

CableFAX Daily™

Monday — October 29, 2007

What the Industry Reads First

Volume 18 / No. 210

Telco Talk: 5Qs with AT&T Programming Chief

With competition garnering a lot of attention in the wake of 3Q results, now seemed a good time for a chat with AT&T evp, programming Dan York. How tough have you found negotiations with programmers? The content community has generally been very receptive and supportive of our entry into the video market. Our content team has accomplished something no one has ever done in this business: We went from zero content to more than 320 channels, more than 30 HD channels, and hundreds of VOD titles in less than 18 months via over 150 direct deals. But we've only just begun. Just like all the other MVPDs, our content costs can always be lower. **The IP-based model adopted by U-verse is certainly more cutting edge than what Verizon is doing with FiOS, but some cable engineers have questioned how well it will scale once you start trying to serve millions of customers. Are they missing something?** We've grown our customer base from around 3K customers at the end of last year to 126K at the end of the 3rd quarter. We're installing nearly 10K customers a week. You can't achieve growth like that without scalability. **What's the biggest advantage you see to the U-verse architecture, and what service feature seems to be getting the best response from subscribers?** AT&T is the only national service provider offering 100% IPTV today. IP gives us more flexibility to deliver more options, more personalization and more integration. We've gotten a great response on a lot of our features, but one example is our advanced DVR capabilities. Customers really enjoy being able to record more than two programs at once, and they also tell us how convenient it is to program their DVR from any of their 3 screens using Web and Mobile Remote Access to the DVR. **What's AT&T's philosophy on the quad-play—should cable be worried?** Wireless is absolutely an advantage. That's not a secret. We have the best assets to offer consumers a complete quadruple-play of services. But where we really surpass our competitors is our ability to go beyond the bundle and integrate services, applications and content. That's another advantage of our IP platform. We're integrating these services to deliver a more seamless and valuable experience to our customers that our competitors can't easily duplicate. **Are cable operators underestimating you?** We've shown we can sell video, which is already proven by the 2mln subs we've delivered via our DBS offerings. With U-verse, you can't be a new market entrant, with a brand name and reputation like AT&T ... and not be noticed by the competition. We're seeing a great response from customers; we have an advanced platform that puts us ahead of the competition; and we're the leader in broadband and wireless. But despite all this, I'd prefer they remain skeptics.

Doing Good: The Cable Hope Fund is accepting donations from cable companies, organizations and individuals to provide support and aid to those affected by the recent devastating wildfires in southern CA. Some cable employees and their families have been directly affected by the fires, including destruction to some homes. **NCTA**, which administers the fund, said it will match donations made by the association's employees up to \$1K per individual. The non-

HORRORFEST
 BACK-TO-BACK HORROR
 EVERY WEDNESDAY NIGHT IN OCTOBER
 BEGINNING AT 9
IFC
 movies, uncut.

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

profit was created in '05 in the wake of Hurricanes Katrina and Rita to help provide relief to victims of natural disasters. Contributions can be made in the form of checks made out to Cable Hope Fund, and sent to the Fund care of NCTA at 25 Massachusetts Ave., NW, Suite 100, Washington, DC 20001, or electronically via credit card through the Cable Hope Fund website, www.CableHopeFund.org. -- **Univision** partnered with the **American Red Cross** to help with fundraising and is airing PSAs and special reports on the fires. -- Several **Cox** segments including **Cox Comm** are teaming with **MLB's** San Diego Padres and a San Diego-area shopping mall for a week-long (Oct 26-Nov 2) donation drive to aid victims of the Southern CA wildfires. **Cox Kids Foundation** kicked off the initiative with a \$25K donation.

Shameful Service: A YouTube posting of a Southern CA newscast at youtube.com/watch?v=QNNGVPyrODO tells a truly nauseating story about **AT&T** customer service. An area couple returned from a honeymoon at sea to find their home a pile of ash, and soon the wife phones AT&T seeking answers about their services, bills etc. She was told by the telco that she owes \$300 for a satellite receiver that perished in the blaze, and that she couldn't wait for insurance reimbursement before settling the account. This response stemmed from a serious misunderstanding, or better yet that the CSR involved has been living underground for the past week, oblivious to the tragic spread of damaging wildfires. AT&T did not respond to inquiries seeking details and comment.

On the Hill: Sens *Byron Dorgan* (D-ND) and *Olympia Snowe* (R-ME) sent a letter to Sen Commerce chmn *Daniel Inouye* Fri asking him to hold a hearing to discuss cable and phone companies' "power to discriminate against content." The 2, of course, pointed to the infamous **AP Comcast** file-sharing story, as well as incidents involving **Verizon Wireless** and **AT&T**. "The Committee needs to consider the issue of content discrimination and investigate these incidents further if they were based on legitimate business and network management policies or part of practices that would be deemed unfair and anti-competitive," they wrote. -- The US Sen extended the Internet tax moratorium for 7 years. The House passed a 4-year extension earlier so the 2 bills will need to be reconciled.

In the States: **Fox News** reportedly ordered presidential candidate *John McCain* (R-AZ) to stop using footage of himself from a debate carried on the net earlier this month. The clips appear in a new campaign ad. McCain's camp believes fair use rules apply. -- **Comcast** said it added extended hours at select Boston-area service centers Sat (Oct 27) to respond to strong customer HD demand during the World Series. -- '08 prices for **Cablevision's** residential/business HSD and digital phone services will remain unchanged for the 5th consecutive year, while video service pricing will rise 4.7%.

In the Courts: Contractor **MasTec** said it reached an agreement to settle a wage and hour lawsuit regarding the company's installers. MasTec, which denies the allegations in the suit, agreed to up to \$12.6mln, subject to court approval. That figure represents the maximum payout, assuming 100% opt-in by all potential members of the purported class. The minimum payment is \$750K for plaintiffs and \$3.8mln for attorneys.

Bad Day: **ValueVision Media** CEO *William Lansing* has resigned under pressure from the company's board. *John Buck* was named interim chief exec by the direct marketing firm, which retained exec search firm Spencer Stuart to assist in finding Lansing's replacement. ValueVision also lowered its earnings before interest, taxes, depreciation and amortization outlook to \$5-\$10mln from \$15-\$25mln.

CRISS ANGEL
MINDFREAK
A&E
SEASON FINALE AND HALLOWEEN SPECIAL - OCTOBER 30 AT 10/9C

CableFAX Week in Review

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	53.65	(1.5%)	32.70%
DIRECTV:	DTV	25.70	0.90%	3.00%
DISNEY:	DIS	34.38	1.70%	3.00%
ECHOSTAR:	DISH	49.72	2.10%	30.70%
GE:	GE	40.38	0.80%	14.50%
HEARST-ARGYLE:	HTV	22.74	(1%)	(8.4%)
ION MEDIA:	ION	1.33	(2.9%)	166.00%
NEWS CORP:	NWS	23.00	1.50%	4.00%
TRIBUNE:	TRB	29.65	11.90%	(2.5%)

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	29.58	(6.1%)	3.90%
CHARTER:	CHTR	2.08	(20%)	(32%)
COMCAST:	CMCSA	21.23	(9.5%)	(24.8%)
COMCAST SPCL:	CMCSK	21.08	(9.5%)	(24.5%)
GCI:	GNCMA	11.78	6.10%	(25.1%)
KNOLOGY:	KNOL	16.98	7.60%	59.60%
LIBERTY CAPITAL:	LCAPA	122.82	(1.9%)	25.40%
LIBERTY GLOBAL:	LBTYA	38.66	(3.4%)	32.60%
LIBERTY INTERACTIVE:	LINTA	20.42	1.90%	(5.3%)
MEDIACOM:	MCCC	5.88	(7.5%)	(26.9%)
NTL:	NTLI	28.22	(54.5%)	
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	27.08	2.60%	77.20%
TIME WARNER CABLE:	TWC	29.52	(9.6%)	(22.9%)
WASH POST:	WPO	801.51	1.40%	10.00%

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	29.00	1.00%	(2.7%)
CROWN:	CRWN	7.66	(0.6%)	111.00%
DISCOVERY:	DISCA	28.49	4.00%	77.10%
EW SCRIPPS:	SSP	43.92	2.50%	(10.2%)
GRUPO TELEVISIA:	TV	24.60	(0.6%)	(1.6%)
INTERACTIVE CORP:	IACI	27.07	(4.7%)	(27.1%)
LODGENET:	LNET	26.10	1.60%	4.30%
NEW FRONTIER:	NOOF	6.05	(1%)	(12.9%)
OUTDOOR:	OUTD	8.80	(0.7%)	(31.4%)
PLAYBOY:	PLA	11.44	1.00%	(0.2%)
TIME WARNER:	TWX	18.35	2.20%	(14.1%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	5.35	(19.3%)	(59.3%)
VIACOM:	VIA	39.37	0.40%	(4%)
WWE:	WWE	15.24	3.20%	6.70%

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.88	1.20%	18.70%
ADC:	ADCT	18.63	(2.2%)	28.20%
ADVANTAGE:	AEY	8.12		191.00%
ALCATEL LUCENT:	ALU	9.41	2.50%	(22.7%)
AMDOCS:	DOX	33.12	(5.3%)	(14.5%)
AMPHENOL:	APH	44.87	5.00%	45.00%
APPLE:	AAPL	184.70	8.40%	104.50%
ARRIS GROUP:	ARRS	12.05	5.60%	(3.7%)
AVID TECH:	AVID	28.00	(0.1%)	(24.9%)
BIGBAND:	BBND	6.13	9.30%	(42.6%)
BLNDER TONGUE:	BDR	1.22	(5.4%)	(28.2%)
BROADCOM:	BRCM	33.64	(17%)	4.10%

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.46	13.80%	11.80%
CISCO:	CSCO	31.90	1.30%	16.70%
COMMSCOPE:	CTV	51.38	(0.5%)	68.60%
CONCURRENT:	CCUR	1.23	7.90%	(32%)
CONVERGYS:	CVG	18.81	8.60%	(20.9%)
CSG SYSTEMS:	CSGS	20.99	4.60%	(21.5%)
GEMSTAR TVG:	GMST	7.15	3.50%	78.30%
GOOGLE:	GOOG	674.60	4.60%	46.50%
HARMONIC:	HLIT	11.98	5.70%	64.80%
JDSU:	JDSU	14.73	(3.2%)	(11.5%)
LEVEL 3:	LVLTL	3.11	(26%)	(44.5%)
MICROSOFT:	MSFT	35.03	16.10%	20.30%
MOTOROLA:	MOT	19.24	2.90%	(4.2%)
NDS:	NNDS	55.91	0.00%	15.90%
NORTEL:	NT	16.30	0.30%	(39.1%)
OPENTV:	OPTV	1.45	5.80%	(37.5%)
PHILIPS:	PHG	41.31	0.20%	14.10%
RENTRAK:	RENT	15.89	1.20%	2.50%
SEACHANGE:	SEAC	6.30	(3.1%)	(38.4%)
SONY:	SNE	49.22	9.10%	15.70%
SPRINT NEXTEL:	S	17.38	(0.6%)	(7%)
THOMAS & BETTS:	TNB	54.71	(5.2%)	15.70%
TIVO:	TIVO	6.99	5.70%	36.50%
TOLLGRADE:	TLGD	7.93	(18.4%)	(25%)
UNIVERSAL ELEC:	UEIC	36.81	6.20%	75.10%
VONAGE:	VG	2.13	38.30%	(69.3%)
VYYO:	VYYO	5.75	(4.6%)	26.90%
WEBB SYS:	WEBB	0.07	(46.2%)	75.00%
YAHOO:	YHOO	33.63	15.80%	31.70%

Company	Ticker	10/26 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	41.46	0.20%	24.00%
QWEST:	Q	8.26	(2.5%)	(1.3%)
VERIZON:	VZ	45.60	3.10%	31.30%

Index	Value	1-Week % Chg	YTD %Chg	
MARKET INDICES				
DOW:	INDU	13806.70	2.10%	10.80%
NASDAQ:	COMPX	2804.19	2.90%	16.10%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VONAGE:	2.13	38.30%
2. MICROSOFT:	35.03	16.10%
3. YAHOO:	33.63	15.80%
4. C-COR:	12.46	13.80%
5. TRIBUNE:	29.65	11.90%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.07	(46.2%)
2. LEVEL 3:	3.11	(26%)
3. CHARTER:	2.08	(20%)
4. VALUEVISION:	5.35	(19.3%)
5. TOLLGRADE:	7.93	(18.4%)

WE ARE MOVING.

TO A NEW SATELLITE AND CONVERTING TO DIGITAL.

On Wednesday, November 7th at 12:00 Noon ET, Fox News Channel is moving to Galaxy 11/Transponder 6 from its current location on Galaxy 15/Transponder 21, and will convert its signal from analog to a digital feed.

Please go to FOXNEWS.COM/SATELLITECHANGE to access the Digital Authorization Form and additional technical information.



MaxFAX...

Timelines and Questions

Let's all guess.

Has the recession already started?

What time of day on March 15, 2008 will we invade Iran? Will that have any effect on the elections?



Paul S. Maxwell

How many foreclosures represent cable subscriber homes?

And then, how many outdated set-top boxes disappeared forever?

Will advertising revenues for this political season help out? Or will it all be temporarily over in March '08? Only to pick up again in September? Or will Beijing bail everybody out in August '08?

How's the budgeting going when senior managers want growth and TV HH formation won't happen?

Ah, but I certainly don't mean to indicate that I might be just a little bit pessimistic about the near term future. I wouldn't want you to think that.

Random Notes:

• **There in Spirit:** Albeit not in person. This MAXFAX is dated Monday, written across the preceding week (usually by the Thursday afternoon before) ... I was, of course, in Miami most of the week at the **CableFAX Leaders' Retreat** where

Jim Robbins' name came up among conversations almost every few hours. So, I should be/should have been in Atlanta Saturday morning. Can't/couldn't. But have often been thinking about the waste, the loss and the simple sadness. So, what's the best way to honor Jim's contributions to the industry? Easy. Answer the phone. Make the customer come first. Really. No more lip service. That'd make him sit back, cross his legs, gesture, start to say something and then smile.

• **Best Bets:** Maybe I blew this one. Boston area cable op *David Keefe* wanted to back the **Red Sox** against the **Colorado Rockies**. I offered a feast of Rocky Mountain oysters vs a clambake. He declined that, but countered with a lobster fest vs a grilled side of buffalo with fixings and skiing. So, neither of us can lose no matter what!

• **Let's Speculate?** Sure, after all, **AT&T** could buy **EchoStar** for only 10 times the telco's latest quarterly earnings. That's putting things in perspective. But will they? Or won't they? Or will the dial-up renew its inherited **DirectTV** re-sale partnership deal? Or *Mr. Charles Ergen's* deal? Or what? Who knows? But it is fun to speculate. My guess: everybody's waiting for the DARS merger decision. If that flies (will it be re-branded **SeriousXM?**), the definition of relevant anti-trust marketplace shifts ... so, again, who knows? Then the only relevant question is: Will *Carl Vogel* have

to quit sharing rooms with Charlie in order to accommodate *Dr. Malone*?

• **Thanks:** This is an on-the-record thanks to **Outdoor Channel** (whoa, had to check that thing), **HSN, ion** (and the iPod), **NBC Universal, Ovation, Retirement Living TV, The Weather Channel, AmericanLife, Rainbow** (fore!) and other supporters for their kind help with our annual off-the-record confab (but, I've got video and you know who you are). Thanks, too, to *Kyle McSarrow, Josh Sapan* and *George Bodenheimer* for their candid remarks and insights.

• **Cable Get Ready! Webinar #1** ... this Tues at 1 pm ET features **Cox's Dallas Clement**, programming maven *Cathy Rasenberger* and marketing guru *Lee Clayton Roper* discussing smart bandwidth management in a competitive atmosphere. Details at **Cable360.net**. The continuing sniping among platform providers ballyhooing claims of more HD capacity than the other guy and "my hi-def is more hi-def than your hi-def" is just the tip of the growing competitive zero-sum game for subscriber loyalties. Everybody's bandwidth is (sort of) finite ... pending the next upgrade burst. What we do in the meantime is what counts.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

maxfax@mediabiz.com

Make your lineup come ALIVE
CHILLER is the place to be this Halloween.
 Scare up subscribers to your digital services.
 SD now available. HD and VOD coming in '08.

chiller
 DARE TO LAUNCH
 nbcunetworks.com



CALL FOR ENTRIES

2008 NAMIC VISION AWARDS

The only celebration recognizing the cable industry's commitment to quality, original programming that reflects the world's rich, multi-ethnic populace

**Nominate your company's best,
original multicultural programming in the
following categories:**

- Animation
- Best Performance – Comedy
- Best Performance – Drama
- Children's
- Comedy
- Documentary
- Drama



- Foreign Language
- Lifestyle
- News/Informational
- Original Movie or Special
- Reality
- Sports
- Variety/Talk Show

Deadline: October 31, 2007

Fee: \$195 per entry

For more information about submitting an entry, visit www.namic.com
or contact NAMIC at 212-594-5985.

NATIONAL ASSOCIATION FOR MULTI-ETHNICITY IN COMMUNICATIONS
EMBRACE DIVERSITY. EMBRACE SUCCESS.

THE WICT FOUNDATION
Benefit Gala

CONNECTIONS CELEBRATIONS

Connections & Celebrations

For 23 years, the WICT Foundation Benefit Gala has brought together distinguished leaders and exemplary companies to salute the year's outstanding individuals, organizations and achievements in cable. Join us as we honor the women, men and companies that help drive our mission and transform our industry.

Emcee: Star Jones

Thursday, November 15, 2007, Grand Hyatt Washington
6 p.m. Reception, 7 p.m. Dinner, Black Tie

2007 ACCOLADE AWARDS

WOMAN OF THE YEAR TRIBUTE: Documentary / Biographical

Lynn Yaeger

Executive Vice President,
Corporate Affairs
Time Warner Cable

Vietnam Nurses with Dana Delany

WE tv

TRIBUTE: Drama / Music / Variety / Comedy

WOMAN TO WATCH

Wonya Lucas

General Manager /
Executive Vice President
The Weather Channel Networks

The Closer

TNT/Warner Bros. Television

FORERUNNER ACCOLADES

Best Operator for Women in Cable
Best Programmer for Women in Cable
(as determined by the 2007 WICT
Foundation PAR Initiative)

Purchase your table today.
www.WICT.org



The 23rd Annual WICT Foundation Benefit Gala is presented by the 2007 WICT Leadership Circle:

