

# CableFAX Daily™

Monday — December 3, 2007

What the Industry Reads First

Volume 18 / No. 233

## Tip of the Cap: Cable Ownership Locked Up For Now

FCC chmn *Kevin Martin* wasn't going to lose to cable again. The Cable Terminator turned back around after Tues' defeat and got the votes of Dems *Michael Copps* and *Jonathan Adelstein* to reinstitute a 30% ownership cap on the number of multichannel subs any one cable company could own. Not every commissioner has voted, so the plan may not be officially approved for a few more days/weeks), or it could be officially voted on at the FCC's Dec 18 open meeting. It's unclear whether Copps and Adelstein might change their votes, but given their previous statements on cable ownership, it isn't expected. **Comcast** draws the most attention since it's at the 27% mark. But while it might seem that Comcast is most affected by the cap, **NCTA's Kyle McSllarrow** noted that also heavily impacted are smaller systems that might want to sell but can't because it would put the buyer over the cap. Cable will almost definitely sue over the 30% ownership cap, which was thrown out by a federal court in '01 for violating the 1st Amendment. The FCC will have to show justification for the new rules. "The DC Circuit Court of Appeals already soundly objected this proposal... and did so in part because the FCC hadn't take into account the competition the industry has from satellite," McSllarrow said Fri. "Then you fast forward to now [with telcos launching video]... I think the court's reaction is going to be, 'What about 'no' didn't you understand?'" -- Meanwhile, the FCC late Fri afternoon finally got around to releasing the text of the dual must-carry order approved at the Sept 11 meeting.

## Playing Favorites? NCTA's McSllarrow Asserts Martin Likes AT&T

It's a new age at the **NCTA**. For months, the assoc tread somewhat carefully when it came to publicly criticizing FCC chmn *Kevin Martin*. But the gloves came off last month when NCTA chief *Kyle McSllarrow* said the Republican was bent on pursuing an agenda aimed at forcing the industry to accept a la carte. When we caught up with the trade chief Fri, he was even more candid. "If you look at the regulatory agenda under chmn Martin, there are 2 clear trends: a real trend toward favoritism with **AT&T** and a real animosity toward the cable industry," he said. Martin has said repeatedly that he doesn't have any preference for one industry or company—that he's only wants what's best for the public interest. "I thought it was short-sided that AT&T pursued using 70/70 to regulate the industry," McSllarrow said. As new Commissions are formed, "I think that it's unlikely that someone doesn't turn back around and apply it to them" given AT&T's size. AT&T says it hasn't pursued that the 70% benchmark has been met. In FCC filings, AT&T asked that the cable industry provide subscriber data to the FCC, and absent that data, the Commission would have to rely on 3rd party sources and "could reasonably conclude that the 70/70 threshold has been met." **Verizon** only said that whether or not the test had been met, the FCC should continue to encourage competition and not burden new entrants. On Tues, the FCC did vote to require the cable industry to turn over numbers within 60 days, but just what sort of data it wants and whether it will differ from the data it already collects from cable systems with 20K or more subs remains to be seen. McSllarrow said

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he had no idea how the Commission would choose to count a subscriber. "When you make important policy decisions behind closed doors... you really are reading between the lines," he said. "It would be odd [to change the methodology] since the idea was to complete the method and compare apples-to-apples."

**Pinkslips:** **Rainbow** laid off Fri about 20 employees who worked for its Lifeskool and Sportskool VOD products, according to sources. The cost-cutting move significantly reduces the personnel for the 2 services. A spokeswoman declined to discuss any personnel decisions, including how many employees were impacted. The company did offer a statement: "Rainbow has made the decision to begin restructuring its Lifeskool and Sportskool VOD services, which will result in a reduction of personnel. While these decisions are always difficult, the changes will ensure that the company is able to continue to efficiently and effectively deliver the very best programming to customers."

**Mobile:** **Google** officially announced plans for a Mon application to bid for spectrum in the **FCC's** 700-MHz auction, set to begin Jan 24. "Consumers deserve more competition and innovation than they have in today's wireless world," said Google CEO *Eric Schmidt*. The company will bid sans partners on the spectrum's 'C Block,' a cache carrying open access stipulations and a reserve price of \$4.6bln. Google unveiled earlier this month "Android," its mobile phone software.

**Moto Movement:** Embattled **Motorola** chmn/CEO *Ed Zander* will vacate his chief exec post Jan 1 while remaining chmn until the company's annual stockholders' meeting in May. "This is the right time for me to move on to the next phase in my life and spend more time with my family," said Zander in a statement. In steps current pres/COO *Greg Brown*, who following election by Moto's board must recharge a flagging handset unit and steer a recently realigned company back to prominence. Moto's share price has fallen approx 40% since Oct '06. "We have a lot to do and I am intensely focused on building shareholder value," said Brown.

**Debate Results:** **CNN** attracted 4.49mln viewers to its Wed night **YouTube Republican** debate, which now ranks as the most-watched primary debate in cable news history. This after 4mln viewers tuned in to CNN's Nov 15 Democratic debate, now 2nd on the all-time list. The net's 5 '07 presidential debates have averaged 3.2mln viewers, ahead of **Fox News'** 2.74mln avg from 3, **MSNBC's** 1.67mln from 6 and the 1.02mln garnered by **CNBC** for its lone telecast.

**Kagan Weighs In:** After peaking at 65.5% in '98, cable penetration of US homes was 58% by the end of '06, reported **SNL Kagan**. Kagan said cable's market penetration will likely fall below 58% by year-end. Other numbers as of Dec '06: 65.4mln basic cable subs; 112mln occupied cable homes passed; a \$41.12/month avg basic cable rate.

**In the States:** **Bresnan** now offers in all of its 8Mbps broadband markets "Speed Plus," a service offering download speeds of up to 15Mbps for an additional \$9.95/month.

**On the Circuit:** Armed with a \$200K grant from **The Motorola Foundation**, **Cable Positive** will launch a **Youth AIDS Media Institute (YAMI)**, according to **Cable360.net**. It's the largest single grant ever received by Cable Positive. The YAMI announcement will be made Thurs. YAMI seeks "to empower youth to take an active interest and make a tangible impact in their communities regarding HIV and AIDS education, prevention, and awareness," said Cable Positive.

**People:** **Bright House** promoted Tampa Bay div pres *Kevin Hyman* to evp, cable operations, effective Jan 1. -- **Time Warner Cable** promoted *Tom Mathews* evp, human resources.

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**CableFAX Week in Review**

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
<b>BROADCASTERS/DBS/MMDS</b>				
BRITISH SKY:	BSY	51.25	(1.8%)	32.20%
DIRECTV:	DTV	24.86	2.90%	(0.3%)
DISNEY:	DIS	33.15	4.10%	0.40%
ECHOSTAR:	DISH	43.10	3.00%	13.30%
GE:	GE	38.29	1.60%	10.40%
HEARST-ARGYLE:	HTV	19.27	(0.4%)	(21.4%)
ION MEDIA:	ION	1.37	2.20%	174.00%
NEWS CORP:	NWS	21.69	2.30%	(1.4%)
TRIBUNE:	TRB	31.05	7.60%	2.00%

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
<b>MSOS</b>				
CABLEVISION:	CVC	27.03	2.60%	(5.1%)
CHARTER:	CHTR	1.32	6.50%	(56.9%)
COMCAST:	CMCSA	20.54	5.10%	(27.2%)
COMCAST SPCL:	CMCSK	20.21	4.50%	(27.6%)
GCI:	GNCMA	8.86	(1.4%)	(43.7%)
KNOLOGY:	KNOL	13.44	4.70%	26.30%
LIBERTY CAPITAL:	LCAPA	119.06	7.00%	21.50%
LIBERTY GLOBAL:	LBTYA	40.62	9.40%	39.30%
LIBERTY INTERACTIVE:	LINTA	20.15	3.20%	(6.6%)
MEDIACOM:	MCCC	4.51	4.20%	(43.9%)
NTL:	NTLI	28.22	(54.5%)	
ROGERS COMM:	RG	42.97		45.10%
SHAW COMM:	SJR	24.78	5.60%	64.40%
TIME WARNER CABLE:	TWC	26.07	5.70%	(31.9%)
WASH POST:	WPO	806.50	2.10%	11.50%

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
<b>PROGRAMMING</b>				
CBS:	CBS	27.43	3.20%	(6.1%)
CROWN:	CRWN	7.27	(2.2%)	100.30%
DISCOVERY:	DISCA	24.46	5.30%	52.00%
EW SCRIPPS:	SSP	43.45	(2.3%)	(10.8%)
GRUPO TELEVISIA:	TV	24.17	5.10%	(3.2%)
INTERACTIVE CORP:	IACI	27.83	1.80%	(25.1%)
LODGENET:	LNET	19.20	8.20%	(23.3%)
NEW FRONTIER:	NOOF	4.85	(5.1%)	(22.7%)
OUTDOOR:	OUTD	6.98	(1%)	(45.6%)
PLAYBOY:	PLA	9.37	(1.4%)	(18.2%)
TIME WARNER:	TWX	17.25	3.20%	(18.9%)
UNIVISION:	UVN	36.23		2.30%
VALUEVISION:	VVTV	6.58	2.70%	(49.9%)
VIACOM:	VIA	41.96	3.20%	2.30%
WWE:	WWE	15.63	3.00%	12.10%

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
<b>TECHNOLOGY</b>				
3COM:	COMS	4.31	(7.5%)	4.90%
ADC:	ADCT	16.56	4.60%	14.00%
ADVANTAGE:	AEY	5.80	0.30%	107.90%
ALCATEL LUCENT:	ALU	8.10	7.10%	(32.7%)
AMDOCS:	DOX	33.00	3.10%	(14.8%)
AMPHENOL:	APH	43.35	5.20%	40.20%
APPLE:	AAPL	182.22	6.20%	101.80%
ARRIS GROUP:	ARRS	10.43	2.20%	(16.6%)
AVID TECH:	AVID	26.53	3.30%	(28.8%)
BIGBAND:	BBND	5.99	(0.5%)	(43.9%)
BLNDER TONGUE:	BDR	1.50	3.40%	(11.8%)
BROADCOM:	BRCM	26.74	(3.9%)	(17.2%)

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
C-COR:	CCBL	12.28	3.30%	10.20%
CISCO:	CSCO	28.02	(2.3%)	2.50%
COMMSCOPE:	CTV	40.43	6.30%	32.60%
CONCURRENT:	CCUR	0.94	(5.1%)	(48.1%)
CONVERGYS:	CVG	16.31	(4.3%)	(31.4%)
CSG SYSTEMS:	CSGS	16.57	(0.3%)	(38%)
GEMSTAR TVG:	GMST	5.90	8.90%	47.10%
GOOGLE:	GOOG	693.00	2.40%	50.50%
HARMONIC:	HLIT	10.37	(1.4%)	42.60%
JDSU:	JDSU	13.46	3.70%	(19.2%)
LEVEL 3:	LVLTL	3.36	4.30%	(40%)
MICROSOFT:	MSFT	33.60	(1.5%)	15.50%
MOTOROLA:	MOT	15.97	1.70%	(19.6%)
NDS:	NNDS	58.50	5.00%	21.20%
NORTEL:	NT	16.84	(1.2%)	(37%)
OPENTV:	OPTV	1.19	6.30%	(48.7%)
PHILIPS:	PHG	41.61	(1.4%)	14.90%
RENTAK:	RENT	14.00	(2.8%)	(9.7%)
SEACHANGE:	SEAC	7.54	32.30%	(26.2%)
SONY:	SNE	53.97	10.00%	27.20%
SPRINT NEXTEL:	S	15.52	2.90%	(16.6%)
THOMAS & BETTS:	TNB	54.36	4.60%	15.00%
TIVO:	TIVO	7.49	26.90%	46.30%
TOLLGRADE:	TLGD	7.94	9.80%	(24.9%)
UNIVERSAL ELEC:	UEIC	36.95	2.40%	75.80%
VONAGE:	VG	2.11	(0.5%)	(69.6%)
VYVO:	VYVO	4.68	0.40%	3.30%
WEBB SYS:	WEBB	0.07		75.00%
YAHOO:	YHOO	26.81	2.60%	5.00%

Company	Ticker	11/30 Close	1-Week % Chg	YTD %Chg
<b>TELCOS</b>				
AT&T:	T	38.22	1.60%	17.90%
QWEST:	Q	6.63	0.80%	(20.8%)
VERIZON:	VZ	43.25	1.40%	27.90%

Index	Value	% Chg	YTD %Chg	
<b>MARKET INDICES</b>				
DOW:	INDU	13371.72	3.00%	7.30%
NASDAQ:	COMPX	2660.96	2.50%	10.20%

**WINNERS & LOSERS**

**THIS WEEK'S STOCK PRICE WINNERS**

COMPANY	CLOSE	1-WK CH
1. SEACHANGE:	7.54	32.30%
2. TIVO:	7.49	26.90%
3. SONY:	53.97	10.00%
4. TOLLGRADE:	7.94	9.80%
5. LIBERTY GLOBAL:	40.62	9.40%

**THIS WEEK'S STOCK PRICE LOSERS**

COMPANY	CLOSE	1-WK CH
1. 3COM:	4.31	(7.5%)
2. CONCURRENT:	0.94	(5.1%)
3. NEW FRONTIER:	4.85	(5.1%)
4. CONVERGYS:	16.31	(4.3%)
5. BROADCOM:	26.74	(3.9%)

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## The Worst Chairman?

Breathtaking! How bad can a Federal Confusion Commission chairman be?

It would seem that the current occupant of the chair, the (only in name) Honorable *Kevin Martin*(et), is careening toward a new nadir. However, in an effort to not rush to judgment, I'd like to get your input... In the modern (that means post-cable growth or when I first got into the business) era, the following have served as chairman of the **FCC**:



Paul S. Maxwell

- \_\_\_ 1969-1974: *Dean Burch* (R-AZ and *Goldwater*-style regulator)
- \_\_\_ 1974-1977: *Richard E. Wiley* (R-IL and lover of blueberry pancakes)
- \_\_\_ 1977-1981: *Charles Ferris* (D-MA and true Bostonian)
- \_\_\_ 1981-1987: *Mark Fowler* (R-VA but Canadian born!)
- \_\_\_ 1987-1989: *Dennis R. Patrick* (R-CA and does anyone remember?)
- \_\_\_ 1989-1993: *Alfred Sikes* (R-MO; do no harm)
- \_\_\_ 1993-1993: *James H. Quello* (D-MI and not long but how could we forget?)
- \_\_\_ 1993-1997: *Reed (Heedless) E. Hundt* (D-CA and the spectrum princeling)
- \_\_\_ 1997-2001: *William E. Kennard* (D-CA and now a **Carlyle Group** kingpin)
- \_\_\_ 2001-2005: *Michael Powell* (R-VA who soldiered on)
- \_\_\_ 2005- : *Kevin Martin*(et) (R-NC and the less said)

Please print this page... check your choice for "America's WORST FCC Chairman" and fax it to 303.484.6677 (or send me an email at maxfax@mediabiz.com with your choice in the subject line). We'll tabulate the results and report next week... winner will get a framed, laminated copy of the voting results! If you like and just as an alternative exercise, underline your choice for "America's BEST FCC Chairman."

## Random Notes:

• **"Cable Cares"**: ...was first a real peel-off bumper sticker included in copies of *Paul Levine's* and my *MSO Magazine* back during the cold war (a cover feature was on *Ted Turner* and his friend *Mikhail Gorbachev*) and sponsored by **Daniels & Assoc.** Now it is a great new initiative from the **NCTA** to help one of our favorite cities—New Orleans—as the industry heads there next May. In a sort of take off of the very American community barn raising (or like Habitat for Humanity), the NCTA is sponsoring and organizing a wide range of do-gooder activities... God bless 'em. Go to [www.thecableshow.com/cablecares](http://www.thecableshow.com/cablecares) and get involved. We shall be doing so... and looking forward to returning to a once great—and maybe great again as we all pitch in—city.

• **My Votes**: Not to attempt to sway your votes or anything, but I'll bet you know what I think about the "worst" chairman... he's giving "heckuva job Brownie" a run for his notoriety. A Republican Commission Chairman voting for price fixing is cause for a crack in the space-time continuum. On the other hand, my vote for "best" goes unequivocally to the Honorable Richard E. Wiley, Esq. even though, long, long ago in *CATV Newsweekly* and *Cablevision* we ways drew him with two faces... that was because he has always been among the best politicians in DC always acting with distinguished class... even when we disagreed. Were that more were like he.

  
 Paul Maxwell al-  
 T: 303/271-9960  
 F: 303/271-9965  
 maxfax@mediabiz.com



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