

CableFAX Daily™

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What the Industry Reads First

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Revolution Continues: Martin Forced to Back Down (Again)

At press time, there was still no word of a start time for the FCC's monthly meeting, originally slated to begin at 9:30am. While cable appears safe from the 70/70 rule, it seemed likely the Commission would eventually meet to approve items to slash leased access rates on cable by as much as 75% and implement some form of arbitration for programming disputes. As for the 70/70 rule, FCC chmn *Kevin Martin* once again had to rip up his plans for ripping into the cable industry. This after failing to muster support in Sept for his dual carriage proposal. We're not sure how much of the credit for the 70/70 win should go to cable's lobbying powerhouse or to the chmn himself for continuing to come up with proposals that don't have backing (how many Republican Congress members sent him diatribes on this issue?). Unable to secure 3 votes for the so-called 70/70 rule, Martin conceded Tues afternoon that his fellow commissioners (3 of 'em anyway) weren't comfortable with the data being used to justify that cable has surpassed 70% penetration of homes passed. The chmn wasn't willing to back down completely, suggesting the controversial **Warren** data used to justify the 70/70 threshold would still appear in the video competition report but that the report would likely also include data reported by the cable industry. There was talk of the Commission voting Tues (assuming they ever met...) to compel the industry to file such data. **NCTA** said cable already provides those figures every year through the Form 325—the same form the FCC used in last year's video competition report to determine that cable had 54% penetration. "The Form 325 data is for all cable systems with 20K subscribers or more, which represents over 80% of all. So even if the remaining 20% of small cable systems had 100% penetration, cable would still not reach the 100% threshold," an NCTA spokesman said. Cable scored another victory early Tues morning when Martin yanked his multicast must-carry plan that would have launched a NPRM on having minorities and others lease broadcasters' digital spectrum to operate their own stations that in turn, would have cable must carry rights. -- The FCC's leased access proposal seemed the most likely to pass as written. Less clear was what shape the FCC's final program arbitration order would look like. **Oppenheimer** sent out a research note predicting that the threat of FCC arbitration has accelerated **Hallmark Channel's** distribution renewals with major cable ops. Network head *Henry Schleiff* said during **Crown's** 3Q earnings call that Hallmark is close to finishing renewals with 2 of the 3 major video providers that have deals expiring at year-end (**Comcast, Time Warner Cable** and **DirectTV**).

No Thanks: **NFL Net** has declined from **Suddenlink** a series of carriage offers that included the placement of a stand-alone digital channel for which the net could set a retail rate and retain all subscription and ad revenue, the MSO said. Not surprisingly, the net also declined sports tier carriage and the airing of the net's pro and college games on a PPV basis (**Time Warner Cable** tried the latter tactic last month, also to no avail). Suddenlink said NFL Net also reiterated "that they would accept nothing less than the same \$100 million ransom they demanded more than a year ago." Suddenlink, meanwhile, is asking citizens and community leaders to pressure the net into

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accepting the stand-alone channel offer. "We dispute their characterization," countered the net, claiming the offers have been dangled for 4 years now. "We look forward to more Suddenlink customers defecting to the competition." -- NFL Net's inaugural '07 game on Thanksgiving Day garnered a 5.0 coverage rating, down from the 6.8 earned by last year's corresponding tilt. Even so, the net said it's "very pleased" with the results, citing the Colts' thrashing of the Falcons and ESPN's head-to-head college telecast as detractors. The game averaged 4.21mln viewers.

Principal's Office: FCC chmn *Kevin Martin* and his fellow commissioners have been called to report to the Sen Commerce Cmte. The full committee will hold an oversight hearing examining current proceedings involving media and telecom policy on Dec 13. Commerce chmn *Daniel Inouye* (D-HI) first reference the hearing Nov 8.

Meetings' Meeting: Cable groups and **NCTA** board members held another call Mon to discuss consolidating the number of industry gatherings into 2 weeks—one in the spring tied to the **Cable Show**, and another in the fall that would likely include **CTAM Summit**. Word is nothing much came out of Mon's meeting other than a promise for yet another meeting.

Come One, Come All: Provided it meets technical criteria and passes lab tests, any customer device—even homemade phones and gaming modules—may gain access to **Verizon's** nationwide wireless network in late '08. All compatible apps will be accepted as well. This new customer option is a response to market demand, isn't related to the **FCC's** forthcoming 700Mhz auction, and isn't a death knell for the telco's current full-service model, said **Verizon Wireless Lowell McAdam** during a Tues conference call. "This is additive [and] taps into a whole new segment," he said. VZ will publish early next year the technical standards needed to design products to interface with its network, and afterward will host a conference to explain the standards and get input from the development community. FCC chmn *Kevin Martin* and House Telecom subcmte chmn *Ed Markey* (D-MA) applauded the announcement. "I continue to believe that more openness—at the network, device, and application level—helps foster innovation and enhances consumers' freedom and choice in purchasing wireless service," said Martin. Pressure for wireless carriers to open networks has mounted in recent weeks, culminating with news this month that **Google** would indeed bid in the 700Mhz auction—as had long been rumored.

Title Shift: **Discovery Comm** is rebranding **Discovery Times Channel** with the highly correlative moniker **Investigation Discovery**, effective Jan 27. The change strives to align the net's name with the fact-based investigations and current affairs docs that will dominate its programming; more than 200 hours of such content is set for '08. The net's full lineup, new logo, on-air branding campaign and Website will bow in Jan.

Advertising: **NBCU** and **TiVo** have forged a multi-faceted ad partnership that allows the media giant's 14 TV nets and 10 owned-and-operated TV stations to offer advertisers TiVo Interactive Tags in combination with other NBC products. The tags let viewers click on an icon watching a commercial to obtain more information about that advertiser, and also provide detailed reports on campaigns' results. As part of the deal, NBCU now subscribes to TiVo's commercial ratings service tracking viewing behavior and ad campaigns on a second-by-second basis, in both live and time-shifted viewing contexts. -- **Weather Channel's Mark Gall** is leaving to become svp, **BBC America** and **BBC Digital Media Sales** as **BBC Worldwide America** bring ad sales in-house for the 1st time. Ad sales for BBC America and its VOD channels, currently handled by **Discovery**, will move fully in-house from Apr 1. Gall will build ad hubs in NY, Chicago and L.A.

Competition: The **ME PUC** has been advised by an examiner's report to oppose **Verizon's** proposed \$2.7bln sale

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of its landline businesses in ME, NH and VT to **FairPoint Comm**—yet another chapter in the controversial transaction's ongoing narrative. "The proposed transaction subjects both ratepayers and shareholders to substantial risks and harms that are not outweighed by any of the potential benefits," reads the report.

VOD: Akimbo now offers its VOD content to **CenturyTel's** HSD customers, who may also access Akimbo's new Web-browser-based navigation and download solution.

Programming: Bam! No more "Emeril Live!" for **Food Network**. The channel will stop producing the long-running series, with the last ep to tape Dec 11. The show "Essence of Emeril," however, continues. -- **ION Media Nets** picked up from **Warner Bros** the rights to air "The Drew Carey Show," and will add the sit-com to **ION TV's** weeknight prime lineup Jan 1. -- *Mag-ic Johnson* and others discuss healthy life choices and provide info about HIV testing and prevention methods during a special **BET** telecast Fri (6pm), part of **BETN's** HIV-themed programming that coincides with World AIDS Day (Sat). -- *Corbin Bernsen* hosts **GSN's** "How Much is Enough?" (Jan 8), an original game show penalizing greedy contestants.

People: **MTVN's** Entertainment Group appointed *Daniel Yang* svp, strategy and business development. -- Former **CNN** PR head *Laurie Goldberg* was named svp, comm for **TLC**.

CableFAX Daily Stockwatch

Company	11/27 Close	1-Day Ch	Company	11/27 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	51.69	(0.04)	AMPHENOL:	42.52	1.82
DIRECTV:	23.49	0.08	APPLE:	174.81	2.27
DISNEY:	31.72	0.48	ARRIS GROUP:	10.08	0.19
ECHOSTAR:	42.43	0.25	AVID TECH:	25.30	(0.03)
GE:	37.45	0.72	BIGBAND:	5.98	0.07
HEARST-ARGYLE:	17.89	0.04	BLNDER TONGUE:	1.60	0.10
ION MEDIA:	1.34	(0.04)	BROADCOM:	27.37	1.07
NEWS CORP:	20.98	0.49	C-COR:	11.87	0.24
TRIBUNE:	27.25	(1.35)	CISCO:	27.49	(0.01)
MSOS					
CABLEVISION:	26.51	0.07	COMMSCOPE:	38.26	0.65
CHARTER:	1.16	(0.07)	CONCURRENT:	0.95	(0.03)
COMCAST:	19.47	0.37	CONVERGYS:	16.44	0.15
COMCAST SPCL:	19.33	0.30	CSG SYSTEMS:	16.31	0.13
GCI:	8.58	(0.25)	GEMSTAR TVG:	5.23	0.06
KNOLOGY:	12.57	0.37	GOOGLE:	673.57	7.57
LIBERTY CAPITAL:	110.80	0.14	HARMONIC:	10.45	0.35
LIBERTY GLOBAL:	38.97	0.96	JDSU:	13.16	0.36
LIBERTY INTERACTIVE:	19.84	0.35	LEVEL 3:	3.25	0.17
MEDIACOM:	3.93	(0.13)	MICROSOFT:	33.06	0.09
NTL:	28.22	0.00	MOTOROLA:	15.33	0.09
ROGERS COMM:	42.97	0.00	NDS:	55.25	0.13
SHAW COMM:	23.84	0.02	NORTEL:	17.02	0.10
TIME WARNER CABLE:	24.03	(0.4)	OPENTV:	1.12	0.03
WASH POST:	799.98	13.37	PHILIPS:	42.35	0.97
PROGRAMMING					
CBS:	26.61	0.49	RENTRAK:	14.41	0.03
CROWN:	7.35	0.25	SEACHANGE:	5.64	(0.1)
DISCOVERY:	22.88	0.27	SONY:	53.31	3.30
EW SCRIPPS:	44.35	0.75	SPRINT NEXTEL:	14.48	(0.18)
GRUPO TELEVISIA:	23.10	0.43	THOMAS & BETTS:	53.11	0.96
INTERACTIVE CORP:	27.08	0.57	TIVO:	5.90	0.30
LODGENET:	18.63	0.15	TOLLGRADE:	7.50	0.08
NEW FRONTIER:	4.89	(0.11)	UNIVERSAL ELEC:	35.36	0.33
OUTDOOR:	6.95	(0.07)	VONAGE:	2.24	0.14
PLAYBOY:	9.10	0.02	VYYO:	4.43	(0.22)
TIME WARNER:	16.62	0.33	WEBB SYS:	0.07	0.00
UNIVISION:	36.23	0.00	YAHOO:	25.59	0.37
VALUEVISION:	6.32	(0.08)	TELCOS		
VIACOM:	39.99	0.06	AT&T:	36.73	0.38
WWE:	15.34	0.03	QWEST:	6.53	0.14
TECHNOLOGY					
3COM:	4.52	0.07	VERIZON:	41.46	0.23
ADC:	15.39	(0.3)	MARKET INDICES		
ADVANTAGE:	5.71	0.18	DOW:	12958.44	215.00
ALCATEL LUCENT:	7.48	0.08	NASDAQ:	2580.80	39.81
AMDOCS:	31.40	0.02			

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