

# CableFAX Daily™

Wednesday — December 13, 2006

What the Industry Reads First

Volume 17 / No. 240

## FCC Franchising: McSlarrow Questions Agency's Role

With FCC chmn *Kevin Martin* pushing for a vote on his franchise plan at next Wed's open meeting, cable continues to question whether the FCC has the statutory authority to get involved in local video franchising decisions. "I think it's a perfectly legitimate argument to question what the right role is ..." **NCTA** chief *Kyle McSlarrow* told **Cfax**. He acknowledged that some press reports indicate Martin may be considering regulations that are more pro-telco, but he added, "I don't want to assume an outcome yet." If reports are true, though, it suggests a "significant curtailment" of local control for the franchising process, McSlarrow said. Martin's proposal includes giving cities and towns 90 days to act on franchise applications filed by phone companies. McSlarrow said he's not dismissive of what the FCC might end up doing to streamline the franchising process for telcos, but believes what ultimately matters is cable's ability to execute the bundle and get out in front of the competition. "I think the window that the Bells had to tie cable's hands ... was in 2005 and they missed it," he said. On Tues, the **National League of Cities**, **Natl Assoc of Counties**, **US Conference of Mayors** and **NATOA** sent a letter to the FCC opposing the video franchising draft order, making many of the same points as McSlarrow. The groups say the Communications Act doesn't give the FCC legal authority to take action in changing the way franchises are granted without Congressional approval, and that it does not have the authority to dictate the terms and conditions of franchises given by local franchising authorities. "To take action on this order without first establishing clear legal authority in this matter would only lead to litigation and delay, having the exact opposite effect the Chairman is seeking," the groups wrote. "There is no real urgency here, just the pleadings of a very powerful industry." The local govts are also concerned that there is not build-out protection to ensure that more than "just a privileged few" receive competition. "The most widely and quickly deployed broadband networks are owned by the cable industry—the very industry that has complied with local build-out requirements," the letter said.

**Temporary White Flag:** **Cablevision** says it will take up **NFL Net** on its free preview—only it doesn't want the full week of programming the net is offering. NFL announced Tues that it would offer a Dec 24-30 preview (on expanded basic only) to an estimated 1-2mln **Time Warner Cable** and **Cablevision** subs in NY and NJ. CVC wants only to televise the Dec 28 Texas Bowl and its related programming. The Bowl features a resurgent Rutgers Univ football program having its best season in decades. Time Warner Cable said it's reviewing NFL Net's proposal. NFL Net did not return calls on Cablevision's plan by deadline. Cable ops are sometimes reluctant to carry a network that they don't have deals with for fear they will upset subs by taking it away when the preview ends, but this is a big game that has drawn interest from politicians. Last week, Sen *Frank Lautenberg* (D-NJ) sent a letter to NFL commish *Roger Goodell* and NFL Net chief *Steve Bornstein*, urging the pair to permit the game's broadcast on local TV in the state. CVC COO

# She did WHAT?

Oxygen hit the **70 million** mark!  
Thanks to our affiliates for helping us get there.

oh!  
oxygen

Source: Nielsen Media Research, December Universe 2006 Subject to Qualifications available upon request

CABLEFAX DAILY (ISSN 1069-6644) is published daily by Access Intelligence, LLC ● www.cablefax.com ● fax:301/738-8453 ● Editor-in-Chief: Amy Maclean, 301/354-1760, amaclean@accessintel.com ● Exec Editor, Michael Grebb, 301/354-1790, mgrebb@accessintel.com ● Assoc Editor, Chad Heiges, 301/354-1828, cheiges@accessintel.com ● Asst VP, Ed Director, Seth Arenstein, 301/354-1782, sarenstein@accessintel.com ● Publisher: Dave Dekker, 301/354-1750, ddeker@accessintel.com ● Marketer: Doreen Price, 301/354-1793, dprice@accessintel.com ● Marketing Director: Carol Bray, 301/354-1763, cbray@accessintel.com ● Prod: Joann Fato, cdaily@accessintel.com ● Scott Gentry/VP and Group Publisher ● Online Publisher, Alison Johns, 212/621.4642 ● Paul Maxwell/Columnist. Subs/Client Services: 301/354-2101, fax 301/309-3847 ● Group Subs : Angela Gardner, 757/531-1369, cfaxgroupsub@accessintel.com

**Tom Rutledge** said the MSO would prefer that the game be made available locally on broadcast. Interestingly, NFL Net's week-long preview period would end at 8pm on Dec 30—kick off time for the net's last live game telecast of the season. Goodell told the AP Tues that the preview is a nod to NFL and Rutgers fans, letting them know that attempts are being made to navigate the impasse. -- Meanwhile, Time Warner began last week running new spots in San Antonio that blast the NFL Net's rigid stance with regard to negotiations. Above a deflated football is a message highlighting the net's refusal to be carried on any tier. "Forcing all of our customers to pay? That's one game we won't play," it reads. Also featured prominently is the address for www.nflgetreal.com, a site offering subs information on the dispute, and a way to speak out against the net.

**At the Portals:** What a welcome for incoming House Commerce chmn **John Dingell** (D-MI) and Telecom subcmte chmn **Ed Markey** (D-MA). The 2—who will start overseeing the agency next month—are upset over the FCC gen counsel's response as to why he supports allowing Republican commish **Robert McDowell** to vote in the **Bell-South-AT&T** merger. Dingell said gen counsel **Sam Feder** failed to provide a "thoughtful and appropriate explanation" for why he departed from the advice of the Director of the **Office of Government Ethics**. Dingell found the response "inadequate in convincing the American people that commissioner McDowell's participation is necessary, proper or wise." Markey criticized "weak" legal arguments. McDowell hasn't said yet if he will vote.

**In the Courts:** **AT&T** filed Fri in San Antonio a lawsuit against **Time Warner Cable**, alleging that the MSO illegally accessed and damaged its wiring while hooking up phone customers in area apartment buildings. The telco is seeking punitive damages and compensation for network repairs.

**Carriage:** **Cox** added last week **ESPNU** to its digital sports and information tier in New England; several FL markets; Phoenix; Omaha, NE; Wichita, KS; and Virginia Beach, VA. Roll outs are expected in Oklahoma City, Las Vegas and San Diego in the coming weeks.

**Competition:** The PA communities of Middletown and Newtown approved Mon night video franchise agreements with **Verizon**, bringing to 100 the total number of franchises awarded to the telco in southeastern PA. -- **DirectTV** and **IFILM** launched "Sports Shorts," an online video competition that invites homemade submissions to directv.com and ifilm.com/sportshorts. A top prize is available to the winners in 3 different categories, and the overall winning video will receive a trip to AZ and appearances at ifilm.com and on DirecTV.

**In the States:** The MI Legislature Tues passed statewide cable franchising legislation that is expected to be signed by the gov. The bill has drawn criticism from local govts. Among their objections is that cable complaints will now go to the state PSC instead of local townships or city councils. -- To keep pace with triple-play demand, **Comcast** says it will open early next year a new call center in Enfield, CT, adding 170 jobs to a state pool that currently counts just under 1K. The facility has the capacity for Comcast to hire an additional 200 employees over the next several years. -- **The Sportsman Channel** has relocated its headquarters to a suburb of Milwaukee, WI.

**Ratings:** Stop the presses! **USA** (2.3HH rating/2.07mln HH delivery) earned top billing in last week's prime ratings, bumping **ESPN** (1.9/1.76mln) from the apex for the 1st time since early Sept. **TNT** (1.9/1.72mln) and **ABC Family** (1.9/1.71mln) both tied ESPN for 2nd position, while **Lifetime** (1.8/1.64mln) rounded out the top 5. **Brag**



"Compelling... Powerful"

- NY Times

"Astonishingly crisp"

- Milwaukee Journal-Sentinel

**DAN RATHER**  
▶ REPORTS

Tuesday Nights at 8PM ET  
Only on HDNet

**HDNet**  
www.hd.net

Call Bill Padalino at 973-835-3780 or bpadalino@hd.net to add HDNet and HDNet Movies to your HD line-up today.

# BUSINESS & FINANCE


**Book:** ABC Family's basic cable premiere of "The Polar Express" earned a 2.9 and delivered 4.03mln total viewers, making Fri the net's most watched day in prime for total viewers in nearly 5 years.

-- The Sun debut of **Nat Geo's** "In the Womb: Animals" scored a 1.0, bringing the net's total number of 1.0 or better ratings for '06 to 12 (+100% vs '05). -- The Sat premiere of **Hallmark Channel's** original movie "What I Did For Love" scored a 2.8, making it the net's 4th highest-rated telecast in history. -- **Cartoon's** 1st original live-action and animation movie, "Re-Animated" became the net's top-rated original movie in net history, earning a 1.8.

**Business/Finance:** 'Tis the season to be jolly at **Scripps Nets**, where Nov rev jumped 17% to \$96mln, powered by a 16% rise in ad rev to \$78.2mln and 11% growth in affil fee rev to \$15.7mln. -- **UBS** raised its price target for **Comcast** from \$47 to \$50, citing the "broad-based" confidence in triple-play bundles that emerged last week at its media conference, and the MSO's expansive room for VoIP growth in '07. Comcast's digital telephony currently penetrates 4% of HHs (vs 24% for **Cablevision**), leaving the cable giant "positioned for strong organic growth." UBS expects Comcast to add more than 1mln VoIP subs in '07.

## CableFAX Daily Stockwatch

Company	12/12 Close	1-Day Ch	Company	12/12 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
AVID TECH:	37.40	(0.25)	BLNDER TONGUE:	1.56	0.05
BRITISH SKY:	41.34	(0.24)	BROADCOM:	33.94	(0.26)
DIRECTV:	25.01	(0.48)	C-COR:	10.86	0.07
DISNEY:	34.54	0.02	CISCO:	27.08	(0.03)
ECHOSTAR:	37.98	0.45	COMMSCOPE:	30.39	(0.58)
GE:	35.64	0.42	CONCURRENT:	1.86	0.00
HEARST-ARGYLE:	26.01	0.01	CONVERGYS:	23.76	(0.21)
ION MEDIA:	0.40	0.00	CSG SYSTEMS:	26.81	(0.17)
NEWS CORP:	22.20	(0.15)	GEMSTAR TVG:	3.17	(0.05)
TRIBUNE:	32.49	0.14	GOOGLE:	481.78	(2.15)
<b>MSOS</b>					
CABLEVISION:	28.58	0.34	HARMONIC:	7.58	(0.1)
CHARTER:	3.30	(0.01)	JDSU:	17.20	(0.31)
COMCAST:	43.08	0.39	LEVEL 3:	5.93	(0.02)
COMCAST SPCL:	42.71	0.25	LUCENT:	2.55	(0.02)
GCI:	15.51	0.46	MICROSOFT:	29.43	(0.11)
KNOLOGY:	10.94	(0.13)	MOTOROLA:	20.81	(0.42)
LIBERTY CAPITAL:	93.50	(0.15)	NDS:	48.24	0.21
LIBERTY GLOBAL:	28.63	0.28	NORTEL:	22.40	(0.41)
LIBERTY INTERACTIVE:	22.82	(0.02)	OPENTV:	2.39	0.07
MEDIACOM:	8.09	(0.01)	PHILIPS:	36.61	(0.27)
NTL:	24.39	(0.01)	RENTRAK:	16.05	0.12
ROGERS COMM:	58.64	(0.2)	SEACHANGE:	8.90	0.05
SHAW COMM:	31.14	0.09	SONY:	41.01	0.60
TIME WARNER:	21.30	(0.03)	SPRINT NEXTEL:	19.47	0.04
WASH POST:	744.75	11.28	THOMAS & BETTS:	49.90	(0.08)
<b>PROGRAMMING</b>					
CBS:	31.30	(0.02)	TIVO:	5.40	(0.09)
CROWN:	2.97	(0.06)	TOLLGRADE:	8.71	(0.19)
DISCOVERY:	16.39	0.04	UNIVERSAL ELEC:	20.66	(0.39)
EW SCRIPPS:	50.69	0.35	VONAGE:	7.27	0.02
GRUPO TELEVISIA:	27.65	0.03	VYYO:	4.00	0.02
INTERACTIVE CORP:	36.44	0.26	WEBB SYS:	0.04	0.00
LODGENET:	22.90	(0.13)	WORLDGATE:	1.32	(0.09)
NEW FRONTIER:	9.31	0.05	YAHOO:	26.75	0.26
OUTDOOR:	12.77	(0.33)	<b>TELCOS</b>		
PLAYBOY:	11.50	(0.06)	AT&T:	35.64	0.46
UNIVISION:	35.40	(0.02)	BELLSOUTH:	46.69	0.45
VALUEVISION:	12.99	(0.11)	QWEST:	7.67	(0.02)
VIACOM:	37.88	(0.32)	VERIZON:	35.76	0.07
WWE:	16.91	(0.09)	<b>MARKET INDICES</b>		
<b>TECHNOLOGY</b>					
3COM:	4.08	0.01	DOW:	12315.58	(12.9)
ADC:	14.11	0.07	NASDAQ:	2431.60	(11.26)
ADDVANTAGE:	3.18	(0.97)			
AMDPCS:	37.10	(1.31)			
AMPHENOL:	64.35	(2.34)			
ARRIS GROUP:	11.96	(0.12)			




CASINO

NATIONAL

# CRIME DOES PAY

(FOR CABLE PROVIDERS WHO GET SLEUTH).



MIAMI VICE

**Sleuth**

Mystery. Crime. All the time.

sleuthchannel.com

STANDARD DEFINITION.  
HIGH DEFINITION.  
VIDEO ON DEMAND.

To launch, contact  
your NBC Universal  
Cable Sales Rep:  
east: 201.735.3600  
west: 818.840.3333  
nbcunicable.com



# Thanks to Our Affiliates for Another Great Year!

Additional gains in distribution,  
now in over 70 Million homes

A big year in programming  
Even Stevens  
Lizzie McGuire  
Sex and the City  
American Idol Rewind  
America's Funniest Home Videos

And in 2007, our hopes for a  
championship season with  
NEW Cubs Manager Lou Piniella,  
and Outfielder Alfonso Soriano



**SUPERSTATION**  
**WGN®**

Bill Shaw President/GM

Dennis Gillespie SVP/Affiliate Sales

(212) 210-5900

# We're Rewarding Innovation and Success!



People Are Doing Extraordinary Things to Help Kids Learn.

## Here's a Very Special Opportunity for National Recognition...

The cable industry strongly believes that the education of today's youth is the key to a successful tomorrow. The industry's education foundation, Cable in the Classroom, has created and supported many exciting and innovative education initiatives – and now we've taken our commitment one step further.

### Cable's Leaders in Learning Awards

seeks out educators, administrators, community leaders, policymakers—anyone who is transforming education in or out of the classroom—and honors the individuals whose innovative practices or policies have made a major contribution to the education of children and youth.

Winners will receive \$3000 and a trip to Washington, DC for the Awards Gala. Every awardee becomes a part of the **Leaders in Learning** community, an informative network of innovators who can stay connected and participate in an ongoing conversation about the future of education.

**Deadline for entry: December 15, 2006.**

**Nominate or Apply Today!**

**[www.leadersinlearningawards.org](http://www.leadersinlearningawards.org)**

  
**CABLE'S  
 LEADERS IN LEARNING AWARDS™**  
VISION. INNOVATION. ACTION. TRANSFORMATION.

Brought to you by Cable in the Classroom, the Cable Industry's Education Foundation.