

CableFAX Daily™

Tuesday — April 8, 2008

What the Industry Reads First

Volume 19 / No. 067

New Kids: Cable Show Draws Strong Number of 1st-time Exhibitors

Time is running out for buying exhibitor space at next month's **NCTA** cable show, with 95% of the floor sold as of Fri. While the economy may be in a downturn, a healthy number of 1st time exhibitors have signed up for the New Orleans conference—21%, or 74, of the show's 347 exhibitors are first-timers. This year's roster doesn't contain the lengthy list of hopeful start-up linear nets attendees once saw (sorry, **Puppy Channel** fans), but a handful of newish nets will be out in force. **Al Jazeera**, which launched an English-language news channel a couple years back, will exhibit for the 1st time at the show. Another newbie programmer is **Starfish TV Net** (www.starfishtv.org), which is dedicated to "telling the incredible stories of nonprofit organizations and individuals making a difference in the world." Also exhibiting is the **Auction Network**, a 24-hour net that allows viewers to participate remotely in live auctions—from South African wine auctions to *Ozzy Osbourne's* celeb auction (www.auctionnetwork.com). NCTA staff said they've noticed an uptick in home security, optical transport and carrier class organizations as new exhibitors. Also noteworthy are some big name firms, like **Blackberry** and **AMD**, that are buying floor space at the conference for the 1st time. Just further evidence of the emerging world of convergence. Something else new for '08 and that we're watching closely: a Korean pavilion, in which the Korean govt is bringing in some of the country's important tech companies.

Design Dispute: The **Weinstein Co** is moving popular series "Project Runway" from **Bravo** to **Lifetime** starting in Nov, and in response **NBCU** filed in NY state court Mon a lawsuit alleging its rights of 1st refusal to the series weren't honored. Weinstein counsel *David Boies*, in a release, said the litigation is "without merit." NBCU did not return phone calls by presstime. After the series' 5th season hits Bravo this summer, Lifetime would become the new home to *Heidi Klum* and aspiring designers as part of a 5-year deal. It's a huge coup for the net, as the show routinely delivers solid ratings. "I am a huge fan. All my friends are huge fans," said **Lifetime Nets** CEO *Andrea Wong* of the show. "Having watercooler movies, dramas, and reality shows like 'Project Runway' is what Lifetime Television is all about."

In the States: TN lawmakers unveiled legislation Mon to make it easier for **AT&T** to offer video service in the state. Under the proposal, telcos could obtain a 10-year state franchise from the **TN Regulatory Authority**. Telcos would have to build out to 30% of their existing service area within 3.5 years and then show that at least 25% of homes passed were low-income. The legislation came as a compromise between cable and AT&T. "The cable industry, including **Comcast** and **Charter**, stood firm to make sure that our members were treated fairly and that AT&T and other companies were not granted advantages in the law," said the **TN Cable & Telecom Assn**.

Competition: **Verizon** is phasing out the duplicate analog channels available through **FIOS TV** ahead of the DTV transi-

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tion and will offer a free digital adaptor to the customers who may only access the duplicates. The telco has been offering digital subs some analog programming that is viewable without a set top. The phase out will be regional, with New Yorkers to see the transition Apr 21. -- **Qwest** has launched digital content store **qZone**, which offers broadband subs access to computer games and software apps. Downloaded purchases may be added directly to existing Qwest bills.

In the Courts: **YES'** lawsuit against **Time Warner Cable** over licensing fees has been dismissed, indicating that the 2 have reached a settlement (**Cfax**, 2/21). The RSN sued Time Warner in Dec '06, claiming it was owed \$1.5Mln in licensing fees because the MSO was miscalculating the amount due.

Research: It may not be surprising that user-generated video ranks highest among video content teens view on any device at 76%. But some may be surprised to learn that teens said they're watching more political and news clips (42%) than celebrity or gossip clips (25%), according to **CTAM Pulse**. Comedy (69%) and music content (65%) took 2nd and 3rd place among content options viewed on any device. While 44% watch content on a desktop PC, 83% are still viewing content on TV sets. The study was conducted by **ICR** and has a margin of error of +/- 4.4 percent.

Carriage: **Comcast** added **Gospel Music Channel** to its digital preferred lineup in West FL.

Advertising: **AMC** and **Nielsen** have collaborated on an audience metric that segments the net's audience by viewer preferences and behavior. The net now offers the metric to advertisers along with an additional metric allowing advertisers to measure ad receptivity, which it solely developed. Meanwhile, the net has signed **BMW** as the exclusive premier sponsor and a series partner for the 2nd season of "Mad Men" (summer).

Online: **TNT** has posted at **TNT.tv** specially-produced online segments surrounding "The Closer" (Jul). Included is footage from the series' writers' room and interviews with exec producers. -- **NHL.com** will launch **NHL Net Online**, a broadband media player featuring 7 distinct programming channels with sponsors such as **Bud Light**, **Cisco** and **Dodge**. The free content includes game highlights and news, press conference coverage, VOD options and "The Hockey Show," a Web-only show produced daily (Mon-Fri).

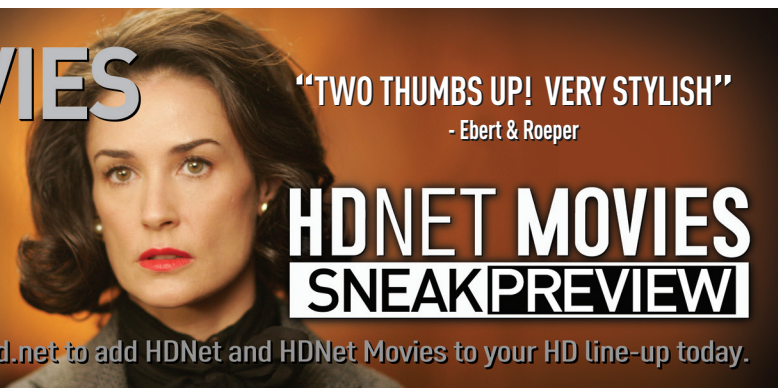
Programming: **Spike** has picked up all 259 eps of "Married... With Children" as part of a deal that begins in Sept and includes broadband and mobile rights. The net will also begin airing in Oct 175 re-edited eps of "Unsolved Mysteries," with **Dennis Farina** as host, and featuring new show wraps and updates on past stories. -- **WE tv** original series "The Locator" (Sept) spotlights the work of a missing person expert. -- **E!**'s doc-style series "Pamela" (summer) offers a look at the personal life of actress **Pam Anderson**. -- **Disney Channel** acquired stop-motion animated series "Timmy" from UK production company **Aardman Animations** ("Wallace & Gromit"). It'll bow on "Playhouse Disney" next year.

Intl: **Style** will launch in Africa, Croatia, Malta, the Middle East, Netherlands, Poland and Portugal, adding 2Mln+ subs. -- **HBO** and **Warner Bros Intl TV Distribution** inked a multi-year deal to be the initial suppliers of programming to **France Telecom Orange**'s new multi-platform pay TV service. -- **BabyFirst** is launching in Turkey.

Mobile: **Gemstar-TV Guide** has bowed a mobile Website offering 2-week outlooks at localized TV listings with ep descriptions and breaking ent news. -- **AOL** launched in beta **AOL MyMobile**, allowing mobile users access to services including AIM, email, local search and news. -- **VH1**'s new downloadable mobile app "VH1 Watch and Discuss Live

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BUSINESS & FINANCE

Chat" will bow in May, letting viewers participate in and even set up chat rooms tied to the net's on-air schedule. -- **Disney-ABC TV Group** has agreed to offer **Disney Channel** content to **MobiTV's** mobile service subs.

People: **ACA** named **Broadstripe** svp, gen counsel **Bruce Beard** to its board.

Business/Finance: All pending litigation between **Motorola** and **Carl Icahn** will be dismissed (**Cfax**, 3/25), part of an agreement that includes the nominations for election to Moto's board of the pair selected by Icahn himself. One of the men, **Keith Meister**, a principal exec officer of Icahn Enterprises, has already been appointed a board member, effective immediately. Moto also agreed to consult with Icahn on the future of its handset business, which the company is preparing to spin off from its broadband and mobility solutions segment. -- **Nielsen** has inked a definitive agreement to acquire for \$225mIn **IAG Research**, which measures consumer engagement with TV programs, natl commercials and product placements. -- **Yahoo!** wants more money from **Microsoft** for a potential purchase, execs said Mon. "Any transaction must be at a value that fully reflects the value of Yahoo, including any strategic benefits to Microsoft, and on terms that provide certainty to our stockholders," wrote Yahoo CEO **Jerry Yang** and chmn **Roy Bostock**.

CableFAX Daily Stockwatch

Company	04/07 Close	1-Day Ch	Company	04/07 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCOM:	20.68	(0.73)	AMDOCS:	27.95	0.04
BRITISH SKY:	45.98	0.66	AMPHENOL:	41.97	0.84
DIRECTV:	26.43	(0.01)	APPLE:	155.89	2.81
DISNEY:	31.52	0.28	ARRIS GROUP:	6.22	0.10
ECHOSTAR:	30.54	0.89	AVID TECH:	24.78	0.09
GE:	37.26	(0.3)	BIGBAND:	6.12	0.22
HEARST-ARGYLE:	20.55	(0.03)	BLNDER TONGUE:	1.42	(0.03)
ION MEDIA:	1.45	0.00	BROADCOM:	20.68	(0.73)
NEWS CORP:	20.10	0.32	CISCO:	23.94	(0.45)
MSOS					
CABLEVISION:	23.81	0.69	COMMSCOPE:	37.01	(0.99)
CHARTER:	0.97	0.06	CONCURRENT:	0.80	(0.04)
COMCAST:	20.76	0.47	CONVERGYS:	15.41	(0.1)
COMCAST SPCL:	20.40	0.42	CSG SYSTEMS:	11.47	(0.04)
GCI:	6.56	0.10	ECHOSTAR HOLDING:	30.59	(0.64)
KNOLGY:	13.25	(0.22)	GEMSTAR TVG:	4.73	(0.04)
LIBERTY CAPITAL:	16.28	(0.41)	GOOGLE:	476.82	5.73
LIBERTY ENTERTAINMENT:	24.58	(0.28)	HARMONIC:	7.84	(0.17)
LIBERTY GLOBAL:	35.55	0.41	JDSU:	14.53	(0.47)
LIBERTY INTERACTIVE:	16.59	(0.22)	LEVEL 3:	2.21	0.10
MEDIACOM:	4.90	0.05	MICROSOFT:	29.16	0.00
ROGERS COMM:	42.97	0.00	MOTOROLA:	9.84	0.17
SHAW COMM:	19.65	(0.67)	NDS:	47.81	(2.05)
TIME WARNER CABLE:	26.91	(0.41)	NORTEL:	7.55	(0.3)
VIRGIN MEDIA:	14.54	0.12	OPENTV:	1.18	(0.05)
WASH POST:	679.69	(0.33)	PHILIPS:	39.50	0.23
PROGRAMMING					
CBS:	22.51	0.22	RENTRAK:	12.87	0.33
CROWN:	4.90	(0.05)	SEACHANGE:	7.10	(0.07)
DISCOVERY:	22.30	0.58	SONY:	42.47	0.57
EW SCRIPPS:	42.86	(0.04)	SPRINT NEXTEL:	6.81	0.29
GRUPO TELEVISA:	24.92	0.29	THOMAS & BETTS:	38.38	(1.33)
INTERACTIVE CORP:	21.49	0.08	TIVO:	8.84	(0.12)
LIBERTY:	1.00	0.00	TOLLGRADE:	6.05	0.35
LODGENET:	6.49	0.10	UNIVERSAL ELEC:	25.80	(0.33)
NEW FRONTIER:	4.99	0.16	VONAGE:	1.96	0.02
OUTDOOR:	7.24	(0.19)	WEBB SYS:	0.04	0.00
PLAYBOY:	8.73	0.04	YAHOO:	27.70	(0.66)
TIME WARNER:	14.69	0.09	TELCOS		
UNIVISION:	36.23	0.00	AT&T:	39.01	0.53
VALUEVISION:	5.46	0.08	QWEST:	4.75	0.21
VIACOM:	40.85	0.40	VERIZON:	37.40	0.06
WWE:	19.22	0.78	MARKET INDICES		
TECHNOLOGY					
3COM:	2.39	0.01	DOW:	12612.43	3.01
ADC:	12.35	(0.21)	NASDAQ:	2364.83	(6.15)
ADDVANTAGE:	3.62	(0.03)			
ALCATEL LUCENT:	6.41	0.09			

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GUEST COLUMNIST

15 Years... And Still Going Strong

For many small, independent business owners, longevity is as much an affirmation of success as profit.

Faced with rising costs and unrelenting competition, compounded by a lack of market influence, the sad truth is more small businesses fail than succeed.

This stark reality makes the success of independent cable operators over the past 15 years a remarkable story.

It's a story we plan to tell repeatedly this week on Capitol Hill when the American Cable Association hosts its 15th annual Summit in Washington D.C.

Working with ACA since its inception in 1993—and president since 1997—I have taken part in all 14 previous annual meetings, each a bigger success than the one before.

With each Summit, participation has increased, the discussions and information have become more valuable, and above all else, ACA's collective strength has grown.

This year will be no exception.

More than any time since the 1992 Cable Act and FCC rate re-regulation that led to the founding of ACA, our industry is at a crossroads.

From the beginning, our mission has been the same—the preservation of the independent cable industry.

And together we have fought off every threat, beat back crippling legislation, and given our members and their customers a voice.

And while the challenges we face have grown in number and potential impact, as this year's Summit will show, we are up to the challenge.

The ACA has evolved from a reactive group putting out fires in Washington, D.C., to a proactive advocate for

our members and their customers.

In 2008, that advocacy will include combating skyrocketing retransmission fees, seeking a must-carry exemption for smaller operators, and addressing tying and bundling in a way that makes sense for operators and their customers.

Retransmission consent is a government-created rule that must be changed by the government for the sake of our customers.



Matt Polka

Today, we are at the mercy of a broadcast industry exploiting the market power it has gained through federal rules and regulations to increase revenue from retransmission fees by more than 20% in the past year alone.

Uncertainty surrounding the pending Digital TV transition has placed a unique burden on independent cable operators.

Higher costs for the deployment of duplicative broadcast programming and the use of valuable bandwidth and limited system capacity threatens the future of hundreds of small systems. A reasonable, logical exemption process needs to be established—now.

Lastly, consumers continue to pay the price when programmers leverage their market power to make consumers pay for high-cost, niche programming.

We will fight to give our members more flexibility, and to help the FCC realize that a tying-and-bundling rulemaking can be a catalyst for consumer benefits, more diverse programming, and the deployment of broadband services.

ACA's members are the best the industry has to offer. The issues of the media titans too often drive the policy discussion in Washington. Truthfully, it is difficult for smaller companies and the customers they serve to be noticed. That is why we exist. To GO THE DISTANCE and tell our members' unique story.

(Matt Polka is president and CEO of the American Cable Association).

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