

# CableFAX Daily™

Wednesday — November 15, 2006

What the Industry Reads First

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## More Sports Talks: NFL, TW Tell Government to Stay Out of Negotiations

The NFL took the hot seat during Tues' Senate Judiciary hearing, with chmn *Arlen Specter* (R-PA) questioning the league on whether its decision to put the Thurs-Sat package on its own cable network and its **DirectTV** exclusive Sunday Ticket deal could signify antitrust violations. Specter appeared sympathetic to cable's argument that distributors should be allowed to offer **NFL Net** on a sports tier. "How can you say that not offering the Thurs-Sat games on a sports tier is consistent with the fans' interest," Specter asked the NFL. While **Time Warner Cable** would like nothing more than to put NFL Net on a tier, **Time Warner** COO *Landel Hobbs* was quick to say that the MSO doesn't want intervention. "The best thing the government can do is leave it to the marketplace," he said. NFL gen counsel *Jeffrey Pash* also wants the govt to stay out. "These are tough commercial negotiations, but that is hardly unprecedented in either sports or television," he told Specter. "These disputes are generally resolved because one or both parties reassess and modify their positions. They do not raise antitrust issues and do not require intervention of the Congress." Specter also questioned the league on why it isn't making Sunday Ticket available to cable operators. "We have been quite reluctant, as have our broadcast partners, to have Sunday Ticket go onto cable because we are very concerned it would really undermine the broadcast television model," Pash said, pointing to cable's large subscriber base. **DirectTV** evp *Daniel Fawcett* said the Sunday Ticket pact was in line with Congress' intentions, allowing a new entrant to get its foot in the door by offering unique content. Hobbs said it was past time for the DBS operator learn it can't play the new entrant card, pointing out its sub base is larger than every cable operator's except **Comcast**. -- The sports debate returns to the Hill Dec 7 when Specter plans to hold a hearing on vertical integration, addressing networks owned by both distributors and cable nets.

## Countdown to Kickoff: NFL Net Suing Up With or Without Cable

**NFL Net** will kick off live game coverage next Thurs, and pres/CEO *Steve Bornstein* insists he's happy with the net's current reach even though some big players still refuse to suit up. "I don't want to sound facetious, but we are pleased where we are in distribution," said Bornstein during a Tues conference call. Still missing are carriage deals with major MSOs such as **Time Warner Cable**, **Cablevision** and **Charter**, with whom imminent agreements are unlikely. "I am not optimistic that something will happen before Thanksgiving Day," Bornstein said. "Right now we're not getting a lot of traction." The net currently passes 40mln homes, and not 1 sponsorship pact with brands such as **Nissan** and **Coors** is in jeopardy because of lagging carriage, NFL brass said. "This isn't about 8 games for us," said Bornstein. "We are building a platform that will be responsive to fans." While the net tries to get everyone focused on the programming, litigation and hard-line tactics continue to be the draw the most attention. The NFL has filed a lawsuit in NY against **Comcast** over attempts to put it on a sports tier. The suit, filed Oct 2, is under seal, so we can't read the contents. NFL says the suit is over plans to move the network to a sports tier next year. **CableFAX** and other publications have reported that Comcast

# Aging Co-Eds Crash Frat Bash!

All-new season of Oxygen's hit original series, *Campus Ladies*.

Premieres Tuesday, December 5th at 11pm/10C.

oh!  
oxygen

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plans to move the channel to a tier in Jan, though the MSO has made no public statement (*Cfax*, 9/19). Comcast said it was preparing to launch NFL Net on a digital sports tier in the recently acquired Time Warner and **Adelphia** markets that don't already carry the channel, but the suit has put those plans on hold. "Unfortunately, the NFL has filed a lawsuit and Comcast cannot move ahead until the litigation is resolved. Comcast believes it has the right to carry the NFL Network on a sports tier and will vigorously defend its position," the MSO said.

**Deals:** As part of a definitive merger agreement, **Motorola** will acquire all of DSL software provider **Netopia's** outstanding shares for \$7/share in cash, a 25% premium over Mon's close. The deal has a total equity value of approximately \$208mln on a fully-diluted basis. -- Independent phone company **TruVista** acquired systems from **Charter** in Chester and Camden, SC, during 1Q and 3Q, representing about 7900 video customers. **DH Capital** served as exclusive financial adviser to TruVista in the deal.

**TiVo's Strategic Day:** **TiVo** unveiled Tues a sweeping, 5-pronged broadband plan designed to ease and enhance customers' viewing of broadband content on TV screens. To launch next year, a "unified search" function will allow customers to integrate content found through searches across broadcast, cable and broadband. TiVo and **ICM** have partnered for "Guru Guides," which provide TiVo subs with TV show and film recommendations from Hollywood actors and directors, and allows recording of selected content to TiVo set tops. An alliance with **One True Media** allows customers to devise their own private channel to send home videos directly to a TiVo sub's TV set. An upgrade to "autotranscode" software allows subs to transfer broadband content to TV sets, regardless of the content's format. Finally, a "TiVoCast" service delivers broadband content from partners such as **CBS**, **Reuters** and **Forbes** directly to the TV screen.

**Carriage:** **Time Warner Cable** launched **ExpoTV** on VOD. -- **TVMAX** added **WealthTV** to digital basic in Houston.

**Wireless:** A few details about cable's wireless partnership with **Sprint** appeared in Tues' *USA Today*. **Comcast** will add wireless to its offerings in the previously announced markets of Boston and Portland later this month, with **Time Warner Cable** launching the service to Raleigh, NC, and Austin around the same time. **Cox** and **Bright House's** launch plans are still being determined. The MSOs will require subs to buy at least 1 other service to sign up for wireless. A wireless DVR function, allowing subs to program their DVRs from their cell phones, is expected to be ready next year.

**Ratings:** Even though its "MNF" ratings are beginning to cool, **ESPN** again refused to vacate the prime ratings penthouse, notching a 2.9 HH rating/2.65mln HH delivery. **Disney** (2.1/1.91mln) was 2nd, followed by **USA** (1.9/1.72mln) and **TNT** (1.7/1.61mln). **TBS** (1.6/1.43mln) eclipsed last week's position holder **Fox News** for 5th. -- **Brag Book:** **Nickelodeon's** Fri "SpongeBob SquarePants" marathon earned the net its most-watched and highest-rated programming day in history, averaging a 1.9 rating and 4.4mln total viewers (P2+). 8 of the week's top 10 prime telecasts featured the lovable yellow SpongeBob. -- **Court TV** earned last week its most-watched week ever in prime, attracting 1.06mln total viewers and 850K HHs. New series "Murder By the Book" made a solid debut Mon (11/13), with 1.1mln HHs tuning in.

**Affiliate Relations:** **Fox Cable** will offer previews of **Fox College Sports** and **Fox Soccer Channel** during 3 upcoming weekends (Nov 17-19; Nov 24-26; Dec 1-3). During these time periods, affiliates who currently carry the nets on a digital tier may offer 1 or both to their entire sub base.

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# BUSINESS & FINANCE

**Broadband:** Oxygen agreed to license content from its "Oh!Baby" VOD channel for use at BabyUniverse's **BabyTV.com**. -- A pact with **A&E** allows **blinkx** users at blinkx.com to search and watch content clips from **The History Channel**, **The Biography Channel** and aetv.com.

**People:** Cablevision named *Kevin Watson* svp/treasurer, effective immediately. He succeeds treasurer *John Bier*, who will serve as sr adviser to CVC's CFO until his retirement at year-end. -- **C-COR** named 40-year cable vet *Bob Greiner* vp, strategic accounts. -- *Leia Liberatore* becomes vp, operations for **ARRIS TeleWire**.

**On the Circuit:** The **CTPAA** announced "Cable to the Extreme: Communicating the Possibilities" as the theme for its Forum '07, to be held Mar 11-14 at The Ritz-Carlton in DC. The Forum's Beacon Awards honoring public affairs excellence will this year include 15 new categories.

**Quotable:** "He's making money. I think he's happier than he was," -- *Dick Parsons* on *Carl Icahn* in an interview with **Bloomberg** on **Time Warner's** rising share price.

**Business/Finance:** Google closed Tues on its acquisition of **YouTube** (*Cfax*, 10/10), to which Google issued an aggregate of 3.22mln shares—and restricted stock units, options and a warrant—exercisable for or convertible into an aggregate of 442K shares of Google's Class A common stock.

## CableFAX Daily Stockwatch

Company	11/14 Close	1-Day Ch	Company	11/14 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
AVID TECH:	39.90	2.16	BLNDER TONGUE:	1.54	0.00
BRITISH SKY:	41.06	(0.84)	BROADCOM:	34.05	1.77
DIRECTV:	21.56	(0.02)	C-COR:	10.40	0.15
DISNEY:	32.53	0.27	CISCO:	26.64	(0.04)
ECHOSTAR:	36.28	(0.38)	COMMSCOPE:	32.37	0.59
GE:	35.59	0.23	CONCURRENT:	1.85	(0.08)
HEARST-ARGYLE:	25.72	0.11	CONVERGYS:	23.37	0.29
ION MEDIA:	0.76	0.01	CSG SYSTEMS:	27.97	0.27
NEWS CORP:	22.33	0.07	GEMSTAR TVG:	3.24	0.02
TRIBUNE:	32.06	(0.4)	GOOGLE:	489.30	8.27
<b>MSOS</b>					
CABLEVISION:	27.70	(0.23)	HARMONIC:	8.56	0.22
CHARTER:	2.58	(0.02)	JDSU:	16.64	0.25
COMCAST:	40.56	0.11	LEVEL 3:	5.47	0.01
COMCAST SPCL:	40.16	0.03	LUCENT:	2.53	0.01
GCI:	14.84	0.68	MICROSOFT:	29.22	(0.03)
KNOLOGY:	10.00	(0.31)	MOTOROLA:	21.68	0.51
LIBERTY CAPITAL:	89.65	0.09	NDS:	48.99	0.49
LIBERTY GLOBAL:	27.31	(0.12)	NORTEL:	2.11	0.06
LIBERTY INTERACTIVE:	22.80	0.20	OPENTV:	2.69	(0.08)
MEDIACOM:	8.30	0.02	PHILIPS:	36.72	0.39
NTL:	25.39	0.26	RENTRAK:	12.93	(0.07)
ROGERS COMM:	58.47	(0.96)	SEACHANGE:	9.00	0.21
SHAW COMM:	30.41	0.06	SONY:	40.44	0.43
TIME WARNER:	19.88	(0.11)	SPRINT NEXTEL:	20.44	(0.06)
WASH POST:	728.98	(5.51)	THOMAS & BETTS:	52.28	0.08
<b>PROGRAMMING</b>					
CBS:	29.58	(0.43)	TIVO:	6.35	0.43
CROWN:	3.57	0.07	TOLLGRADE:	8.84	0.37
DISCOVERY:	15.32	0.24	UNIVERSAL ELEC:	21.37	(0.11)
EW SCRIPPS:	49.62	(0.09)	VONAGE:	6.56	0.03
GRUPO TELEVISA:	25.14	0.23	VYYO:	3.21	(0.1)
INTERACTIVE CORP:	33.34	(0.15)	WEBB SYS:	0.06	(0.01)
LODGENET:	23.15	0.30	WORLDGATE:	1.36	(0.04)
NEW FRONTIER:	9.17	0.19	YAHOO:	27.24	(0.16)
OUTDOOR:	13.20	0.04	<b>TELCOS</b>		
PLAYBOY:	12.53	0.29	AT&T:	32.96	(0.1)
UNIVISION:	35.39	0.14	BELLSOUTH:	42.92	(0.25)
VALUEVISION:	13.85	0.52	QWEST:	8.15	(0.05)
VIACOM:	38.73	0.14	VERIZON:	36.39	0.44
WWE:	16.10	0.10	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	5.18	0.13	DOW:	12218.01	86.13
ADC:	13.75	(0.03)	NASDAQ:	2430.66	24.28
ADDVANTAGE:	4.02	0.05			
AMDOCS:	38.46	(0.49)			
AMPHENOL:	69.13	0.74			
ARRIS GROUP:	12.23	0.03			

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