

# CableFAX Daily™

Friday — December 22, 2006

What the Industry Reads First

Volume 17 / No. 247

## Outside the Box: Cable Veterans Bring Downloadable Security to Masses

Three cable veterans are pushing an entirely new downloadable security method that could give cable operators more flexibility as they move toward CableCARD-free set-top security solutions. The new open standard was developed by **Beyond Broadband Technology**, a company the 3 cable execs founded more than 3 years ago. "The primary objective was to develop a low cost set top box that would allow systems to efficiently migrate from analog to digital transmission," said BBT co-founder and **WinDBreak Cable** pres/CEO *Bill Bauer*. Other BBT co-founders are **Buford Media** chmn *Ben Hooks* and **Tele-Media Broadband** pres/CEO *Tony Swain*. **R.L. Drake Co**, the first manufacturer to sign on, plans to have prototypes ready for testing by the end of Q1 '07 and manufactured product available, in quantity, by Q3. Boxes are expected to cost less than \$100 for the most basic, one-way models, which will look more like power cord transformers than set tops, allowing them to be mounted on the wall or back of the TV set. BBT's technology creates an alternative to **CableLabs'** OpenCable-based downloadable security specs known as DCAS, or Downloadable Conditional Access System. Major CE manufacturers such as **Panasonic** and **Samsung** have already signed CableLabs' host license agreement to develop DCAS-enabled boxes. But those boxes aren't expected to be ready until mid-'08 at the earliest. Largely for that reason, several MSOs have asked for waivers of the **FCC's** requirement that cable operators only distribute set tops with separable security after July 1, 2007. BBT's system, however, could allow downloadable, separable security before the deadline. BBT officials spent Thurs at the FCC briefing commissioners and some Media Bureau staffers, and in a Thurs letter to FCC chmn *Kevin Martin*, said that continuing without a low-cost security alternative "would have forced many cable systems, particularly the smaller ones, to fail, sell or consolidate because they cannot comply with the Commission's current mandates." BBT said cable ops can choose between local, regional or national control of the boxes, which will also support both one-way and two-way transmissions, and MPEG-4 encoding to accommodate HDTV streams (DCAS is designed for two-way boxes). BBT predicts that headend equipment will cost less than a quarter of currently installed equipment when used in tandem with its HITS-like transport system (provided by C-BAND satellite operator **Syndetik**). Bauer said cable ops need more low-cost options. "It comes down to dollars and sense," he said. "We have to remain competitive."

**Wireless:** **Cox** will make OK City the hub for its national wireless call center, saying it will add 150-200 positions focused on wireless at that call center by the end of next year. Cox is currently testing wireless in 2 markets (neither of which are OK City), and it plans to roll the service out commercially soon. Cox plans 2 additional wireless launches in 2007.

**Competition:** **AT&T** scaled back plans to launch its **U-verse** video service in 15 markets by year-end. It now expects to rollout to 11 markets by Dec 31, with plans to launch in additional markets in early '07. AT&T announced the launch of U-verse in the Bay and San Jose, CA, areas on Thurs. Previously, the IPTV service was only avail-

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able in parts of San Antonio and Houston. AT&T is offering new customers 2 months free when they choose the U300 or U400 programming packages. -- **DirectTV** will continue its current **AT&T** OneNet contract for an additional year, with AT&T valuing the deal at \$33mln. AT&T will continue to provide DirectTV with a toll-free number, ATM and frame relay service for 18 call centers, and more. DirectTV will now be able to employ VoIP in its call centers.

**Time Out:** **Suddenlink** has dropped the **Cox Channel** in a handful of TX/OK systems it acquired last year from **Cox**, saying it couldn't come to an agreement on what it felt was a fair price, according to the *Enid (OK) News*. The Cox-owned channel features the New Orleans Hornets, various high school games and other local/regional programming (Suddenlink was not carrying the Hornets games because it chose not to pay the Cox Sports TV rate, Cox said). On most affected systems, Suddenlink added **ESPN Classic** and **Hallmark** in its place.

**A Little Reminder:** In light of all the **Time Warner Cable**, **Cablevision** and **NFL Net** hubbub, **Comcast** is reminding its NJ subs that digital customers will get the Dec 28 TX Bowl featuring Rutgers and Kansas State. The MSO also announced that it's providing analog customers with a free digital box for 30 days and digital plus service. With TW agreeing to show a free preview of the net during the week of the game, Cablevision is poised to be the lone major operator in NY/NJ not providing the match-up. It only wants to air the net during the TX Bowl and related game coverage as opposed to the entire week (**Cfax**, 12/21). With the free preview period slated to start Sun, time is running out. NFL Net said it clarified to Cablevision Thurs that it has the same offer on the table as what Time Warner accepted. On Wed, NY Assemblyman *Wilfredo Caraballo* (D) threatened legislative hearings Wed into CVC's "habitual anti-NJ sports fan business decisions." Caraballo said the NFL must share some of the blame for the stalemate but cited the TW preview arrangement as evidence the league is willing to find a middle ground.

**In the Courts:** **YES** sued **Time Warner Cable**, claiming the MSO owes it \$1.5mln in licensing fees over the past 22 months. The net says the problem stems from TW miscalculating the fees, and it wants compensatory damages. Neither side offered comment Thurs. -- The city of Milwaukee has sued **AT&T** to force it to negotiate a cable franchise for its IPTV service. AT&T has argued that it's not a cable service and doesn't need video franchises.

**Cable360 Fun:** Is that a remote control or some kind of UFO? Find out by watching our latest video on www.cable360.net featuring an interview/demo with **Hillcrest Labs** CEO *Dan Simpkins*.

**Spending Those Millions:** It looks like former **Viacom** CEO *Tom Freston* has found at least one outlet for some of the millions he got after *chmn Sumner* ousted him in Sept. Freston joined a \$20 million investment round in **Plum**, the network of local TV stations serving exclusive areas like Aspen and Martha's Vineyard. The round was led by **The Kraft Group** and **The Raptor Fund**. Plum plans to use the new dough to expand into Sun Valley, ID, and Miami Beach, FL.

**Deals:** **Motorola** will pay \$39mln (\$1.15/share) to buy **Tut Systems**, which makes digital encoding, processing and distribution products. Moto will integrate Tut into its Connected Home business. It plans to maintain Tut's operations in Lake Oswego, OR; San Diego, CA; and Pleasanton, CA.

**Programming:** **IFC** is expanding its original programming slate to include 3 original docs, "Darkon" (role-playing gamers in a Baltimore medieval make-believe world, Fall '07), "Heavy Load" (chronicles a punk band, Spring '08) and "At

# WANT SOME PERSPECTIVE?

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# BUSINESS & FINANCE

the Death House Door" (the alleged wrongful execution of *Carlos DeLuna*). -- "I Love New York," featuring "Flavor of Love" runner up *New York*, debuts Jan 8, 9pm. The full premiere ep will bow on VSPOT at VH1.com Jan 2, 1 week before the linear debut. -- Clips from movies such as "The Departed" and "Pirates of the Caribbean: Dead-man's Chest" will color **Starz'** "Starz The Hollywood Reporter" (Dec 26, 8:30pm), an original year-end review of the movie business and its celebrities. -- **Spike** will next month start on season 5 of its popular series "The Ultimate Fighter" premiering in Apr.

**Online:** The **Golf Channel** inked a deal with **CustomFlix Labs** to offer titles such as "The Big Break" series via CustomFlix' DVD on Demand service at amazon.com/golfchannel.

**Carriage:** **Cox** will launch Fri **CSTV** and the **mtn.** sports net on its sports and information tier in San Diego and Las Vegas. -- **Comcast** launched **Hallmark Channel** on its systems throughout New England.

**People:** **Viacom's Sabry Mohideen** was named vp, CFO for **Bravo**. Mohideen will also function as CFO for the emerging nets of **NBCU TV Group**, overseeing the financial management of *Sleuth* and *Universal HD*. **Bravo** also promoted *Francesca Sullivan* to vp, multi-platform program planning.

**Editor's Note:** Your next issue of **CableFAX Daily** will be dated Wed, Dec 27. Happy holidays!

## CableFAX Daily Stockwatch

Company	12/21 Close	1-Day Ch	Company	12/21 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	41.22	0.07	AMPHENOL:	62.19	(0.66)
DIRECTV:	25.00	(0.1)	ARRIS GROUP:	12.51	0.26
DISNEY:	34.54	(0.07)	AVID TECH:	37.40	0.07
ECHOSTAR:	37.64	(0.11)	BLNDER TONGUE:	1.62	(0.17)
GE:	37.77	(0.1)	BROADCOM:	32.07	(1.19)
HEARST-ARGYLE:	25.68	(0.17)	C-COR:	11.28	0.12
ION MEDIA:	0.59	(0.03)	CISCO:	27.29	(0.1)
NEWS CORP:	22.52	(0.04)	COMMSCOPE:	30.33	(0.43)
TRIBUNE:	31.54	0.18	CONCURRENT:	1.87	(0.01)
<b>MSOS</b>					
CABLEVISION:	28.35	0.05	CONVERGYS:	24.15	0.15
CHARTER:	3.07	0.02	CSG SYSTEMS:	27.07	(0.11)
COMCAST:	42.73	0.09	GEMSTAR TVG:	3.88	0.08
COMCAST SPCL:	42.32	0.08	GOOGLE:	456.20	(6.7)
GCI:	15.75	(0.13)	HARMONIC:	7.51	0.35
KNOLOGY:	10.63	0.02	JDSU:	17.41	(0.13)
LIBERTY CAPITAL:	93.64	(0.51)	LEVEL 3:	5.65	0.00
LIBERTY GLOBAL:	28.57	0.34	LUCENT:	2.55	(0.02)
LIBERTY INTERACTIVE:	21.87	(0.44)	MICROSOFT:	29.98	(0.11)
MEDIACOM:	8.04	0.09	MOTOROLA:	20.32	(0.09)
NTL:	25.03	(0.37)	NDS:	47.97	0.16
ROGERS COMM:	58.18	(0.66)	NORTEL:	25.84	(0.05)
SHAW COMM:	32.33	(0.02)	OPENTV:	2.45	0.03
TELEWEST:	24.20	0.00	PHILIPS:	37.28	(0.09)
TIME WARNER:	21.96	0.00	RENTRAK:	15.27	(0.81)
WASH POST:	755.00	(9)	SEACHANGE:	9.60	0.39
<b>PROGRAMMING</b>					
CBS:	31.67	(0.07)	SONY:	42.94	(0.06)
CROWN:	3.44	0.02	SPRINT NEXTEL:	18.92	(0.16)
DISCOVERY:	16.10	(0.02)	THOMAS & BETTS:	48.30	(0.24)
EW SCRIPPS:	49.68	(0.19)	TIVO:	5.25	0.00
GRUPO TELEvisa:	27.03	(0.45)	TOLLGRADE:	9.57	(0.13)
INTERACTIVE CORP:	36.77	0.33	UNIVERSAL ELEC:	21.55	0.44
LIBERTY:	8.32	0.06	VONAGE:	7.06	(0.11)
LODGENET:	25.78	(0.11)	VYYO:	4.20	0.02
NEW FRONTIER:	9.55	0.14	WEBB SYS:	0.03	0.00
OUTDOOR:	12.47	(0.32)	WORLDGATE:	1.39	0.09
PLAYBOY:	11.42	(0.01)	YAHOO:	25.48	(0.11)
UNIVISION:	35.35	0.01	<b>TELCOS</b>		
VALUEVISION:	12.70	0.02	AT&T:	35.17	0.22
VIACOM:	39.46	0.18	BELLSOUTH:	46.14	0.59
WWE:	16.49	(0.05)	QWEST:	8.33	0.15
<b>TECHNOLOGY</b>					
3COM:	3.97	(0.16)	VERIZON:	36.68	0.23
ADC:	14.28	(0.02)	<b>MARKET INDICES</b>		
ADVANTAGE:	2.94	(0.06)	DOW:	12421.25	(42.62)
AMDOCS:	37.95	0.22	NASDAQ:	2415.85	(11.76)

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**PROGRAMMER'S PAGE** with Chad Heiges and Seth Arenstein

**Not So Friendly**

Following the comedic, feel-good "Friends," *Courteney Cox* completely flips the script in her wicked return to TV for FX's "Dirt" (Jan 2, 10pm), a series finally making it to air after 30 months of development. Cox stars as Lucy Spiller, a conniving and ruthless tabloid editor who will stop at nothing to dish the dirt on Hollywood's elite. Gay actor—Gotcha!; illicit trysts—Gotcha!; struggling career—Gotcha! True to the glitzy world of celebrities and the shameless tabloid industry, the premiere ep doesn't disappoint, what with lurid displays of deceit, drug use, sex, betrayal and manipulation. But amid a philandering basketball star (*Rick Fox*), a schizophrenic paparazzo and pompous, affected actors, a more profound message is intended. "This show digs deeper into the cost of fame and personal ambition... and shows the distinction between the truth of what celebrities are really like and their public image," said FX pres/GM *John Landgraf*, who was heartened when Cox decided to play the lead character (she is also an exec prod). He feels that her visual involvement will lure more people to the net and its "edgy, quality programming for adults," even if some are disappointed by expectations of a bubbly, wholesome Cox. "Lucy is the classic anti-hero, although she is maniacally dedicated to the truth," said Landgraf. Before the critical and commercial success of "The Shield," he said, "this net couldn't have possibly gotten a major star." Now *Denis Leary* stars in "Rescue Me," and other series have featured *Danny DeVito* and *Glenn Close*, who Landgraf said will soon star in her own FX original. As for "Dirt," Landgraf predicts mixed critical review and a healthy audience following, perhaps even viewership numbers comparable to the aforementioned hit shows. We'll see if the "bad" Courteney Cox can deliver the goods. *CH*

**Highlights:** "Monk," Fri, 9pm, **USA**. A special ep of the obsessive, compulsive detective series that foregoes color for black and white, attempting to make "Monk" seem like film noir. It's largely a success because of the story's quick pace and plot twists; and there's minimal obsession with Monk's obsessions. USA's unconventional thinking gets the ep "Highlights" status. (Monk runs in color at 10pm.) -- "Funniest Commercials of the Year," Wed, 9pm, **TBS**. A hoot—our pick is a "Mr & Mrs Smith" spoof from Toyota. *SA*

**Worth a Look:** "South of Nowhere," season finale, Fri, 8:30pm ET, **The N**. Season II of the teen drama has alternated between stellar and slow. The finale's the same—it drags before finishing on a violent high note. -- "Geared Up," Wed, 10pm ET, **INHD**. A solid series that reports on tech gadgets with minimal geek speak. -- "My Boys," Tues, 10pm, **TBS**. A good first foray into scripted comedy by TBS; strongest is the casting, with adorable *Jordana Spiro* as a sportswriter who's one of the guys but also wants romance. TBS begins running "Boys" on VOD Fri. *SA*

**Notable:** "Miracle on 34th St," Sun, noon, **AMC**. The 1947 classic runs in black and white and then in color through Xmas morning; a special about the film precedes it at 11:30am. *SA*

Basic Cable Rankings (12/11/06-12/17/06)			
Mon-Sun Prime			
1	USA	2.1	1938
2	DSNY	2	1828
3	ESPN	1.9	1767
3	NFLN	1.9	737
5	LIFE	1.8	1665
6	TNT	1.7	1534
7	TBSC	1.5	1412
7	FAM	1.5	1372
9	NAN	1.4	1286
9	HALL	1.4	1061
11	A&E	1.3	1214
12	TOON	1.2	1096
12	SCIF	1.2	1017
14	FX	1.1	1030
14	FOXN	1.1	1018
14	SPK	1.1	1007
17	CORT	1	868
18	DISC	0.9	855
18	HIST	0.9	839
20	HGTV	0.8	759
20	AMC	0.8	746
20	CMDY	0.8	719
23	TLC	0.7	660
23	CNN	0.7	647
23	MTV	0.7	639
23	TVLD	0.7	633
23	FOOD	0.7	620
23	BET	0.7	587
23	LMN	0.7	350
30	ESP2	0.6	513
31	CMT	0.5	440
31	VH1	0.5	439
31	APL	0.5	436
31	BRAV	0.5	427
31	MSNB	0.5	424
31	EN	0.5	403
31	SOAP	0.5	288
38	TTC	0.4	306
38	NGC	0.4	279
38	TV1	0.4	123
41	HLN	0.3	273
41	WGNC	0.3	239
41	TVGC	0.3	214
41	OXYG	0.3	204
41	GSN	0.3	203

\*Nielsen data supplied by ABC/Disney



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## CableWorld and CTPAA's 4th Annual Public Affairs Programming Award

**Nomination Deadline: January 15, 2007**

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

To highlight important public affairs programming on cable television, CTPAA and CableWorld magazine seek entries for their 4th annual Public Affairs Programming Awards. Award winners will be presented during CTPAA's Forum, in Washington, D.C., in March. In addition, the winners and honorable mentions will be featured in an article in CableWorld magazine and winning clips will be posted at the new Cable360.net Web site. The 3-judge panel will consist of representatives from CTPAA, NCTA and CableWorld magazine.

### 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**

**CableWorld Public Affairs Programming Award**

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