

CableFAX Daily™

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What the Industry Reads First

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Quack Again: Martin Foiled on Intercarrier Compensation

Pressure to nix Tues' vote to overhaul telecom rules won out with **FCC** chmn *Kevin Martin* canceling the controversial item less than 24 hours before the meeting. The other 4 commissioners—2 fellow Republicans and 2 Dems—were against the item, causing the words 'lame duck' and 'Martin' to be thrown around again. The Fab 4 said that Martin first shared his proposals to fundamentally reform intercarrier comp and universal service systems with them 3 weeks ago. "Four Commissioners provided the Chairman bi-partisan, constructive and substantive suggestions, and stated that notice and comment should be sought on the proposals, with an understanding that we would all be prepared to vote on Dec 18," the 4 said in a statement, adding that they felt public comment was especially important in light of the difficult economic times. "We also have asked the Chairman to narrowly address the ISP-bound traffic remand and the Joint Board's Recommendation. We therefore are disappointed that the Chairman has withdrawn the fundamental reform item from tomorrow's agenda." Martin said he was "disappointed that we will miss the opportunity for comprehensive reform" and questioned whether a delay until Dec 18 would make a difference. "The nature of the questions they would like to include makes me doubt they will have found their answers with an additional seven weeks," he said, arguing that "the far more likely outcome is that, in December, the other Commissioners will merely want another Further Notice and another round of comment on the most difficult questions... I recognize that few other issues before the Commission are as technically complex and involved, with many competing interests. But neither of those two realities are excuse for inaction." The Fab 4's view aligns with that of the cable industry, with **NCTA** saying last week that there should be no immediate changes to interconnection rules and that the FCC should issue a further notice on the issue. The trade group also put forth its own suggestions for changes to the intercarrier proposal (in other words, if there's no comment period, we'll make our own). "The snag could... be good news for cable companies (e.g., CMCSA, TWC, CHTR, CVC, MCCC), which were worried about some of the proposed reform details, and could face an even stronger, strategic competitor in the Bells if the latter's access charges and other intercarrier compensation costs were cut," **Stifel Nicolaus** said in a note to clients late Mon. But don't count Martin as a total water fowl yet. It looks like he may be successful with his white space proposal, which would allow unlicensed use of a portion of spectrum between broadcast channels. The temperature in DC Mon was positive, despite interference concerns from broadcasters and cable. Of course, the Beltway is prone to sudden weather changes...

AT&T's Cap: Comcast isn't the only one capping how much bandwidth a broadband customer can use. **AT&T** plans to initiate a usage trial in Reno this month, according to an **FCC** filing late Fri. It did not detail what sort of monthly usage cap it was considering. Last month, **Comcast** began limiting a HSD's sub's monthly usage to 250GB. AT&T said it will provide written notice to customers explaining that their service will be subject to a certain monthly usage tier for the total amount of data they may send and receive, as well as a per-gigabyte charge in the event they exceed the usage tier. Customers



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will also have an online usage metering tool displaying the amount of data a customer has transmitted during a given month, with written reminders being sent once they reach the 80% mark. AT&T told the FCC that it plans on sending a written notice in lieu of a bill the 1st time a customer exceeds the cap. It will also allow customers unhappy with the policy to get out of their contracts early with no penalty. As "a small minority of our broadband Internet access customers consume a disproportionately large amount of the total bandwidth available to all of the customers on our network," AT&T said "we are exploring potential changes to the manner in which we offer and charge for those services."

Switch Up: Time Warner Cable has begun testing Cisco Tuning Adapters in Austin, TX. The news is significant because they will allow CableCARD subs to access digital cable channels using switched technology. The adapters are made to work on any 1-way cable ready device, such as TiVo. Earlier this month, the FCC proposed \$40K in fines against TWC and \$20K against Cox for moving some channels to switched digital video, and thus making them impossible to view on 1-way, CableCARD devices (*Cfax*, 10/17). After TWC completes testing, it will make the adapters available in markets where SDV has launched. It plans to notify CableCARD customers when the adapters become available in their markets, launching a Website at: www.timewarnercable.com/tuningadapter.

Competition: Verizon has launched new bundles and expanded the availability of its fastest HSI service (up to 7.1Mbps) to 6.6mln homes. Starting at \$50/month for 1 year, triple-play bundles feature unlimited local and long-distance calling, Internet download speeds ranging from 1-7.1Mbps and more than 150 digital channels from DirectTV. For \$120/month, customers may receive up to 3Mbps, local and nationwide long distance, and the DBS op's Plus HD DVR package offering more than 200 digital nets and a free HD-DVR upgrade, plus Showtime and Starz packages, for 12 months. Double-play bundles range from \$50-\$80. Separately, the telco has expanded FiOS TV availability in previously activated Brooklyn neighborhoods, and upped the number of HD channels it offers in RI to more than 100 by adding 16 high-def nets including FX, Biography and Superstation WGN. -- Belo's 3Q results include 41% growth in retrans consent rev to \$8.4mln. The broadcaster expects to generate more than \$31mln in such rev for FY08. -- DISH has terminated 6 retailers for suspicion of illegal activity including fraud and misrepresentation when establishing customer accounts. 4 of the retailers operate in TX, and 1 each in NV and CA.

In the States: Charter and Maximus have partnered to offer hotels in the MSO's service area a suite of services including Charter's Internet and video plus Maximus' entertainment-on-demand content. -- Maximum Adventure Net and Pursuit Channel are merging to create a hunting/fishing channel. Entering the domain of Outdoor Channel and The Sportsman Channel, the new net will showcase more than 100 titles to more than 17mln homes via DirectTV. -- As much as it pains our UGA alum editor to write the words U of FL right now, we feel obligated to inform you that Cox has signed on to serve as the official video provider for U of FL campus housing until '18. The deal includes 4,672 on-campus residential units and 980 graduate and family housing apartments.

Programming: Starz Ent has inked licensing deals with content owners including Hallmark, Lionsgate and IFC. The deals allow Starz Ent to offer the content on multiple distribution platforms, including its 16 linear channels, HD, Starz On Demand and broadband video download service Starz Play. -- Fuse obtained linear TV and online rights for 3 years to carry the Rock and Roll Hall of Fame induction ceremony. The music network said Mon it will provide 4 hours of live coverage from the this year's festivities from Cleveland's Public Hall, Apr 4, 8pm. Nominees include: Metallica, Run DMC, Jeff

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BUSINESS & FINANCE

Beck, the Stooges, Chic, Wanda Jackson, Little Anthony and the Imperials, War and Bobby Womack. No truth to reports that Fuse is negotiating with **NCTA** for rights to carry The Cable Show 09's Battle of the Bands. -- Coverage of the '08 Beijing Paralympic Games kicks off with a 90-min doc on **NBC** (Sun), followed by 28 hours of event programming on **Universal Sports** (Nov 10-16).

Honors: **CNBC** led cable with 6 noms for the **6th Annual Emmy Awards for Business & Financial Reporting**, while **Bloomberg** (3), **HDNet** (2) and **CNN** (2) also received nods. **CBS** led all nominees with 12. In the promotional announcements category, **CNN**, **CNBC** and **MSNBC** all received 1 nom.

On the Circuit: **Rainbow Media** president services **Ed Carroll** will serve as host of this year's **Mark Awards** during next week's **CTAM Summit '08** in Boston. The event will feature a live appearance from **IFC's** sketch comedy series "The Whitest Kids U'Know," and a special video presentation from the cast of **AMC's** "Mad Men."

People: **Meredith Momoda** becomes vp, integrated marketing for **OWN: The Oprah Winfrey Network**. She's now svp, integrated marketing for **TLC**.

Stork Visit: A must-carry with a positive outcome, **The Sportsman Channel's** affiliate relations chief **Alyse Ramer** and hubbie **Eric** welcomed child #2 Mon morning, **Lucas Aaron**.

CableFAX Daily Stockwatch

Company	11/03 Close	1-Day Ch	Company	11/03 Close	1-Day Ch
BROADCASTERS/DBS/MMDs					
BRITISH SKY:	24.76	0.37	ALCATEL LUCENT:	2.56	(0.01)
DIRECTV:	22.12	0.23	AMDOCS:	23.06	0.50
DISNEY:	25.04	(0.87)	AMPHENOL:	29.16	0.51
ECHOSTAR:	15.70	(0.04)	APPLE:	106.96	(0.63)
GE:	19.30	(0.21)	ARRIS GROUP:	7.17	0.26
HEARST-ARGYLE:	15.57	0.59	AVID TECH:	14.77	(0.06)
ION MEDIA:	1.44	0.00	BIGBAND:	3.73	0.03
NEWS CORP:	10.74	0.12	BROADCOM:	17.08	0.00
MSOS					
CABLEVISION:	17.70	(0.03)	C-COR:	11.00	0.00
CHARTER:	0.46	0.02	CISCO:	17.20	(0.57)
COMCAST:	17.09	1.33	COMMSCOPE:	15.01	0.30
COMCAST SPCL:	16.73	1.31	CONCURRENT:	3.61	(0.06)
GCI:	7.94	0.26	CONVERGYS:	7.65	(0.04)
KNOLOGY:	4.87	0.03	CSG SYSTEMS:	16.18	(0.45)
LIBERTY CAPITAL:	6.60	(0.21)	ECHOSTAR HOLDING:	19.24	(0.18)
LIBERTY ENT:	16.98	0.88	GOOGLE:	346.49	(12.87)
LIBERTY GLOBAL:	17.17	0.68	HARMONIC:	6.95	(0.16)
LIBERTY INT:	4.83	(0.05)	JDSU:	5.37	(0.09)
MEDIACOM:	4.75	0.31	LEVEL 3:	1.14	0.09
SHAW COMM:	18.55	0.75	MICROSOFT:	22.62	0.29
TIME WARNER CABLE:	19.96	0.38	MOTOROLA:	5.04	(0.33)
VIRGIN MEDIA:	6.64	0.88	NDS:	47.40	(0.29)
WASH POST:	417.00	(9.8)	NORTEL:	1.27	0.02
PROGRAMMING					
CBS:	9.58	(0.13)	OPENTV:	1.41	0.08
CROWN:	2.99	(0.12)	PHILIPS:	18.80	0.30
DISCOVERY:	13.51	(0.13)	RENTRAK:	11.52	0.17
EW SCRIPPS:	4.60	(0.05)	SEACHANGE:	7.79	0.15
GRUPO TELEVISA:	18.10	0.44	SONY:	23.24	0.00
HSN:	6.18	0.03	SPRINT NEXTEL:	4.00	0.87
INTERACTIVE CORP:	16.57	(0.19)	THOMAS & BETTS:	24.67	0.92
LIBERTY:	33.15	(0.05)	TIVO:	6.91	0.05
LODGENET:	1.00	0.00	TOLLGRADE:	4.39	(0.01)
NEW FRONTIER:	2.08	0.16	UNIVERSAL ELEC:	21.18	0.05
OUTDOOR:	8.10	0.10	VONAGE:	0.88	0.00
PLAYBOY:	2.34	(0.13)	YAHOO:	12.75	(0.07)
RHI:	13.76	0.36	TELCOS		
SCRIPPS INT:	28.51	0.11	AT&T:	27.81	1.04
TIME WARNER:	9.98	(0.11)	QWEST:	3.13	0.24
VALUEVISION:	0.60	(0.09)	VERIZON:	30.75	1.08
VIACOM:	21.08	(0.37)	MARKET INDICES		
WWE:	14.11	(0.13)	DOW:	9319.83	(5.18)
TECHNOLOGY					
3COM:	2.77	0.04	NASDAQ:	1726.33	5.38
ADC:	6.39	0.05			
ADVANTAGE:	1.93	(0.07)			



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