

CableFAX Daily™

Monday — November 26, 2007

What the Industry Reads First

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DTV Doings: Martin Ready for Small Screen Debut

If cable execs aren't seeing enough of *Kevin Martin* in their dreams, then they can soon look for him on the tube. The FCC chmn has filmed a DTV education PSA aimed at seniors for **Retirement Living TV**. The spot, slated to begin airing on the net in Dec, features Martin and RLTV host *John Palmer*. It opens, according to the script, with a TV screen shot of snow, and Palmer explaining that this is how your TV will look if you aren't prepared for the digital transition. "If you receive your television signal over the air using rabbit ears or roof top antennae, you will need to make a change to continue viewing your favorite shows," Martin says before ticking off the options: a new digital set, a converter box or subscribing to satellite or cable (yes, he said cable). The spot will be offered to MSOs and broadcast partners as part of Retirement Living's "Countdown to Conversion" toolkits, which will be sent out early next year. RLTV is devoting a lot of time and money to the transition, hoping that it will help with carriage, not to mention viewers. Operators just received an audio-enabled mailing that features "The Brady Bunch's" *Florence Henderson* on the front and touts the upcoming tool kit. Open the card, and her voice greets you with, "Hi, Hon. No this isn't your mother, but I do have something important that I want you to think about. And you know I would never steer you wrong." So why did the net put Martin—not the most recognizable guy to most consumers—in the PSA? "The American people—and our 55+ audience in particular—value an expert opinion," a spokeswoman said. "John Palmer appears along with him, so we've covered the known and trusted face, too." RLTV air 4 hours each weekday on **Comcast's CN8** as well as 8 hours daily on **DirectTV**. It has 24/7 linear deals in place with **Strategic Technologies** and **Bend Broadband**.

HD Wars Redux: **DirectTV** and **Discovery** are pooh-pooing **HDNet's** argument that its contract disputes with them are tied to **Liberty's** proposed acquisition of **News Corp's** **DirectTV** stake (*Cfax*, 11/15). **HDNet** has suggested **DirectTV** is trying to kill off **HDNet** so the DBS provider can obtain its programming for its own network—a suggestion **DirectTV** vehemently denies. **HDNet** has filed suit over **DirectTV's** plans to move it and **HDNet Movies** to a more expensive HD tier, while keeping other nets, including **Discovery HD Theater**, in its cheaper, \$9.99/month HD package. The net brought up the suit and other issues in an FCC filing arguing for conditions to a transfer of **News's** **DirectTV** stake to **Liberty**. **DirectTV** claims **HDNet**, whose contract expires in just over a year, is doing this because it senses it might not have much commercial leverage in next year's renewal negotiations given the increasing number of programmers now offering HD at "little or no cost." **Discovery HD Theater** is the only channel offered in the \$9.99 tier that's not a counterpart of SD programming, but **DirectTV** told the FCC Tues that decision has nothing to do with **Liberty**. It's "because it is available free of charge to **DirectTV** under a contract negotiated more than a year before **Liberty Media** contracted to acquire an interest in **DirectTV**," **DirectTV** said. The DBS provider maintains that the spat belongs in court, not at the FCC. **Discovery** also weighed in at the FCC to defend its decision to stop airing

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ads for HDNet on its flagship channel (HDNet claims the net “wrongfully” terminated the contract). Discovery said it should never had accepted the ads in the 1st place. Discovery said it terminated the ads because it is seeking carriage of its HD simulcasts (**TLC HD**, **Discovery HD**, etc) and any advertising requesting that customers call their cable ops and request carriage of a competing service puts Discovery at a “significant business disadvantage.”

Pipe Down Jerry: Comcast has demanded **NFL Net** cease its public encouragement of customers to sack Comcast service—or else. Perhaps *Jerry Jones*’ continuous railing of cable in recent weeks spurred the dour discourse after months of tension. The net’s actions “constitute a material violation of [NFL] Network’s contractual obligations...and tortious interference with Comcast’s contractual relations with its customers,” wrote Comcast evp, content acquisition *Madison Bond*, arguing that Comcast’s right to carry the net on a sports tier is being compromised. The letter demands written confirmation that the net has ceased encouraging defection by Nov 23, and intimates legal action if there’s no compliance. “Comcast reserves all of its rights to seek relief for damages that Comcast has already incurred as a result of [NFL] Network’s latest breach,” reads the letter. The MSO’s legal arguments “are without merit,” said a net spokesperson.

In the Courts: District Court Judge *Leonard Sand* denied *John* and *Tim Rigas*’ motion for a new trial Tues. The 2 plan to immediately appeal the issue to the 2nd Circuit Court of Appeals. Last month, they asked the U.S. Supreme Court to hear an appeal of their fraud convictions. No word yet from SCOTUS. **Adelphia** founder John Rigas and son Tim are serving 15- and 20- year sentences, respectively, for securities and bank fraud during their Adelphia tenure.

Speed Is Good: As several parties have trained the spotlight on **Comcast** for alleged blocking of peer-to-peer file-sharing apps, **HDNet** boss *Mark Cuban* helped divert the glare from the MSO through his blog. “The last thing I want slowing my Internet service down are P2P freeloaders. That’s right, P2P content distributors are nothing more than freeloaders,” Cuban wrote at blogmaverick.com Tues. “Comcast, **Time Warner**, etc should charge a premium to those users who want to act as a seed and relay for P2P traffic.” Cuban wants file sharers to pay commercial rates for broadband service, pricing that he believes would help staunch such traffic. Cuban ended his post by exhorting Comcast to “hang in there.” For the record, Cuban receives services from **Verizon**, **AT&T** and Time Warner Cable.

At the Portals: The **FCC** extended the deadline for filing comments on retrans consent rules, program tying and a la carte to Jan 4 from Nov 30. Reply comments are now due Jan 22 instead of Dec 17.


Ratings: The debut of “Frank TV” on **TBS** notched 2.9mln viewers, according to prelim **Nielsen** numbers.

Programming: **Viacom** co-founder *Ralph Baruch* will appear on **C-SPAN**’s “The Communicators” to discuss his book, “Television Tightrope: How I Escaped Hitler, Survived **CBS** and Fathered **Viacom**” (Sat, Nov 24, 6:30pm ET). -- The 3rd installment of **Cable Positive**’s “Positive Voices: Women in HIV” airs Nov 30 (9pm ET) on **Showtime**.

Stork Visits: Congrats to **Time Warner Cable** pr hand *Justin Venech* and wife *Debbie*. The couple’s 1st child, *Abigail*, was born Nov 1, weighing in at 9lbs.

On The Circuit: Our colleagues on the magazine side were touched Mon night to hear that **WWE** announcer *Jim Ross* mentioned that *Linda McMahon* was named to **CableWorld**’s “50 Most Influential Women in Cable” during “Mon Night Raw” on **USA**.

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CableFAX Week in Review

Company	Ticker	11/21 Close	1-Week % Chg	YTD %Chg
BROADCASTERS/DBS/MMDS				
BRITISH SKY:	BSY	51.18	2.70%	32.00%
DIRECTV:	DTV	23.60	(1.6%)	(5.4%)
DISNEY:	DIS	31.50	(1.1%)	(4.4%)
ECHOSTAR:	DISH	42.25	7.10%	11.10%
GE:	GE	37.17	(4.7%)	7.40%
HEARST-ARGYLE:	HTV	19.14	(10.2%)	(21.9%)
ION MEDIA:	ION	1.31	0.80%	162.00%
NEWS CORP:	NWS	20.96	(5%)	(4.7%)
TRIBUNE:	TRB	28.03	(4.2%)	(7.8%)

Company	Ticker	11/21 Close	1-Week % Chg	YTD %Chg
MSOS				
CABLEVISION:	CVC	26.01	1.20%	(8.7%)
CHARTER:	CHTR	1.20	(13%)	(60.8%)
COMCAST:	CMCSA	19.19	(2.3%)	(32%)
COMCAST SPCL:	CMCSK	19.08	(1.7%)	(31.7%)
GCI:	GNCMA	8.91	(6.5%)	(43.4%)
KNOLOGY:	KNOL	12.72	(10.5%)	19.50%
LIBERTY CAPITAL:	LCAPA	111.30	(1.6%)	13.60%
LIBERTY GLOBAL:	LBTYA	36.52	0.70%	25.30%
LIBERTY INTERACTIVE:	LINTA	19.56	(2%)	(9.3%)
MEDIACOM:	MCCC	3.99	(14%)	(50.4%)
NTL:	NTLI	28.22	(54.5%)	
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	23.65	(7.9%)	57.30%
TIME WARNER CABLE:	TWC	24.92	(1.5%)	(34.9%)
WASH POST:	WPO	779.72	(1.6%)	7.90%

Company	Ticker	11/21 Close	1-Week % Chg	YTD %Chg
PROGRAMMING				
CBS:	CBS	25.90	(5.1%)	(11%)
CROWN:	CRWN	7.20	3.30%	98.30%
DISCOVERY:	DISCA	23.36	0.50%	45.20%
EW SCRIPPS:	SSP	44.15	(0.1%)	(9.4%)
GRUPO TELEVISIA:	TV	22.90	(3.6%)	(7.9%)
INTERACTIVE CORP:	IACI	27.64	(4.7%)	(25.6%)
LODGENET:	LNET	17.61	(9.7%)	(29.6%)
NEW FRONTIER:	NOOF	5.02	(3.6%)	(20.9%)
OUTDOOR:	OUTD	7.04	(3.4%)	(45.1%)
PLAYBOY:	PLA	9.31	(6.1%)	(18.8%)
TIME WARNER:	TWX	16.55	(3%)	(22.1%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	6.27	23.70%	(52.3%)
VIACOM:	VIA	40.31	0.90%	(1.7%)
WWE:	WWE	15.02	(1.2%)	8.30%

Company	Ticker	11/21 Close	1-Week % Chg	YTD %Chg
TECHNOLOGY				
3COM:	COMS	4.49	(4.7%)	9.20%
ADC:	ADCT	15.62	(8%)	7.50%
ADVANTAGE:	AEY	5.51	(11.7%)	97.50%
ALCATEL LUCENT:	ALU	7.37	(12.8%)	(38.3%)
AMDOCS:	DOX	32.10	(2.9%)	(17.2%)
AMPHENOL:	APH	40.40	(4.5%)	30.70%
APPLE:	AAPL	168.46	1.40%	86.50%
ARRIS GROUP:	ARRS	9.79	(3.2%)	(21.7%)
AVID TECH:	AVID	25.40	(9.5%)	(31.8%)
BIGBAND:	BBND	6.10	2.70%	(42.9%)
BLNDER TONGUE:	BDR	1.42	(32.1%)	(16.5%)
BROADCOM:	BRCM	27.14	(5.3%)	(16%)

Company	Ticker	11/21 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	11.50	(3.8%)	3.20%
CISCO:	CSCO	28.25	(4.9%)	3.40%
COMMSCOPE:	CTV	38.25	(9%)	25.50%
CONCURRENT:	CCUR	0.94	(2.1%)	(48.1%)
CONVERGYS:	CVG	16.48	(6%)	(30.7%)
CSG SYSTEMS:	CSGS	16.78	(7.3%)	(37.2%)
GEMSTAR TVG:	GMST	5.15	(12%)	28.40%
GOOGLE:	GOOG	660.52	2.90%	43.40%
HARMONIC:	HLIT	10.00	(11.7%)	37.60%
JDSU:	JDSU	12.95	(2.4%)	(22.1%)
LEVEL 3:	LVL	3.21	7.40%	(42.7%)
MICROSOFT:	MSFT	34.23	0.90%	17.60%
MOTOROLA:	MOT	15.33	(7.9%)	(22.8%)
NDS:	NNDS	55.40	(4.5%)	14.80%
NORTEL:	NT	16.95	(10.6%)	(36.6%)
OPENTV:	OPTV	1.10	3.80%	(52.6%)
PHILIPS:	PHG	39.49	(7.8%)	9.30%
RENTRAK:	RENT	13.61	(9.3%)	(12.2%)
SEACHANGE:	SEAC	5.35	0.40%	(47.7%)
SONY:	SNE	47.33	(2.7%)	11.70%
SPRINT NEXTEL:	S	14.85	(6.3%)	(20.1%)
THOMAS & BETTS:	TNB	50.21	(4.7%)	6.20%
TIVO:	TIVO	5.85	(11.9%)	14.30%
TOLLGRADE:	TLGD	7.42	(5%)	(29.8%)
UNIVERSAL ELEC:	UEIC	33.93	(2%)	61.40%
VONAGE:	VG	2.11	(5%)	(69.6%)
VYYO:	VYYO	4.28	(5.5%)	(5.5%)
WEBB SYS:	WEBB	0.07		75.00%
YAHOO:	YHOO	25.71	2.60%	0.70%

Company	Ticker	11/21 Close	1-Week % Chg	YTD %Chg
TELCOS				
AT&T:	T	37.45	(4.8%)	15.80%
QWEST:	Q	6.46	(4.9%)	(22.8%)
VERIZON:	VZ	41.95	(3.6%)	24.50%

Index	Value	% Chg	YTD %Chg
MARKET INDICES			
DOW:	INDU	12799.04	(3.3%) 2.70%
NASDAQ:	COMPX	2562.15	(3.1%) 6.10%

WINNERS & LOSERS

THIS WEEK'S STOCK PRICE WINNERS

COMPANY	CLOSE	1-WK CH
1. VALUEVISION:	6.27	23.70%
2. LEVEL 3:	3.21	7.40%
3. ECHOSTAR:	42.25	7.10%
4. OPENTV:	1.10	3.80%
5. CROWN:	7.20	3.30%

THIS WEEK'S STOCK PRICE LOSERS

COMPANY	CLOSE	1-WK CH
1. BLNDER TONGUE:	1.42	(32.1%)
2. MEDIACOM:	3.99	(14%)
3. CHARTER:	1.20	(13%)
4. ALCATEL LUCENT:	7.37	(12.8%)
5. GEMSTAR TVG:	5.15	(12%)

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MaxFAX...

10 'Predictions' for '08

If, of course, you understand that in this case the word "predictions" means flat out guesses.

This year has brought clarity to more than a few issues ... such as the declaration of an all out "War on Cable" from the Chairman of the **Federal**



Paul S. Maxwell

Confusion Commission

and the reality of Hi-Def. (An Aside: Now we know why there isn't a Hall of Fame for Federal regulators ... which brings up the possibility of instituting a "Hall of

Shame.")

Next year will keep us all under the sway of that great Confucian curse of living in interesting times ...

1) As the so-called digital transition approaches, broadcasters, retailers, politicians, regulators and legislators will all ramp up their conspiracy to blame cable for any problems ... including slow digital converter box sales, lousy federal implementation of the voucher program, miss-informational programming from broadcasters and more. This, of course, is a terrific opportunity for cable to tell our story ... right in the midst of hundreds and hundreds of political campaigns. Watch for the first candidate to blame the Republicans for analog TVs going to full time snow.

2) Digital TV set sales will soar ... not, mind you, HDTV sets, just digital. Then, when consumers figure out the difference (they won't know at first), cable will be blamed.

3) **DISH** stock will soar every time someone says "**AT&T**" out loud.

4) As soon as the regulators sign off on the **XM/Sirius** merger, both **DISH** and **DIRECTV** stock will soar. Once for this reason; often for others.

5) Federal Confusion Commission Chairman *Kevin Martin(et)* will resign right after the fall elections and join **AT&T** as a "senior consultant" and—mercifully—will never again be heard from. Immediately afterward, one of two FCC actions will commence: (1) the FCC will issue a Notice of Proposed Rulemaking outlawing the cable industry once and for all; and/or (2) the FCC will issue a Notice of Proposed Rulemaking saying "the war is over" and **Verizon** will be reclassified as a cable company.

6) Just after Labor Day in '08 as the political campaigns hit a fever pitch, Congress will nationalize the video channels of ALL the major sports leagues and then force cable carriage on the lowest (broadcast only) tier as a "public service" (mostly a service to the leagues for royalties based on viewership) ... but only in season for each league.

7) The cable industry will win the

bidding for ALL of the 700 MHz up for auction. The industry will then resell it all to *Craig McCaw*. Shortly thereafter, AT&T will buy McCaw's **Clearwire** for 18 times what McCaw paid ... and, since the cable industry took stock in payment, RPU percentages explode.

8) Net neutrality will be neutered. Every Congressperson and regulator will have just read the children's book about the Internet and how it really, really works and will come to the conclusion that somebody really, really, really has to build it and maintain it and make it all work properly.

9) Cable networks will run completely out of ad space in August as the Beijing Olympics and the campaigns vie for space ... only bad news? Congress will reiterate and clamp down on political ad costs threatening to make them a "public service." The cable industry suggests a 24/7 "**Campaign Channel**" to be carried only in the four-month ramp up to major electoral events.

10) **Liberty Media** will acquire everything. Everything, that is, in the **CableFAX 100**.

Paul Maxwell

T: 303/271-9960

F: 303/271-9965

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