

CableFAX Daily™

Monday — October 9, 2006

What the Industry Reads First

Volume 17 / No. 195

Mediacom vs Sinclair: Rocco Says, 'I Don't Want MyNTV'

The cage match has officially begun, with **Mediacom** filing an antitrust lawsuit against **Sinclair** late Wed involving retrans negotiations (*Cfax*, 9/29). Operators who have yet to sign deals with Sinclair are sure to watch closely. Several MSOs, such as **Cox**, have deals similar to what Mediacom had: rolling 30-day extensions that either party may terminate with 45 days notice at the end of a 30-day period. Mediacom got word last month (the same day it closed on its \$300mIn debt offering) that Sinclair will terminate all of its signals to the MSO at midnight Nov 30. The MSO's lawsuit alleges that Sinclair violated the Sherman Antitrust Act by tying carriage of Big 4 broadcast affiliate stations in certain markets (such as Des Moines, IA) to carriage of Sinclair stations in other markets that are affiliated with either **CW** or **MyNetworkTV**. "We believe this all-or-nothing scheme violates antitrust law," Mediacom chmn/CEO *Rocco Commisso* said. In the suit, Mediacom claims Sinclair insists on compensation for carriage of each and every station and that the MSO has no interest in engaging in retrans agreements for the CW and MNTV stations. Mediacom says it offered "monetary compensation" for the Big 4 stations, but not the tied stations, in a package deal Sinclair rejected. It's unclear whether the offer was cash, or an advertising buy or similar practice often used by distributors. Cash-for-carriage is a hot potato among cable operators, with most claiming they don't pay actual dollars for broadcast stations. Mediacom's suit also claimed "information and belief" that Sinclair conspired with an unnamed DBS company for a bounty program in which Sinclair would receive reimbursement for any advertising losses suffered as a result of Mediacom losing the stations and monetary and/or other consideration for each Mediacom sub that switched to the DBS provider. Approximately half of Mediacom's systems carry local broadcast stations owned or operated by Sinclair. 13 major nets are involved, including St Louis **ABC** affil **KDNL**, Des Moines **Fox** affil **KDSM** and Asheville, NC, **ABC** affil **WLOS**; 9 CW and MNTV stations are part of the spat.

The Godmother? When **Time Warner Cable's** programming chief *Fred Dressler* retires at year-end, it will be *Melinda Witmer* who steps up to the bat as svp and chief programming officer on Jan 1. *Lynne Costantini*—the other internal candidate for the job—was promoted to the newly created post of svp, chief business affairs officer, effective immediately. She'll lead the group overseeing TW's commercial transactions with vendors. Costantini has a stronger programming background than Witmer, but several execs we contacted weren't surprised by the decision, saying Dressler had groomed Witmer for the spot since upping her to svp, programming last summer. Dressler will continue as an adviser on programming/strategic matters. In an internal memo, senior exec vp *Robert Marcus* said Dressler's impact is "felt beyond a single company and becomes part of the folklore that informs an industry's history."

At the Portals: The **FCC** scheduled a vote on the **AT&T** and **BellSouth** merger for Thurs. Republican commish *Robert McDowell* is expected to be recused from the vote, leaving some to wonder if the merger has majority support. If not, it could always be pulled before Thurs' meeting (or the meeting could be pushed back). -- The **FCC** said

IFC ORIGINAL DOCUMENTARY

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ONE CHAMPION.**



**PREMIERES TONIGHT
OCTOBER 9 AT 9:00PM**

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Fri that it has concluded its investigation into **Time Warner Cable's** decision to drop **NFL Net** without providing 30 days notice to customers. Under the settlement, the FCC terminated the investigation without any finding of liability on TW's part. -- The FCC is also set to approve a notice of inquiry seeking comment for its 13th annual video competition report at the meeting.

Million Dollar Baby: Crown is paying new pres/CEO **Henry Schleiff** an annual base salary of \$1mln with a minimum increase of at least 4% per year, according to an **SEC** filing. His target annual performance bonus will be 100% of his then-current base salary and could jump as high as 200% (he has a minimum guarantee of 50%). Crown granted him 200K restricted stock units. Former CEO **David Evans** received \$1.3mln in base salary last year.

End Around: In response to carriage resistance from MSOs including **Cox**, **Time Warner Cable** and **Charter**, **The mtn.** has amended its offensive playbook with an on-demand "go route." The **CSTV/Comcast**-owned RSN covering **Mountain West Conference** sports will offer Sat's (Oct 7) San Diego State-BYU football game via streaming video on 4 Web sites for \$14.95-\$19.95 and linearly for \$19.95 through the **iN Demand** network nationwide, save for in conference cities. Plans beyond Sat are unclear as CSTV officials could not be reached for comment. The MWC's Web site says the deal with iN Demand includes this 1 game only. Since major MSOs in conference markets Las Vegas, San Diego and Fort Worth, TX, have yet to catch carriage of The mtn., MWC assoc commissioner **Javan Hedlund** said it's "reasonable" to expect Sat's online order numbers to be used as support for future carriage negotiations. Hedlund also cited mixed emotions for the fledgling RSN. "The people who have seen The mtn. love it, so we know it's a great product," he said. "But we are frustrated that it's not in more markets. We all knew this would be a big challenge." MWC commissioner and **DirecTV** customer **Craig Thompson** recently subscribed to Comcast, as well, for access to conference games.

International: Current TV inked a deal with **British Sky Broadcasting** to launch a localized version of its content in the UK and Ireland. The agreement allows Current to pass 8.2mln digital HHs, and reach up to 22mln viewers.

Programming: HBO's doc "Hacking Democracy" (Nov 2, 9pm) tackles America's problematic electronic voting system. - **MavTV's** in a 3-year deal with the **American Motorcyclist Assoc** to air its motorcycle drag racing series starting Nov 3. -- **USA** greenlit 2 cast-contingent pilots, "To Love and Die in L.A." and "Burn Notice." L.A. centers on a woman who with abandonment issues that interfere with dating, and Burn features a spy who is trying to uncover why he was fired.

Online: Tongues wagged Fri over a **WSJ** story in which an unnamed source said **Google** is in talks to acquire online video site **YouTube**. **Mark Cuban** has opined on YouTube's future for the past few weeks, predicting its "coming dramatic decline." Check out his blog at: blogmaverick.com (or through the "Resources" section of www.cable360.net).

New Millennium: Millennium Digital Media hired former **Cebridge** pres/COO **Bill Shreffler** as pres/CEO. He replaces **Kelvin Westbrook**, who was promoted to chmn, chief strategic officer. Millennium provides voice, video and data to about 120K customers in MD, MI, WA and OR.

Business/Finance: Merrill Lynch raised **Comcast's** price target to \$45 from \$39 based on '07 estimates for the company. Merrill raised '07 revenue and EBITDA growth estimates to 11.7% and 13.2%, respectively. It now expects Comcast to have 1.4mln net voice adds in '06 (3.6% penetration of homes passed), 18% higher than its beginning of the year estimate. Merrill bumped up its 3Q voice adds estimate by 38K subs to 420K.



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CableFAX Week in Review

Company	Ticker	10/06 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	41.55	1.20%	23.20%
DIRECTV:	DTV	19.85	0.90%	40.60%
DISNEY:	DIS	31.34	1.40%	30.70%
ECHOSTAR:	DISH	33.40	2.00%	22.90%
GE:	GE	36.14	2.40%	8.80%
HEARST-ARGYLE:	HTV	23.02	0.30%	1.10%
ION MEDIA:	ION	0.80	(1.2%)	(13%)
NEWS CORP:	NWS	20.74	1.20%	26.40%
TRIBUNE:	TRB	32.87	0.50%	13.40%

MSOS

CABLEVISION:	CVC	23.93	5.40%	2.00%
CHARTER:	CHTR	1.73	13.80%	41.80%
COMCAST:	CMCSA	37.13	0.60%	43.20%
COMCAST SPCL:	CMCSK	37.05	0.70%	44.20%
GCI:	GNCMA	12.47	0.60%	20.70%
KNOLOGY:	KNOL	9.83	(0.9%)	156.00%
LIBERTY CAPITAL:	LCAPA	86.16	3.10%	8.70%
LIBERTY GLOBAL:	LBTYA	26.20	1.80%	16.40%
LIBERTY INTERACTIVE:	LINTA	20.83	2.20%	8.20%
MEDIACOM:	MCCC	7.38	3.70%	34.40%
NTL:	NTLI	25.72	1.40%	8.40%
ROGERS COMM:	RG	54.18	(1.3%)	28.90%
SHAW COMM:	SJR	29.18	(2.5%)	44.10%
TIME WARNER:	TWX	18.78	3.00%	10.40%
WASH POST:	WPO	751.50	2.00%	0.80%

PROGRAMMING

CBS:	CBS	28.47	1.10%	12.70%
CROWN:	CRWN	4.55	1.30%	(50.4%)
DISCOVERY:	DISCA	14.74	2.10%	0.80%
EW SCRIPPS:	SSP	48.75	1.70%	3.70%
GRUPO TELEVISIA:	TV	22.60	6.30%	12.30%
INTERACTIVE CORP:	IACI	29.65	3.10%	4.80%
LODGENET:	LNET	19.02	0.70%	36.40%
NEW FRONTIER:	NOOF	8.30	0.60%	27.10%
OUTDOOR:	OUTD	12.53	15.10%	(7.2%)
PLAYBOY:	PLA	10.06	6.90%	(27.6%)
UNIVISION:	UVN	34.78	1.30%	18.30%
VALUEVISION:	VVTV	11.72	1.10%	(7%)
VIACOM:	VIA	38.30	2.70%	(11.2%)
WWE:	WWE	16.65	1.30%	24.90%

TECHNOLOGY

3COM:	COMS	4.84	9.80%	34.40%
ADC:	ADCT	15.01		(8.3%)
ADVANTAGE:	AEY	4.12	(1.9%)	(33%)
AMDOCS:	DOX	40.25	1.60%	19.80%
AMPHENOL:	APH	64.04	3.60%	45.40%
ARRIS GROUP:	ARRS	11.37	(0.8%)	20.10%
AVID TECH:	AVID	37.18	2.10%	0.80%
BLNDER TONGUE:	BDR	1.22		(37.4%)
BROADCOM:	BRM	29.37	(3.2%)	(6.6%)
C-COR:	CCBL	8.98	4.70%	84.80%
CISCO:	CSCO	24.09	4.80%	40.70%
COMMSCOPE:	CTV	32.42	(1.3%)	61.10%
CONCURRENT:	CCUR	1.68	(5.1%)	(11.1%)

Company	Ticker	10/06 Close	1-Week % Chg	YTD %Chg
CONVERGYS:	CVG	20.33	(1.5%)	28.30%
CSG SYSTEMS:	CSGS	27.16	2.80%	21.70%
GEMSTAR TVG:	GMST	3.39	2.10%	29.90%
GOOGLE:	GOOG	420.50	4.60%	(4.5%)
HARMONIC:	HLIT	7.37	0.10%	52.00%
JDSU:	JDSU	2.15	(1.8%)	(22.9%)
LEVEL 3:	LVL	5.15	(4.5%)	79.40%
LUCENT:	LU	2.28	(2.6%)	(14.3%)
MICROSOFT:	MSFT	27.87	1.90%	12.10%
MOTOROLA:	MOT	25.64	3.00%	15.30%
NDS:	NNDS	43.60	(0.8%)	6.00%
NORTEL:	NT	2.13	(7.4%)	(30.4%)
OPENTV:	OPTV	2.85		27.20%
PHILIPS:	PHG	34.86	(0.4%)	15.50%
RENTAK:	RENT	11.11	(2.7%)	3.80%
SEACHANGE:	SEAC	8.62	(3%)	9.10%
SONY:	SNE	37.78	(6.4%)	(6.9%)
SPRINT NEXTEL:	S	18.48	7.80%	(12.1%)
THOMAS & BETTS:	TNB	49.24	3.20%	15.90%
TIVO:	TIVO	6.89	(9.2%)	34.60%
TOLLGRADE:	TLGD	9.13	2.00%	(16.5%)
UNIVERSAL ELEC:	UEIC	20.02	5.40%	12.80%
VONAGE:	VG	7.00	1.70%	(41.6%)
VYYO:	VYYO	4.30	(9.9%)	(19.8%)
WEBB SYS:	WEBB	0.06		(25%)
WORLDGATE:	WGAT	1.55	5.40%	(24.8%)
YAHOO:	YHOO	25.47	0.80%	(22.8%)

TELCOs

AT&T:	T	31.78	(2.4%)	40.70%
BELLSOUTH:	BLS	41.93	(1.9%)	65.40%
QWEST:	Q	8.47	(2.9%)	49.90%
VERIZON:	VZ	36.80	(0.9%)	31.70%

MARKET INDICES

DOW:	INDU	11850.21	1.50%	10.60%
NASDAQ:	COMPX	2299.99	1.80%	4.30%


WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. OUTDOOR:	12.53	15.10%
2. CHARTER:	1.73	13.80%
3. 3COM:	4.84	9.80%
4. SPRINT NEXTEL:	18.48	7.80%
5. PLAYBOY:	10.06	6.90%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. VYYO:	4.30	(9.9%)
2. TIVO:	6.89	(9.2%)
3. NORTEL:	2.13	(7.4%)
4. SONY:	37.78	(6.4%)
5. CONCURRENT:	1.68	(5.1%)



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MaxFAX...

Feedback ...

Keeps coming.

Some of it is funny... a couple dozen cell phone stories will go into a file... I can see an illustrated book documenting great cell-phone-usage-while-driving-stories ... packaged with a suggested state legis-



Paul S. Maxwell

lative agenda and sample bill to ban the things while driving... or at least mandating hands-free installations in vehicles.

If you've encountered or seen a

worthy cell-phone-usage-while-driving incident... let me know. If ("if") a book gets published (a book publishing friend actually suggested this), we'll send everyone included a copy (but we won't run your name in the book... this is a litigious society).

Meanwhile, the anti-partisan rant of a couple weeks ago continues to draw odd responses that range from impassioned criticism ("the President should have you arrested!") to bemused semi-ennui ("nobody, especially me, cares").

Well, politics as spectator sport is beginning to rival the NFL.

Amazing couple of weeks.

And, I've just finished Part III or

the three-part "Bush at War" series from über-reporter Bob Woodward. Sad.

I strongly agree with our President when he says the War on Terror needs to be fought. I just wish he'd commit the resources necessary to do so... without re-writing the Constitution. Ain't no short cuts.

And tax cuts won't bolster our military.

Or capture Osama bin Laden.

Or defend the Homeland.

It's getting awfully hard to avoid falling into non-stop cynicism.

Random Notes:

• **NCTA:** Nice new digs. If you can't get to DC, take a look as *Kyle McSarrow* leads you on a tour of the new place at www.cable360.net.

• **In Denver Today:** Once the "cable capital," Denver is back in the cable limelight this week as, first, **ESPN's** Monday Night Football rolls into town (with the Baltimore Ravens at 4-0, challenging the home town Broncos ... my guess: Broncos-24; Ravens-17) with *George Bodenhiemer* (thanks, George; hard to afford an NFL ticket these days) and *Lou Borrelli* (on the sidelines with camera).

• **In Denver Tomorrow:** At the Cable Center, in association with the University of Colorado's Silicon Flatirons Telecommunications Program

and the Denver Telecom Professionals association, panels (from about 3pm to 7:30pm) will look at Confronting Cable's Technological Frontier. Panelists include soon-to-be-Hall-of-Fame-inductee *Decker Anstrom* (**The Weather Channel** has led a lot of new cable technologies), **Starz** *Bob Greene* (also trying lots of broadband stuff), Hall-of-Famer *Trygve Myhren*, Centennial's *Steve Halstedt* (ask for a business card to send along your business plans) and **Cablevision's** *David Ellen*. (Meanwhile, I'll have visited Level 3 in Broomfield to learn a little more about technology, too).

• **In Denver on Wednesday:** The Cable Center board meeting and the 2006 Class of the Cable Hall of Fame gets inducted in the evening. I've only missed one of these great events ... but I'll be ringside again Wed. The board meeting is crucial... but progress over the past year has been significant, substantial and sustainable. So, be sure to catch up with the inductees – and a new dialog on the Center's future – in the current *CableWorld*. See you there.

Paul Maxwell

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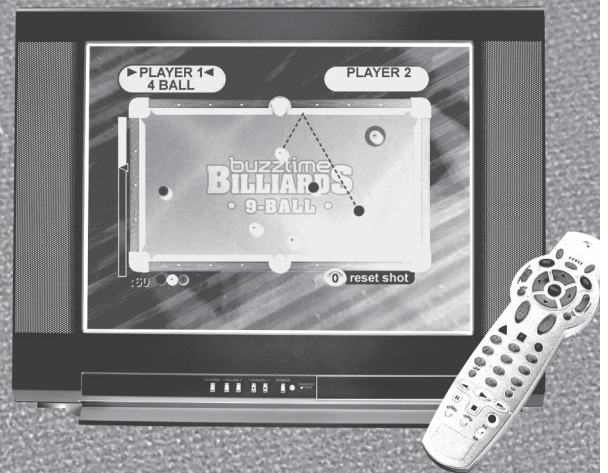
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CableFAX Leaders Retreat

4th Annual off-the-record gathering for cable's leaders!

November 1–3, 2006
Ritz-Carlton South Beach, Miami

Confirmed VIP Attendees as of October 3rd:

Atlantic Broadband – CEO, President & COO
Balfour Associates Inc. - Chairman
Bend Cable Communications LLC - President & CEO
Bresnan Communications, Inc - EVP Operations
Buford Media Group, LLC – CEO, President & COO
Cequel III -Suddenlink - President & CEO, SVP Programming
Cole, Raywid & Braverman, LLP - Partner
Comcast Cable - EVP
Fleischman & Walsh LLP - Partner
IMA-Int'l Media Advisors - Principal
Millennium Digital Media - SVP, Prog. & Product Dev.
NCTC - President & CEO, SVP Programming
NCTA - President & CEO
New Wave Communications - President
October Strategies, Inc. - Partner
SCTE - President & CEO
Time Warner Cable - EVP of Programming
Wave Broadband - CEO
WindBreak Cable - President & CEO

Schedule of Events

Wednesday, November 1st:

12:00pm – 3:00pm
Registration
3:00pm – 5:00pm
Industry Leaders Forum
7:00pm – 10:00pm
Dinner at Vizcaya

Thursday, November 2nd:

8:00am – 11:30am
Industry Leaders Forum
Breakfast
12:00pm – 4:30pm
Choice of Golf Tournament,
Spa, Tennis or Everglades
7:00pm – 10:00pm
Dinner

Friday, November 3rd:

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

Sponsored by:



Sponsorships Still Available

For attendance or sponsorship contact:

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