

# CableFAX Daily™

Wednesday — October 17, 2007

What the Industry Reads First

Volume 18 / No. 202

## DTV Labeling: FCC Takes the Gloves Off

After months of issuing warnings to retailers, the FCC's Enforcement Bureau has issued its 1st proposed fines for violations of DTV labeling rules. Six retailers, all of whom have previously received citations from the FCC, were told Tues that they appeared to have willfully and repeatedly violated rules requiring that "Consumer Alert" labels be placed with TVs with analog-only tuners. The Bureau is recommending a \$16K fine for **Boscov's**, representing 2 alleged violations at a Scranton, PA store (\$8K a violation). **Radio Shack's** proposed fine is \$16K for 2 alleged violations in AL and FL. The Bureau recommends a \$24K forfeiture for **Fred Meyer** for 3 alleged violations at OR and AK stores and a \$24K fine for **Ultimate Electronics** for 3 apparent violations in CO. **Gregg Appliances** and **Trans World Ent** each received notices of a proposed \$8K fine for 1 incident in GA and 1 in NY, respectively. The Bureau's actions came on the eve of House and Senate committee hearings on the DTV transition and education efforts. Since May 30, the Bureau has issued 273 citations, or warnings, to retailers for failing to label analog TVs. The proposed fines could've been worse—the Commission has the ability to fine stores up to \$11K per day for each day they are not in compliance (up to \$97K). Retailers now get a chance to respond to the proposed fines.

**Krone to Philly:** It didn't take *David Krone* long to land another gig. He'll join **Comcast** Jan 2 as svp, corporate affairs, reporting to evp *David Cohen*. Krone announced earlier this year that he would resign from **NCTA** as evp. He quietly left Mass Ave on Sept 28; weeks later, word came that he'd be moving to Philly. "David brings extensive experience and great understanding and insight of the cable distribution and network businesses, sports marketing, and how government, industry, and other influential forces interact," said Cohen. NCTA's evp spot is vacant. No word on a replacement.

**Cable Freedom:** **E.W. Scripps** plans to spin off its cable and Internet assets to form by 2Q **Scripps Networks Interactive**, which is slated to trade publicly on the **NYSE** and house **HGTV**, **Food Net** and other nets. E.W. Scripps will operate the remaining newspapers, TV stations and **United Media's** syndication businesses. Scripps shareholders will receive 1 share of SNI for each Scripps share owned. The plan provides a "clear vision on how best to build on the specific strengths of our national and local media franchises," said Scripps pres/CEO *Ken Lowe*, who will take the helm at SNI, alone expected to employ 2.1K and generate \$1.4bln in annual revenue. The company will also assume approx \$465mln in debt when the deal is completed. "We really like the [expected] ability to move quickly and secure some areas we really view as both opportunistic and somewhat defensive" to our cable and Internet properties, said Lowe. SNI will focus on additive acquisitions to benefit the nets, he said, noting that positive discussions are ongoing for distribution of the HD feeds of HGTV and Food Net.

**Competition:** Add another chapter to **AT&T's** saga in CT, where the state's DPUC rejected the telco's app to provision **U-verse** as an Internet-based service. Instead, until it receives a more-stringent cable franchise license AT&T

## Hallmark Channel Delivers Record-Breaking Third Quarter



insidehallmarkchannel.com

The Top 10 Network delivers its highest quarter ever among Total Day households.

Source: Nielsen Galaxy Explorer (7/2-9/30/07)

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 ● Associate Publisher: Amy Abbey, 301/354-1783, aabbey@accessintel.com ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, cdaily@accessintel.com ● Diane Schwartz/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

must cease signing up new customers—and must stop servicing the more than 7K CT homes that currently receive U-verse. The telco said it will immediately discontinue its \$336mln state investment.

**More DTV Doings:** Sen Commerce chmn *Daniel Inouye* (D-HI) recommends creating a federal, interagency DTV task force that would be co-chaired by **FCC** and **NTIA** leadership. Similar to the Y2K task force, “the DTV Task Force would determine how best to marshal existing resources across the federal government and advise Congress as to what additional measures may be necessary to ensure a smooth transition,” Inouye wrote in Tues’ issue of *The Hill* newspaper. He called DTV outreach efforts “patchy,” noting that the FCC is in the early stages of reaching out to at-risk populations. The NTIA, which has \$5mln to spend on consumer outreach, has “barely begun,” he said.

**Inside the Beltway:** **TV one** pres/CEO *Johnathan Rodgers* and **Si TV** CEO *Michael Schwimmer* sent letters to the Hill Tues expressing their concern over **FCC** chmn *Kevin Martin*’s push for multicast must carry and a la carte. “The FCC Chairman’s proposal to allow minority programmers to ‘lease’ surplus broadcast spectrum on channels covered by must carry rules would create yet another category of government-preferred speakers who would get in line for carriage ahead of services like ours,” the 2 wrote in letters to the House and Sen Commerce committees, the Science and Transportation cmte, the Congressional Black Caucus and Congressional Hispanic Caucus. Last week, Martin touted his multicast must-carry plan to let small and independently-owned businesses lease broadcasters’ unused multicast streams.

**On the Hill:** The House voted to extend the Internet Tax Moratorium due to expire Nov 1. It now goes before the Senate.

**Found on Cable:** **G4** has followed up last week’s deal for the off-net rights to **NBC**’s “Heroes” with a similar agreement for **ABC**’s “Lost.” The net joined with **Sci Fi** in acquiring the series’ off-net rights, including a fall ’08 debut of existing eps on both nets and extending through all 6 seasons of the show. Sci Fi will begin with a 4-hour prime stack, and also obtained the right to stream a limited number of eps on **SciFi.com**.

**In the States:** **RCN** inked a deal with iN Demand to carry hockey out-of-market package **NHL Center Ice**, and is offering subs half-season, full-season or playoff packages.

**Ergen’s a Clinton Man:** **EchoStar** CEO *Charlie Ergen*, along with **DISH** cofounders *Candy Ergen* and *Jim DeFranco*, are supporting Sen *Hillary Clinton*’s (D-NY) run for president, according to *SkyREPORT*. **DISH** retailers who give \$2300 to her campaign will get an invite to a fund-raising event at Ergen’s home Oct 23, the pub reports.

**Honors:** **Comcast** CO svp *Scott Binder* earned the title of ’07 Fittest CEO in the World by taking 1st place in the CEO Ironman Challenge World Championship in Kona, HI, Sat. The 45-year-old beat out 12 other execs who earned their spot in the race at 1 of 6 CEO Ironman Challenge qualifying events held around the world and sponsored by Boulder, CO-based **CEO Challenges**. He swam the 2.4-mile Pacific Ocean swim in 1hr, 1 min; biked the 112-mile ride in 5hrs, 24mins, and ran the 26.2-mile marathon course in 4 hours, 23 mins for a total time of 10:59.45. -- **S-A** evp *Dr. Allen Ecker* will be inducted into the Georgia Tech Engineering Hall of Fame, Nov 2. The honor comes after Ecker received the 2007 Total Person Former Scholar-Athlete Award from the school’s athletic association last month (*Bobby Dodd* led Ecker and his winning football team all the way to the Sugar Bowl, the Cotton Bowl and the Gator Bowl back in the day).

**Emmys:** **Time Warner Cable** and **S-A** each earned a **TV Technology & Engineering Emmy** award for interactive VOD



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# BUSINESS & FINANCE

initiatives; **CNN** got a win for an integrated and portable IP-based live, edit and store-and-forward digital news-gathering system. Nominees for 11 Emmys in the Science, Technology & Engineering for Broadband & Personal TV categories include: **Turner Sports (2), MTVN, ESPN, Starz, Showtime, Bravo,** and Time Warner Cable.

**VOD:** E! will promote through **The Vine** online portal **NBCU's** Nov 8 on demand launch of "Knocked Up." An HD version of the film in select markets will be part of the rollout, as will behind-the-scenes moments leading to the film's theatrical premiere.

**Public Affairs:** Middle and high school students are being invited to produce a documentary, up to 10 mins in length, exploring a current political topic using **C-SPAN** programming ([www.studentcam.org](http://www.studentcam.org)). C-SPAN will award a total of \$50K in prizes, which includes 92 student awards and 11 teacher awards.

**People:** **Lifetime** appointed ex-MTV exec **Mike Greco** evp, research. Greco succeeds the retiring **Tim Brooks**, who will remain as a net consultant until the end of the year. -- **NFL Net** named ex-GSN marketing head **Dena Kaplan** svp, marketing. -- **Akimbo** named **Neil Goldberg** COO and **Peter Chantel** CFO.

**Business/Finance:** **Level 3** completed its purchase of certain fiber-optic connections previously owned by **AT&T** and the former **BellSouth**.

## CableFAX Daily Stockwatch

Company	10/15 Close	1-Day Ch	Company	10/15 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	54.75	(1.23)	AMPHENOL:	39.77	0.27
DIRECTV:	26.23	0.10	APPLE:	169.58	2.60
DISNEY:	35.01	(0.13)	ARRIS GROUP:	11.03	0.06
ECHOSTAR:	51.08	2.04	AVID TECH:	28.25	(0.46)
GE:	40.77	(0.05)	BIGBAND:	5.97	(0.17)
HEARST-ARGYLE:	23.41	(0.12)	BLNDER TONGUE:	1.30	0.00
ION MEDIA:	1.32	(0.01)	BROADCOM:	42.38	0.66
NEWS CORP:	23.54	(0.48)	C-COR:	10.94	(0.06)
TRIBUNE:	28.99	(0.74)	CISCO:	32.29	(0.5)
<b>MSOS</b>					
CABLEVISION:	33.70	(0.2)	COMMSCOPE:	49.48	(2.47)
CHARTER:	2.68	(0.01)	CONCURRENT:	1.23	(0.01)
COMCAST:	24.20	0.30	CONVERGYS:	17.17	(0.2)
COMCAST SPCL:	24.00	0.26	CSG SYSTEMS:	20.24	(0.81)
GCI:	11.46	(0.03)	GEMSTAR TVG:	6.65	0.13
KNOLOGY:	15.98	0.04	GOOGLE:	616.00	(4.11)
LIBERTY CAPITAL:	128.79	0.05	HARMONIC:	11.37	(0.37)
LIBERTY GLOBAL:	41.85	(0.16)	JDSU:	15.54	(0.22)
LIBERTY INTERACTIVE:	20.12	0.05	LEVEL 3:	4.26	(0.1)
MEDIACOM:	6.81	(0.05)	MICROSOFT:	30.32	0.28
NTL:	28.22	0.00	MOTOROLA:	19.16	(0.18)
ROGERS COMM:	42.97	0.00	NDS:	51.95	(1.54)
SHAW COMM:	25.60	(0.04)	NORTEL:	16.07	(0.69)
TIME WARNER CABLE:	33.15	(0.07)	OPENTV:	1.47	0.01
WASH POST:	800.25	(4.2)	PHILIPS:	41.72	(0.88)
<b>PROGRAMMING</b>					
CBS:	29.36	0.07	RENTRAK:	15.47	(0.01)
CROWN:	8.00	0.03	SEACHANGE:	6.88	(0.1)
DISCOVERY:	27.96	(0.02)	SONY:	46.03	(0.98)
EW SCRIPPS:	45.93	3.65	SPRINT NEXTEL:	17.71	(0.08)
GRUPO TELEVISIA:	25.88	(0.42)	THOMAS & BETTS:	57.86	0.29
INTERACTIVE CORP:	29.12	(0.17)	TIVO:	6.79	(0.02)
LODGENET:	27.05	(0.1)	TOLLGRADE:	9.88	(0.03)
NEW FRONTIER:	6.12	(0.05)	UNIVERSAL ELEC:	35.18	0.44
OUTDOOR:	9.02	(0.13)	VONAGE:	1.80	0.10
PLAYBOY:	11.54	(0.26)	VYYO:	5.95	(0.05)
TIME WARNER:	18.56	(0.23)	YAHOO:	26.69	(1.17)
UNIVISION:	36.23	0.00	<b>TELCOS</b>		
VALUEVISION:	7.05	(0.13)	AT&T:	41.82	(0.37)
VIACOM:	40.70	0.28	QWEST:	8.45	0.05
WWE:	14.85	(0.08)	VERIZON:	44.93	0.30
<b>TECHNOLOGY</b>					
3COM:	4.88	0.03	<b>MARKET INDICES</b>		
ADC:	19.02	(0.8)	DOW:	13912.94	(71.86)
ADVANTAGE:	8.09	0.13	NASDAQ:	2763.91	(16.14)
ALCATEL LUCENT:	9.30	(0.44)			
AMDOCS:	35.37	(0.58)			

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