

CableFAX Daily™

Monday — November 5, 2007

What the Industry Reads First

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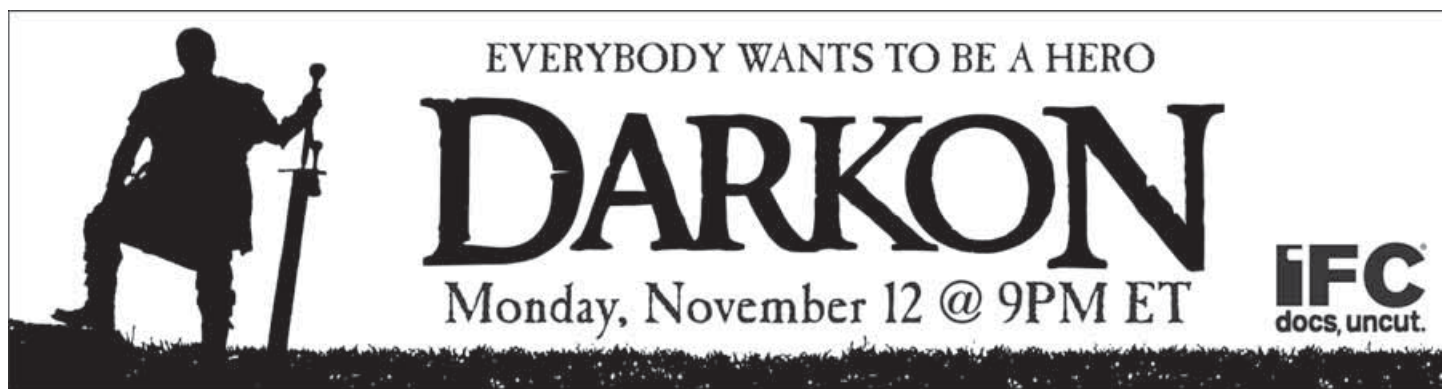
Strike On: Cable Prepares For Life Without Writers

Networks were bracing themselves Fri for a strike by the **Writers Guild of America**—the 1st such walkout in nearly 2 decades. Late-night programs, such as **NBC's** "Tonight Show," and broadcast fare will be most impacted, but cable isn't left untouched. **Comedy Central's** "Daily Show with Jon Stewart" and "Colbert Report" will go into reruns because of the strike. **USA's** "Law & Order: Criminal Intent," which moved over to the cable net from NBC in Oct., has the 1st half of the season in the can (10 eps), but the 12 episodes for the 2nd half of the season could be impacted. USA's hits "Psyche" and "Monk" have already been filmed for their Jan debut. The deciding factor for the strike's impact, of course, is how long it will last. Another cable show that could be affected is **TBS'** new comedy "FrankTV," which is filmed before a live debut audience. The show, starring impersonator *Frank Caliendo*, is slated for a Nov 20. It's not clear if the premiere will be delayed. Lifetime said production of Season 2 of "Army Wives" could potentially be delayed because of a strike, but several original movies and reality shows, including "How to Look Good Naked" in Jan, are good to go. Speaking during **Viacom's** 3Q earnings call Fri, CEO *Philippe Dauman* said the company feels well positioned on an overall basis, including its **Paramount Pictures** studio. "As far as our television business, for the most part, across our family of networks, we will have very little to no impact," he said, adding that "The Daily Show" and "Colbert" will be impacted because of their topical nature. "If there should be a strike, we'll evaluate what we do in those time slots... what we do normally is we'll have reruns for a while, then we'll see what we do with the format." The writers' agreement expired at midnight Wed, with talks breaking down over DVD residuals and payment for programs distributed on the Internet. WGA said the strike will begin at 12:01am Mon. -- A poll at **CableU** (www.cableu.tv) asked whether going on strike for increased residuals from online downloads was a good idea. 64.7% of respondents said it was. 29.4% called it a bad idea, while 5.9% were undecided. CableU is an online service providing competitive analysis of cable network performances and trends.

Playing Sports: **NFL Net's** not staking all its bets on national program access reform at the **FCC**. It's also pushing for state legislation. On Thurs, an OH state representative introduced a bill that would mandate arbitration between programmers and cable ops that own competing channels in the event that the 2 can't reach a voluntary agreement. Not surprisingly, the **OH Cable Telecom Assoc** opposes the legislation. "It is inappropriate for government to intervene in private business, and is why this legislation is opposed by other advocacy groups including the **Ohio Chamber of Commerce** and the **Ohio Council of Retail Merchants**," OCTA said.

Competition: **DirecTV** launched **NHL Net** in SD and HD. The net is available to subs with the "DirecTV Choice Xtra" or above package, as well as those with a subscription to NHL Center Ice.

Earnings: **Viacom's** media nets saw sales increase 8.8% in 3Q, with revenue climbing to \$2bln. Operating income for the cable nets was up 2% to \$796.2mln. **MTVN** wants to increase viewer retention through commercial breaks, including



EVERYBODY WANTS TO BE A HERO

DARKON

Monday, November 12 @ 9PM ET

IFC
docs, uncut.

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combining shows and ads on the same screen, Viacom CEO *Philippe Dauman* said. He said ratings are improving.

At the Portals: Not surprisingly, **NCTA** panned **FCC** chmn *Kevin Martin's* idea to give must-carry status to multi-cast channels leased by independent nets, including minorities, from broadcasters. In an FCC filing on media ownership and increasing minority ownership, the cable group said it supports tax credits for minority media ownership, but not for multicast must-carry. -- Comments are due Nov 30 in the **FCC's** NPRM on whether it may be appropriate to preclude the practice of tying programming. Reply comments are due Nov 17.

On the Hill: **NCTA** pres/CEO *Kyle McSllarrow* sent a letter to the Sen Ag Committee expressing cable's support for provisions in the '07 Farm Bill that would reform the **USDA's** Rural Utilities Broadband Loan Program. The provisions will require that at least 25% of HHs covered by every funded project lack access to broadband. "By requiring applicants to specifically target these unserved areas, the Senate Farm Bill will improve the program and help to increase broadband deployment throughout rural America," McSllarrow said.

Deals: **Charter** traded its West Sacramento, CA system (19K analog subs) to **WaveDivision** for its 14,200 L.A. subs.

In the Doghouse: **A&E** on Fri suspended production of hit show "Dog The Bounty Hunter" in response to public outcry after Dog (a.k.a., *Duane Chapman*) apparently spewed racist remarks in a phone conversation with his son. The recording was then leaked to the media. The net said it would take the show "off the network's schedule for the foreseeable future" while it conducts a full investigation. Chapman has already publicly apologized for his remarks. "We hope that Mr. Chapman continues the healing process that he has begun," A&E said in a statement.

Broadband: **Rogers** expanded its strategic relationship with **Yahoo!** to provide the Canadian cabler's wireless subs with mobile services—"Yahoo! Go for Mobile 2.0" and "Yahoo! oneSearch." Under the multi-year deal, the 2 will continue to offer a customized portal and premium service to broadband customers.

Online: **TVG** launched its Internet wagering platform in NY, the country's largest horse racing market. -- **Come-dyNet's** VOD cable play, slated to hit 12mln US and Canadian HHs in Dec, is partnering with social networking/ent site **Capazoo.com** to create comedic content for the Web and cable TV. The aim is to make the content more interactive through site features such as behind-the-scenes TV content, contests and co-promotions with major name comics.

Research: **Plum TV** and **Gospel Music Channel** ranked a respective 1st and 2nd in the **Myers Emotional Connection Study**, a survey of 8K Americans on their perceptions and attitudes toward emerging TV nets using 5 measures. **Voy Net**, **TVG**, **The Africa Channel**, **Ripe TV**, **GoITV** and **Expo TV** also made 1 or more of the rankings that correspond to individual measures.

Technology: **NCTC** named **EGT** as a preferred vendor for its "Encore" and "Quartet" video encoders.

Advertising: Rep *Ed Markey* (D-MA) is asking the **FTC** to investigate invasive online ads. "When consumers search for information online, they may be unaware of marketers in their wake, who are scooping up the digital traces of consumers' online activities and compiling profiles that could undermine privacy," he said.

Honors: **Bloomberg News** editor-in-chief *Matthew Winkler* will be presented Dec 4 with the Lifetime Achievement Award in Business & Financial Reporting from the **National Academy of Television Arts & Sciences**.

A PROPHECY OF SUCCESS COME TRUE

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#1 Cable Telecast Sunday, October 28 with 3.5 Million Total Viewers

Nielsen Media Research; P2+ (000), 10/28/07, Total Day, Live + Same Day. Ranked vs. all ad-supported cable networks. Qualifications available upon request.

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CableFAX Week in Review

Company	Ticker	11/02 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	54.86	2.30%	35.70%
DIRECTV:	DTV	25.62	(0.3%)	2.70%
DISNEY:	DIS	33.92	(1.3%)	1.70%
ECHOSTAR:	DISH	47.50	(4.5%)	24.90%
GE:	GE	40.33	(0.1%)	15.20%
HEARST-ARGYLE:	HTV	22.10	(2.8%)	(10.6%)
ION MEDIA:	ION	1.38	6.20%	176.00%
NEWS CORP:	NWS	22.33	(2.9%)	1.20%
TRIBUNE:	TRB	29.75	0.30%	(2.2%)

Company	Ticker	11/02 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	28.20	(4.7%)	(1%)
CHARTER:	CHTR	1.99	(4.3%)	(35%)
COMCAST:	CMCSA	20.55	(3.2%)	(51.4%)
COMCAST SPCL:	CMCSK	20.30	(3.7%)	(51.5%)
GCI:	GNMA	7.98	(32.3%)	(49.3%)
KNOLOGY:	KNOL	16.40	(3.4%)	54.10%
LIBERTY CAPITAL:	LCAPA	122.00	(0.7%)	24.50%
LIBERTY GLOBAL:	LBTYA	40.55	4.90%	39.10%
LIBERTY INTERACTIVE:	LINTA	21.30	4.30%	(1.3%)
MEDIACOM:	MCCC	5.55	(5.6%)	(31%)
NTL:	NTLI	28.22		11.80%
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	28.21	4.20%	(7.7%)
TELEWEST:	TLWT	24.20		
TIME WARNER CABLE:	TWC	27.11	(8.2%)	(29.2%)
WASH POST:	WPO	800.15	(0.2%)	9.80%

Company	Ticker	11/02 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	27.67	(4.6%)	(6.1%)
CROWN:	CRWN	7.31	(4.6%)	101.40%
DISCOVERY:	DISCA	28.05	(1.5%)	74.30%
EW SCRIPPS:	SSP	44.53	1.40%	(8.7%)
GRUPO TELEVISA:	TV	23.63	(3.9%)	(5.2%)
INTERACTIVE CORP:	IACI	29.62	9.40%	(20.3%)
LIBERTY:	L	8.63		
LODGENET:	LNET	20.51	(21.4%)	(18.1%)
NEW FRONTIER:	NOOF	5.95	(1.7%)	(12.6%)
OUTDOOR:	OUTD	8.67	(1.5%)	(32.4%)
PLAYBOY:	PLA	11.00	(3.8%)	(4%)
TIME WARNER:	TWX	17.88	(2.6%)	(16%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	5.13	(4.1%)	(61%)
VIACOM:	VIA	41.56	5.50%	1.30%
WWE:	WWE	14.92	(2.1%)	6.30%

Company	Ticker	11/02 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.84	(0.8%)	17.80%
ADC:	ADCT	18.60	(0.2%)	28.00%
ADVANTAGE:	AEY	7.35	(9.6%)	163.40%
ALCATEL LUCENT:	ALU	9.09	(3.4%)	(25.1%)
AMDOCS:	DOX	35.45	7.00%	(8.5%)
AMPHENOL:	APH	43.41	(3.3%)	(29.8%)
APPLE:	AAPL	187.87	1.70%	108.00%
ARRIS GROUP:	ARRS	11.45	(5%)	(8.5%)
AVID TECH:	AVID	28.63	2.30%	(23.2%)
BIGBAND:	BBND	6.00	(2.1%)	(43.8%)
BLNDER TONGUE:	BDR	1.15	(8%)	(32.4%)
BROADCOM:	BRCM	32.62	(3%)	0.90%

Company	Ticker	11/02 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.06	(3.2%)	8.30%
CISCO:	CSCO	32.51	1.90%	19.00%
COMMSCOPE:	CTV	46.04	(10.4%)	51.00%
CONCURRENT:	CCUR	1.07	(13%)	(40.9%)
CONVERGYS:	CVG	18.16	(3.5%)	(23.6%)
CSG SYSTEMS:	CSGS	19.40	(7.6%)	(27.4%)
GEMSTAR TVG:	GMST	7.02	(1.8%)	75.10%
GOOGLE:	GOOG	711.25	5.40%	54.50%
HARMONIC:	HLIT	11.28	(5.8%)	55.20%
JDSU:	JDSU	14.50	(1.6%)	(13%)
LEVEL 3:	LVLTL	3.06	(1.6%)	(45.4%)
MICROSOFT:	MSFT	37.06	5.80%	27.10%
MOTOROLA:	MOT	17.95	(6.7%)	(10.3%)
NDS:	NNDS	58.42	4.50%	21.10%
NORTEL:	NT	16.15	(0.9%)	(39.6%)
OPENTV:	OPTV	1.32	(9%)	(43.1%)
PATH 1:	PNO	1.34		
PHILIPS:	PHG	42.35	2.50%	16.90%
RENTRAK:	RENT	15.31	(3.7%)	(1.2%)
SEACHANGE:	SEAC	5.92	(6%)	(42.1%)
SONY:	SNE	49.54	0.70%	16.60%
SPRINT NEXTEL:	S	17.15	(1.3%)	(8.1%)
THOMAS & BETTS:	TNB	54.19	(1%)	14.60%
TIVO:	TIVO	6.80	(2.7%)	32.80%
TOLLGRADE:	TLGD	7.98	0.60%	(24.5%)
UNIVERSAL ELEC:	UEIC	34.22	(7%)	62.80%
VONAGE:	VG	2.07	(2.8%)	(70.2%)
VYYO:	VYYO	5.73	(0.3%)	26.50%
WEBB SYS:	WEBB	0.07		75.00%
WORLDGATE:	WGAT	0.30		(77.6%)
YAHOO:	YHOO	31.11	(7.5%)	21.80%

Company	Ticker	11/02 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	40.42	(0.8%)	23.10%
QWEST:	Q	7.04	(14.8%)	(15.9%)
VERIZON:	VZ	44.38	(0.8%)	29.90%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	13595.10	(1.5%) 9.10%
NASDAQ:	COMPX	2810.38	0.20% 16.40%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS			
COMPANY	CLOSE	1-WK CH	
1. INTERACTIVE CORP:	29.62	9.40%	
2. AMDOCS:	35.45	7.00%	
3. ION MEDIA:	1.38	6.20%	
4. MICROSOFT:	37.06	5.80%	
5. VIACOM:	41.56	5.50%	

THIS WEEK'S STOCK PRICE LOSERS			
COMPANY	CLOSE	1-WK CH	
1. GCI:	7.98	(32.3%)	
2. LODGENET:	20.51	(21.4%)	
3. QWEST:	7.04	(14.8%)	
4. CONCURRENT:	1.07	(13%)	
5. COMMSCOPE:	46.04	(10.4%)	

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Ovation TV, your connection to local audiences through unique programming, local VOD and Broadband content.



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A Shift to Contracts?

Cable has a so-called competitive advantage against satellite because, unless there's a heavily discounted feature involved, there aren't any long-term "contracts." But, of course, there really are.



Paul S. Maxwell

Like the fine print upon making a connection—especially for broadband use—that inhibits certain practices. OK... not that there's anything wrong with that. Per se.

But that "fine print" part... maybe it is past time to rethink that practice. Just to make things clear—maybe even in VERY large print and, especially, up front—in a user agreement that certain practices can be "monitored and/or altered" for the sake of the entire subscriber community.

I know, it's there... but... nobody mentioned any of that to me when I got connected. We need to get way away from "net neutrality" and (maybe) embrace "network performance guarantees"?

Why not be up front? The "NN" argument isn't about what its proponents claim. And management of the network isn't proof that files are blocked.

But the stance of our cable companies doesn't much help the argu-

ments... time to get out ahead of the problem, not try to clean up behind it.

Random Notes:

• **Slow Learner:** Lost a big one this year as the Colorado Rockies lost (rather decisively) in four games to the truly great Boston Red Sox. **Atlantic Broadband's David Keefe** has a whole side of slowly cooked Colorado bison (along with fresh Colorado corn on the cob, cole slaw, Coors and Stranahan's hand-crafted Colorado sipping whiskey) awaiting his very whim and journey to Breckenridge. Last time I did something this dumb was when *Ed Bleier* won more than I could afford as his New York Giants beat the Denver Broncos. But like the Broncos, the Rockies will get to the World Serious again... and win.

• **Kudos for Lamb & Hooks:** On Monday evening the 5th, **C-SPAN's Brian Lamb** gets the Presidential Medal of Freedom—our highest civilian award—from President George W. Bush at the White House. Cool. In typical fashion, Brian will accept "for the cable industry." Really cool. With special thanks to *Bob Rosencrans*, *Bob Titsch*, *Bill Daniels* and California Congressman and former newsman *Lionel Van Deerlin*. Way back in 1975, Brian was working with Titsch, *Pat Gushman* and me at Titsch Publishing and *CableVision* magazine and dreaming aloud every day about the idea of C-SPAN. He hasn't changed:

ever the low-key, committed but practical dreamer. And what a gift to America. Everyone take a bow in Brian's direction. And that other guy getting an award, *Benjamin Hooks*, was a pretty good FCC commissioner and all-around good guy. Spent lots of time with him, including in a Jeep roaming around Aspen investigating cable and microwave sites. Back then, commissioners were real people. They wanted to see things first hand. They actually wanted to learn something instead of trying to enforce some pre-conceived ideological master plan.

• **Picked Upon?** That baby-faced head of the Federal Confusion Commission routinely denies he's out to get cable. Wow. What's that bit about the difference between words and deeds? Dumb to fall in the dumps... just keep the lawyers busier. None of this stuff like willy-nilly abrogating contracts that only apply to cable when not to competitors can survive the courts. Courts are, of course, a last refuge and no certain thing (can you say "must carry"?), but anything would be more realistic than this Commission.

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LAST CHANCE!

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.

