

CableFAX Daily™

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What the Industry Reads First

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Discriminating View: FCC Bureau Sends Programmer Complaints to Judge

In a move that's beginning to feel all too familiar, the FCC Media Bureau announced after 8pm ET Fri—the start of a 3-day weekend for federal employees—that 6 program access complaints would go to an administrative law judge, with a decision ordered within 60 days. The 5 commissioners will then vote on the judge's ruling. Making Fri's actions all the more interesting are reports that FCC chmn *Kevin Martin* pushed for the Bureau to rule in favor of the programmers, **NFL Net**, **WealthTV** and **MASN**, and provide them carriage on the MSOs. But that was thwarted when the other 4 commissioners protested, arguing that such decisions should be put to vote. It kind of reminds us of the dual-must carry order that Martin tried to push through last fall, which included carrying all of a broadcaster's bits, but on which his fellow Commissioners revolted. Or that whole 70/70 mess (which includes an order we've still never seen). Fri's Media Bureau actions are still pretty important, with us only being able to think of 2 cases that actually made their way through the entire FCC program access complaint process. The 60 day ALJ decision can be delayed if parties opt for arbitration (they must decide within 10 days). In summary: **NFL Net vs Comcast**: The NFL complained that the MSO has the channel on a less distributed tier than its own sports channels, and that it moved NFL Net to a sports tier after the League opted not to sell it a package of 8 regular season games. NFL Net was obviously pleased, expressing hope that the net, which begins televising regular season games Nov 6, will move to the same tier as Comcast-owned sports nets. Comcast said it is "confident" it will prevail in the hearing ordered by the FCC. **WealthTV vs Cox, Comcast, Time Warner Cable and Bright House**: WealthTV's complaint claims that the **In Demand** owners favored In Demand's **MOJO** HD channel over WealthTV. Interestingly, In Demand recently announced plans to discontinue MOJO over the coming weeks. "WealthTV looks forward to the day when our claims against these big cable operators are decisively vindicated..." said Wealth CEO *Robert Herring*. **MASN-Comcast**: MASN's dispute involves Comcast's not carrying the RSN in Harrisburg, PA, and Roanoke/Lynchburg, VA. Comcast carries its own **SportsNets** in those markets. "The FCC is protecting consumers and competition by enforcing the program carriage rules that provide an essential check against the monopolistic incentives of vertically-integrated cable distributors," said a MASN spokesman. Time Warner and Bright House had no comment, while Cox said it is



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reviewing the order. Comcast's bottom line: "We look forward to detailing our pro-consumer actions and the particulars of these cases, including the freely entered contracts that the NFL Network and MASN signed, which the parties now seek to upend by unnecessary government intervention in the programming marketplace."

5Qs with ESPN/ABC Sports pres George Bodenheimer: In our continuing series of interviews with the incoming Cable Hall of Fame class, we ask Bodenheimer—one of the youngest members of the Hall—about the priorities for ESPN and what credit card he uses. **What's at the top of your priority list for ESPN?** That goal never changes. It's to serve sports fans. Under that umbrella, each year we set priorities. And we print those on [an index card that is given to every employee to carry with them]. So there's no confusion about what our goals are. This particular year, our goals are on international growth, mobile and Web development, U.S. Hispanic market, and leadership skills within our employee ranks. **Corporate culture is very important to you. How do you maintain it now with a global brand?** The biggest thing we do is we cherish our culture, and we are very focused on maintaining it with our new employees, and we do that by talking about it. We talk about our company as being a sports fan or like the little-engine-that-could mentality or the underdog mentality. We talk to our employees. I also ask our more tenured employees to make sure they tell our newer employees about the culture and the history of the company. That's how we keep the culture alive. **You've been with ESPN for more than 20 years. You started before cable was a sure thing, much less a 24-hour sports network on cable. Was there a moment when you realized cable and ESPN would work?** When I used to drive around the southwest—TX, AR, OK, LA and MO—that was my first territory, driving from town to town, trying to call on three cable operators a day, trying to introduce them to ESPN. Virtually every operator in every town would say, 'You know, George, this is a sports town.' That impressed me. It showed me first hand that there was a passion for sports. So it was not one moment, but three moments a day, three sales calls a day. I could see that first hand. I felt a confidence that we were on to something. **When you started at ESPN, did you ever dream you'd be running the company and one that's grown enormously?** No, I was focused on building a career, happy to be doing it in my home state and in a business that I was passionate about. But I never envisioned anything beyond that. I'd be hard pressed to tell you I envisioned the global growth of the company, but a mere 29 years later it has literally never stopped growing. And it's still growing. **Speaking of that, we hear there's a new product, an ESPN Visa Card. Are you carrying one?** I am. I'm told I'm one of the leading spenders. I'm not sure if that's the good news or the bad news. [Laughter].

Retrans: No word of a deal with LIN TV, but Time Warner Cable has one less broadcaster to worry about. Post Newsweek ABC affil KSAT in San Antonio said the 2 had brokered an agreement before Wed's deadline (Cfax, 10/13). "We welcome this agreement, and we're pleased that our viewers continue to come first," said KSAT vp, gm Jim Joslyn. Time Warner Cable confirmed that there was an agreement in principal.

Competition: Starting this month, customers at more than 600 collective Wal-Mart and Circuit City stores can order AT&T's U-verse TV and HSI services, primarily in outlets close to neighborhoods where the U-verse services are available in AR, CA, CT, IL, IN, KS, MI, MO, NV, OH, OK, TX and WI. -- FiOS TV bowed in MD and VA new features through the service's interactive media guide, including: streams of recorded HD content to 6 HH TV sets; TV screen access to PC-stored home videos and personalized NFL stats; channel sorting options; and free casual games. Separately, FiOS



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- T. Wong, Vancouver, BC

HDNet

The reason HDTV was invented.

TV has launched **Current TV** in OR, IN, NY and parts of NJ, and plans to soon roll the net out in all remaining markets.

Bold Move: **ReelzChannel**'s putting its money where its mouth is with a guaranteed movie recommendation program promising reimbursement to dissatisfied cable/satellite viewers of particular films. Every few weeks, the net's Thurs airing of "Dailies" will guarantee enjoyment of a particular movie available via VOD and PPV. If viewers come away unimpressed, the net will refund the purchase price. Viewers must pre-register at ReelzChannel.com/guarantee.

In the Courts: A US District Court judge has granted the **NHL**'s motion to dismiss most of a suit filed last fall by NY Rangers owner **MSG**, which claims the league operates as "an illegal cartel" by seeking to control the licensing of teams for all commercial purposes and to stop teams from marketing apparel, merchandise and memorabilia. However, the suit's core dispute concerning new media—specifically the NHL's mandated operation of all teams' Websites—was allowed to continue. "We are pleased the court recognized the validity of our fundamental claims and will continue to pursue the legal process through final resolution," said MSG in a statement.


Sales Floor: Not everyone is optimistic about HDTV holiday sales. **Sanford Bernstein** says the evidence points toward sharply decelerating HDTV sales in Sept and early Oct, a trend it says is likely to continue and worsen. But that's not necessarily bad news for cable. The firm sees a slowdown in sales hurting DBS and probably helping cable with sub growth, capex and free cash flow.

Advertising: MySpace bowed in beta Mon an ad platform enabling any person or business to create customized banner ads, focus on specific audiences using the site's targeting tech, and analyze campaign performance tracked throughout the MySpace ecosystem. -- Citing **Nielsen** data covering 4 weeks, **NTN Buzztime** said it connected with more than 10.7mln viewers and 1.14mln players at restaurants and bars across the country. Buzztime players typically play in groups averaging 2.3 people and view/play for 46min/session. -- **Virgin Media** announced its 1st dynamic ad trial on its on-demand platform. The 3-month trail features **SeaChange**'s AdPulse On Demand system for inserting ads. **Rentrak** and SeaChange's **On Demand Group** are measuring content performance.

Programming: We normally don't recommend broadcast TV, but this Fri's edition of "Jeopardy!" includes a category about **AMC** Emmy winning hit "Mad Men." Oh, and Mad Men lead **Jon Hamm** guest hosts NBC's "Saturday Night Live" Oct 25. -- **Golf Channel** will televise early-hour weekend coverage of 12 PGA Tour events next season that air on **CBS** under a arrangement between the nets, *Sports Business Journal* reports. Under the deal, Golf parent **Comcast** will launch **CBS College Sports** to 2mln additional homes, bringing its distribution to 25mln. -- **Starz** is adding another original series. "Party Down" is a 10-ep comedy about a sextet of Hollywood wannabes. It will debut in 1Q. -- **ESPN Films** has upped its doc production with "The Greatest Game Ever Played" (Dec 13), offering on **ESPN** a special presentation of the '58 NFL championship game played between the Baltimore Colts and NY Giants, and "A Woman Among Boys" (Dec 21), which will chronicle on **ESPN2** the experiences of *Ruth Lovelace*, the 1st female coach of the boys basketball team at Boys and Girls High School in Brooklyn, NY. -- **HBO** comedy series "Summer Heights High" (Nov 9) spotlights teen life at a school through the lens of fictional doc filmmakers.

Intl: **Rainbow** is bolstering its intl presence, adding 3 sr execs to its intl team and representing **Sundance Channel** at **MIPCOM** for the 1st time. *Ed Palluth* was named svp, intl distribution, and *Marco Frazier* and *Pepe Martin* have been retained as consultants with a focus on growing intl distribution.

On the Circuit: **The Cable Center** will unveil its permanent Cable Hall of Fame exhibit during its **Cable Days '08** event this week (Wed-Fri), featuring profiles of all 65 inductees to date along with highlights and commentary. Also new at the center: a renovated video tower and a cable programming exhibit.





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BUSINESS & FINANCE

People: Janet McGregor joins NAB as COO and CFO on Nov 3. She most recently served as pres/CEO of the Lockheed Martin Investment Management Co. -- Turner's Animation, Young Adults and Kids Media group named Lanie Richberger vp, research.

Business/Finance: Pali upgraded Time Warner Cable to "neutral" from "sell," saying its current valuation more accurately reflects the risks to '09 earnings growth. Pali's Rich Greenfield has frequently sounded alarm about the MSO's ability to reach a retrans agreement with Univision, but TWC is now saying that if it loses local Univision stations it will replace them with the Spanish-language broadcaster's national feed. Univision isn't commenting, and Greenfield didn't address it in his research note, only saying that the firm remains worried about the impact of retrans/programming negotiations. -- The damaging clouds over Wall St abated Mon, inducing surges across US markets and leaving the sun to shine on media stocks for at least 1 day. Among the day's big winners: **Qwest** (+25.7%), **Viacom** (+23.2%), **Mediacom** (+21.5%), **DISH** (+20.3%), **DirecTV** (+18.4%), **Cablevision** (+17.6%), and **Discovery** (+17.4%). -- **Macrovision** has sold **TV Guide** magazine to **OpenGate Capital** for an undisclosed amount, but has retained the linear net and related online properties.

CableFAX Daily Stockwatch

Company	10/13 Close	1-Day Ch	Company	10/13 Close	1-Day Ch			
BROADCASTERS/DBS/MMDS								
ALCATEL LUCENT:	2.81	0.48	AMDOCS:	25.99	1.55			
BRITISH SKY:	28.78	2.53	AMPHENOL:	33.21	4.64			
DIRECTV:	23.20	3.61	APPLE:	110.26	13.46			
DISNEY:	26.72	3.68	ARRIS GROUP:	6.88	0.73			
ECHOSTAR:	16.50	2.79	AVID TECH:	22.00	1.00			
GE:	21.00	(0.5)	BIGBAND:	3.26	0.25			
HEARST-ARGYLE:	15.80	0.91	BLNDER TONGUE:	0.76	(0.14)			
ION MEDIA:	1.44	0.00	BROADCOM:	16.37	1.51			
NEWS CORP:	10.18	1.72	C-COR:	11.00	0.00			
MSOS								
CISCO:	19.27	2.04	CABLEVISION:	18.42	2.89			
COMMSCOPE:	26.04	3.74	CHARTER:	0.47	0.06			
CONCURRENT:	4.63	0.32	COMCAST:	16.97	1.61			
CONVERGYS:	12.29	1.18	COMCAST SPCL:	16.41	1.20			
CSG SYSTEMS:	15.28	1.28	GCI:	6.85	0.91			
ECHOSTAR HOLDING:	21.83	2.52	KNOLOGY:	5.65	0.27			
GOOGLE:	381.02	49.02	LIBERTY CAPITAL:	8.22	1.58			
HARMONIC:	8.25	1.02	LIBERTY ENT:	18.76	2.80			
JDSU:	7.26	0.51	LIBERTY GLOBAL:	20.99	2.29			
LEVEL 3:	1.63	0.17	LIBERTY INT:	7.84	0.30			
MICROSOFT:	25.50	4.00	MEDIACOM:	4.47	0.79			
MOTOROLA:	5.57	0.89	SHAW COMM:	17.98	1.22			
NDS:	50.00	5.23	TIME WARNER CABLE:	21.94	2.37			
NORTEL:	1.85	0.22	VIRGIN MEDIA:	7.21	2.05			
OPENTV:	1.30	0.19	WASH POST:	439.00	39.00			
PHILIPS:	21.83	0.25	PROGRAMMING					
RENTRAK:	11.73	0.63	CBS:	8.74	0.64			
SEACHANGE:	7.01	0.55	CROWN:	4.27	0.06			
SONY:	24.89	3.87	EW SCRIPPS:	4.91	0.08			
SPRINT NEXTEL:	4.21	0.64	GRUPO TELEVISA:	18.65	3.21			
THOMAS & BETTS:	27.87	3.08	HSN:	8.63	(0.65)			
TIVO:	6.34	0.89	INTERACTIVE CORP:	15.45	0.20			
TOLLGRADE:	3.20	0.15	LIBERTY:	32.27	6.17			
UNIVERSAL ELEC:	20.45	1.08	LODGENET:	1.49	0.49			
VONAGE:	0.75	0.14	NEW DISCOVERY:	13.05	1.93			
YAHOO:	13.49	1.20	NEW FRONTIER:	1.81	0.12			
TELCOS								
AT&T:	26.07	3.65	OUTDOOR:	8.07	0.24			
QWEST:	2.74	0.56	PLAYBOY:	2.41	0.04			
VERIZON:	28.93	2.16	RHI:	13.60	0.13			
MARKET INDICES								
DOW:	9387.61	936.42	SCRIPPS INT:	30.07	3.01			
NASDAQ:	1844.25	194.74	TIME WARNER:	10.40	1.21			
TECHNOLOGY								
3COM:	2.43	0.18	VALUEVISION:	1.12	(0.07)			
ADC:	5.74	0.38	VIACOM:	21.06	3.96			
ADVANTAGE:	1.75	(0.2)	WWE:	14.82	1.47			

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- Education
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- Marketing Campaign
- Mobile Application
- Original Content
- Podcast or Videocast
- PR Campaign
- Supplemental Web Content
- Video: Overall Use of Video

People Awards:

- VP, Digital
- Online Marketing Executive
- Web Editor
- Video Editor/Producer
- Web Designer
- Other (please enter an executive) who is successfully leading your organization's digital initiatives

Best Overall Websites:

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- Cable System (MSO)
- Cable Network
- Regional/Local Programmers
- Technology and other Vendors
- Cable Associations



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