56	0.79	PHILIPS:	34.94	(0.17)
SHAW COMM:	29.33	(0.17)	RENTRAK:	10.95	(0.12)
TIME WARNER:	18.61	0.04	SEACHANGE:	8.53	0.32
WASH POST:	752.86	8.34	SONY:	38.37	(0.45)
PROGRAMMING					
CBS:	28.65	0.18	SPRINT NEXTEL:	17.86	0.51
CROWN:	4.57	0.23	THOMAS & BETTS:	47.98	1.38
DISCOVERY:	14.88	0.24	TIVO:	6.74	0.07
EW SCRIPPS:	48.75	0.82	TOLLGRADE:	9.22	0.08
GRUPO TELEVISA:	22.58	0.59	UNIVERSAL ELEC:	20.00	0.08
INTERACTIVE CORP:	29.67	(0.06)	VONAGE:	6.99	(0.26)
LODGENET:	18.89	(0.11)	VYYO:	4.22	(0.29)
NEW FRONTIER:	8.36	0.09	WEBB SYS:	0.06	0.00
OUTDOOR:	12.29	0.67	WORLDGATE:	1.45	0.01
PLAYBOY:	9.90	0.20	YAHOO:	25.17	(0.04)
UNIVISION:	34.71	0.25	TELCOS		
VALUEVISION:	11.63	0.44	AT&T:	31.93	(0.46)
VIACOM:	38.26	0.30	BELLSOUTH:	42.13	(0.57)
WWE:	16.83	0.41	QWEST:	8.42	(0.28)
TECHNOLOGY					
3COM:	5.01	0.56	VERIZON:	36.91	(0.51)
ADC:	15.05	(0.16)	MARKET INDICES		
ADDVANTAGE:	4.15	0.03	DOW:	11866.69	16.08
AMDOCS:	40.30	(0.16)	NASDAQ:	2306.34	15.39
AMPHENOL:	64.27	1.03			
ARRIS GROUP:	11.51	(0.09)			

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

SPEED Hits the Gas

Most TV shows don't embrace the 'winner-take-all' mentality, instead choosing to offer parting gifts or polite applause to unsuccessful contestants. But **Speed's** popular "PINKS" franchise, recently greenlit for a 4th season, gleefully personifies the cliché to harness more viewership horsepower. Each week, a pair of vehicles competes in a drag racing competition (best 3-of-5), and the winning driver immediately assumes ownership of the loser's car or truck. Wheels and pride are wrested from the futile racer. "The show is about drag racing inherently, but it offers real human drama and real stakes," said Speed vp, programming *Robert Ecker*. "It is definitely striking a chord with people." As a '75 Chevy Nova battles a '93 Ford Ranger during the next ep (Wed, 9:30pm ET), the series has earned triple-digit increases in HH delivery and in all key demos since its summer '05 inception. It now draws more than 2mln weekly viewers, Ecker said, making it the net's highest-rated original program. Crowds at ep tapings have swelled to thousands of energetic fans, and more importantly, a paucity of willing racers no longer exists. "We used to look under rocks for competitors, but now we have all kinds of racers and teams from all over," Ecker said. "PINKS" has also become the lead driver for the net's multi-platform push. It dominates a cable VOD platform that passes 18mln HHs (**Comcast, Cox, Time Warner Cable**), and eps/clips are available on **iTunes, Amazon** and mobile carriers including **Amp'D Mobile** and **Cingular Wireless**. "Pinks' is a star performer in the digital arena, and it definitely helps our [overall] non-linear initiatives," said Speed vp, interactive media *Kevin Annison*. "The intensity of the show is awesome." Promotional webisodes will tout the show's 4th season (Feb), and discussions are underway with additional wireless carriers, he said. It seems the series is hitting on all cylinders. - CH

Highlights: "Battlestar Galactica," tonight, 9, **SciFi**. Encourage your subs to watch this terrific allegorical series whose complex characters elevate it beyond mere sci fi special effects.-- "Artland: USA," Thurs, 8pm ET, **Gallery HD**. Props to Voom's terrific use of HD. Marry it with 2 youthful hosts on an RV trip in search of our country's interesting architecture and art and make high brow material accessible.-- "Atlas: Italy," Sun, 9pm, **Discovery**. Ep 2 of Hendricks' HD journey is more fun than ep 1 (China), thanks to the gondola apprentice and *Isabella Rossellini's* narration.-- "Eye of the Leopard," Sun, 9pm, **Nat Geo**. Excellent footage captures the great predator. SA

Worth a Look: "The Street," Tues. 10pm, **BBC A**. Terrific drama about common folk in Northern England; this week's beauty stars *Jim Broadbent* as a cash-strapped senior; best ep is #5 (Oct 31, 10pm), which nails diversity. -- "The Journalist and the Jihadi: The Murder of Daniel Pearl," Tues, 8pm, **HBO**. A beautifully woven tale that ends with the awful death of The *WSJ* reporter. -- "I Pity The Fool," Wed, 10pm, **TV Land**. Please don't take the life lessons of Mr T seriously (he doesn't), but it's entertaining. -- "Rank" Mon, 9pm ET, 10PT, **IFC**. Think IFC's cosmopolitan and urban? Perhaps, but Cowboy *Maxwell* will enjoy this gritty doc about bull riding. SA

Basic Cable Rankings (9/25/06-10/01/06)			
Mon-Sun Prime			
1	ESPN	2.8	2623
2	USA	2.1	1916
2	DSNY	2.1	1842
4	TNT	1.6	1431
5	TOON	1.3	1183
6	NAN	1.2	1122
6	FOXN	1.2	1058
8	LIFE	1.1	983
8	FX	1.1	973
10	TBSC	1	921
10	SPK	1	874
10	HALL	1	774
13	SCIF	0.9	828
13	A&E	0.9	804
13	HGTV	0.9	790
16	DISC	0.8	740
16	ESP2	0.8	737
16	CMDY	0.8	689
16	VH1	0.8	681
20	MTV	0.7	667
20	TVLD	0.7	659
20	CORT	0.7	651
20	HIST	0.7	645
20	CNN	0.7	610
20	AMC	0.7	607
26	FAM	0.6	565
26	TLC	0.6	554
26	FOOD	0.6	536
26	BET	0.6	484
26	BRAV	0.6	481
26	SOAP	0.6	308
32	APL	0.5	492
32	LMN	0.5	251
34	EN	0.4	348
34	HLN	0.4	338
34	MSNB	0.4	331
34	TTC	0.4	320
34	TV1	0.4	115
39	CMT	0.3	255
39	TVGC	0.3	225
39	WGNC	0.3	217
39	NGC	0.3	201
39	OXYG	0.3	198
39	GSN	0.3	191
39	DHLT	0.3	164
39	TDSN	0.3	157

*Nielsen data supplied by ABC/Disney



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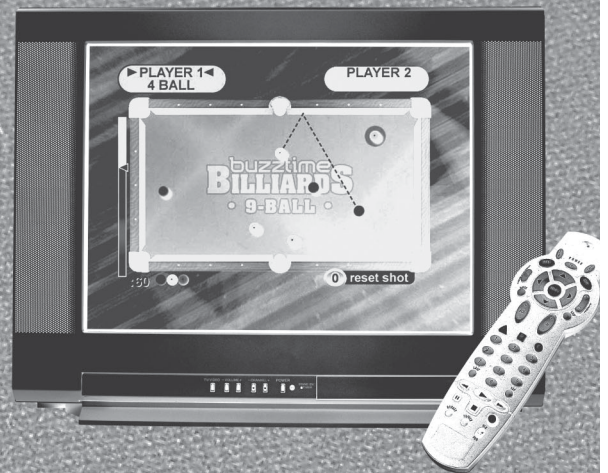
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