

CableFAX Daily™

Wednesday — May 30, 2007

What the Industry Reads First

Volume 18 / No. 104

\$249bn Empire Strikes Back: AT&T Enters Differentiating Ad Fray

AT&T rolled out last week a new 70-market ad campaign featuring spots that attempt to differentiate its services from cable offerings, and also to introduce a \$99 triple-play bundle. One linear spot cites **Time Warner Cable** rate hikes as a reason for customers to switch to the telco's **U-verse** video service. The aggressive campaign shows "that AT&T is going on the offensive and implementing a new strategy that proactively initiates a conversation about better bundles, better price and more choice," said an AT&T spokesperson. It also represents a head-first dive by the telco into a competitive ad landscape in which several service providers have either touted their own strengths or underscored rivals' shortcomings in an effort to attract new subs. Time Warner and **Comcast**, for example, have each battled **DirectTV** in court this year over claims of more expansive HD capacity and better HD picture quality. Enter now AT&T, which in a few of the new ads claims it can offer more HD channels than cable, while also promoting 1 year of free HD service. Another spot features a \$15/month **Yahoo!** HSD offer that also touts 3 months of free service to those who switch from cable. And then there's AT&T's Time Warner ad, in which a call center rep tells a prospective customer about the possibility of receiving \$240 in free HD programming, then says: "that's better than being nickel-and-dimed by Time Warner Cable rate increases. Will they ever get enough of your money?" Time Warner Cable officials weren't too miffed by AT&T's ad tactics, which have so far surfaced in Milwaukee, San Antonio and other overlapping markets. Widespread system roll out of switched digital video will continue to spur a competing level of HD capacity, they said.

NBC Shuffle: NBC head *Kevin Reilly* is out, with producer *Ben Silverman* ("The Office," "Ugly Betty") and *Marc Graboff* tapped to serve as co-chmn of the net. NBC Ent pres Reilly and **NBCU** have "mutually agreed" to end their relationship, the company said. Tongues have been wagging that Reilly, a former **FX** exec, may be talking to **HBO** about some sort of programming role. With today's announcement, Silverman's **Reveille** production company signed a 2-year extension on its 1st look deal with NBCU.

Cable Stock Issuance: **Bear Stearns** believes roughly 30mln additional **Time Warner Cable** shares (approx \$1.1bln of market value) will hit the NYSE next month, placing downward pressure on the stock in the near term. The MSO declined to comment. The shares have been held in reserve since the **Adelphia** reorg plan became effective in Feb and are part of a "True-Up Mechanism" designed to resolve disagreements between Adelphia creditors as to the value of forthcoming Time Warner Cable stock. Over the intermediate term, Bear Stearns posits, "the completion of the 'true up' process should be a positive. It removes an overhang and increases liquidity in TWC, making the stock more 'investable' for some institutions." The investment firm also expects Time Warner Cable to be added in June to the **Russell 1000**, a move that "could increase demand for TWC shares by about 6mln shares."

In the States: Add NV to the lists of states passing franchising legislation. On Fri, the Senate unanimously signed off on

THE
UNIVERSE™



Beginning this May, The History Channel launches viewers into the heavens for a look at our Universe, and out to the edge of the unknown.

Series Premiere May 29 at 9/8C



©2007 AETN 0705

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 ● Associate Publisher: Amy Abbey, 301/354-1783, aabbey@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

a bill that will allow cable companies to reach franchise agreements with the state as opposed to LFAs, and the Assembly concurred on Mon. It now awaits the signature of Gov *Jim Gibbons*, who is expected to sign the legislation within 5 days. -- **Cablevision** added the following nets to its "iO en espanol" Spanish-language programming package (\$4.95/mo): **NDTV—The Dominican Channel**, **Ecuavisa Internacional** (Ecuador), **Caracol TV Internacional** (Colombia) and **WAPA America** (Puerto Rico). -- **Bresnan** bolstered its digital simulcast video network in the Billings, MT, area with the deployment of **EGT** systems for MPEG-2 encoding and digital program insertion apps.

VOD: NBCU On Demand and **Music Choice** have partnered for a Music & Movies VOD category, featuring music artists starring in films premiering on demand Jun 1. Category content will include the films and music videos from featured artist such as *Justin Timberlake* ("Alpha Dog"), *Alicia Keys* ("Smokin' Aces") and *Mandy Moore* ("Because I Said So"). -- **DISH Network** will carry **MGM's** current and catalog movies on its DISH On Demand platform as well as through PPV.

Marketing: Bravo is teaming with sister net **Telemundo** on English/Spanish promos for its upcoming "Top Chef 3 Miami" (June 13, 10pm). The in-show integrations include a challenge filmed at the mansion featured in Telemundo's newest novella "Dame Chocolate"; Telemundo's "Cada Dia" will feature a weekly cooking segment hosted by "Top Chef" season 2 contestant Carlos Fernandez. -- As lawmakers grow more interested in media's role in childhood obesity, it's worth noting that **Nick's** latest partnership will bring *Spongebob* and other characters to **Green Giant's** frozen and canned veggies and **Pandol Bros'** fresh grapes this summer. Nick first licensed characters for fruits/vegetables in '05.

Programming: New shows for **Comedy Central** in '07/'08 include "David Allen Grier's Chocolate News," a fake magazine show covering urban pop culture, and "The Watch List," a crossover from comedycentral.com that features Middle Eastern-American comedians. Several shows were greenlit for pilots, including an animated "Larry the Cable Guy" project. -- **Retirement Living TV** will air "Countdown to Conversion," a DTV transition panel taped at the **Cable Show** and featuring **NCTA** boss *Kyle McSarrow* and **FCC** commish *Deborah Taylor Tate* (Wed, 9am). -- **HSN** and **Hear Music** are teaming to produce a TV special (Wed, 8pm) celebrating the upcoming release of *Paul McCartney's* latest album. Featured will be cuts from the album, discussions with fans of the former Beatle and video segments from McCartney himself. -- **E!** is the exclusive media outlet covering this week's *Michael Jackson* auction, featuring more than 1K family items, including Jackson's "Thriller" jacket, *Jackson Five* costumes and family photos. Live auctions take place Wed and Thurs, and the net will provide news updates through "E! News" and "The Daily 10." -- **Oxygen** bows "Fight Girls," a reality series following 10 female fighters, June 12, 10:30pm. The series will follow 6-ep "Bad Girls" spinoff "Bad Girls Road Trip," at 10pm. -- **Sundance** will premiere Season 1 of British dramedy "Shameless" July 5, 11pm. **BBC America** showed the 1st season back in 2005. Sundance will make seasons 2-4 available in the US for the 1st time next year.

Online: TV Guide Online will syndicate its program listing grid to **Clear Channel's Inergize Digital Media**, the *NY Post* and **InfoSpace**.

Affil Relations: Hallmark Channel is running an exclusive sweeps for **Cablevision's** triple-play customers in honor of upcoming movie "You've Got a Friend," (June 9, 9pm). The grand prize winner gets a VIP trip to L.A. and a visit to the **Hallmark Channel** movie in production.

Deals: Great Plains Comm will buy **Charter's** McCook, NE, system serving approx 2K analog customers for an

EXPERIENCE NEWS & DOCUMENTARIES

WORLD REPORT

Real stories. Real issues. Real 1080i resolution.

HdNet

Tuesday Nights 9^{PM} ET

The reason HDTV was invented.

BUSINESS & FINANCE

undisclosed amount. The deal is slated to close on Oct 1.

Intl: TiVo inked a deal allowing **Seven Media Group** to distribute its products and services in Australia and New Zealand, with roll out expected early next year.

Honors: Rural broadband provider **WildBlue** received the '07 "Innovation and Technology Award" from **Intl Satellite Communications** for significantly advancing the satellite and communications industry.

Obit: Cox Ent co-owner *Barbara Cox Anthony* died Mon. She was 84. "My mother was actively involved in our company through her leadership on the Cox Enterprises board of directors. She inspired me both personally and professionally," said *James Kennedy*, Cox Enterprises chmn/CEO and Anthony's son.

People: Suddenlink upped *Bob Putnam* to CIO. -- Comcast promoted *Marlene Dooner* to svp, investor relations, and *D'Arcy Rudnay* to svp, corporate communications. -- Cablevision promoted *Peter White* to svp, logistics.

Business/Finance: Comcast chmn/CEO *Brian Roberts* sold 350K shares of the MSO's Class A common stock for more than \$9.4mln last week.

Oops: SportsNet NY had the largest viewership increase in all of MLB for '06. Ratings for '07 are already up 21% vs last year.

CableFAX Daily Stockwatch

Company	05/29 Close	1-Day Ch	Company	05/29 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BROADCASTERS/DBS/			AMPHENOL:	34.96	0.22
BRITISH SKY:	52.42	1.23	APPLE:	114.35	0.73
DIRECTV:	22.90	(0.29)	ARRIS GROUP:	15.44	0.22
DISNEY:	35.59	(0.44)	AVID TECH:	32.58	0.10
ECHOSTAR:	47.06	(0.53)	BLNDER TONGUE:	1.70	0.07
GE:	37.40	(0.16)	BROADCOM:	30.65	0.13
HEARST-ARGYLE:	26.39	0.33	C-COR:	14.31	0.14
ION MEDIA:	1.44	0.01	CISCO:	25.90	0.38
NEWS CORP:	23.72	(0.1)	COMMSCOPE:	51.68	0.15
TRIBUNE:	32.20	0.06	CONCURRENT:	1.58	0.03
MSOS					
CABLEVISION:	35.76	0.04	CONVERGYS:	26.08	0.13
CHARTER:	3.98	0.02	CSG SYSTEMS:	26.99	(0.24)
COMCAST:	27.08	(0.16)	GEMSTAR TVG:	4.59	0.17
COMCAST SPCL:	26.86	(0.15)	GOOGLE:	487.11	3.59
GCI:	13.23	(0.01)	HARMONIC:	8.95	0.01
KNOLOGY:	18.25	0.11	JDSU:	12.77	(0.06)
LIBERTY CAPITAL:	114.94	(1.84)	LEVEL 3:	5.77	0.01
LIBERTY GLOBAL:	37.73	(0.11)	MICROSOFT:	30.79	0.31
LIBERTY INTERACTIVE:	23.83	0.55	MOTOROLA:	18.30	(0.09)
MEDIACOM:	9.20	(0.05)	NDS:	50.13	(0.25)
NTL:	28.22	0.00	NORTEL:	25.99	0.20
ROGERS COMM:	41.04	0.75	OPENTV:	2.35	0.14
SHAW COMM:	41.30	0.76	PHILIPS:	41.27	0.39
TIME WARNER CABLE:	38.78	0.23	RENTRAK:	16.05	(0.11)
WASH POST:	763.80	(0.48)	SEACHANGE:	9.01	0.06
PROGRAMMING					
CBS:	33.29	(0.36)	SONY:	56.71	(0.04)
CROWN:	7.32	0.09	SPRINT NEXTEL:	22.15	0.05
DISCOVERY:	23.38	0.48	THOMAS & BETTS:	56.79	(0.34)
EW SCRIPPS:	44.62	(0.15)	TIVO:	6.11	0.06
GRUPO TELEVISA:	27.90	(0.86)	TOLLGRADE:	11.25	0.31
INTERACTIVE CORP:	34.39	(0.04)	UNIVERSAL ELEC:	32.42	(0.08)
LODGENET:	35.67	0.04	VONAGE:	3.22	0.01
NEW FRONTIER:	8.74	(0.07)	VYYO:	5.84	(0.11)
OUTDOOR:	10.28	0.29	WEBB SYS:	0.05	0.00
PLAYBOY:	10.59	0.08	WORLDGATE:	0.51	0.02
TIME WARNER:	21.44	(0.01)	YAHOO:	28.40	(0.18)
UNIVISION:	36.23	0.00	TELCOS		
VALUEVISION:	11.09	(0.05)	AT&T:	40.49	(0.27)
VIACOM:	43.88	0.39	QWEST:	9.97	(0.01)
WWE:	17.75	(0.06)	VERIZON:	43.20	0.70
TECHNOLOGY					
3COM:	4.68	0.04	MARKET INDICES		
ADC:	17.63	0.18	DOW:	13521.34	14.06
ADVANTAGE:	4.83	0.20	NASDAQ:	2572.06	14.87
ALCATEL LUCENT:	13.77	(0.04)			
AMDOCS:	38.07	0.24			



is for highly entertaining



www.insidehallmarkchannel.com

70% of viewers believe Hallmark Channel has the best original movies on television today.

Source: 2006 Yankelovich Television Viewing Habits Study. Further qualifications available upon request.

Independent Operator of the Year 2007 Award Nomination Form



This honor annually recognizes an independent cable operator that has distinguished itself by achieving excellence in the following areas:

Technology

- Deployment of advanced services
- Network upgrades and innovation that improved processes, quality, and reliability

Operations

- Top-flight management practices
- Financial stability and profitability
- Outstanding customer service

Involvement

- Community outreach
- Active participation in ACA and NCTC
- Political activism to ensure a fair and competitive marketplace and regulatory guidelines that advance the interests of consumers



The winner will be featured in *CableWorld* magazine and honored at The Independent Show.

Please nominate a deserving company today!

Nominator Information:

Name _____

Title _____

Company _____

E-mail _____

Phone _____

Nominee Information:

Company Name _____

City _____ State _____ Zip _____

Please attach a summary detailing why this company is deserving of the award.

Submit nominations to:

Seth Arenstein
Managing Editor,
CableWorld

Email:

sarenstein@accessintel.com

Fax: 301.738.8453

Mail:

4 Choke Cherry Rd. 2nd Floor
Rockville, MD 20850
301-354-2000

**Nominations Due
June 1, 2007**