

# CableFAX Daily™

Monday — November 12, 2007

What the Industry Reads First

Volume 18 / No. 220

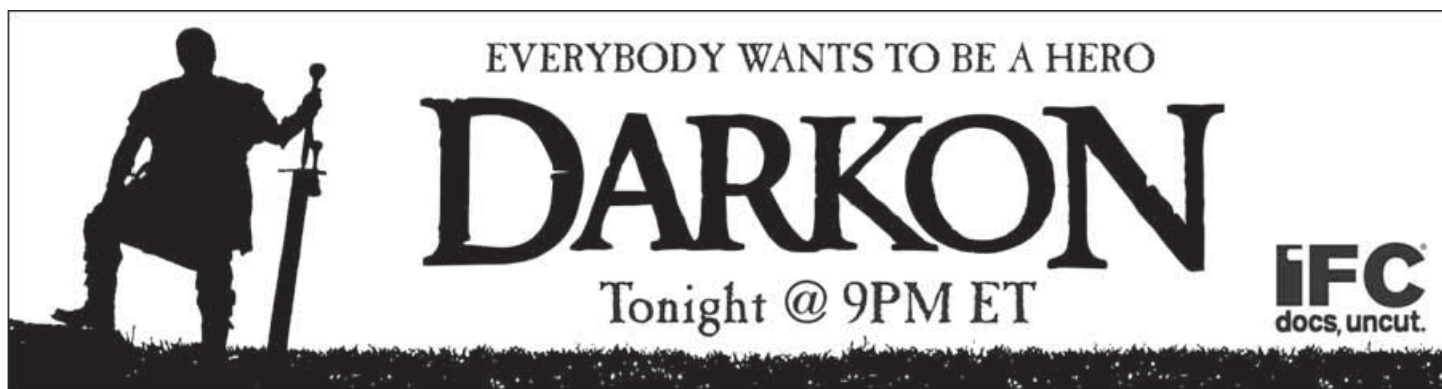
## Chalkboard Fodder: Cable and NFL Net Remain at Odds

**Comcast** is offering sports tier promotions and running corresponding ads in several markets including Denver, where new customers may opt for a "Broncos Bundle" to get the sports tier for free for 1 year with the purchase of a triple-play bundle. It also includes exclusive team programming and player profiles. Other markets, such as Washington, D.C., are knocking \$2-\$3 off the tier's monthly price for either 6 months or 1 year. Interesting stuff, since **NFL Net's** 8 live games will soon appear on the tier and because Broncos pres/CEO *Pat Bowlen* is part of the NFL Network Cmte charged with broadening the net's distribution (Oh, and the Redskins and Broncos are both scheduled to play on the net). The NFL and the cmte are quite displeased with the net's lack of cable carriage, and are now applying pressure through state and federal legislators. Comcast said recent promotions aren't connected to the NFL Net situation, noting that they're instituted locally and don't represent a companywide effort. "It's a great way to highlight the tier's sports... we're in the heat of all those seasons," said a rep, referring to tier inhabitants such as **NBA TV** and **NHL Net**. Not surprisingly, NFL Net sees things differently. "Thanks for giving it away for free Comcast," quipped spokesman *Seth Palansky*. "We know without the bellwethers **Versus** and **Golf Channel** on the sports tier, no one will sign up for it if they had to pay for it." Meanwhile, carriage negotiations between NFL Net and **Time Warner Cable** and **Charter** remain stalled. The net isn't even close to being "reasonable," said a Charter rep. Time Warner Cable said it has kept 3 offers on the table, including the most recent, which would give the net all the proceeds generated by offering the 8 games on a pay-per-view basis. "The games are the only real value of the Network, and that's one of the reasons it's been hard to reach a deal," said a Time Warner rep. The net has declined the PPV offer.

**At Deadline:** **EchoStar** reported a 13% increase in 3Q total rev to \$2.8bln, highlighted by the net addition of approx 110K subs. Net income rose 43% to \$200mln. DISH now counts 13.7mln subs.

**Departures:** **Cable in the Classroom** exec dir *Helen Soule* will vacate her post at year's end to pursue other "professional and personal priorities," wrote **NCTA** pres/CEO *Kyle McSlarrow* in a letter to the staffs of NCTA, CIC, and the **Walter Kaitz Foundation**. As NCTA searches for a replacement, McSlarrow and svp, communications & public affairs *Rob Stoddard* will help manage CIC activities. -- **NTIA** boss *John Kneuer*, who was charged to run the *Bush* Administration's digital TV converter box program, will resign on or about Nov 30 to pursue opportunities in the private sector. Until the White House nominates a replacement, Deputy Asst Secretary *Meredith Baker* will serve as the acting NTIA deputy administrator. The NTIA said the transition won't affect any outstanding projects.

**Holiday Cable Present?:** It has been a tough couple months for cable stocks—particularly over the last couple of weeks—but the tide will likely change in '08, said **Sanford Bernstein's** *Craig Moffett* told **Cfax**. Investors' myopia concerning sub growth has depressed many industry equities to approx 15-20% of their previous historical lows, he



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said, a development that's hard-to-swallow now but offers strong upside. "Every last one of the cable stocks look ridiculously cheap as we head into 2008," said Moffett, noting stronger recent growth from cable than from telcos. Many MSOs such as **Comcast** and **Mediacom** obviously feel the same way, considering their recent approvals of stock repurchase initiatives.

**Scrapped:** Just a week after putting the brakes on **Pivot** expansion, **Sprint** terminated its contract with **Clearwire** calling for widespread WiMax deployment. The pair cited deal complexities as a reason for the split, although they still plan to work together on future WiMax opportunities. Sprint said it will keep the Xohm brand alive with partners including **Intel** and **Motorola**. The company chose **Google** to provide search, interactive communications and social networking tools through a new mobile portal to future WiMax mobile Internet customers.

**Competition:** **Verizon** launched on FiOS TV the World Fishing Network, a 24/7 channel covering the sport. -- **Hughes** said it activated more than 37K new satellite broadband subs in 3Q, contributing to a 17% Y-over-Y increase in total consumer/SMB subs to 365K.

**In the States:** The WI Senate approved Thurs a state franchising bill, which now heads back to the State Assembly for amendment approval. The cable-friendly legislation is expected to pass through the Assembly and the Governor's office with little problem, said *Tom Moore* of the **WI Cable Communications Assoc**. "We're pleased that [the Senate] maintained a level playing field," said Moore.

**Earnings:** **Liberty Media's** QVC reported a 2% increase in consolidated 3Q rev, and both **QVC** CEO *Mike George* and Liberty pres/CEO *Greg Maffei* lamented the channel's soft sales. Margin rates were stable. **Starz Ent**, meanwhile, achieved 11% rev growth to \$282mln due to a higher effective rate for services and growth in avg subscription units (Starz +7%, Encore +9%). -- **QVC** plans to launch a high-def simulcast of its domestic broadcast in '08.

**In the Courts:** **OpenTV** has settled its patent infringement lawsuit against **Liberate Technologies**, originally filed in Feb '02. As part of the settlement, Liberate admitted infringement of the interactive TV patents, received an order enjoining further infringement and dismissed all counterclaims against OpenTV.

**On the Circuit:** **NCTA** is inviting technical paper proposals for inclusion in the annual archive of tech ideas. Check NCTATEchnicalPapers.com for information.-- The theme for the **Assoc of Cable Communicators'** annual DC forum plays up the group's new name. "ACCess the Power: Connect. Communicate. Transform" will be the theme when communications and public affairs execs gather Mar 30-Apr 2.

**Public Affairs:** **HGTV** kicked off a national community revitalization/environmental campaign with a newly refurbished Boys & Girls Club in CA. Partners including Rebuilding Together and the National Trust for Historic Preservation are asking people nationwide to help needy communities, with information available at HGTV.com/changetheworld.

**Goodbye, Amy:** Well, Friday was officially **CableFAX** associate publisher *Amy Abbey's* last day here at **Access Intelligence**, and rest assured she will be sorely missed on both a personal and professional level. She's moving on to a new opportunity, and we all wish her the best. Those of us on the CableFAX staff won't soon forget her tenacity, wit and willingness to pitch in no matter what the task. So long, Amy. We'll be seeing you around!

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### CableFAX Week in Review

Company	Ticker	11/09 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	50.22	(8.5%)	24.40%
DIRECTV:	DTV	26.78	4.50%	7.40%
DISNEY:	DIS	32.74	(3.5%)	(1.8%)
ECHOSTAR:	DISH	48.51	2.10%	27.60%
GE:	GE	38.38	(4.8%)	10.70%
HEARST-ARGYLE:	HTV	21.21	(4%)	(13.8%)
ION MEDIA:	ION	1.31	(6.4%)	162.00%
NEWS CORP:	NWS	22.13	(0.9%)	0.50%
TRIBUNE:	TRB	27.20	(8.6%)	(10.5%)

Company	Ticker	11/09 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	26.28	(6.8%)	(7.7%)
CHARTER:	CHTR	1.14	(42.7%)	(62.7%)
COMCAST:	CMCSA	19.38	(5.7%)	(31.3%)
COMCAST SPCL:	CMCSK	19.22	(5.3%)	(31.2%)
GCI:	GNCMA	9.01	12.90%	(42.7%)
KNOLOGY:	KNOL	14.59	(11%)	37.10%
LIBERTY CAPITAL:	LCAPA	120.23	(1.5%)	22.70%
LIBERTY GLOBAL:	LBTYA	36.47	(10.1%)	25.10%
LIBERTY INTERACTIVE:	LINTA	19.79	(7.1%)	(8.3%)
MEDIACOM:	MCCC	4.91	(11.5%)	(38.9%)
NTL:	NTLI	28.22		(54.5%)
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	27.26	(2.8%)	80.10%
TIME WARNER CABLE:	TWC	25.25	(6.9%)	(34.1%)
WASH POST:	WPO	823.50	2.90%	12.90%

Company	Ticker	11/09 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	26.74	(3.4%)	(8.3%)
CROWN:	CRWN	6.98	(4.5%)	92.30%
DISCOVERY:	DISCA	25.37	(9.6%)	57.70%
EW SCRIPPS:	SSP	43.39	(2.6%)	(11%)
GRUPO TELEVISIA:	TV	22.35	(5.4%)	(9.9%)
INTERACTIVE CORP:	IACI	29.35	(0.9%)	(21%)
LODGENET:	LNET	19.34	(5.7%)	(22.7%)
NEW FRONTIER:	NOOF	5.54	(6.9%)	(15.5%)
OUTDOOR:	OUTD	7.36	(14.8%)	(42.6%)
PLAYBOY:	PLA	10.44	(5.1%)	(8.9%)
TIME WARNER:	TWX	17.24	(3.6%)	(18.9%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	4.54	(11.5%)	(65.4%)
VIACOM:	VIA	39.83	(4.2%)	(2.9%)
WWE:	WWE	14.89	(0.2%)	7.50%

Company	Ticker	11/09 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	4.74	(2.1%)	15.30%
ADC:	ADCT	17.34	(6.8%)	19.30%
ADDVANTAGE:	AEY	6.32	(14%)	126.50%
ALCATEL LUCENT:	ALU	8.21	(9.7%)	(31.9%)
AMDOCS:	DOX	33.01	(6.9%)	(14.8%)
AMPHENOL:	APH	41.00	(5.6%)	32.60%
APPLE:	AAPL	165.37	(12%)	83.10%
ARRIS GROUP:	ARRS	10.42	(9%)	(16.7%)
AVID TECH:	AVID	25.64	(10.4%)	(31.2%)
BIGBAND:	BBND	5.91	(1.5%)	(44.7%)
BLNDER TONGUE:	BDR	1.10	(4.3%)	(35.3%)
BROADCOM:	BRCM	30.97	(5%)	(4.1%)

Company	Ticker	11/09 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	11.61	(3.7%)	4.20%
CISCO:	CSCO	28.58	(12.1%)	4.60%
COMMSCOPE:	CTV	41.35	(10.2%)	35.70%
CONCURRENT:	CCUR	1.02	(4.7%)	(43.6%)
CONVERGYS:	CVG	17.45	(3.9%)	(26.6%)
CSG SYSTEMS:	CSGS	18.85	(2.8%)	(29.5%)
GEMSTAR TVG:	GMST	6.62	(5.7%)	65.10%
GOOGLE:	GOOG	663.97	(6.6%)	44.20%
HARMONIC:	HLIT	11.24	(0.4%)	54.60%
JDSU:	JDSU	13.05	(9.9%)	(21.6%)
LEVEL 3:	LVL	2.91	(4.9%)	(48%)
MICROSOFT:	MSFT	33.73	(9%)	16.00%
MOTOROLA:	MOT	16.48	(8.2%)	(17.2%)
NDS:	NNDS	56.03	(4.1%)	16.10%
NORTEL:	NT	17.86	10.50%	(33.3%)
OPENTV:	OPTV	1.11	(15.9%)	(52.2%)
PHILIPS:	PHG	42.41	0.10%	17.00%
RENTTRAK:	RENT	14.67	(4.2%)	(5.4%)
SEACHANGE:	SEAC	5.10	(13.9%)	(50.1%)
SONY:	SNE	47.00	(5.1%)	11.00%
SPRINT NEXTEL:	S	16.31	(4.9%)	(12.4%)
THOMAS & BETTS:	TNB	51.96	(4.1%)	9.90%
TIVO:	TIVO	6.76	(0.6%)	32.00%
TOLLGRADE:	TLGD	8.31	4.10%	(21.4%)
UNIVERSAL ELEC:	UEIC	33.50	(2.1%)	59.40%
VONAGE:	VG	2.26	9.20%	(67.4%)
VYVO:	VYVO	5.60	(2.3%)	23.60%
WEBB SYS:	WEBB	0.07		75.00%
YAHOO:	YHOO	25.79	(17.1%)	1.00%

Company	Ticker	11/09 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	39.20	(3%)	20.70%
QWEST:	Q	6.38	(9.4%)	(23.8%)
VERIZON:	VZ	42.77	(3.6%)	26.60%

Index	Value	% Chg	YTD %Chg
<b>MARKET INDICES</b>			
DOW:	INDU	13042.74	(4.1%) 4.70%
NASDAQ:	COMPX	2627.94	(6.5%) 8.80%

### WINNERS & LOSERS

#### THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. GCI:	9.01	12.90%
2. NORTEL:	17.86	10.50%
3. VONAGE:	2.26	9.20%
4. DIRECTV:	26.78	4.50%
5. TOLLGRADE:	8.31	4.10%

#### THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. CHARTER:	1.14	(42.7%)
2. YAHOO:	25.79	(17.1%)
3. OPENTV:	1.11	(15.9%)
4. OUTDOOR:	7.36	(14.8%)
5. ADDVANTAGE:	6.32	(14%)

# 30 Original Movies Premiere in 2008



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Source: Nielsen Galaxy Explorer 1/1 - 9/30/07 number of original movie premieres for all ad-supported cable networks (listed with Sci Fil). Further qualifications available upon request.



## MaxFAX...

### Times Square?

Is it the purported new American media family room?

Or is it just a lot of noise?

It is. Both. In the former case, it is wishful thinking; in the latter case, obvious to anyone who has been in the crowds.



Paul S. Maxwell

Just look at the ad dollars in that small area (abandoned, sort of literally and figuratively, by *The New York Times*) around 42nd Street and Broadway in Manhattan.

Budgets purportedly aimed at consumers are, in reality, just the latest round of media navel gazing. Advertisers advertising to themselves.

And the fallout is everywhere.

Ad budgets in newspapers are disappearing faster than newspaper circulation. Without movie ads, the aforementioned Times would be a real loser.

Ad budgets in business-to-business media outlets are shrinking at an even greater rate. AI's own **CableWorld** is coming to an end next month. (NOTE: the magazine, much loved and read but not fully supported, will morph into more special issues of **CableFAX Magazine**... complete with attitude and a sense of humor).

Staying really informed is getting more complicated... unless you just read the aggregators... you know, those so-called "publications" that round-up and repurpose someone else's reporting. And, frankly, they are superficial and often lack context.

Finding original reporting is getting tougher and tougher every day. Especially reporting by reporters who know the business they're covering. Context and perspective are becoming like endangered species... hard to find.

CableFAX (and we thank you for your support) is an anomaly today. The Daily and the Magazine feature real, original, reporting and writing by reporters and editors with an ingrained and second-nature attitude that is pro-cable and knowledgeable about the business.

### Random Notes:

• **Gift Giving Time Is Coming Soon:** We've got the right gift suggestions for any business associate... anti-FCC merchandise... totes that say, "I Hate the FCC." T-shirts that read... well, go see for your self. Go to: <http://www.cafepress.com/fccfu>. You've gotta love it. More meaningful, though, would be a gift sub to CableFAX Daily! [Head slap! Why didn't I think of this!]

• **Rebate?** This writers' strike is going on and on, and I figure we aren't getting our retransmission money's worth while it goes on and on... so, hey,

broadcasters! How about a rebate?

• **WICT!** Our long time good friend *Lynn Yaeger* is being honored Thursday evening in DC at the Annual WICT Gala as she retires from Time Warner Cable. Good for her. We're looking forward to the evening... see you there. I just love it when every guy looks like a waiter (but I'll have my cowboy hat, just for Lynn).

• **Starz in Our Eyes:** Went to the **Starz** Denver Film Festival Big Night Gala Dinner Saturday night. Two black tie gigs in less than a week. *Bob Clasen* and *Tom Southwick* were grinning as they keep emphasizing movies, movies, movies.

• **Capacity Thinking:** Broadband is beginning to look like Detroit in the 1950s ... bigger and better, longer and wider. Seems like an inexorable process underway. Verizon's recent 50 up and 20/20 up/down is just the next step toward fiber to the desktop, laptop and media room. For some interesting takes on the future, check out *Peter Huber's* column in the 11/12 *Forbes* (page 74) as he asks, "Who will be the winners and losers when desktops get a 50-megabit feed? Not the ones you'd expect."

Paul Maxwell

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# CONNECTIONS CELEBRATIONS

## Connections & Celebrations

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**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

**Lynn Yaeger**

Executive Vice President,  
Corporate Affairs  
Time Warner Cable

TRIBUTE: Documentary / Biographical

**Vietnam Nurses with Dana Delany**

WE tv

TRIBUTE: Drama / Music / Variety / Comedy

**The Closer**

TNT/Warner Bros. Television

WOMAN TO WATCH

**Wonya Lucas**

General Manager /  
Executive Vice President  
The Weather Channel Networks

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**Charter**  
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