

CableFAX Daily™

Friday — December 15, 2006

What the Industry Reads First

Volume 17 / No. 242

Franchising Fracas: FCC's Action Could Bring Old Foes Together

Despite years of tension and name calling between cable operators and franchise authorities, legislative and regulatory battles over franchising are clearing the way for potential alliances. "If the cable companies want to be our partners, we're open to that," said *Alex Ponder*, a lobbyist for the **National League of Cities**, which on Dec 12 was among several municipal groups that sent a letter to **FCC** chmn *Kevin Martin* outlining concerns with a draft franchising order now circulating at the agency (*Cfax*, 12/13). Following Congress' failure to pass a comprehensive telecom bill this year, Martin has scheduled a Dec 20 vote on an order that could give telcos ways to bypass local govts to obtain franchises. Among concerns are unconfirmed reports that the draft order contains a "shot clock" setting a deadline for local action, as well as provisions allowing operators to apply "in-kind" services toward their franchise-fee cash payments and to operate under lax build-out requirements. But cities' biggest objection—shared by many in the cable industry—is that the FCC is assuming authority it doesn't have. "We just don't believe the FCC has the authority to act on certain issues," Ponder said. One cable MSO lobbyist agreed that "it just keeps going back to that fundamental question," adding "I think you're going to see a race to the courthouse here" that could even involve "coordination" with municipal interests. Another cable industry source, however, said cities would likely lead any legal effort as "they have more to lose here." All sides acknowledge that no one really knows what the FCC's final order will look like next week. But the speculation has everyone picking their battles. "Neither the Cable Act nor its legislative history gives the FCC the authority to adopt regulations to force local governments to sign cable-service contracts with requesting phone companies within 90 days, and that makes any new regulations subject to challenge," said **ACA** pres/CEO *Matt Polka*. One thing's for sure: at least when it comes to franchise reform, cable and municipal interests seem to be finding some common ground.

Don't Mess With TX: Rep *Jose Menendez* (D-TX) filed Thurs a state House Resolution calling on **Time Warner Cable** to resolve its differences with **NFL Net**. Citing the inability of many state cable subs to watch either Sat's Dallas Cowboys game or the Insight Bowl (Dec 29) featuring Texas Tech—both to be aired on NFL Net—Menendez believes "it is time for our major cable operator to figure out a solution." Staffer *Don Jones* said the filing is for fans throughout the state who have voiced their displeasure, letting them and Time Warner know that the Texas legislature is concerned about the situation. "All we want is for Time Warner to go back to the table and try again," he said. Time Warner is miffed that the filing fails to assign any blame to NFL Net. "It's the NFL Network, not us, that's robbing Texans of the ability to watch [net games] by refusing to sell the local broadcast rights," said a TW spokesperson. NFL Net said it currently has no intention of offering a free net preview in TX like the one offered in NY/NJ, because neither TWC nor **Cablevision** has formally accepted the initial tender. Menendez' resolution is a companion to a similar bill from Sen *Ed-die Lucio* (D-TX), also filed Thurs. The TX legislature convenes Jan 9.

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Pelosi Plea: C-SPAN chmn/CEO *Brian Lamb* on Thurs sent a letter to House Speaker-designate Rep. *Nancy Pelosi* (D-CA) asking her to cede control of cameras in the House chamber covering floor proceedings when she takes over as Speaker next year. "Independent media cameras have long been permitted in congressional committees, yet for nearly 30 years, television cameras in the House chamber have operated under the control of the Speaker," Lamb said. "This compromise was crafted long ago to convince wary members to allow Congressional sessions to be televised, and in the ensuing years it has become an anachronism that does a disservice to the institution and to the public." Lamb also asked for "immediate electronic access to voting records," noting that "frequently, by the time individual voting records are released by the Clerk, the House has moved on to other issues. The net effect is that this important information is rarely included in C-SPAN's live telecasts of House floor proceedings."

Deals: **LodgeNet** will acquire **On Command**, buying all the capital stock of **Liberty's Ascent Ent**, owner of 100% of the hotel ent provider's stock. LodgeNet will pay \$380mln (2.05mln shares of LodgeNet and \$332mln cash). At closing, Liberty will own about 9.9% of LodgeNet's common stock. The deal's expected to close in mid-'07. **PAR Capital Mgmt** has agreed to buy 1mln shares of LodgeNet for \$23mln to support the acquisition. **Bear Stearns** represented LodgeNet; **Lehman Brothers** and **Daniels & Assoc** represented Liberty.

In the Courts: Pending final resolution of **Time Warner Cable's** false advertising lawsuit against **DirectTV**, the DBS provider must stop running ads claiming that Time Warner Cable subs won't be able to see their home team's game if it's on NFL Net. DirectTV and Time Warner Cable agreed to the stipulated injunction, which was accepted by federal District Judge Laura Taylor Swain of the Southern District of New York. DirectTV also agreed not to run any ads claiming that its HD picture quality is better than cable's.

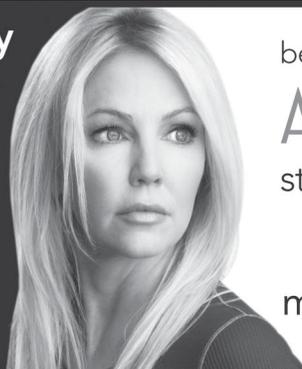
In the States: **Comcast** on Thurs officially changed the name from **Adelphia** to Comcast in Colorado Springs and Trinidad, CA. The MSO said it plans to make a \$20mln investment in the area to improve customer service, including a call center to open next year that will employ 300.

Golden Globes: **HBO** once again led the pack in Golden Globe noms (14, including movies "Elizabeth I," "Mrs. Harris" and series "Entourage" and "Big Love"), but **Showtime** is picking up steam. Showtime's 6 noms included comedy series "Weeds" and a best actor nod for "Sleeper Cell's" Michael Ealy. **AMC** received 3 noms, including Best Miniseries, for "Broken Trail." Other notables: BBC America (2), TNT (2), USA (1) and FX (1).

Programming: "I'm From Rolling Stone" debuts on **MTV**, Jan 7, 10pm. Six young writers work toward earning a full-time gig at the mag. -- **TV Land** will kick off '07 with a week-long (Jan 1-7) "Major Major M*A*S*H Marathon," offering all the TV show eps, the eponymous motion picture, and the 20th and 30th Anniversary reunion specials. "M*A*S*H" will air in its regularly scheduled timeslot (Mon and Wed, 10:30pm; Tues-Sun, 10pm) Jan 8. -- The Dec 18 (11pm) edition of **Comedy Central's** "The Daily Show with Jon Stewart" will welcome as a guest IA Gov *Tom Vilsack*, who recently announced his intentions to run for the '08 Democratic nom for US Pres. -- **Showtime** and **Pro Elite** introduced "Elite Xtreme Combat," a series of live mixed martial arts events to air on the net. The 1st is set for Feb 10 (10pm), and will feature a battle between *Frank Shamrock* and *Renzo Gracie* from the DeSoto Civic Center in MS.

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BUSINESS & FINANCE

People: Jennifer Geisser has been named vp, corporate communications at **Hallmark Channel** and **Hallmark Movie Channel**, rejoining her former **Court TV** boss, **Henry Schleiff**, who was named pres/CEO in Oct. -- **CNET** chmn, **Scripps** board member and former **E!** CEO **Jarl Mohn** was named exec advisor to **Glam Media**, a fashion and lifestyle hub at glam.com. Mohn has also made a financial investment in the enterprise.

Business/Finance: IPTV and advance media services firms **Auroras Ent** and **Broadstream Comm** have agreed to merge, pending shareholder approval. The name of the combined entity will be **Avail Media**, for which current Broadstream CEO **Ramu Potarazu** will serve in the same capacity. Auroras CEO **Diane Smith** will become pres. The merger is expected to close early next year. -- **Liberty Media** announced a cash payment of \$162.62/bond to holders of its 3.5% Senior Exchangeable Debentures due in '31. The distribution is expected to be made on Jan 10 to holders of record on Dec 26. -- **Vivendi** has decided not to exercise its exit rights in Jan with respect to **NBCU** and will remain a 20% stakeholder in the media co. Through modified agreements between Vivendi and NBCU parent **GE**, Vivendi may now exercise its right to demand an NBCU IPO in Nov each year from '07-'16, and GE's right to call Vivendi's interest may be exercised each year from '11-'17.

CableFAX Daily Stockwatch

Company	12/14 Close	1-Day Ch	Company	12/14 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AVID TECH:	37.67	0.23
BRITISH SKY:	41.64	0.19	BLNDER TONGUE:	1.54	0.00
DIRECTV:	24.95	(0.14)	BROADCOM:	33.55	0.05
DISNEY:	34.72	0.27	C-COR:	11.00	0.01
ECHOSTAR:	38.32	0.04	CISCO:	27.31	0.06
GE:	36.21	0.71	COMMSCOPE:	31.03	0.61
HEARST-ARGYLE:	26.04	0.02	CONCURRENT:	1.84	0.03
ION MEDIA:	0.41	(0.01)	CONVERGYS:	24.24	0.39
NEWS CORP:	22.17	(0.11)	CSG SYSTEMS:	27.05	(0.25)
TRIBUNE:	31.91	(0.71)	GEMSTAR TVG:	3.23	0.07
MSOS					
CABLEVISION:	28.57	0.16	GOOGLE:	482.12	3.13
CHARTER:	3.22	(0.14)	HARMONIC:	7.43	(0.14)
COMCAST:	42.88	0.02	JDSU:	17.89	1.09
COMCAST SPCL:	42.39	(0.07)	LEVEL 3:	5.92	0.05
GCI:	15.46	(0.08)	LUCENT:	2.55	(0.02)
KNOLOGY:	11.02	(0.1)	MICROSOFT:	30.07	0.52
LIBERTY CAPITAL:	96.48	2.01	MOTOROLA:	20.69	0.04
LIBERTY GLOBAL:	28.81	0.11	NDS:	47.65	0.17
LIBERTY INTERACTIVE:	22.84	0.16	NORTEL:	22.88	0.53
MEDIACOM:	8.20	0.19	OPENTV:	2.38	0.00
NTL:	24.91	0.66	PHILIPS:	37.12	0.27
ROGERS COMM:	58.25	(0.28)	RENTRAK:	15.49	(0.16)
SHAW COMM:	31.88	0.74	SEACHANGE:	9.12	(0.01)
TIME WARNER:	21.65	0.28	SONY:	42.82	1.07
WASH POST:	754.76	0.51	SPRINT NEXTEL:	19.21	(0.34)
PROGRAMMING					
CBS:	31.60	0.21	THOMAS & BETTS:	50.60	0.75
CROWN:	3.01	0.06	TIVO:	5.47	(0.22)
DISCOVERY:	16.70	0.38	TOLLGRADE:	8.90	(0.08)
EW SCRIPPS:	50.85	0.18	UNIVERSAL ELEC:	21.01	(0.03)
GRUPO TELEVISA:	28.20	0.56	VONAGE:	7.14	(0.09)
INTERACTIVE CORP:	37.56	0.67	VYYO:	4.21	0.07
LODGENET:	26.75	3.55	WEBB SYS:	0.03	(0.01)
NEW FRONTIER:	9.39	0.04	WORLDGATE:	1.28	(0.03)
OUTDOOR:	12.88	(0.05)	YAHOO:	26.87	0.27
PLAYBOY:	11.45	(0.05)	TELCOS		
UNIVISION:	35.37	(0.02)	AT&T:	35.66	0.11
VALUEVISION:	13.17	0.05	BELLSOUTH:	46.67	0.14
VIACOM:	37.74	0.09	QWEST:	7.69	(0.03)
WWE:	16.71	0.02	VERIZON:	36.09	0.22
TECHNOLOGY					
3COM:	4.12	0.07	MARKET INDICES		
ADC:	15.05	0.56	DOW:	12416.76	99.26
ADDVANTAGE:	2.87	(0.07)	NASDAQ:	2453.85	21.44
AMDOCS:	37.71	0.21			
AMPHENOL:	66.11	1.24			
ARRIS GROUP:	12.42	0.15			

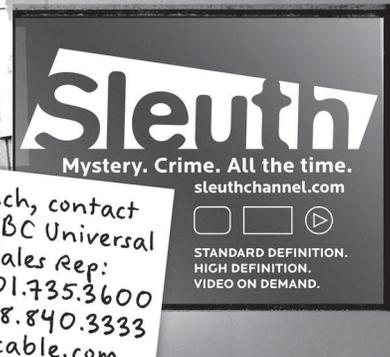


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PROGRAMMER'S PAGE with Chad Heiges and Seth Arenstein

Santa Vince

Sure **WWE** boss *Vince McMahon* is outspoken and often controversial, but he also insists on spreading holiday cheer to those who arguably need it the most. The WWE's estimable "Tribute to the Troops" program is back for the 4th consecutive year, highlighted by wrestling superstars such as *John Cena* and *The Undertaker*—and even McMahon himself—traveling throughout Iraq to entertain armed forces personnel. The culmination this year will be "WWE Tribute to the Troops: Christmas in Baghdad" on **USA** (Dec 25, 9pm ET), a show with matches taped just outside Baghdad, amid some 3K troops and several tanks. But to many involved, the journey alone provides the pinnacle. "Doing the show is great, but it's not nearly as intimate as our visits with the troops," said WWE evp, TV prod *Kevin Dunn*. "They're so appreciative, and they're enthusiasm is not to be believed." The 15 stops this year included a hospital for wounded soldiers in Germany and several forward operating bases throughout Iraq, many of which had never witnessed live on-base entertainment. "Not only is this a big morale boost to the troops, but to their families as well," said **Armed Forces Ent** dir *Art Myers*, who accompanied the WWE retinue and coordinated its transportation. "The troops are already asking when they're coming back." McMahon and his charges eschew special treatment during the tour, Myers said, instead choosing to show solidarity by eating MREs like the troops do, with some stars also sleeping in tents among the soldiers. The **Office of the Secretary of Defense** has awarded the WWE and McMahon medals for exceptional public service for these efforts. One *Sports Illustrated* writer even nominated McMahon for the pub's annual "Sportsman of the Year Award." Miami Heat guard *Dwayne Wade* won the award, but even at 6'4", McMahon and the WWE tower over him in Dec. *CH*

Highlights: "Battlestar Galactica," winter finale, tonight, 9, **SciFi**. In the midst of a great season tonight's ep may be the best, with a terrific climax and nearly every hot button pushed, including sex, violence, religion and infidelity. – "Dexter," finale, Sun, 10pm, **Showtime**. Against odds this bloody sleeper's become a hit; the tension-laced finale doesn't disappoint. Unfortunately "Sleeper Cell" (9pm) peaked last week. Sun's finale seems sluggish by contrast. *SA*

Worth a Look: "Christmas Do-Over," tomorrow, 8pm, **ABC Family**. OK, ABC F has to run feel-good holiday movies, and this *Jay Mohr* vehicle isn't bad for that genre. But it would have been fair play to acknowledge (at least in the press notes) that it borrows heavily from *Bill Murray's* "Ground Hog Day." – "The Fashion Team," Sat, 7, **TV Guide Channel**. Speaking of derivative, this series reminds us of *Joan & Melissa's* celeb fashion harangues, but it works because of *David Evangelista's* irreverence. – "Naomi's New Morning," Sun, 11am, **Hallmark**. *Wynonna* joins her mom's weekly show. Gosh, do the tears flow, as do the clichés. The lady can sing, though. – "Greg The Bunny," finale, tomorrow, 9pm, **IFC**. Greg blasts "The Passion of the Christ," fulfilling cable's mission as a supplier of content for niche audiences. *SA*

Basic Cable Rankings (12/04/06-12/10/06)			
Mon-Sun Prime			
1	USA	2.3	2073
2	ESPN	1.9	1757
2	TNT	1.9	1721
2	FAM	1.9	1708
5	LIFE	1.8	1635
5	DSNY	1.8	1609
7	TBSC	1.7	1579
7	HALL	1.7	1282
9	NAN	1.3	1179
10	TOON	1.2	1123
10	A&E	1.2	1107
10	FOXN	1.2	1045
13	CORT	1.1	921
14	DISC	1	910
14	SCIF	1	908
14	HIST	1	898
14	AMC	1	864
18	HGTV	0.9	848
18	SPK	0.9	835
18	FX	0.9	817
18	CMDY	0.9	795
22	NFLN	0.8	295
23	MTV	0.7	675
23	TLC	0.7	654
23	FOOD	0.7	634
23	BET	0.7	611
23	LMN	0.7	348
28	CNN	0.6	548
28	TVLD	0.6	529
28	BRAV	0.6	504
31	ESP2	0.5	490
31	APL	0.5	460
31	VH1	0.5	439
31	EN	0.5	426
31	MSNB	0.5	400
31	NGC	0.5	283
31	SOAP	0.5	277
38	HLN	0.4	327
38	WGNC	0.4	257
38	GSN	0.4	220
41	TTC	0.3	279
41	CMT	0.3	248
41	OXYG	0.3	245
41	TVGC	0.3	224
41	DHLT	0.3	199
41	WE	0.3	197

*Nielsen data supplied by ABC/Disney

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Awards Presentation: CTPAA Forum, March 11-14, 2007, The Ritz-Carlton, Washington, D.C.

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ELIGIBILITY

Programs must have run on a cable channel or a regional cable channel during the 2006 calendar year.

CATEGORIES

Programs may be:

- ① PSAs or a PSA series
- ② Documentaries
- ③ Specials
- ④ An episode(s) of a recurring series that highlights public affairs issues.

JUDGING CRITERIA

- Does the entry raise awareness of an issue and/or improve the public's understanding of an important public affairs issue?
- Do the program's production values enhance the value of the issue being presented?
- Does the program or PSA make its argument in a clear and thought-provoking manner?

REQUIREMENTS

- Please submit 3 copies of each entry on VHS or DVD
- Each entry must be accompanied by a press kit or a short statement explaining the entry (show date, plot synopsis etc.)
- A \$75 entry fee per nomination via company or personal check or money order must accompany each entry. In the case of a series of PSAs, 1 check for \$75 per series will be required. Under difficult circumstances late payment of fees will be permitted. Make checks payable to: CableWorld Magazine.
- No Entry form required, simply send your video and payment postmarked by January 15, 2007 to:

Seth Arenstein
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Questions: Contact Seth Arenstein, 301/354-1782 sarenstein@accessintel.com

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