

CableFAX Daily™

Wednesday — October 11, 2006

What the Industry Reads First

Volume 17 / No. 197

Muni Connection: Wilson Latest NC City Looking At Entering the Cable Biz

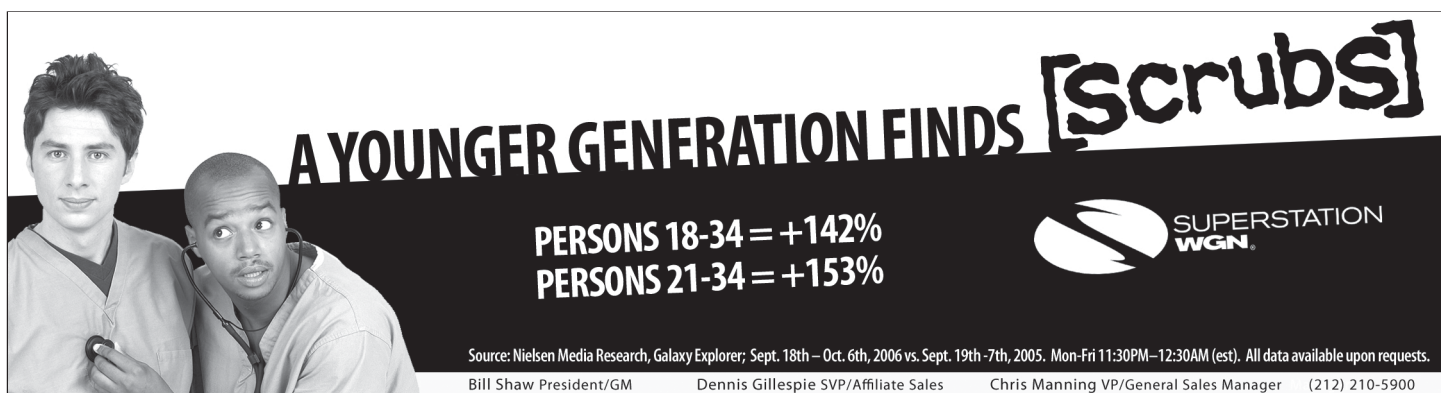
Miss the days of towns shelling out the big bucks to run their own cable systems? Then move to NC. Not only is Mecklenburg County reportedly considering spending \$80bln to take over the **Adelphia** system (**Cfax** 9/25), Wilson, NC, says it's seriously considering building a fiber-optic network to sell Internet, cable and other services to residents. "We're looking at what Wilson will need in the future," city manager *Grant Goings* said. "We believe high-speed fiber service will be as necessary in the future as electricity and water are today." The city, which is served by **Time Warner Cable**, is talking to **Uptown Services**, a consultant group that helps create business plans for muni broadband providers. Wilson (pop. 46K, median HH income in '99 was \$31K) installed about 30 miles of cable for the city's backbone earlier this year, finding that it's "faster and more reliable" than the service offered previously by a private provider. The City Council could expand the fiber offering to the public within 2 years. (Check out the town's "infomercial" at www.wilsonnc.org/videos/aroundtown/061004.wmv). The *Wilson Daily* says the plan would require a near \$28mln start-up investment, with Uptown predicting that Wilson would recoup its entire investment in Year 12.

The Day After: Cablevision shares ticked up 18 cents (+0.68%) a day after the news that the Dolan family wants to take it private. **Oppenheimer's** *Thomas Eagan* downgraded the stock to "neutral" from "buy," and **Janco** lowered it to "accumulate" from "buy." With shares closing at \$26.68 (just shy of the \$27 offer), "we believe there is more risk than reward in buying the stock as we expect it is more likely that the bid is accepted or falls through completely than a higher bid emerges," Eagan said in a client note. **Pali's** *Rich Greenfield* reiterated his "buy" on the stock, saying that the CVC's special committee should push for a \$35/share offer, but will more likely settle on \$30. He believes the Dolans' bid is an attempt to capture 100% of an eventual sale of CVC to **Time Warner** (or **Comcast**). The Dolans would generate \$1.8bln in profit if Cablevision were to go private at \$27 and sell to TW at \$35/share in 12 months, Greenfield figures.

Competition: **Verizon** launched "FiOS TV" service in portions of the Long Island, NY, villages of Oyster Bay and East Norwich, and in the unincorporated sections of Farmingdale. The telco also expanded its broadband service reach to West Seneca, NY. -- **Verizon Partner Solutions** now offers VoIP providers a reduced rate for calls from their end-users to select **Verizon Business** local customer telephone numbers.

Showtime: Looks like Las Vegas may be a popular destination for next year's **NCTA Cable Show** (nee **National Show**). NCTA says the number of exhibiting companies is up 15% vs this same time last year. Exhibit floor sq footage is 7% greater than the 194K sq ft in Atlanta last year. It's the 1st time in 2 decades that the show has been held in Vegas (May 7-9, Mandalay Bay Convention Center). Check out www.thecablesow.com for an interactive floor map.

Merger Talk: With the **FCC** expected to approve the **AT&T-BellSouth** merger Thurs, net neutrality proponents are



A YOUNGER GENERATION FINDS [scrubs]

PERSONS 18-34 = +142%
PERSONS 21-34 = +153%

SUPERSTATION WGN

Source: Nielsen Media Research, Galaxy Explorer; Sept. 18th - Oct. 6th, 2006 vs. Sept. 19th - 7th, 2005. Mon-Fri 11:30PM-12:30AM (est). All data available upon requests.

Bill Shaw President/GM Dennis Gillespie SVP/Affiliate Sales Chris Manning VP/General Sales Manager (212) 210-5900

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Dave Dekker, 301/354-1750, ddeker@accessintel.com ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, cfato@accessintel.com ● Scott Gentry/VP and Group Publisher ● Online Publisher, Alison Johns, 212/621.4642 ● Paul Maxwell/Columnist. Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

making last-ditch appeals to the **FCC**. **Public Knowledge** wants the Commission to add a 5th principle to its net neutrality policy, requiring that network providers operate on non-discriminatory basis to those who offer content, services and applications. That “would send the signal that the Commission is serious that as the telephone industry becomes more and more concentrated... its power over the operation of the Internet will be limited,” said PK’s *Gigi Sohn*.

IPTV: **Microsoft** announced Tues in concert with **Motorola, Cisco, Philips** and **Tatung** the availability of system-on-a-chip (SoC) set tops in support of Microsoft’s “IPTV Edition” software platform. The set tops enable the delivery of HDTV, DVR and picture-in-picture functionalities through the platform. **AT&T** will deploy SoC set tops from Motorola and Cisco. -- **Lucent** introduced “MiViewTV,” an interactive multimedia delivery platform aiming to offer IPTV services and apps to any device. Lucent said the platform supports programming including on demand content, broadcast TV and multi-party video gaming; and services such as IM/chat, interactive Web services, unified messaging and video conferencing.

Broadband: **Expo TV**, which offers VOD content through MSOs including **Comcast, Charter** and **Mediacom**, launched an expanded broadband site at www.expotv.com. It offers more than 12K “videopinions,” or consumer-generated videos reviewing products from sports drinks to digital cameras.

In the States: **Comcast** adds its name to systems it owns in VT beginning Nov 9. Following the MSO’s \$17bln July purchase with **Time Warner Cable** of **Adelphia** assets, systems with 110K subs in the state had continued under the Adelphia name. Comcast will charge \$1.99 for service upgrades/downgrades and axe a \$10 credit for returning equipment.


Sports-Loving South: **CNBC** reported this weekend that a D’Iberville, MS, man named his son **ESPN Montana** in deference to the sports net and NFL Hall-of-Famer *Joe Montana*, respectively. Everyone can understand – or at least tolerate – the honoring of transcendental athletes with child names, but a network?!? And crazy as it seems, a reported 3 other US infants also carry the net’s title (2 in TX and 1 in MI). A few naming suggestions from your *CableFAX* friends: Faxie (invites a nice “Foxy Faxie” nickname), Portal (an androgynous title that blends Paul and Portia), and Comcastic (who wouldn’t want this apparent superlative?). Or you could just go with Rupert.

Ratings: In a first, **Nielsen** will begin including the viewing of HH members away from home attending college as part of its National People Meter estimates beginning Jan 29, '07.

Public Affairs: **Time Warner Cable** and **NBCU Cable** have joined forces to donate a portion of the proceeds from on demand customer purchases of the film “United 93” to the **Flight 93 National Memorial**. The film will run through Feb 28. -- The **Comcast Foundation** announced a \$50K literacy program grant to LNESCC, an org established by the **League of United Latin American Citizens**. Students and parents will participate in Chicago, San Francisco and Pueblo, CO. -- **Here!** announced the availability of a virtual AIDS quilt at 4 affiliated Web sites, including www.heretv.com.

Quotable: “It’s like having an American car that can go 200 miles per hour when the speed limit is 65. You can sell those cars, because people have big egos, but it doesn’t really matter.” – **Liberty’s John Malone** in *USA Today*, explaining that **Verizon’s** FTTH network is technically superior but not worth the cost.

Positive Vibes: Tix are on sale now for “Positively Cable: Cable Gets Scrooged, A Thanksgiving Carol” at www.positivelycable.org **Cable Positive’s** Denver chapter’s annual fund-raising spoof occurs Nov 8 at **The Cable Center**. -- Cable



The Emmy Award Winning Series
ARRESTED DEVELOPMENT™
 Wednesday Nights 10PM ET
 only on **HDNet!**

Don't Miss The Bluth's

Call Bill Padalino at 973-835-3780 or bpadalino@hd.net to add HDNet and HDNet Movies to your HD line-up today.

BUSINESS & FINANCE

Positive announced a NY benefit comedy show (Oct 17, 9pm) in partnership with the **Las Vegas Comedy Festival**. The headline comedian is *Greg Giraldo*. -- Cable Positive's Atlanta Chapter named *Matthew Cusick* honorary chair of its "Positively Art" fundraiser, Nov 2. Cusick successfully waged a battle against Cirque de Soleil on HIV discrimination.

People: Sprint Nextel announced Tues that exec chmn *Tim Donahue* will retire from its board Dec 31, and that his replacement will be announced at a later date. The company also appointed **Discovery Holding** pres *Robert Bennett* a board member. -- Congrats to *Clint Stinchcomb* who was bumped up to evp, gm for HDTV and new media at **Discovery**. This puts **Discovery HD Theater** back in his camp and has him running the new TURBO broadband service, VOD and mobile. -- **Milennium Digital Media** appointed *Rudy Tober* svp/CMO.

Business/Finance: Liberty Media has entered into a \$1.75bln credit agreement for **QVC**, according to an SEC filing Tues. -- Interactive mobile developer **AirPlay** secured \$14mln in Series B financing from investors including **Motorola** and **Qualcomm**. The company's mission is to provide TV viewers with show interactivity using mobile phones, and in Aug it allowed **Sprint** customers to interact with the service during the Emmy Awards telecast.

CableFAX Daily Stockwatch

Company	10/10 Close	1-Day Ch	Company	10/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AVID TECH:	38.00	0.14
BRITISH SKY:	40.95	(0.09)	BLNDER TONGUE:	1.40	0.18
DIRECTV:	20.18	0.09	BROADCOM:	28.80	(0.79)
DISNEY:	31.25	(0.14)	C-COR:	8.97	(0.03)
ECHOSTAR:	33.06	(0.47)	CISCO:	24.33	0.02
GE:	36.30	0.14	COMMSCOPE:	34.24	1.34
HEARST-ARGYLE:	23.33	0.03	CONCURRENT:	1.75	0.05
ION MEDIA:	0.77	(0.01)	CONVERGYS:	20.28	0.03
NEWS CORP:	21.24	0.29	CSG SYSTEMS:	27.65	0.24
TRIBUNE:	32.79	(0.25)	GEMSTAR TVG:	3.41	0.00
MSOS					
CABLEVISION:	26.68	0.18	GOOGLE:	426.50	(2.5)
CHARTER:	1.68	0.01	HARMONIC:	7.30	0.05
COMCAST:	37.64	(0.02)	JDSU:	2.11	0.00
COMCAST SPCL:	37.57	(0.04)	LEVEL 3:	5.20	(0.07)
GCI:	12.49	(0.03)	LUCENT:	2.27	(0.01)
KNOLOGY:	10.29	0.16	MICROSOFT:	27.69	(0.03)
LIBERTY CAPITAL:	86.48	0.86	MOTOROLA:	25.23	(0.18)
LIBERTY GLOBAL:	26.45	0.09	NDS:	43.86	0.20
LIBERTY INTERACTIVE:	21.35	0.19	NORTEL:	2.16	0.00
MEDIACOM:	7.54	0.04	OPENTV:	2.81	(0.06)
NTL:	25.29	(0.17)	PHILIPS:	34.89	(0.17)
ROGERS COMM:	52.98	(1.41)	RENTRAK:	11.19	0.08
SHAW COMM:	28.77	(0.67)	SEACHANGE:	8.61	0.05
TIME WARNER:	18.98	0.12	SONY:	37.49	(0.08)
WASH POST:	753.10	5.10	SPRINT NEXTEL:	18.04	(0.04)
PROGRAMMING					
CBS:	28.37	(0.19)	THOMAS & BETTS:	50.20	0.64
CROWN:	4.45	(0.22)	TIVO:	6.69	(0.09)
DISCOVERY:	14.80	0.06	TOLLGRADE:	9.19	0.03
EW SCRIPPS:	48.89	0.21	UNIVERSAL ELEC:	20.20	0.00
GRUPO TELEVISIA:	23.20	0.47	VONAGE:	7.34	0.26
INTERACTIVE CORP:	29.05	(0.4)	VYYO:	4.00	(0.29)
LODGENET:	18.97	(0.04)	WEBB SYS:	0.05	(0.01)
NEW FRONTIER:	8.62	0.15	WORLDGATE:	1.48	(0.05)
OUTDOOR:	12.13	(0.33)	YAHOO:	24.47	(0.56)
PLAYBOY:	10.06	(0.1)	TELCOS		
UNIVISION:	34.85	0.03	AT&T:	32.77	0.59
VALUEVISION:	11.78	(0.07)	BELLSOUTH:	43.20	0.79
VIACOM:	38.25	(0.24)	QWEST:	8.37	(0.02)
WWE:	16.75	0.10	VERIZON:	36.54	(0.15)
TECHNOLOGY					
3COM:	5.04	0.23	MARKET INDICES		
ADC:	14.92	0.00	DOW:	11867.17	9.36
ADDVANTAGE:	4.15	0.11	NASDAQ:	2315.43	3.66
AMDOCS:	39.99	0.08			
AMPHENOL:	63.74	(0.99)			
ARRIS GROUP:	11.98	0.27			

Digital Advertising Defined: What it is and What is Next

Free hosted web event.

C-COR and Communications Technology are presenting a free Webcast on digital advertising. The Webinar will survey today's advanced advertising technology landscape: Digital Simulcast and Digital Program Insertion; Enhanced TV and prospective standards; and Client-side, Switched Digital Video and VOD addressability.

Sponsored by

C-COR

Communications TECHNOLOGY

cable360.net/ct

Date: Monday, October 23

IT TAKES BALLS TO BE IN THIS GAME

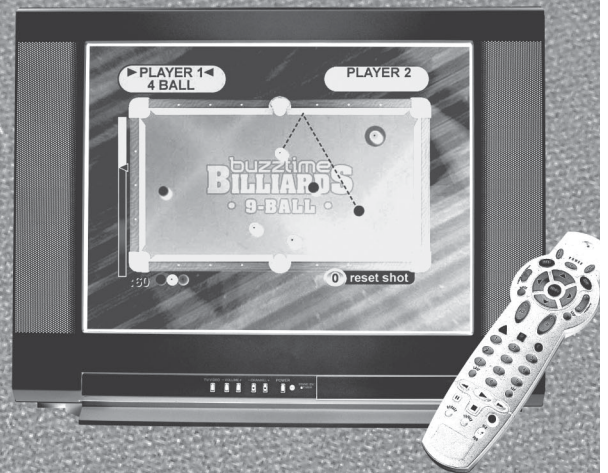
Buzztime®'s Play Along TV® games on digital cable, add:

- *High added entertainment value.*
- *Customer loyalty and ad revenue potential.*
- *More than 5 additional hours of cable TV interaction directly with your customers each month.*
- *An easy (to offer, play and enjoy) option to grow your digital cable package!*

Let Buzztime help you sink the competition and stay connected to your customer base.

Celebrate Billiard Awareness Month

In October, try a trick shot or pocket them all with Buzztime's multiplayer Billiards game. Get a "cue" and visit www.buzztime.com/enterhere to have a chance at your own custom pool cue stick.



www.buzztime.com





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:

Dave Decker, Publisher
301-354-1750
ddecker@accessintel.com