

CableFAX Daily™

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What the Industry Reads First

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Merger Watch: Small Op Raises AT&T-BellSouth Concern

Another cable operator has weighed in on the proposed **AT&T-BellSouth** merger, with **Atlantic Broadband** thanking Democratic commissioners *Michael Copps* and *Jonathan Adelstein* for their demand that the public be allowed to comment on the Bells' concessions. "We commend you for taking a stand and insisting that the Commission open to public scrutiny the 11th hour deal proposed by AT&T," wrote CEO *Dave Keefe*. "As you review this proposed transaction, we request that ... as a condition of your approval that the new company not tie the provision of telephone service to the purchase of other services." Remember that letter **Cfax** wrote about over the summer in which BellSouth informed a builder that it may choose not to outfit a housing development for phone service if the builder signs an exclusive video/HSD deal with a competitor? (**Cfax**, 6/21). Turns out that letter was sent to a S FL developer who had signed a contract with Atlantic Broadband. "We have witnessed first hand the anticompetitive tactics BellSouth uses to intimidate customers who choose Atlantic Broadband as their video/Internet provider," said Keefe, attaching a copy of the BellSouth mis-sive. "We anticipate that the new and even larger AT&T will disregard fair play in the market to an even greater degree." BellSouth has said that several state regulatory commissions and legislative bodies are redefining incumbents' carrier obligations when exclusive contracts are signed with competitors. "We recommend any developer considering such an agreement fully research the current rules and laws to insure they understand how they might impact their homeowners' or tenants' choices for service," a BellSouth rep said. — Last month, 5 MSOs—**Cox**, **Advance/Newhouse**, **Charter**, **Cablevision** and **Insight**—asked the FCC to include interconnection conditions as part of the merger (**Cfax**, 9/29).

Koonin Kountry: **Turner** loves *Steve Koonin*. Three years ago, they upped the **TNT** chief to evp, COO of **TNT** and **TBS**, pushing **TBS** gm *Dennis Quinn* over to corporate. Now, Koonin's getting 2 more nets under his purview—**Court TV** and **TCM**. (Pretty sweet promotion—now if only his Georgia Bulldogs can fare so well at the World's Largest Outdoor Cocktail Party this weekend). **TNT** and **TBS** underwent successful rebrands under Koonin's reign, but he doesn't have similar plans for **TCM** and **Court**. "This time it's going to be a lot more fun—a lot of the work's already been done," he said. "My job will be extending the brands and pushing them to multiple platforms." Koonin's promotion answers questions over how **Court** will be structured following COO *Art Bell's* resignation last month. "Since the time we took over the business, I was preparing for a world with or without Art," said **Turner Ent Group** pres *Mark Lazarus*. "When he made the decision to move on, it gave me the triggering mechanism to go forward with the 'Without Art' plan." **Court** programming and marketing gm *Marc Juris*, **Court** evp, daytime and news programming *Marlene Dann* and **TCM** evp, gm *Tom Karsch* will all report into Koonin, whose title changes to pres, **Turner Ent Nets**.

Media Ownership: **Disney** isn't seeking any relaxation of broadcast ownership rules—although it did say in its filing with the **FCC** that the Commission "may soon find itself considering ways to incent, rather than restrict, ownership



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of over-the-air broadcast stations” given the growth and attractiveness of new media outlets. MSO **Suddenlink** has filed comments asking the FCC to ensure no company owns or manages more than 1 of the top 4 local TV stations. It pointed to its recent retrans spat with **Sinclair** in WV, where the broadcaster owns or manages 2 of the top stations.

Measuring Ads: The controversy continues over **Nielsen’s** plans to begin measuring commercial ratings in Dec. A day after the *WSJ* reported that **NBCU’s** cable nets wouldn’t participate, **Turner** has opted out. “We will not consider opting in until such time as you treat cable and broadcast networks equally for local avails, and are satisfied that you are accurately capturing commercial occurrences,” Turner chief research officer *Jack Wakshlag* wrote Nielsen Mon, adding that his team is finding new Nielsen Monitor Plus errors for ads that have run on Turner nets.

Cox Update: **Cox** ended 3Q with roughly 3.3mln bundled customers, representing 57% of its residential customer base and 16% Y-over-Y growth. About 24% of customers opt for triple-play services. Basic video subs grew 1.6% to 5.4mln, while digital subs jumped 14% to 2.7mln. Digital-to-Basic penetration now exceeds 50%. The MSO realized 18% growth in broadband subs to 3.2mln, and digital phone subs grew 24% to 1.9mln.

In the States: **Charter** will add **MavTV** to its digital sports tier in northern and eastern WI early next month. -- Nearly 1 month old, movie net **ReelzChannel** opened an office in NYC for ad sales and East Coast affiliate relations.

Competition: **Verizon** launched a **FiOS** Internet print campaign aimed at the DC area’s Asian market. The ads, developed in Chinese and Korean, state “Light! The new Internet world delivered.” -- **DirectTV** added new Arabic-language programming package “ArabicDirect” to its intl platform for \$25.99/month. It includes 5 channels from the Middle East.

BellSouth Earnings: 3Q rev for the telco’s communications group increased 2.4% to \$4.7bln, bolstered by rev growth in mass-market broadband and emerging data services. BellSouth added 176K new DSL subs in the Q, bringing its overall total to more than 3.4mln. Nearly 65K customers added DirecTV service to their bundle, raising that total to 756K. The telco also added 118K long-distance subs.

Multicultural Moves: **MTVN’s** 1st Chief Diversity Officer, *Billy Dexter*, is out. The post was eliminated, and Dexter’s leaving the company 12 months after he started. “Given our unique company culture with multiple stakeholders in our diversity efforts, we’ve come to realize that a team approach will best serve us in a global and now multi-platform environment,” said *Judy McGrath*, who thanked Dexter for his work. MTVN is restructuring its diversity approach, tapping *Marva Smalls* as the 1st evp, global inclusion strategy. She’ll retain her current responsibilities as evp, public affairs and chief of staff for the Nick/MTVN kids & family group. MTVN is also creating an internal diversity advisory team.

Ratings: **Disney** (2.8 HH rating/2.54 HH delivery) used 7 telecasts of its “Halloweentown” franchise—all of which landed in the weekly top 14—to scare away the competition and treat itself to the prime ratings perch. Powered again by “MNF,” **ESPN** (2.5/2.31mln) was a close 2nd, followed by **USA** (1.8/1.67mln) and **TNT** (1.6/1.43mln). **Nick at Nite** (1.3/1.15mln) and **Cartoon Net** (1.3/1.14mln) tied for the 5th position, although NAN garnered a slightly larger audience.

Programming: **Fox College Sports’** “FCS Extra Credit” returns this week with 3 delayed telecasts of **Big 12 Conference** football games—the 2nd season for the FCS-Big 12 initiative that allows **FCS Central** to air all conference games not offered by another TV outlet. The net will determine the remaining 8 games on a week-to-week basis. -- **Fox News**

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BUSINESS & FINANCE

and the SC Republican Party announced a joint May 15 presentation of the 1st '08 presidential debate to air live on FNC and **Fox News Radio** from USC's Koger Center. -- **HBO's** doc "Thin" (Nov 14, 9pm) chronicles women with eating disorders.

People: Comcast tapped *Doug Guthrie* as regional vp of its CT, Western MA and NY systems.

Business/Finance: User-generated ad platform **ViTrue** announced a round of strategic funding from **Comcast Interactive Capital** and **Turner Broadcasting**. The funding will be used to further the company's patent-pending platform, which allows brands to feature user-created videos on a branded site instead of on a third-party site while avoiding copyright infringement. ViTrue also owns the online video-sharing community **Sharkle.com**. -- **Synacor** got more than \$17mln in venture capital funding from new and existing investors. The online content provisioning company plans to use the funding to expand its portfolio. New investor **North Atlantic Capital** led the C-Series funding round. **Mitsui Technology, Intel Capital** and **Crystal Ventures** were also among the participants.

Clarification: *Mauro Panzera's* comments at **NAMIC Mid-Atlantic's** luncheon (*Cfax*, 10/23) referred to **Comcast's** multicultural marketing initiatives on a regional basis. All of the MSO's diversity efforts are made at a national level.

CableFAX Daily Stockwatch

Company	10/24 Close	1-Day Ch	Company	10/24 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AVID TECH:	38.18	(0.67)
BRITISH SKY:	41.97	0.29	BLNDER TONGUE:	1.29	0.03
DIRECTV:	21.34	(0.26)	BROADCOM:	27.00	(0.58)
DISNEY:	31.38	0.10	C-COR:	9.68	0.13
ECHOSTAR:	35.05	0.32	CISCO:	24.34	(0.09)
GE:	35.42	(0.11)	COMMSCOPE:	34.50	0.56
HEARST-ARGYLE:	23.49	0.02	CONCURRENT:	1.70	(0.01)
ION MEDIA:	0.76	(0.01)	CONVERGYS:	20.76	(0.24)
NEWS CORP:	21.73	(0.16)	CSG SYSTEMS:	27.53	(0.55)
TRIBUNE:	32.92	(0.26)	GEMSTAR TVG:	3.30	0.00
MSOS					
CABLEVISION:	27.75	(0.02)	GOOGLE:	473.31	(7.47)
CHARTER:	1.94	(0.02)	HARMONIC:	7.12	(0.17)
COMCAST:	39.01	0.55	JDSU:	15.06	(0.69)
COMCAST SPCL:	38.93	0.62	LEVEL 3:	5.62	(0.16)
GCI:	12.77	(0.12)	LUCENT:	2.49	0.15
KNOLOGY:	10.97	0.18	MICROSOFT:	28.28	(0.17)
LIBERTY CAPITAL:	86.50	(0.65)	MOTOROLA:	23.36	0.04
LIBERTY GLOBAL:	25.55	(0.14)	NDS:	45.24	(0.02)
LIBERTY INTERACTIVE:	21.51	(0.97)	NORTEL:	2.27	0.08
MEDIACOM:	7.74	(0.03)	OPENTV:	2.75	(0.11)
NTL:	25.90	(0.42)	PHILIPS:	35.17	0.13
ROGERS COMM:	54.63	(0.09)	RENTRAK:	12.75	0.44
SHAW COMM:	29.91	0.10	SEACHANGE:	8.41	(0.12)
TIME WARNER:	19.81	0.11	SONY:	40.48	0.13
WASH POST:	736.50	0.00	SPRINT NEXTEL:	17.07	(0.02)
PROGRAMMING					
CBS:	28.34	0.18	THOMAS & BETTS:	52.49	0.38
CROWN:	4.05	0.08	TIVO:	6.40	(0.1)
DISCOVERY:	14.82	(0.16)	TOLLGRADE:	9.02	(0.13)
EW SCRIPPS:	48.75	(0.39)	UNIVERSAL ELEC:	21.05	(0.09)
GRUPO TELEVISIA:	24.01	(0.03)	VONAGE:	7.39	(0.16)
INTERACTIVE CORP:	29.96	(0.06)	VYYO:	3.99	0.04
LODGENET:	18.95	0.11	WEBB SYS:	0.06	0.00
NEW FRONTIER:	9.12	0.17	WORLDGATE:	1.34	(0.03)
OUTDOOR:	13.25	(0.19)	YAHOO:	23.53	0.16
PLAYBOY:	10.50	0.05	TELCOS		
UNIVISION:	35.08	(0.01)	AT&T:	34.73	0.02
VALUEVISION:	12.42	0.07	BELLSOUTH:	45.62	0.03
VIACOM:	38.81	0.26	QWEST:	8.31	0.11
WWE:	16.82	(0.18)	VERIZON:	38.00	(0.02)
TECHNOLOGY					
3COM:	4.72	(0.18)	MARKET INDICES		
ADC:	14.75	(0.02)	DOW:	12127.88	10.97
ADDVANTAGE:	4.11	(0.04)	NASDAQ:	2344.84	(10.72)
AMDOCS:	39.90	(0.28)			
AMPHENOL:	68.12	1.02			
ARRIS GROUP:	12.61	0.05			



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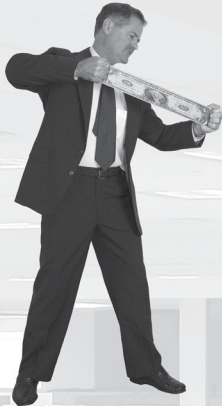
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- Atlantic Broadband – CEO, President & COO
- Audible Magic – Business Development
- Balfour Associates Inc. – Chairman
- Bend Cable Communications LLC - President & CEO
- Bresnan Communications, Inc – EVP Operations
- Buford Media Group, LLC – CEO, President & COO
- C-SPAN – VP Affiliate Relations
- Cequel III -Suddenlink – President & CEO, SVP Programming
- Comcast Cable – EVP
- Cox Communications – SVP Marketing
- Effros Communications – President
- Fleischman & Walsh LLP – Partner
- Fox Cable Networks – SVP Affiliate Marketing, SVP Sales
- Harron Communications – Chairman /CEO & President /COO
- HSN/IAC – EVP Affiliate Relations
- ION Media Networks – President, Cable Distribution
- Insight – CEO, VP Programming
- IMA-Int'l Media Advisors – Principal
- Mediacom – SVP Programming & Human Resources
- Media Business Corp. – Sr. VP, Product Marketing
- Millennium Digital Media – SVP, Programming & Product Development
- NCTC – President & CEO, SVP Programming
- NCTA – President & CEO
- NBC Universal Cable – SVP Marketing
- New Frontier Media – President, VP New Business
- New Wave Communications – President
- NFL Network – SVP
- October Strategies, Inc. – Partner
- SCTE – President & CEO
- The Tennis Channel – SVP Distribution, VP Distribution
- 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 with Kyle McSlarrow – President & CEO, NCTA
7:00pm – 10:00pm - Dinner at Vizcaya
- Thursday, November 2nd**
8:00am – 11:30am - Industry Leaders Forum
Breakfast
12:00pm – 4:30pm - Golf, Spa, Tennis or Everglades
7:00pm – 10:00pm - Dinner
- Friday, November 3rd**
8:00am – 11:00am - Industry Leaders Forum
Breakfast With Michael Willner – CEO, Insight

Sponsorship and Attendance Information

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