

CableFAX Daily™

Tuesday — December 19, 2006

What the Industry Reads First

Volume 17 / No. 244

Count Me Out: McDowell Says He Won't Vote on AT&T-BellSouth Merger

It may be quite a while before **AT&T** and **BellSouth's** proposed merger gets an up or down from the **FCC** now that Republican commish **Robert McDowell** has decided not to unrecuse himself. **Stifel Nicolaus** predicts that the deal will still get done, but there's a greater probability "wrangling would drag on longer than anticipated and that AT&T and BellSouth would have to make deeper concessions than expected." McDowell announced his decision to disqualify himself from the vote in an announcement at FCC hq late Mon. FCC chmn **Kevin Martin** said he respects his colleague's decision to abstain. McDowell called on the 4 commissioners to negotiate in good faith. "Sadly, I fear that my recusal from this matter has been used as a pawn by some to forgo meaningful and sincere negotiations," he said. "Now that I am removing that chess piece from the board, I hope that the twin pillars of sound negotiations are restored: good faith and sacrifice." McDowell also expressed surprise that FCC gen counsel **Samuel Feder's** memorandum earlier this month wasn't more definitive (**Cfax**, 12/11). "I had expected a memorandum making a strong and clear case for my participation," he said, adding the memo is "hesitant, does not acknowledge crucial facts and analyses and concludes by framing this matter as an ethical coin-toss frozen in mid-air... I expected the legal equivalent of body armor; I was handed Swiss cheese." McDowell is already winning brownie points on Capitol Hill where Dems will take over next year. "In disqualifying himself, Commissioner McDowell has shown that he is a true public servant and a man of principle," said incoming House Commerce Committee chmn **John Dingell** (D-MI), who last week blasted Feder's memo (**Cfax**, 12/13). But Dingell said this "should not be viewed as an opportunity for individual commissioners to extract carte blanche from the merging parties."

Retrans Row: TW Loses Fox Station in Northern Idaho

Time Warner Cable subs in parts of northern ID, MT and WA lost **Northwest Broadcasting's KAYU**, a **Fox** affil, after the 2 were unable to reach a retrans agreement following multiple extensions. Coeur d' Alene, ID, is the largest town impacted after the station went dark at 12:01 am Fri. Also affected are Pullman, WA; Libby, MT; and Moscow, ID. Time Warner Cable said talks are ongoing, with a call slated for Tues. It declined to say how many subs are affected. KAYU's Website proclaims that the MSO has made "minimal effort" since July to come to the bargaining table with a value proposition for KAYU, adding that neither TW or its predecessor, **Adelphia**, provided compensation for the station. KAYU says TW has threatened to remove a sister station from its Binghamton, NY, system. The Binghamton station is a **MyNetwork TV** affil whose TW contract expires Dec 31. A TW spokeswoman said the MSO is providing notice as a precaution and that it's hoping to reach an agreement with the network, as well as KAYU, in the near future. Time Warner says it had made several offers to KAYU, and the broadcaster has rejected them all. Most recently, KAYU "actually increased their demand by almost 400%," a spokeswoman said. "Clearly they are not seeking to reach an agreement, and they are not concerned about their viewers." In a move you knew would come, Time Warner is encouraging subs

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to take advantage of FOX's free online programming streams at www.myspace.com/fox and www.fox.com/video. It's also providing customers with free antennas and a/b switches for over-the-air viewing.

DISH VOD: File this away in your juicy, stealth projects' file. It appears **EchoStar** has caught the VOD bug. The sleuths over at **SatelliteGuys.us** stumbled upon a now inactive Web link for a service called DishONLINE that would let subs download movies, shows, etc through a broadband connection for on demand viewing on their DVR box (similar to the EchoStar-AT&T Homezone service). EchoStar did not return requests for comment by deadline. A member of the satellite junkie Website discovered the DishONLINE link on a tech support page, and founder *Scott Greczkowski* dug a little further, reporting that sources say the service is slated to go live Feb 15 and will feature SD and HD movies, music, adult programming and "entertainment news." (Hmmm... sounds like we'll see a preview at **CES**). DISH will stream some programs in real time, but other services, such as CinemaNow, will be downloaded to a box's hard drive using the Ethernet connection, SatelliteGuys reports. Subs reportedly will also be able to purchase a movie to own, but will only be able to view it on their DVR box. We tried visiting www.dishnetwork.com/dishonline/ and were directed to a page with an IPTV header and the words "IPTV content goes here." While satellite has downplayed cable's VOD service for years, it was interesting to see the excitement the news sparked on SatelliteGuys' message boards, with postings on how some hoped for free content "like **Comcast**" and others mentioning that they've considered switching to cable just for VOD. Of course, should this service come to fruition, think about who will provide the broadband connection...

More Retrans: **Sinclair** is turning up the heat on its retrans talks with **Mediacom**, announcing Mon that negotiations likely won't result in an agreement. Sinclair expects that the MSO will discontinue carriage of its stations at 12:01am, Jan 6. Mediacom was set to lose the stations on Dec 1, but the 2 reached an extension. "We had hoped the extension would allow us sufficient time to come to an agreement, but we no longer believe that will be the case," Sinclair gen counsel *Barry Faber* said in a release. Sinclair is offering to arrange \$150 or \$100 rebates to new DirecTV subs in most of the impacted markets. The offer was slated to terminate on Dec 1 but was extended to Dec 31. "We're surprised because we continue to be willing to negotiate a fair deal," Mediacom gen counsel *Joe Young* said. "We're scratching our heads wondering why they decided to end negotiations by putting out a press release rather than giving us a call."

GAO Wants More Exhibits: Following an investigation into the **Smithsonian's** controversial 30-year content deal with **Showtime** (*Cfax*, 3/9), the **GAO** rebuked the institution for not providing ample information to the public about the deal, although the office did say that it's too early to determine the contract's long-term impact. Investigators also said the institution must give filmmakers better information about how the contract will affect them and accordingly recommended updates of contract descriptions on the Smithsonian Web site at si.edu. Showtime is expected to launch Smithsonian On Demand around Mar and a linear channel in Sept. A related broadband presence is expected before Mar.

Broadband TV: **Skype** co-founders *Janus Friis* and *Niklas Zennstrom* will launch a global broadband video service next year under **The Venice Project** banner (*Cfax*, 10/30), according to the *Financial Times*. The service uses PC networks instead of central servers, and the project's chief exec *Fredrik de Wahl* insisted content won't require digital rights management protection because "the bits and bytes being collected on your computer are fragments of a stream." FT said 6K are currently testing the service, and **Warner Music** has created channels for some of its artists.

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BUSINESS & FINANCE

Imitation-Flattery Dept: It's good to know *Time* magazine's editors are ardent **CableFAX** readers. The mag just named "You" as its Person of the Year in a homage to user-generated content—several days after the *CableFAX 100* listed **YouTube** and **MySpace** in its top 10 for similar reasons. Coincidence? We think not! -- The *NY Times* finally got around to reporting that **Comcast** is testing a service in Pittsburgh and Denver that gives subs VOD access to select feature films on the same day they are released on DVD. Of course, you impressed all your friends by already knowing that because **CableFAX** broke the news more than a week ago (*Cfax*, 12/7).

MTV on the Go: MTVN announced the creation of **MTVN Mobile Media**, a new operating unit dedicated to growing the co's mobile entertainment business. It will oversee the management of mobile partnerships and content distribution, and will support the teams at the individual MTVN brands in developing a wide portfolio of mobile content and apps. *Greg Clayman* will lead the new segment as svp, MTVN Mobile Media.

People: The Sportsman Channel appointed former **Charter** mgr *Graig Hale* genl sales manager. -- **EGT** tapped *Chuck Connor* as svp, sales.

Business/Finance: **Crown Media** has completed the \$160mln sale of its film library to **RHI Enterprises** (*Cfax*, 10/6).

CableFAX Daily Stockwatch

Company	12/18 Close	1-Day Ch	Company	12/18 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	41.05	0.14	AVID TECH:	36.76	(0.6)
DIRECTV:	24.92	(0.09)	BLNDER TONGUE:	1.80	0.25
DISNEY:	34.49	0.19	BROADCOM:	33.72	0.13
ECHOSTAR:	37.99	(0.46)	C-COR:	10.97	(0.06)
GE:	38.00	0.64	CISCO:	27.61	0.05
HEARST-ARGYLE:	25.89	(0.11)	COMMSCOPE:	30.92	(0.63)
ION MEDIA:	0.51	0.10	CONCURRENT:	1.77	(0.09)
NEWS CORP:	22.48	0.18	CONVERGYS:	23.98	(0.11)
TRIBUNE:	31.67	(0.08)	CSG SYSTEMS:	26.70	(0.2)
MSOS					
CABLEVISION:	28.35	0.21	GEMSTAR TVG:	3.29	0.03
CHARTER:	3.03	(0.07)	GOOGLE:	462.80	(17.5)
COMCAST:	43.12	0.17	HARMONIC:	7.45	(0.15)
COMCAST SPCL:	42.57	0.10	JDSU:	17.24	(0.27)
GCI:	15.50	(0.23)	LEVEL 3:	5.92	(0.03)
KNOLOGY:	10.66	(0.27)	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	95.25	(0.95)	MICROSOFT:	29.89	(0.3)
LIBERTY GLOBAL:	28.70	0.20	MOTOROLA:	20.76	0.05
LIBERTY INTERACTIVE:	22.42	(0.14)	NDS:	47.91	0.01
MEDIACOM:	8.01	(0.13)	NORTEL:	23.75	0.65
NTL:	24.96	(0.14)	OPENTV:	2.33	(0.05)
ROGERS COMM:	59.57	0.78	PHILIPS:	36.39	(0.58)
SHAW COMM:	31.97	0.01	RENTRAK:	15.63	(0.15)
TIME WARNER:	21.73	0.07	SEACHANGE:	8.83	(0.25)
WASH POST:	759.12	(1.88)	SONY:	43.15	(0.26)
PROGRAMMING					
CBS:	31.99	0.00	SPRINT NEXTEL:	19.24	(0.27)
CROWN:	2.98	(0.02)	THOMAS & BETTS:	49.49	(0.66)
DISCOVERY:	16.27	0.02	TIVO:	5.34	(0.18)
EW SCRIPPS:	50.30	(0.13)	TOLLGRADE:	9.13	0.17
GRUPO TELEVISA:	27.85	(0.2)	UNIVERSAL ELEC:	21.00	0.00
INTERACTIVE CORP:	38.00	(0.45)	VONAGE:	7.14	(0.08)
LODGENET:	25.85	(0.5)	VYYO:	4.20	(0.15)
NEW FRONTIER:	9.45	0.10	WEBB SYS:	0.04	0.01
OUTDOOR:	12.96	0.14	WORLDGATE:	1.29	(0.03)
PLAYBOY:	11.45	(0.01)	YAHOO:	26.30	(0.6)
UNIVISION:	35.35	0.02	TELCOS		
VALUEVISION:	12.63	(0.46)	AT&T:	35.47	(0.19)
VIACOM:	38.41	0.42	BELLSOUTH:	45.78	(0.72)
WWE:	16.47	(0.22)	QWEST:	8.10	0.15
TECHNOLOGY					
3COM:	4.14	0.01	VERIZON:	36.54	0.06
ADC:	14.59	(0.3)	MARKET INDICES		
ADDVANTAGE:	2.72	0.06	DOW:	12441.27	(4.25)
AMDOCS:	36.25	(0.84)	NASDAQ:	2435.57	(21.63)
AMPHENOL:	63.72	(0.62)			
ARRIS GROUP:	12.47	(0.05)			

our best week ever!

- #1 Basic Cable Network Week of 12/4 in Prime: Total Viewers and W18-49
- #1 in Total Day with W18-49
- All-time Highs among Total Viewers, A18-34/18-49 and W18-34/W18-49



Source: NTL, Live 000s, 12/4-12/10/06, Prime (M-Su 8-11p) and Total Day (M-Su 6a-6a).

M.C. Antil's CableFolks

Cable Contractors? No Such Thing

Everyone has a Dan in their life. A Dan is the guy who can build or fix anything; a guy whose abilities can at times make a man feel significantly less, well... like a man. Oh, and a Dan always has a pick up truck, which makes him the go-to guy when there's firewood to load or furniture to move.

It so happens, my Dan is named Dan, and I called him last week to help me move into my new office. My Dan, despite his degree, has spent his entire adult life as a contractor. Or as he jokes, "I don't push a pencil. I build America."

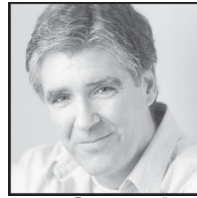
My Dan is also the most voracious reader I know. He reads like other people breathe; constantly. He doesn't peruse newspapers, he consumes them. When he was laid up recently he told me he spent his days at Borders, often reading a book a day.

I tell you this so that you understand my Dan is no idiot. He knows what he's talking about.

That's why I was floored when he handed me last Friday's Chicago Sun Times and said, "Did you hear about the Comcast installer who killed two women?" I took the paper and there on the front page was a tabloid-style photo of a beautiful young woman with her boyfriend, along with a pull quote about how the killer had taken away everything that made life worth living.

It was brutal, and as I read the story it detailed how a contract installer for Comcast was about to be charged with an earlier murder and was a prime suspect in this one.

I told Dan the suspect really wasn't a Comcast employee. He was a contract installer. At that point, he looked at me like I had two noses. "What the hell does that mean?," he said. "The guy went to the house to install cable for Comcast. He's working for Comcast."



M.C. Antil

I knew he was right. I remember back in 1981 working in a system in Alabama that my company had purchased. One of the contractors had, shall we say, relieved himself in a woman's front yard. She called upset that our employee had urinated in front of her granddaughter. And even as I was trying to convince her he wasn't our employee, I knew damn well she was right. He might have been trash, but he was our trash, if only because he was installing cable. And we were the cable company.

So, my point is, when Dan says this alleged murderer works for Comcast, despite what his paycheck may say, for millions of Chicagoans that's exactly who he works for.

Look, I know what life is like at a system. And I know most contract installers are perceived as an occupational necessity—hired guns brought in because they work quickly and efficiently, and because their financial onus falls not on the MSO but the general contractor that hires them.

But the simple fact is once the customer places an order, the next person they often see is a contractor. Many show up in unmarked vehicles, dressed in jeans and a t-shirt; and, as I've evidenced first-hand, some can barely speak English. This is reality because most operators feel hiring, training and equipping full-time installers is too costly.

That may be, but there's an old adage among sociologists that says if you think education is expensive, wait 'til you see what ignorance costs.

Look, Comcast may not have signed this guy's paycheck, but he was theirs, however you slice it. And MSOs should come to more fully get their arms around what that means.

After all, as Dan explained to me as we unloaded a file cabinet off the back of his truck, "Every time this story gets written for the next few months, this guy will be known as one thing; a cable installer. And in this town, that means Comcast."

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WE tv is launching our
West Coast Feed
on December 28th, 2006.

Contact your WE tv representative or go to
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