

CableFAX Daily™

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What the Industry Reads First

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On Hold: Sprint Puts Off Expanding Pivot to New Stores

Cable and **Sprint's** wireless phone service won't be rolling out to any new Sprint stores and markets until provisioning for it is simplified, Sprint said Thurs. "As our focus is on simplifying the business and particularly focusing on the customer experience, we have made a decision not to expand that service in other markets or other stores," Sprint Nextel CFO **Paul Saleh** said during the company's 3Q earnings call Thurs. The jv service, **Pivot**, has launched in 33 markets and is available in about 20% of Sprint's stores. Sprint will continue to sell the phone in retail stores in existing Pivot markets, a spokeswoman said. As for new market plans for next year, Sprint is still evaluating plans, she said. Cable ops could choose to roll out Pivot to new markets, but they can't rely on Sprint to sell it. One option could be selling it themselves. "We are currently reviewing other options for expanding wireless service," a **Time Warner Cable** rep said, adding that the MSO will continue to support Pivot in the divisions where it has been launched. **Cox** also said it would continue to offer Pivot in existing markets. "Our commitment to wireless remains firm," said a Cox spokesman, adding that Cox hasn't revealed future launch plans. Saleh said Pivot is still very difficult to provision with it being an integrated product. He said it has been hard to deliver it in a timely and simple process at the point of sales, though he didn't spell out specifics. "We are still very strategically aligned with the cable companies," he said. "We are working very hard with them on simplifying that offering to the marketplace." During the earnings call, Saleh—filling in as a presenter while a CEO search is underway—emphasized improving the customer experience and complexities across Sprint's product line. "Today, we have too much complexity in our distribution channels, which resulted in inconsistent customer experience," he said, speaking about Sprint's products across the board. Sprint shares closed down 3% after reporting that its quarterly profit fell to \$64mln from \$279mln a year ago. Sprint lost 337K monthly subs during 3Q.

Put Off?: The **Natl Interfaith Cable Coalition** notified **Hallmark Channel** parent **Crown Media** that it is exercising its put option for 4.4mln shares, according to an **SEC** filing. However, Crown says NICC can't do that. During recent negotiations, the 2 reached a binding agreement that negates NICC's put right, Crown told the SEC Thurs. "Crown had reached an agreement with NICC that included the waiver of NICC's put right in exchange for broadcast time (and other consideration)," a Crown spokeswoman said. "NICC contends that this agreement was not finalized. We disagree. We negotiated this agreement in good faith and intend to hold NICC to the agreement." Crown revealed the put option in Aug. If it's forced to buy the shares, it could cost the company around \$30mln. The purchase price is based on the avg closing stock price for the 15 trading days prior to and the 15 trading days subsequent to the exercise of the put.

In the Courts: As expected, **Comcast** asked the U.S. Appeals Court in D.C. to reverse the **FCC's** denial of the MSO's request for a waiver of the set-top integration ban (**Cfax, Jan 11**). Comcast argued that the FCC action was "arbitrary and capricious, an abuse of agency discretion, discriminatory, contrary to law and relevant agency policies, and un-

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supported by evidence.” Comcast also noted that it took the Commission 503 days to act on its waiver request despite Congress’ instructions that it act on such requests within 90 days. -- A Superior Court judge ruled that **AT&T** can resume signing up new customers for its **U-verse** service, overturning a ruling that required the telco to follow the same law as cable companies. The judge said AT&T should be able to offer video under the state’s new franchising law to promote video competition. The state’s Dept of Public Utility Control granted AT&T a video franchise on Thurs.

Competition: Verizon says it will increase **FiOS TV**’s HD offerings next year to 150 channels—a 5-fold increase. Also in the works: HD VOD content and a “major” expansion of standard-def sports and multicultural programming. The telco said it’ll begin expanding its HD lineup in the spring, initially doubling the number of HD channels to more than 60. Before the end of ’07, FiOS should have a limited number of HD VOD titles, with 1K VOD titles planned for next year.

Net Neutrality Redux: If Comcast execs were hoping the controversy over its bandwidth management policies would die out, they got a rude awakening Thurs when several interest groups filed an official complaint at the **FCC**. At issue is Comcast’s efforts to manage bandwidth by slowing down data traffic in certain locales to relieve pockets of congestion. The MSO argues that such congestion—often spurred by P2P usage—degrades performance for other users, but the groups are framing Comcast’s actions as yet another reason to enact net neutrality rules. “Comcast’s defense is bogus,” said *Ben Scott*, policy director of **Free Press**, which filed the complaint along with **Public Knowledge** and **Media Access Project**, as well as several consumer and academic groups. “The FCC needs to take immediate action to put an end to this harmful practice.” **Open Internet Coalition** exec director *Markham Erickson* added that the FCC should “take concrete steps to protect the Internet from arbitrary and anti-consumer restrictions by Comcast and other network operators.” Comcast, however, strongly denied that it “blocks” anything. “Comcast does not, has not, and will not block any Web sites or online applications, including peer-to-peer services, and no one has demonstrated otherwise,” said Comcast evp *David Cohen*. “We engage in reasonable network management to provide all of our customers with a good Internet experience, and we do so consistently with FCC policy.” The controversy has spurred nuanced opinions. At a DC conference earlier this week, **Wharton School** prof *Kevin Werbach* said Comcast has every right to manage its network. But he called for more transparency, saying the MSO got into trouble by not adequately disclosing what it was doing.

By the Numbers: The number of US high-speed Internet connections (200 kbps or higher in at least one direction) climbed 61% in ’06 to 82.5mln from 51.2mln in ’05, according to **FCC** data. Cable modem service represented nearly 54% of the 58.2mln primarily residential lines, while DSL connections accounted for 39% and fiber totaled 1.3%.

Another Chapter Closed: **Adelphia**’s former Coudersport, PA, headquarters sold Wed for \$3.4mln—well under the \$30mln at which it was valued. The buyer’s name was not released, and the sale is pending approval by Adelphia’s plan administrator. The auction drew 31 bids, most during a 20-day bidding war during the “Last Call” period.

In the States: **Charter**’s NV systems (Reno, Carson City, etc) launched **Gospel Music Channel** Wed.

More on MDUs: **Sanford Bernstein** agrees with **Oppenheimer** that concerns over the impact of Wed’s **FCC** order banning exclusive video MDU contracts are overblown (*Cfax*, 11/1). After all, exclusive arrangements are already banned in 18 states, including NY and DC. While these states represent only 1/3 of the population, they represent a significantly larger portion of MDU dwellers, Sanford Bernstein said. It estimates that only about 5-10% of Ameri-

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BUSINESS & FINANCE

cans live in buildings covered by exclusive contracts. And while the FCC banned exclusives, it didn't ban "preferred marketing arrangements," the investment firm said. "It remains legal even for buildings to bar competitors from offering services in the building, as long as the reason for barring the competitor is not 'exclusivity,'" Sanford Bernstein said.

Programming: Fox Business is adding TV's 1st regularly scheduled animated news segment, "Hoofy and Boo's News and Views" from Minyanville.com. The show features animated versions of Wall St's Bull and Bear. The segment will air Fridays on the net's "Happy Hour" (5-6pm ET).

Earnings: WWE 3Q net income dipped to \$8.5mln vs \$9.2mln a year ago. Revenue rose 16% to \$108mln, with revenue higher in the Q for the "Live & Televised" (+5%, \$68.6mln) and "Digital Media" (+31%, \$7.7mln) segments. -- At the end of 3Q, **Cable One** was offering phone service in all or part of systems representing 88% of homes passed. For 3Q, cable rev climbed 11% Y-over-Y to \$157.8mln, while operating income increased to \$29.8mln from \$27.9mln.

Business/Finance: Liberty's board authorized the repurchase of up to an additional \$1bln of **Liberty Interactive** common stock, increasing the total amount to \$3bln. As of Tues, Liberty had repurchased \$1.99bln (98.7mln shares).

CableFAX Daily Stockwatch

Company	11/01 Close	1-Day Ch	Company	11/01 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	57.16	0.48	ALCATEL LUCENT:	9.04	(0.65)
DIRECTV:	26.14	(0.34)	AMDOCS:	34.86	0.46
DISNEY:	33.77	(0.86)	AMPHENOL:	43.52	(0.75)
ECHOSTAR:	48.61	(0.35)	APPLE:	187.44	(2.51)
GE:	40.23	(0.93)	ARRIS GROUP:	11.12	(0.38)
HEARST-ARGYLE:	22.26	(0.04)	AVID TECH:	27.67	(1.72)
ION MEDIA:	1.37	0.00	BIGBAND:	6.20	0.20
NEWS CORP:	22.44	(0.49)	BLNDER TONGUE:	1.15	(0.01)
TRIBUNE:	29.45	(0.81)	BROADCOM:	32.51	(0.04)
MSOS					
CABLEVISION:	28.85	(0.48)	C-COR:	11.93	(0.33)
CHARTER:	2.01	(0.06)	CISCO:	32.18	(0.88)
COMCAST:	20.60	(0.45)	COMMSCOPE:	46.17	(1)
COMCAST SPCL:	20.40	(0.47)	CONCURRENT:	1.04	(0.1)
GCI:	9.00	(2.73)	CONVERGYS:	17.94	(0.39)
KNOLOGY:	16.00	(0.79)	CSG SYSTEMS:	19.30	(1.23)
LIBERTY CAPITAL:	122.50	(2.48)	GEMSTAR TVG:	6.60	(0.29)
LIBERTY GLOBAL:	39.75	0.50	GOOGLE:	703.21	(3.79)
LIBERTY INTERACTIVE:	20.99	(0.24)	HARMONIC:	11.59	(0.73)
MEDIACOM:	5.70	(0.05)	JDSU:	14.66	(0.6)
NTL:	28.22	0.00	LEVEL 3:	2.93	(0.1)
ROGERS COMM:	42.97	0.00	MICROSOFT:	37.06	0.25
SHAW COMM:	27.29	(0.63)	MOTOROLA:	18.05	(0.74)
TELEWEST:	24.20	0.00	NDS:	58.63	(0.97)
TIME WARNER CABLE:	27.69	(0.9)	NORTEL:	15.68	(0.45)
WASH POST:	817.99	(31.01)	OPENTV:	1.33	(0.03)
PROGRAMMING					
CBS:	28.26	(0.44)	PATH 1:	1.34	0.00
CROWN:	7.61	(0.27)	PHILIPS:	41.20	(0.14)
DISCOVERY:	27.78	(0.73)	RENTRAK:	15.25	(0.05)
EW SCRIPPS:	44.13	(0.88)	SEACHANGE:	5.85	(0.36)
GRUPO TELEVISIA:	23.70	(1.15)	SPRINT NEXTEL:	16.58	(0.52)
INTERACTIVE CORP:	29.82	0.36	THOMAS & BETTS:	55.04	(0.97)
LIBERTY:	8.63	(0.07)	TIVO:	6.72	(0.41)
LODGENET:	21.10	(0.47)	TOLLGRADE:	7.92	(0.12)
NEW FRONTIER:	5.94	(0.13)	UNIVERSAL ELEC:	35.60	(0.5)
OUTDOOR:	8.69	(0.3)	VONAGE:	2.13	0.09
PLAYBOY:	10.89	(0.31)	VYYO:	6.04	0.01
TIME WARNER:	18.00	(0.26)	WEBB SYS:	0.08	0.01
UNIVISION:	36.23	0.00	WORLDGATE:	0.30	0.00
VALUEVISION:	5.19	0.02	YAHOO:	30.22	(0.88)
VIACOM:	40.41	(0.95)	TELCOS		
WWE:	14.83	(0.37)	AT&T:	40.46	(1.33)
TECHNOLOGY					
3COM:	4.85	(0.03)	QWEST:	7.06	(0.12)
ADC:	17.89	(0.81)	VERIZON:	44.74	(1.33)
ADDVANTAGE:	8.50	(0.41)	MARKET INDICES		
			DOW:	13567.87	(362.14)
			NASDAQ:	2794.83	(64.29)

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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Hairy Fun

Although the cute and cuddly stars of **Animal Planet's** "Orangutan Island" (Nov 2, 9pm) are far from formulaic, the new series is following the successful path blazed by the award-winning "Meerkat Manor." It's all about "applying entertainment TV to narrative storytelling," said Animal Planet pres/GM *Marjorie Kaplan*. And of course, it's also about featuring compelling characters who are silly, fascinating and relatable. Orangs effortlessly fit this bill, what with their 97% DNA overlap with humans, their varying personalities and their always crowd-pleasing antics. I challenge anyone to maintain anger while watching these delightful mammals swing from trees and playfully roughhouse. The series garners additional relevance, however, because of oranges' habitat loss, due mainly to deforestation. "The emotional connection between the audience and characters drives a sense of importance," said Kaplan. Yet without this plight, there would be no show. There exists in Borneo a rehab center for orphaned oranges where humans act as ersatz caregivers. While there, the young hairballs are taught to learn their natural tendencies and to develop appropriate interactive behavior. The goal is to release the pupils back into a natural habitat when they're ready. In Island's case, 35 oranges are freed onto a 100-acre island to hopefully form their own wild society using both acquired knowledge and instinct. And it's on this island where the distinct personalities begin to flourish. My favorite is Saturnus, a 5-year-old orang best described as mischievous and courtship-crazed. If he's not falling from trees or wrestling with his crew, then he's chasing the young females in search of companionship. Also, it's really quite easy to relate to all the social intricacies. After all, humans once possessed the same gangly arms seen enwrapping friends and swinging among the foliage. Still, it wouldn't be a compliment to say someone resembles an orang, especially a woman (think hair). *CH*

Highlights: "The Deal," Thurs, 9pm, **HBO**. This isn't great cinema, but it's a story few of your viewers will know of beforehand and makes for interesting viewing. The story involves two young Labour backbenchers in the early 1980s, when their party was buried in opposition. Alleged promises were tossed later when the prospect of inhabiting Downing St became real, and "the deal" was struck. The two pols? Former British Prime Minister *Tony Blair* and *Gordon Brown*, the current man at #10. *SA*

Worth a Look: "75 Years at Radio City Music Hall," Sun, 9pm, **MSG**. It's a safe assumption the *Dolans'* MSG Originals wouldn't take a critical view of one of the Dolans' most celebrated properties. Indeed, this film opens with former Rockettes swooning over the Great Stage, although the architectural footage is exquisite. Minutes in, things change, and we get a riveting history lesson about riveting. That *John D. Rockefeller* was able to build Radio City at all is a miracle, we're told. The project rose as the country sunk in the Depression of '29. And, gasp, its 6K seats sit on 6th Ave, where respectable women didn't dare walk. – "Murder By The Book," Mon, 10pm, **Court TV**. Season II's premiere is a great case from TX involving 41 whacks from an axe. A modern *Lizzie Borden*? *SA*

Basic Cable Rankings (10/22/07-10/28/07)			
Mon-Sun Prime			
ESPN	1	2.4	2356
USA	2	2.2	2115
DSNY	3	2.1	1969
TNT	4	1.4	1355
TBSC	4	1.4	1324
NAN	6	1.3	1235
LIFE	7	1.2	1157
FOXN	7	1.2	1131
TOON	9	1.1	1058
HALL	9	1.1	892
HIST	11	1.0	998
CORT	11	1.0	954
A&E	11	1.0	948
HGTV	14	0.9	898
MTV	14	0.9	873
SCIF	14	0.9	843
DISC	17	0.8	817
CMDY	17	0.8	796
SPK	17	0.8	777
FX	17	0.8	755
TVLD	17	0.8	720
AMC	17	0.8	706
TLC	23	0.7	692
CNN	23	0.7	687
VH1	23	0.7	678
LMN	23	0.7	427
FOOD	27	0.6	601
FAM	27	0.6	579
ESP2	27	0.6	560
BET	27	0.6	482
EN	31	0.5	454
MSNB	31	0.5	428
APL	33	0.4	385
TTC	33	0.4	325
SOAP	33	0.4	261
NGC	33	0.4	251
TDSN	33	0.4	237
HLN	38	0.3	320
BRAV	38	0.3	281
CMT	38	0.3	244
OXYG	38	0.3	229
WGNC	38	0.3	218
DHLT	38	0.3	206
GSN	38	0.3	190
BIO	38	0.3	127
TVGN	46	0.2	189

*Nielsen data supplied by ABC/Disney

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