

# CableFAX Daily™

Monday — November 6, 2006

What the Industry Reads First

Volume 17 / No. 215

## Fade to Black: DISH Net Subs Begin Losing Distant Signals

Having already lost some of the distant network broadcast signals being beamed to some markets, **EchoStar** is making a last ditch push for legislative intervention. The DBS provider has launched Website "SaveMyChannels.com" to urge customers and retailers to contact Congress for help. A district court judge rejected a settlement between EchoStar and broadcasters last month, ruling that distant network signals would have to be shut off by Dec 1. Some of those stations are already starting to go dark, with Internet users in TN, PA and TX markets reporting the loss of signals. DISH's *Charlie Ergen* reached out to DBS junkie Website **SatelliteGuys.us** late last week to ask for help in contacting members of Congress, who are slated to return for a lame-duck session Nov 13. "Charlie mention[ed] that 20 or 25 calls on this issue per senator will get them to take notice of this issue," SatelliteGuys staffer *Scott Greczkowski* wrote in a message, adding that Ergen said the shutoffs are being "done randomly" as DISH moves toward the Dec 1 deadline. PA, VT, AK, HI, KY, TN, OR, MT and UT are expected to be among the most affected.

**Earnings:** The white hot cable industry received more flame Fri, as **Cable One** announced a 16% increase in 3Q rev to \$142.3mln and \$27.9mln in op income, versus \$4.9mln last year. Much of the growth came from improved Gulf Coast ops post-Katrina, and from the data segment. Total subs in the Gulf Coast area grew 23% to 148K, led by a 63% surge in data customers to 34K. The *Washington Post* subsidiary's overall sub base inched up 5% in the Q to 1.18mln, and was also paced by data (+26% to 276K). 2.5K basic subs were added in the Q, while digital subs fell by 3K. Digital phone service is slated for half of homes passed by year's end. Impact from Katrina continues to plague the MSO, as it estimates related lost income of \$10mln so far this year.

**Equal Footing:** The **FCC** declared Fri BPL-enabled Internet an information service, subjecting it to the same regulations that govern other services such as cable modem and DSL. "With today's order the Commission takes another important step to promote the deployment of broadband infrastructure," said FCC chmn *Kevin Martin*, adding it will foster competition. Martin cited FCC stats showing BPL Internet subs, although few in number, grew nearly 200% in '05. "Even though there has been no real doubt for some time that this Commission would one day declare BPL an information service—given our decisions on DSL and cable modems and the **Supreme Court's** Brand X ruling—we are nowhere near finished defining what being an information service actually means," said commissioner *Michael Capps*.

**Baer Hug:** **Discovery's** sr evp, strategy and development *Don Baer* is leaving the company. Baer is pursuing other opportunities and "looking forward to having the independence to participate more directly in the national political scene," the company said. Baer will continue to work as a part of the **New Media Action Group**, and will consult on an upcoming *Tom Friedman* special, the SILVERDOCS film festival and the **Discovery Channel Global Education Partnership**



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following his departure. "To put it simply, Don has made us proud. We will miss his contributions, and, more than that, we will miss him," *John Hendricks* and *Judith McHale* said in an internal statement.

**Mad Scramble?:** Google is reportedly scrambling to strike YouTube licensing deals with several content giants, including CBS, NBC Universal, News Corp, Time Warner and Viacom, according to a report in Fri's *Financial Times*. The paper quotes a source saying Google offered \$100 million to one media firm for a 2-year license. Google last month announced it would pay \$1.65bln to buy YouTube, whose users often post unauthorized media content (**Cfax**, 10/11).

**Hold It:** Amid fierce opposition from cable heavyweights, Nielsen said Fri that the release of its TV commercial ratings will again be delayed. The ratings firm told clients of the delay through a memo, which also announced a meeting on the controversial ratings later this month. Indecision over how much time-shifted ad content should be included in the measurements and a desire for more time to address the concerns of cable nets and others were among the reasons cited for the postponement.

**In the States:** The mtn. inked carriage pacts with Saratoga Cable in UT and Project Mural Telephone in ID. 15 providers now carry the CSTV/Comcast sports net featuring the Mountain West Conference. -- Comcast is adding MHD: Music High Definition and Universal HD to its HDTV lineup in western WA. The MSO will also carry FSN Northwest games in HD, including a minimum of 35 Seattle NBA contests.

**Competition:** DirecTV's music show "CD USA" will feature artists such as All-American Rejects and Smash Mouth during a 4-hour live New Year's Eve telecast from Las Vegas. The festivities are part of the city's annual "America's Party." -- Qwest is reaching out to AZ Hispanics through 2 new partnerships. The telco expanded its retail relationship with grocer Food City by opening bilingual sales kiosks in 6 additional chain stores, upping the total to 22. The kiosks offer Qwest product education and accept bill payments. Also with Food City, Qwest is sponsoring Copa Food City, an annual soccer tournament featuring 96 AZ teams in a free, 3-day competition.

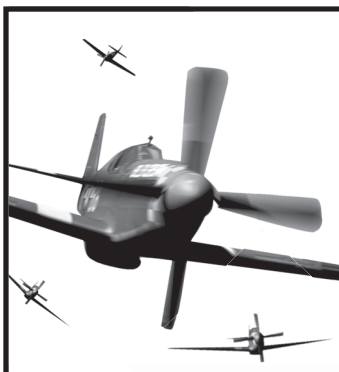
**Ratings:** Comedy Central landed 4 series in the top 10 cable shows among 18-49s Wed—"South Park," "Drawn Together," "The Daily Show" and "The Colbert Report."

**Programming:** Diddy and Ludacris will be in the house for BET's inaugural "Hip-Hop Awards" show (Nov 15, 9pm). -- The N inked rapper Ludacris to a development deal for "Halls of Fame," a series for which he will exec produce, write and perform original music. It will chronicle the lives of students at the Philadelphia High School of Performing Arts.

**On the Circuit:** Nick News' Linda Ellerbee will emcee the 22nd WICT Gala, Nov 15, 7pm, DC. Nick/MTVN family group pres Cyma Zarghami will be honored as Woman of the Year.

**People:** NAMIC appointed MTVN/Viacom svp, corporate responsibility and public affairs Alicin Reidy-Williamson chairwoman. 3 newly appointed board members include: James Brown, svp, field sales, Disney/ESPN Media Nets; Lino Garcia, gm, ESPN Deportes; and Liz Janneman, svp, cable ad sales, The Weather Channel Media Solutions.

**Business/Finance:** In an effort to comply with SEC rules surrounding its planned cable spinoff, Time Warner filed Fri a recast of some information presented in its annual report for the year ended Dec 31, '05. The changes reflect alterations to the company's accounting principles or basis of presentation that are being retrospectively applied.



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**CableFAX Week in Review**

Company	Ticker	11/03 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	42.46	3.20%	25.80%
DIRECTV:	DTV	21.69	(1%)	53.60%
DISNEY:	DIS	31.89	0.50%	33.00%
ECHOSTAR:	DISH	34.39	(2.8%)	26.50%
GE:	GE	34.77	(1.2%)	7.00%
HEARST-ARGYLE:	HTV	25.54	1.00%	12.70%
ION MEDIA:	ION	0.78		(15.2%)
NEWS CORP:	NWS	21.35	(1.7%)	30.00%
TRIBUNE:	TRB	32.27	(3.6%)	11.40%

Company	Ticker	11/03 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	27.77	0.10%	18.30%
CHARTER:	CHTR	2.58	12.70%	111.50%
COMCAST:	CMCSA	40.02		54.40%
COMCAST SPCL:	CMCSK	39.97	0.10%	55.60%
GCI:	GNCMA	13.72	6.00%	32.80%
KNOLOGY:	KNOL	10.48	(4%)	172.90%
LIBERTY CAPITAL:	LCAPA	87.92	0.70%	10.90%
LIBERTY GLOBAL:	LBTYA	25.99	(1%)	15.50%
LIBERTY INTERACTIVE:	LINTA	21.94	(1.1%)	14.00%
MEDIACOM:	MCCC	8.15	(1.9%)	48.50%
NTL:	NTLI	26.88	(1.3%)	(60.4%)
ROGERS COMM:	RG	60.46	6.10%	43.80%
SHAW COMM:	SJR	31.28	0.60%	54.50%
TELEWEST:	TLWT	24.20		1.60%
TIME WARNER:	TWX	19.84	(0.4%)	16.50%
WASH POST:	WPO	736.38	(2%)	(1.2%)

Company	Ticker	11/03 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	28.51	(1.6%)	12.80%
CROWN:	CRWN	3.69	(8.4%)	(59.8%)
DISCOVERY:	DISCA	14.95	9.00%	2.20%
EW SCRIPPS:	SSP	49.30		4.90%
GRUPO TELEVISIA:	TV	24.22	(2.9%)	20.30%
INTERACTIVE CORP:	IACI	31.76	5.50%	12.10%
LIBERTY:	L	8.63		9.70%
LODGENET:	LNET	21.91	(1.8%)	57.20%
NEW FRONTIER:	NOOF	8.94	(2.1%)	36.90%
OUTDOOR:	OUTD	13.77	1.00%	2.00%
PLAYBOY:	PLA	10.51	(1.5%)	(24.3%)
UNIVISION:	UVN	34.98	(0.1%)	19.00%
VALUEVISION:	VVTV	12.90	0.90%	2.40%
VIACOM:	VIA	38.89	9.10%	(9.8%)
WWE:	WWE	16.20	(3.3%)	25.10%

Company	Ticker	11/03 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	4.72	(3.5%)	31.10%
ADC:	ADCT	13.51	(4.5%)	(17.5%)
ADVANTAGE:	AEY	3.99	(2.2%)	(35.1%)
AMDOCS:	DOX	38.89	(1.8%)	15.70%
AMPHENOL:	APH	66.25	(3.7%)	50.40%
ARRIS GROUP:	ARRS	12.70	(5.5%)	34.10%
AVID TECH:	AVID	36.48	0.90%	(1.1%)
BLNDER TONGUE:	BDR	1.41	7.60%	(27.7%)
BROADCASTOM:	BRCM	30.21	3.50%	(35.9%)
C-COR:	CCBL	9.91	0.50%	103.90%
CISCO:	CSCO	23.77	0.20%	38.80%

Company	Ticker	11/03 Close	1-Week % Chg	YTD %Chg
COMMSCOPE:	CTV	30.18	(6.1%)	49.90%
CONCURRENT:	CCUR	1.98	2.60%	4.80%
CONVERGYS:	CVG	21.20	0.40%	33.80%
CSG SYSTEMS:	CSGS	26.66	(1.7%)	19.40%
GEMSTAR TVG:	GMST	3.25	(6.1%)	24.50%
GOOGLE:	GOOG	471.80	(0.7%)	7.10%
HARMONIC:	HLIT	8.30	2.10%	71.10%
JDSU:	JDSU	2.18		(21.9%)
LEVEL 3:	LVL	5.40	3.80%	88.20%
LUCENT:	LU	2.38	(2.5%)	(10.5%)
MICROSOFT:	MSFT	28.73	1.40%	15.40%
MOTOROLA:	MOT	22.46	(3.1%)	1.40%
NDS:	NNDS	48.02	4.20%	16.70%
NORTEL:	NT	2.26	4.10%	(26.1%)
OPENTV:	OPTV	2.95	6.10%	31.70%
PATH 1:	PNO	1.34		(33.7%)
PHILIPS:	PHG	35.00	(0.5%)	16.00%
RENTRAK:	RENT	13.04	2.10%	21.90%
SEACHANGE:	SEAC	8.49	(0.2%)	7.50%
SONY:	SNE	40.49	(2.3%)	0.30%
SPRINT NEXTEL:	S	19.15	(0.1%)	(9.5%)
THOMAS & BETTS:	TNB	49.28	(5.1%)	16.00%
TIVO:	TIVO	6.07	(6%)	18.60%
TOLLGRADE:	TLGD	8.11	(6.7%)	(25.8%)
UNIVERSAL ELEC:	UEIC	21.80	2.00%	22.80%
VONAGE:	VG	6.56	(10.4%)	(45.3%)
VYVO:	VYVO	3.75	(2.6%)	(30%)
WEBB SYS:	WEBB	0.07	16.70%	(12.5%)
WORLDGATE:	WGAT	1.18	(1.7%)	(42.7%)
YAHOO:	YHOO	26.18	3.30%	(20.7%)

Company	Ticker	11/03 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	33.72	(1.5%)	51.30%
BELLSOUTH:	BLS	44.12	(2%)	75.60%
QWEST:	Q	8.42	(3.7%)	49.00%
VERIZON:	VZ	36.70	(5.5%)	34.10%

Index	Value	1-Week % Chg	YTD %Chg	
<b>MARKET INDICES</b>				
DOW:	INDU	11986.04	(0.9%)	11.80%
NASDAQ:	COMPX	2330.79	(0.8%)	5.70%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. WEBB SYS:	0.07	16.70%
2. CHARTER:	2.58	12.70%
3. VIACOM:	38.89	9.10%
4. DISCOVERY:	14.95	9.00%
5. BLNDER TONGUE:	1.41	7.60%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. VONAGE:	6.56	(10.4%)
2. CROWN:	3.69	(8.4%)
3. TOLLGRADE:	8.11	(6.7%)
4. COMMSCOPE:	30.18	(6.1%)
5. GEMSTAR TVG:	3.25	(6.1%)

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Gotcha!

You've watched a campaign commercial. You have to choose between one irrelevant, shrill, attacking point of view and the opposite irrelevant, shrill, attacking point of view... or



**Paul S. Maxwell**

candidate. Won't it be great when the attack ads are retired for a few months? Come Wed morning, they'll be history. At least temporarily. Although, ain't it great that a lot of these vicious ad

dollars are spent on cable?

Our public discourse—or at least that part that is constituted by political advertising—has sunk to new lows... almost as low as that infamous contest that put *Grover Cleveland* in the White House (again).

Even political speeches and TV interviews hit new lows this year. On some days the most important subjects in America were: 1) *Michael J. Fox's* medications. 2) Sen *John Kerry's* joke telling inabilities. (Which should not have come as a surprise to anyone). 3) The specter of a female House Majority Leader. 4) "Stay the course" v. "Get the job done."

President *Franklin Delano Roosevelt* noted once that we "have nothing

to fear but fear itself." This year, we have had candidates running on fear alone. Calling people names. Demeaning nicknames on talk radio and TV. If you criticize—or even question—your government, it does NOT mean you don't love your country.

So, tell me, why did you vote? Or not?

Think a vote doesn't make a difference? Sure has in some of our (that is, Colorado, where I live) races for Congress and "lesser" offices. Our state hasn't been fully gerrymandered (yet). To me, that's what's wrong with America's political system today. Too many incumbents have sinecures. Maybe we should only allow cable subscribers to vote? Makes as much sense as the way boundaries are drawn to insure electoral outcomes.

Maybe we should make every candidate run "at large."

Nevermind.

Or, maybe not this year... tomorrow might bring a rerun of '94. Or not. My predictions: Democrats gain half a dozen governorships; Democrats elect a slim majority of Representatives to the House; Republicans hold the Senate by one seat. A couple of shocks happen.

## Random Notes:

- 8th Annual Dialogue: Featur-

ing **Time Warner's Dick Parsons** responding to Paula Zahn Monday evening the 27th of this month at The Museum of Television & Radio sponsored by Trinity College, the Cable Center and Trinity Trustee *Raymond E. Joslin* (class of '58 he says). Cool ... these dialogues have been interesting and fun ... and maybe Dick will tee up a Jeff Bewkes' timetable? Tell how **AOL** should remain a critical part of TW despite precipitous subscriber defections? Brag about the TWC spin-off? Ah, you can count on that one at least... and he's always engaging.

• **Atrophied Left Hand Epidemic!** ALERT!!!! Left hands in America must be atrophying at a record pace. They no longer seem able to even move the turn signal stalk in modern automobiles! This is a raging epidemic of consequential proportions... or something. Or maybe one hand has to pretend to hold the steering wheel? After all, gotta be talkin' trash to someone on that cell phone! Or texting? Or watching a movie on the GPS screen? Looking for *Thomas Friedman's* taxi driver? Or, whatever.

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NAMIC has a limited room block at the New York Marriott Marquis for \$419 per night. Make your reservation by November 8th to take advantage of this price by contacting the Marriott directly at 800-843-4898 or 212-398-1900.

**6:00pm** Welcome Reception & Silent Auction

**7:00pm** Dinner & Program

**9:30pm** Closing Reception

**About the NAMIC Foundation**

The NAMIC Foundation advances multi-ethnic diversity in the cable industry by providing education, research and information to support workforce recruitment goals, programming innovation, career growth, and technology access. The NAMIC Foundation raises funds to support the initiatives of NAMIC, Inc. and provides grants, by invitation only, through its Digital Bridge Alliance (DBA) Project to community-based organizations to fund projects specifically designed to bridge the digital divide in underserved communities of color.