

# CableFAX Daily™

Thursday — December 28, 2006

What the Industry Reads First

Volume 17 / No. 249

## Ergonomics: EchoStar Prepares to Hike Rates in 2007

Feb 1 will bring higher prices to some **EchoStar** customers. The DBS provider has informed retailers that it's raising the prices on several DISH Network packages, saying the avg increase works out to 3% over 2006 rates. DISH was quick to note that cable rates rose 5.2% on avg for the 12 months ending Jan 1, '05, quoting the most recent expanded basic stats in the **FCC's** just released cable price survey. However, several of DISH's packages are rising more than 5%. The America's Top 120 package becomes the America's Top 200 pack (it now includes **Oxygen**, **SOAPnet** and the **Documentary Channel**). Its price jumps by 7.5% (\$3) to \$42.99/month, not including local channels. The Top 180 pack becomes the Top 250, with rates increasing 6% (\$3) to \$52.99. The name changes account for additional channels that were included in packages but weren't previously reflected in the names. The America's Everything Pak (includes 31 channels from **HBO**, **Showtime** and **Starz** with the Top 250) climbs \$5 (5.9%) to \$89.99. Not all packages are increasing. DISH's most popular package, the America's Top 60, becomes the Top 100 and keeps its \$29.99/month price tag. That price is guaranteed through Jan '08. Also not increasing: DISH's family pack (\$19.99/month), DishLATINO basic and plus, multi-sport packages and most intl channels. In an effort to simplify the HD packaging, DISH will begin offering HD for \$20/month when added to any America's Top package. There's no apples-to-apples comparison, but the change means some subs will see about a \$10/month increase for HD channels and a similar lineup of SD channels. EchoStar is hyping a bundled deal that gives customers a 7% discount when they opt for "DISH DVR Advantage," which includes America's Top 200 (plus locals), dual tuner DVR, installation for up to 4 TVs for \$49.99, including fees and taxes (additional savings is available for premium channel subs). "With the savings offered by the [bundle], existing customers can offset most or all of any increases in the cost of their programming packages by converting to the package," DISH said.

**Competition:** **AT&T** launched U-verse in Stamford, Hartford and New Haven, CT, and environs, marking the 3rd state (TX, CA) this year to receive the service. The telco also extended to CT customers the 2-months free/60-day money back guarantee it introduced last week in CA (**Cfax**, 12/22). -- **S&P's Ratings Services** raised the corporate credit ratings on **Qwest** to 'BB' from 'BB-', and affirmed the telco's short-term credit rating at 'B-1'. The outlook is stable.

**In the States:** **Comcast** announced plans for an additional \$80mln investment to upgrade its broadband network in 8 Bay Area, CA, communities. The move is an ostensible response to **AT&T's** roll out of its U-verse service in the vicinity (**Cfax**, 12/22). -- Live TV coverage of the MT Legislature is set to debut in Great Falls, MT, on **TVMT**, a channel patterned after **C-SPAN**. It will be available to roughly 350K state cable subs when it's rolled out statewide in Jan. -- **Cox** is gearing up to launch VOD to Baton Rouge and Lafayette, LA, next month, reports the *Greater Baton Rouge Business Report*. -- A 44K-square-foot office space in West Chicago with 2 studios and 3 control rooms is the new home of

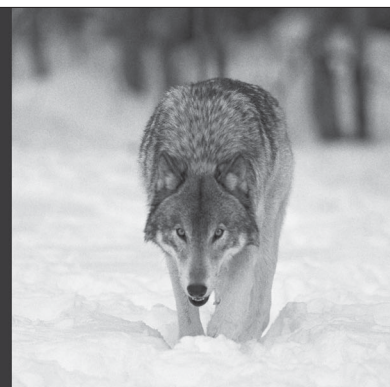
OUR COMMITMENT IS AS CLEAR  
AS OUR PICTURE



World of HD Week  
Premiering January 2007

Drive quicker connection rates in the new year  
with Discovery HD Theater.

Planet Earth premieres January 7th at 8pm ET



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**The Big Ten Network.** IL Gov Rod Blagojevich and the IL Dept of Commerce and Economic Opportunity are providing a nearly \$3.2mln business investment package to support the net.

**Online: Fox Sports** kicks off Thurs content streams surrounding bowl games such as The AT&T Cotton Bowl Classic and The FedEx Orange Bowl. Available at sites including foxsports.com, direct2drive.com and cinemanow.com will be full-length and condensed games, highlight packages and previews. -- Thanks to an agreement with **Eagle Rock Ent, Vongo** pumped up the music by adding performances from The Doors, The Who and Wyclef Jean to its download offerings at Vongo.com. -- Eps from **Style Net** series including "Split Ends" are now available for download at **iTunes.com**.

**Programming:** Tom Brokaw hosts **The History Channel's** "Gerald Ford: A Man and His Moment" (Wed, 7pm; Sun, 7am), an inside look at the 38th US President following his Tues passing. -- **Rev Al Sharpton** narrates "(inside)Out: James Brown's Last Chance" (Wed, 5pm), the 1st of VH1's 2 posthumous tributes to the "Godfather of Soul." Brown's last TV appearance, from the '06 UK Music Hall of Fame, will air Fri (11pm). -- **Bravo** acquired 9 eps of **HBO's** "Taxicab Confessions," which will begin airing on the net Fri (11pm). -- **MSNBC's** "Warrior Nation" (Jan 9, 10pm ET) will allow viewers to step inside the world of mixed martial arts.

**Ratings:** MNF once again pushed **ESPN** (2.9 HH rating/2.67mln HH delivery) to the prime ratings title last week (11.2/10.3mln). **USA** (2.2/2.01mln) snapped its 2-week winning streak by notching 2nd. **Disney** (2.1/1.88mln) landed in 3rd position, followed by **TNT** (1.7/1.58mln) and **Lifetime** (1.6/1.43mln). **Brag Book:** The Christmas Eve (8pm) telecast of "A Christmas Story" on **TBS**, part of the net's 10th annual 24-hour marathon of the film, earned 2.7/2.45mln and 4.38mln total viewers.

**VOD:** **NBCU** is enrolling college comedy "Accepted" on its VOD and PPV roster Thurs.

**Intl:** European cable ops **Multikabel** and **LiWest Kabelmedian GmbH** are trialing **BigBand's** modular cable modem termination system.

**At the Portals:** Add **Bresnan** and **San Bruno Municipal Cable** to the long list of video providers seeking waivers to the **FCC's** integration ban, which requires cable ops to deploy set-tops with separable security as of July 1. San Bruno wants a 2-year waiver to continue to deploy the **Motorola** DCT-700, saying that if granted, it will place 2 digital set-tops in each customer's home at no additional charge. Bresnan is asking for a waiver to rules for small and mid-sized cable ops until the deployment of downloadable security or 2010, whichever is earlier.

**Public Affairs:** **RCN** presented **United Way** with a holiday gift of \$3mln in donated cable TV time. Included are 4 PSAs with topics focused on the work of the United Way system, which are slated to begin airing next month. -- The **IFC** signed on as the distribution partner for a series of short films that tell the stories of New Orleans musicians affected by Hurricane Katrina. Part of **Southern Comfort's** "Start the Music Up" campaign, the films aim to raise money for the New Orleans Musicians Hurricane Relief Fund and New Orleans Area Habitat For Humanity.

**On the Circuit:** **Cox's** 1st celebrity golf championship in Southern CA raised more than \$60K and featured celebs such as **Deacon Jones** and **Bobby Grich**. All proceeds went to **Cox Charities Orange County**. -- The raising of a record \$1.5mln at a Mar benefit dinner topped **Cable Positive's** list of its top '06 accomplishments in its fight against HIV/AIDS.



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the fashion team

**Tuesday Nights Never Looked So Good**

New original series hosted by celebrity stylist **David Evangelista** and comedian **Daphne Brogdon** gives TV fans a look at what Hollywood is wearing and how to bring it home.

**TUESDAYS 8/7c**

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# BUSINESS & FINANCE


A partnership with PBS and NCTA for the distribution of doc "The Age of AIDS" also made the list, as did the more than \$350K in grants that Cable Positive afforded numerous orgs to fight HIV/AIDS in local communities. The SCTE is seeking proposals for educational, learning and development, and related topics to be presented at its '07 "Conference on Broadband Learning & Development" (June 19 in Orlando). The call for papers can be accessed at [scte.org/documents/pdf/2007cblcfp.pdf](http://scte.org/documents/pdf/2007cblcfp.pdf). -- The following were elected '07 officers for the CTHRA's board of directors: **Time Warner Cable's Juan Munoz**, pres; **S-A's Brian Koenig**, immed past pres; **The Weather Channel's Lisa Chang**, vp; **Bright House Nets' Linda Chambers**, secretary; and **Scripps Nets' Julie Cookson**, treasurer.

**Honors:** ESPN/ABC Sports pres **George Bodenheimer** is the most influential figure in sports business, according to *Street & Smith's Sports-Business Journal's* '06 ranking of the top 50. Other notables on the list include **NBCU Sports and Olympics** chmn **Dick Ebersol** (4); **DirecTV Ent Group** pres **David Hill** (6); **Turner Sports** pres **David Levy** (16); and **Comcast** programming pres **Jeff Shell** (27). -- **SCTE** named **Cox** dir, quality and strategy **Aaron Ripley** the '07 "Young Engineer of the Year."

**People:** Fox Sports Intl promoted **Edward Derse** to vp, interactive media.

## CableFAX Daily Stockwatch

Company	12/27 Close	1-Day Ch	Company	12/27 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
BRITISH SKY:	41.29	(0.15)	AVID TECH:	37.61	0.47
DIRECTV:	24.97	0.38	BLNDER TONGUE:	1.80	0.05
DISNEY:	34.54	0.01	BROADCOM:	32.38	0.60
ECHOSTAR:	38.18	0.26	C-COR:	11.30	(0.03)
GE:	37.79	0.08	CISCO:	27.30	0.11
HEARST-ARGYLE:	25.94	0.07	COMMSCOPE:	30.97	0.79
ION MEDIA:	0.50	0.00	CONCURRENT:	1.82	0.02
NEWS CORP:	22.39	0.13	CONVERGYS:	23.98	0.05
TRIBUNE:	31.54	(0.21)	CSG SYSTEMS:	27.37	0.23
<b>MSOS</b>					
CABLEVISION:	28.43	(0.02)	GEMSTAR TVG:	3.96	0.02
CHARTER:	3.08	0.04	GOOGLE:	468.03	10.50
COMCAST:	42.83	(0.06)	HARMONIC:	7.30	0.12
COMCAST SPCL:	42.37	(0.08)	JDSU:	17.03	(0.04)
GCI:	15.95	0.16	LEVEL 3:	5.75	0.16
KNOLOGY:	10.43	(0.06)	LUCENT:	2.55	(0.02)
LIBERTY CAPITAL:	97.93	0.30	MICROSOFT:	30.02	0.03
LIBERTY GLOBAL:	28.91	0.10	MOTOROLA:	20.55	0.07
LIBERTY INTERACTIVE:	21.57	0.01	NDS:	48.00	0.10
MEDIACOM:	8.18	0.14	NORTEL:	26.62	0.46
NTL:	25.43	0.00	OPENTV:	2.37	0.01
ROGERS COMM:	58.63	0.03	PHILIPS:	37.64	0.57
SHAW COMM:	32.21	0.29	RENTRAK:	15.60	0.21
TIME WARNER:	22.10	(0.12)	SEACHANGE:	9.98	0.19
WASH POST:	759.25	4.40	SONY:	43.35	0.44
<b>PROGRAMMING</b>					
CBS:	31.54	0.13	SPRINT NEXTEL:	19.09	0.19
CROWN:	3.61	0.19	THOMAS & BETTS:	48.05	0.45
DISCOVERY:	16.28	0.17	TIVO:	5.20	(0.02)
EW SCRIPPS:	50.40	0.79	TOLLGRADE:	9.29	(0.56)
GRUPO TELEVISIA:	27.04	0.24	UNIVERSAL ELEC:	21.87	0.16
INTERACTIVE CORP:	37.28	0.41	VONAGE:	7.04	(0.04)
LODGENET:	25.67	0.49	VYYO:	4.35	(0.02)
NEW FRONTIER:	9.58	(0.01)	WEBB SYS:	0.02	0.00
OUTDOOR:	12.79	0.00	WORLDGATE:	1.37	(0.04)
PLAYBOY:	11.52	0.12	YAHOO:	25.75	0.30
UNIVISION:	35.38	0.02	<b>TELCOS</b>		
VALUEVISION:	12.93	0.16	AT&T:	35.42	0.41
VIACOM:	40.48	0.09	BELLSOUTH:	46.62	0.57
WWE:	16.45	0.08	QWEST:	8.36	0.05
<b>TECHNOLOGY</b>					
3COM:	4.19	0.04	VERIZON:	37.14	0.39
ADC:	14.40	(0.06)	<b>MARKET INDICES</b>		
ADDVANTAGE:	2.80	(0.05)	DOW:	12510.57	102.94
AMDOCS:	38.00	0.00	NASDAQ:	2431.22	17.71
AMPHENOL:	63.40	0.46			
ARRIS GROUP:	12.70	(0.01)			




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## Think about that for a minute...

### Through The Looking Glass

Every once in a while I look around at what is going on in the telecommunications marketplace and I get the feeling that somehow the glass I'm looking through has become strangely distorted. I just can't quite make sense of what I'm seeing, or maybe it really doesn't make any sense!

On the "market" side, I listened for years as the consumer electronics industry and then the broadcasters argued that consumers wanted... nay, demanded a better

picture, a better viewing experience. Digital was a must, and high definition a necessity along with theatre sound. Well, they proved right in that there are more large, flat-screen digital television sets and sound systems flying off the shelves this holiday season than anyone expected.



**Steve Effros**

But while all that was going on, Wall Street and the consumer press somehow decided that the next "new" thing was that everyone wants to view their video on portable little screens with earplugs in their ears! Now I'm not suggesting that those new devices won't be popular with some, mostly younger folks. They will. But it is somewhat silly to suggest that the big screens and the little screens, delivery to television sets and delivery to portable devices via the Internet, are mutually exclusive and will somehow significantly impact each other. Listen up, folks. They're complementary!

And then there's the policy side. Oh, my! We have folks who claim to be "conservative"—that is, they favor less government intervention, not more... they support local and state government efforts rather than federal control... they oppose federal "industrial policy." Right? Uh, well, the glass I am looking through just turned into a prism and everything seems to be upside down! The "conservatives" are calling for federal standards for

franchising, saying local folks are incompetent. They are demanding price controls, controls on how programs are offered, equipment mandates designed by federal regulators. It's just wild!

Meanwhile, the "moderates" and "liberals" who normally fear "bigness" in any form and consider consolidation a very bad thing for the public are cheering on an Internet mega-company like Google which has so much money it can buy just about anything it wants and is swallowing up potential new businesses left and right (no pun intended)!

What the heck is going on here? Unfortunately, the only sense I can make out of this is not very pleasant. It revolves around the entire malaise in Washington that has brought us to the point where "winning" is far more important than anything else, and staying in power is the objective, not necessarily doing things that create good policy. Thus we get folks justifying their policy decisions with numbers and studies that virtually everyone knows have been "cooked" but certainly sound good on the evening news. We get claims of harm or help that have no supportable basis, and we watch as votes are bottled up or forced depending on who controls the agenda and what the nose-count appears to be.

I have to tell you, it's dispiriting. I have been in this town for over 30 years working on telecommunications issues, and I have never seen the process quite as distorted as it is now. We can only hope that it will not always be this way and we can return to a time when policy issues can be argued based on facts, efforts are made to accommodate all sides and government officials get back to acknowledging that they may not know all the answers. Meanwhile, we will have to deal with herding the Cheshire cats.

*Steve*

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