

# CableFAX Daily™

Wednesday — December 20, 2006

What the Industry Reads First

Volume 17 / No. 245

## ‘All By Myself’: McSlarrow Doles Out Strong Criticism for FCC Chmn

Kevin Martin must be pretty isolated at the FCC these days. Why else would NCTA pres/CEO Kyle McSlarrow have the chutzpah to call the chmn out in a news conference? Perhaps because the Democrats are taking control of Congress in 2 weeks. And maybe because it doesn't appear the FCC chmn has a really strong backing from his Republican commissioners (after all, Martin wasn't even able to get Robert McDowell—the same commish who thwarted his multicast must-carry plan—to break the partisan stalemate over the AT&T-BellSouth merger). During a year-end NCTA press conference Tues, McSlarrow complained that there is a disconnect “between the rhetoric of free markets and deregulation, and the reality of the types of proposals that are being proffered by the leadership of the Commission.” An FCC spokesman declined to comment. Offering the harshest criticisms in recent memory of an FCC chmn by an NCTA pres, McSlarrow specifically referred to a la carte, multicast must carry and the upcoming video franchising proposal. “What I see when you put all those dots together is an agenda that really represents one of the most sweeping regulatory examples of govt micromanagement,” he said during a conference call with reporters. “I have to say I'm puzzled by that.” One reporter asked, “why do you think that chmn Martin has it out for cable?” McSlarrow responded, “You'd have to ask him... All I can say is that I think there is a fundamental misunderstanding of what our industry is doing. It's almost as if they're moving through a time warp.” He acknowledged that cable went through a “bad patch,” but said it has learned and innovated. “It's impossible for me to get into motivations, but I do think at the core there's a fundamental misunderstanding of what actually is taking place in the marketplace.” McSlarrow's comments came 1 day before the FCC is set to release a cable pricing survey and vote on relaxation of franchising rules. McSlarrow had several criticisms for the pricing survey, complaining that it's dated (the data is as of Jan 1, 2005) and that it doesn't take into account digital video prices or bundled services. “Value and price have only gotten better for customers,” he said. As for Wed's video franchising proposal, he said that based on reports of its content, “I think it's a proposal that has to be dramatically pared back.” He further questioned the FCC's authority to “essentially rewrite” the law and noted that it may not to represent a level-playing field for cable and phone.

**Charter Changes:** Charter's top programming exec Sue Hamilton is leaving as the MSO reorganizes its programming dept. Cathy Fogler, vp, video programming and product mgmt, will manage programming functions, while svp, biz dev Greg Rigdon will manage negotiation of programming agreements. A press release said “the change takes place immediately,” and a spokesperson said Hamilton would leave by year-end. Later, the spokesperson amended the statement to say the transition would be gradual, with no specific time frame given, including for Hamilton's departure. The 2 have a big job ahead of them as Charter also announced that it expects to restructure its digital packages over the next 12-24 months, which necessitates “making significant programming decisions.”

**EIGHT TEAMS. TWO SLOTS. ALL THE ACTION FOR FREE.**

**InterLiga™ Free Preview**  
**January 3-7, 2007**



©2006 Fox Cable Networks, LLC. Fox Pan American Sports LLC. ©Twentieth Century Fox. All rights reserved.



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

**Transition Complete:** NBCU promoted *Jean-Briac Perrette* to pres, digital distribution, effective immediately, which closes another chapter in the exec roulette that has been playing out since *David Zaslav* departed for **Discovery (Cfax, 11/17)**. Perrette will be responsible for TV content distribution across platforms such as iTV, wireless, on demand and IPTV, and will report to chief digital officer *George Kliavkoff*.

**More on Franchising:** Rep *Michael Doyle* (D-PA) is urging **FCC** chmn *Kevin Martin* to postpone action on the draft video franchising order slated for a vote at Wed's meeting. "The current franchising process has allowed cable competition even faster than the competitive operators have been able to provide it. And if changes to the current structure are needed, it is Congress that can set forth a different framework," Doyle wrote in a letter Tues.

**At the Portals:** Outgoing House Commerce chmn *Joe Barton* (R-TX) said he respects **FCC** commish *Robert McDowell's* decision not to participate in the **AT&T-BellSouth** merger, though he is confident he would have rendered an unbiased decision. Barton called on the other 4 commissioners to "complete their review without imposing conditions not rooted in the specifics of the transaction."

**Teammates at Last:** **NFL Net** on Mon night accepted **Time Warner Cable's** counteroffer (**Cfax, 12/14**) to carry the net's free preview for the entire week (Dec 24-30) on its digital tier in NY/NJ. "We have concluded that its offer represented the quickest and best way to bring Rutgers' appearance in the Texas Bowl to Time Warner subscribers and to make freeview a reality," the net said in a release. The net offered to provide the preview to similarly affected TWC subs in KS and TX "on similar penetration terms."

**Bristol Goes Indoors:** **ESPN** has acquired minority ownership in the 19-team **Arena Football League**, part of a 5-year pact to televise a minimum of 26 games per season. The deal includes multi-platform distribution and an emphasis on Mon night telecasts—beginning Mar 12 on ESPN2—to further extend the early-week pigskin programming that ESPN kicked off this year with **MNF**. "Our job is to serve our fans, and our fans love football," said ESPN evp, content *John Skipper* during a Tues conference call. **MNF** producer *Jay Rothman* will oversee the AFL telecasts, with future initiatives likely including HD telecasts and an AFL-related fantasy game at ESPN.com. AFL cmsr *David Baker* said ESPN beat out 5 AFL suitors, adding that the equity component represents ESPN's commitment to help grow the league. "This isn't dating, this is getting married," he said. Local broadcast deals are the next primary goal (various FSN nets carried many local league games last year). Several AFL fans, however, grouched on message boards Tues that the announced TV schedule inequitably favors teams such as the Philadelphia Soul, Chicago Rush and Colorado Crush—franchises whose ownership groups include *Jon Bon Jovi*, *Mike Ditka* and *John Elway*, respectively. Of course, these types of personalities have granted the AFL much-needed cachet in recent years and helped divert focus away from slumping TV ratings on **NBC** and **Versus**. They also likely helped lure to the field ESPN, which has shown a knack for pumping life into unknown and moribund sports franchises.

**Competition:** **AT&T** launched **ESPN** broadband channel **ESPN 360** to nearly 8mln HSD homes last week, reports *Sports Business Journal*. The deal's important because of the trouble ESPN has had gaining cable operator carriage for the service. -- **Verizon** tapped **Verizon Wireless** pres *Denny Strigl* as pres/COO, effective Jan 1. The new post will report to chmn/CEO *Ivan Seidenberg*. Verizon Wireless COO *Lowell McAdam* will succeed Strigl at



**THE SMARTEST GUYS IN THE ROOM**

ACADEMY AWARD NOMINEE FOR BEST DOCUMENTARY FEATURE

**"Indecently entertaining"**  
- NY Times

**"A riveting documentary"**  
- Rolling Stone

**Friday at 10:05 PM ET**

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



**www.hd.net**

HDNet Movies is the exclusive home of day and date movie releases

the mobile business. -- Verizon on Mon said it will build with 5 Asian partners a \$500mln high-speed optical cable linking the US and China. Construction will begin in 1Q07, and it will have roughly 60 times the capacity of existing lines to help achieve benefit from burgeoning Chinese Internet activity. -- **Chase Card Services**, ad agency **T3** and **The Media Group** launched on **DISH** the an iTV campaign to increase awareness for the Chase Freedom credit card. Powered by **Ensequence** software, it's the 1st fully interactive TV campaign for a financial institution that features long-form video.

**Online:** **Comcast's** user-generated site **Ziddio** is partnering with **Endemol** and **HBO** for video submission contests. The winner of the "Ten Day Take" contest with Endemol will earn a chance to have their video produced in Hollywood, with both the pilot and the shoot itself available at ziddio.com and through Comcast's on demand service. The "No Talent Nation" search for comic talent offers winners the chance to perform live at HBO's US Comedy Arts Festival in Aspen, CO. -- **NBCU**, **Viacom** and **News Corp** may soon announce an online video venture to distribute their TV clips, according to the *New York Times*. Slated to compete head-on with **YouTube**, the venture still needs to address possible incompatibilities between various contracts and entities owned by the 3 media giants. -- **CinemaNow** will beginning this month offer downloadable TV content from **Showtime** and **A&E** at cinemanow.com. Included will be series from **The History Channel** and **The Biography Channel**, and Showtime's "The L Word." CinemaNow will also offer for free the premier ep of Showtime's "Sleeper Cell: American Terror." -- **Azureus** struck a partnership with **BBC Worldwide** to offer British comedies such as "Red Dwarf" and "Coupling" through its broadband service at zudeo.com. The service will be available to US customers beginning early next year.

**Intl:** **Gemstar-TV Guide Intl** inked a patent license agreement with **British Sky Broadcasting** that allows BSKyB to use Gemstar's intellectual property in its electronic program guides in platforms throughout the UK and Ireland. -- The UK's **ITV PLC** and **Narrowstep** agreed to expand ITV's local online TV service following the year-long trial of ITVlocal.tv.

**Research:** 81% of US homes own a DVD player, according to **Nielsen Media Research**, representing greater penetration than VCRs (79%). DVD player penetration has risen 6% Y-over-Y and continues to grow, while VCR penetration has plummeted since hitting 87% in '99. Other findings from NMR's home tech report: 73% of US homes own a computer; 78% of customers with Internet have made online purchases; and 16% of US homes own a PDA.

**Ratings:** **USA** (2.1 HH rating/1.94mln HH delivery) is trying to establish its own prime ratings trend, earning the top spot for the 2nd straight week. **Disney** (2.0/1.83mln) claimed 2nd position from **ESPN** (1.9/1.77mln), which notched 3rd alongside top-5 newcomer **NFL Net** (1.9/737K). **Lifetime** (1.8/1.67mln) took 5th. -- **Brag Book:** NFL Net's Sat and Thurs games were the 2nd and 3rd ranked weekly telecasts, respectively, earning a 7.5/2.93mln and a 4.9/1.89mln.

**Programming:** **C-SPAN** will present the 2nd Circuit Court of Appeals oral arguments on broadcasters' challenge to the **FCC** profanity decisions live, Wed, 10am ET. The arguments also will be carried on C-SPAN Radio and C-SPAN.org. C-SPAN will repeat them at 9:15 ET Wed and at 7pm ET Sat. -- *Treat Williams* and *Kevin Pollack* will star in **Lifetime's** original movie "The Staircase Murders" (Apr). -- **Si TV** introduced "Jammin'" (Sun's, 10pm), a series highlighting the dreams and trials of aspiring rock bands, pairing them with rockers such as *Joan Jett* and *Los Lobos*. Related interactive community "Jammin': On Stage" will launch at sitv.com in Jan. -- The winter lineup for **Patriot Media's** local sports programming includes 11 events featuring Rutgers and/or Princeton, and 20 high school sports games. -- Beginning next month, **The Outdoor Channel** will offer nightly programming blocks oriented around themes such as big game hunting, adventure and fishing. -- **Versus** will launch Dec 30 (10pm ET) its seasonal coverage of the National Lacrosse League. The schedule includes 15 regular season games, the All-Star Game and the Championship Game. -- "American Chooper" rides to **The Learning Channel** Jan 18 (9pm), anchoring the new "Turbo on TLC" programming block.

**Deals:** **Hustler TV** inked a deal to receive adult movie content from **Third Degree Films** for PPV and VOD distribution.

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

Contact your WE tv representative or go to  
[rainbowaffiliate.com](http://rainbowaffiliate.com) for more information.

**We**  
www.we.tv  
rainbowaffiliate.com

# BUSINESS & FINANCE

**In the States:** Time Warner Cable **Houston** is searching for the culprit behind what company officials called the worst case of criminal vandalism they'd ever seen. A vandal used a backhoe to tear down fiber, leaving 23K customers in Galveston, Jamaica Beach and Tiki Island, TX, without service for about 11 hours on Dec 10, reports the *Galveston Daily News*. A wall and box used to drop off payments at the Time Warner office down the road was also damaged. -- McLeodUSA ATS, a triple-play op serving the Cedar Rapids, IA, area, changed its name to **ImOn Comm**.

**Carriage:** Canadian MSO **Rogers Cable** will offer its subs a free preview of **TCM Sat** and **Sun**, before adding the net to its channel line up Feb 1.

**Milestone:** **Concurrent** announced its 1 millionth video stream, reached with a transmission to **Cogeco Cable**.

**People:** Former **Fox Cable Nets** vet **Bill Osborn** was appointed svp, marketing, **HDNet** and **HDNet Movies**.

**Business/Finance:** **BlueHighways TV** inked an investment partnership with entrepreneur **O. Gene Bicknell**, including a cash investment along with options and the use of Bicknell's Mansion America Theater in Branson, MO. -- **Merrill Lynch** initiated coverage of **EchoStar** with a "Neutral" rating, noting that the lack of broadband remains a big gap while short-term sub economics are attractive.

## CableFAX Daily Stockwatch

Company	12/19 Close	1-Day Ch	Company	12/19 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	41.25	0.20	AVID TECH:	36.79	0.03
DIRECTV:	25.05	0.13	BLNDER TONGUE:	1.80	(0.05)
DISNEY:	34.85	0.36	BROADCOM:	32.82	(0.9)
ECHOSTAR:	37.73	(0.26)	C-COR:	11.02	0.05
GE:	38.01	0.01	CISCO:	27.63	0.02
HEARST-ARGYLE:	25.79	(0.1)	COMMSCOPE:	30.63	(0.29)
ION MEDIA:	0.67	0.16	CONCURRENT:	1.71	(0.06)
NEWS CORP:	22.74	0.26	CONVERGYS:	24.02	0.04
TRIBUNE:	31.50	(0.17)	CSG SYSTEMS:	27.07	0.37
<b>MSOS</b>					
CABLEVISION:	28.45	0.10	GEMSTAR TVG:	3.73	0.44
CHARTER:	3.06	0.03	GOOGLE:	468.63	5.83
COMCAST:	42.83	(0.29)	HARMONIC:	7.32	(0.13)
COMCAST SPCL:	42.49	(0.08)	JDSU:	17.24	0.00
GCI:	15.62	0.12	LEVEL 3:	5.75	(0.17)
KNOLOGY:	10.40	(0.26)	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	95.03	(0.22)	MICROSOFT:	29.99	0.10
LIBERTY GLOBAL:	28.35	(0.35)	MOTOROLA:	20.49	(0.27)
LIBERTY INTERACTIVE:	22.38	(0.04)	NDS:	48.03	0.12
MEDIACOM:	8.01	0.00	NORTEL:	24.50	0.75
NTL:	24.87	(0.09)	OPENTV:	2.33	0.00
ROGERS COMM:	59.06	(0.51)	PHILIPS:	37.18	0.79
SHAW COMM:	32.09	0.12	RENTRAK:	15.75	0.12
TIME WARNER:	21.92	0.19	SEACHANGE:	8.94	0.11
WASH POST:	760.01	0.89	SONY:	42.88	(0.27)
<b>PROGRAMMING</b>					
CBS:	31.71	(0.28)	SPRINT NEXTEL:	19.04	(0.2)
CROWN:	3.25	0.27	THOMAS & BETTS:	48.68	(0.81)
DISCOVERY:	16.10	(0.17)	TIVO:	5.35	0.01
EW SCRIPPS:	50.49	0.19	TOLLGRADE:	9.54	0.41
GRUPO TELEVISIA:	27.70	(0.15)	UNIVERSAL ELEC:	21.22	0.22
INTERACTIVE CORP:	36.49	(1.51)	VONAGE:	7.08	(0.06)
LODGENET:	25.52	(0.33)	VYYO:	4.20	0.00
NEW FRONTIER:	9.44	(0.01)	WEBB SYS:	0.03	(0.01)
OUTDOOR:	12.70	(0.26)	WORLDGATE:	1.25	(0.04)
PLAYBOY:	11.34	(0.11)	YAHOO:	26.41	0.11
UNIVISION:	35.36	0.01	<b>TELCOS</b>		
VALUEVISION:	12.55	(0.08)	AT&T:	34.99	(0.48)
VIACOM:	39.37	0.96	BELLSOUTH:	45.44	(0.34)
WWE:	16.41	(0.06)	QWEST:	8.17	0.07
<b>TECHNOLOGY</b>					
3COM:	4.07	(0.07)	VERIZON:	36.66	0.12
ADC:	14.27	(0.32)	<b>MARKET INDICES</b>		
ADDVANTAGE:	2.90	0.19	DOW:	12471.32	30.05
AMDOCS:	35.97	(0.28)	NASDAQ:	2429.55	(6.02)
AMPHENOL:	63.55	(0.17)			
ARRIS GROUP:	12.48	0.01			

## Is your Network ready for July '07?

Get the facts about the embedded security ban at

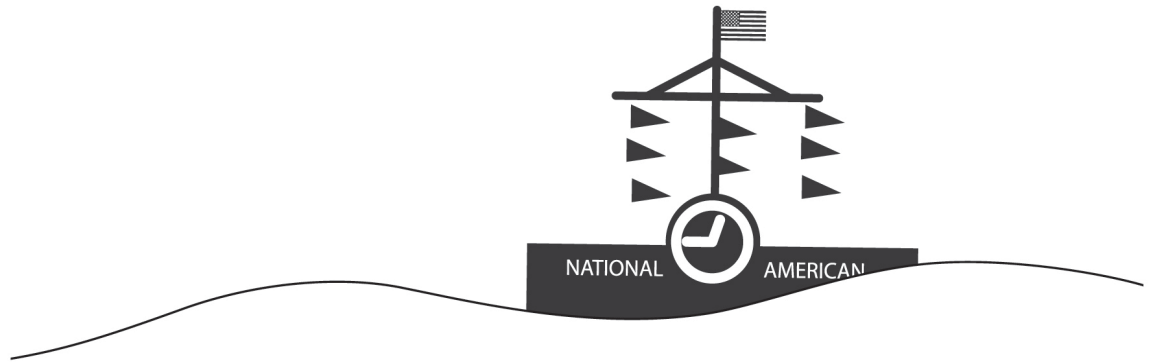
### SNOCAP '07

Learn about FCC Requirements, OpenCable, OCAP, and DCAS from leading MSO's and other industry experts.

February 7-9, 2007, Breckenridge, CO  
Find out more at [www.vidiom.com](http://www.vidiom.com)



Discounts available for Cable Operators



*From Our Team To Yours...*



*Warmest Wishes For The New Season!*



**Bill Shaw** *President/GM*   **Chris Manning** *VP/General Sales Manager*   **Dennis Gillespie** *SVP/Affiliate Sales*  
(212) 210-5900