

CableFAX Daily™

Wednesday — November 29, 2006

What the Industry Reads First

Volume 17 / No. 230

Integration Ban: Cablevision Seeks Assurances; Congress Chimes In

How bewildering is the **Federal Confusion Commission's** set-top integration ban? An MSO that already provides separable security is applying for a waiver or at least a clarification of the rules. The FCC's ban requires that as of July 1, cable operators no longer deploy boxes that perform conditional access and other functions in a "single integrated device"—in other words, the boxes need CableCARDS. **Cablevision** provides removable conditional access in all of its nearly 6mln digital set-tops, which it says makes it the only cable operator in the nation to do so. But Cablevision's boxes use SmartCards instead of CableCARDS (the MSO supports CableCARDS as well, but CableCARD devices also need a SmartCard). The **NDS**-developed SmartCards contain the necessary encryption keys and other info for the protection of content while keeping the conditional access and navigation functionality separate in set-tops, CVC said. But for "avoidance of doubt," it is asking the FCC to clarify that boxes with SmartCards aren't considered integrated devices or to issue a waiver that will let those boxes continue to be placed in service after July 1. Otherwise, the ban "would divert substantial financial, technical and human resources from Cablevision's effort to deliver new and improved services..." the MSO said in an FCC filing Mon. Meanwhile, House Commerce chmn *Joe Barton* (R-TX) and Sen Commerce chmn *Ted Stevens* (R-AK), along with Rep *Fred Upton* (R-MI), are pushing for a more effective way to ensure availability of separable security for consumers who want to use 3rd-party devices than "foisting CableCARDS on all subscribers." In a letter to FCC chmn *Kevin Martin*, the trio said the Commission would do better to ensure cards are available for subs who want them, and establish a timeframe for cable ops to develop and deploy downloadable security. Several cable operators have asked for waivers for certain digital boxes and the **NCTA** has asked that the ban be deferred until ops deploy downloadable security or 2010 (whichever comes first).

New Comcast CFO: Providence Equity Partners' Michael Angelakis will become **Comcast's** co-CFO—and eventually sole CFO—following the planned departure of Comcast co-CFOs *Lawrence Smith* and *John Alchin* in '07. Smith will step down at the end of 1Q07 but remain an advisor, a post Alchin will also fill after stepping down as co-CFO at the end of '07. Angelakis is expected to join the company at the end of the 1Q07 as co-CFO and to become CFO in '08.

Ratings: NFL Net's inaugural live game telecast on Turkey Day earned from **Nielsen** a preliminary 6.8 coverage area rating—covering an estimated 4.2 million average viewers and representing the night's best number for cable. The rating represents a percentage of viewers with access to the net and is a more accurate representation of game viewership than the national 2.3 rating widely-published on Tues. NFL Net said final Nielsen data will increase these numbers when Denver and Kansas City markets are accounted for on Dec 5.

No Room at the Inn? **NAMIC's** still trying to book a hotel to host its annual conference in NY next Sept. **The Kaitz Foundation** announced plans to hold its annual dinner Sept 19. But with the UN meeting that week in NY and concern

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that Bill Clinton's "Clinton Global Initiative" will hold its annual meeting around the same time, space has been scarce.

"We're hoping to find a resolution this week," said NAMIC pres *Kathy Johnson*, adding that the group is working closely with Kaitz. "The conference will go on. We're still planning to keep it in Sept." But as for whether or not NAMIC will be able to find a venue in NYC in Sept, "we don't know for sure," she said. Stay tuned.

In the Courts: TX federal judge *David Folsom* rejected **EchoStar's** bid for a new trial in its patent dispute with **TiVo**, citing EchoStar's failure to raise new issues. The case now moves to the federal appeals court in Washington, D.C.

In the States: Communications law powerhouses **Cole, Raywid & Braverman**, founded by cable pioneer *Jack Cole* 40 years ago, and **Davis Wright Tremaine** will merge, effective Jan 1. DC-based Cole, Raywid & Braverman's 35 attorneys will join Davis Wright Tremaine's communications practices, increasing the number of attorneys in the group to about 120. The Cole firm will adopt the Davis Wright Tremaine name. -- **RGB Networks** has shipped its 1,000th family video processor, a SEP delivered to **Time Warner Cable**.

Franchising: **The SavetheInternet.com Coalition** and other groups delivered 18K petitions to Michigan senators Tues in opposition to a state franchising bill consideration during the lame duck session. The bill's opponents, which include the **Consumer Federation of America** and **Free Press**, claim it would let **AT&T** cherry pick neighborhoods for HSD and video. But they're also worried that it allows AT&T to avoid net neutrality (telcos are expected to push for more state franchising reform as opposed to national reform, which could contain net neutrality regs).

Competition: **The Montgomery County Council** voted Tues to allow **Verizon** to offer **FIOS TV**. The telco plans to offer the service to more than 75K HHs by the end of Dec. -- **AT&T** announced the official launch of HD for its San Antonio users (*Cfax*, 11/28), offering more than 25 HD channels at \$10/month via **Moto** boxes. Other new features include the ability to schedule your DVR from the Web; record up to 4 programs at once; and an expanded lineup with more than 300 channels.

Doing Good: We'd like to say **Hallmark Channel's** multi-part initiative around original "The Christmas Card" (Sat, 9pm) was the work of new pres/CEO *Henry Schleiff*, a major proponent of public affairs. But Schleiff says the "Cards for Troops" effort allowing online visitors to send greeting cards to troops overseas and including Hallmark's sponsorship of Sat's Army-Navy game "was in place before I got here." Still, his first Hallmark public affairs event that began with a **National Press Club** lunch Tues contained characteristic Schleiff flourishes: Hollywood (Card star *Ed Asner* was present), patriotism (the Pentagon named Hallmark Channel the 32nd corporate sponsor of **America Supports You**, a group emphasizing support for US military personnel) and sentimentality (Card's plot tells of a love story hatched by an anonymous holiday card sent to a soldier—during the lunch, Hallmark surprised a card sender in attendance with a live satellite link to Afghanistan so she could greet her new fiancé). Periodically Hallmark will link originals to public affairs campaigns, Schleiff says. Feb's "Spring Thaw," a film about Alzheimer's, is up next. -- **Nice Touch:** Asner led Card's cast in visits to Bethesda Naval Med Center and Walter Reed Army Hospital to greet wounded troops; previously cast members packed care packages for troops via ASY.

Obit: **Warren Communications** founder, long-time editor *Albert Warren* died Sun of a stroke. He was 86. Warren sold Warren Communications, which publishes *Communications Daily* and several communications newsletters, to

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BUSINESS & FINANCE

his sons Paul and Daniel in 2000. He continued editing the pubs until '05. -- Another of the true pioneers of journalism about media passed away over the weekend. Al Warren was, from time to time, a critic, a mentor and a friend. He'll be missed; but I know that Paul and Daniel Warren have been and will continue to carry his torch for accuracy, fairness and tenacity. - PSM -- I was a recent journalism school graduate looking for work amid a bad recession in the early '90s when Al Warren, and his sons Dan and Paul, gave me my first real reporting job. It just so happened to be the cable beat. I can attest that "AW" (as he was known) did indeed edit every single word of every publication, and wasn't afraid to offer criticism and advice to young reporters. He was tough but fair—and everyone respected him. Trade journalism has lost one of its true pioneers. - MG

Business/Finance: TiVo may want to fast-forward through a preview of its Wed earnings release by **Oppenheimer**, which predicts net sub losses of 14K from TiVo's **DirectTV** sub base in the Q and weak stand-alone net additions of 60.5K. While Oppenheimer said lower sales/marketing expenses may push TiVo to a better-than-expected net loss, TiVo's "growth prospects remain challenged as they fight off the mass adoption by cable and satellite's subscriber base utilizing current non-TiVo based DVRs."

CableFAX Daily Stockwatch

Company	11/28 Close	1-Day Ch	Company	11/28 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	41.13	0.1++++1	AVID TECH:	37.41	0.05
DIRECTV:	22.55	0+++05	BLNDER TONGUE:	1.66	(0.04)
DISNEY:	32.89	0.30	BROADCOM:	33.53	(0.89)
ECHOSTAR:	35.69	0.23	C-COR:	9.76	(0.15)
GE:	35.20	(0.25)	CISCO:	27.03	1.23
HEARST-ARGYLE:	25.24	0.13	COMMSCOPE:	30.96	0.34
ION MEDIA:	0.68	0.00	CONCURRENT:	1.88	0.00
NEWS CORP:	21.25	(0.17)	CONVERGYS:	23.70	0.03
TRIBUNE:	32.10	0.32	CSG SYSTEMS:	27.53	0.87
MSOS					
CABLEVISION:	27.85	0.25	GEMSTAR TVG:	3.13	(0.02)
CHARTER:	2.95	0.19	GOOGLE:	489.50	4.75
COMCAST:	39.91	0.46	HARMONIC:	7.79	(0.06)
COMCAST SPCL:	39.72	0.47	JDSU:	18.39	(0.11)
GCI:	14.62	(0.25)	LEVEL 3:	5.13	0.13
KNOLOGY:	10.04	0.03	LUCENT:	2.56	0.03
LIBERTY CAPITAL:	87.99	(0.54)	MICROSOFT:	29.39	(0.09)
LIBERTY GLOBAL:	26.61	(0.03)	MOTOROLA:	21.72	(0.12)
LIBERTY INTERACTIVE:	22.27	(0.05)	NDS:	46.80	(0.31)
MEDIACOM:	8.09	(0.11)	NORTEL:	2.16	0.01
NTL:	23.81	0.13	OPENTV:	2.45	(0.01)
ROGERS COMM:	61.54	0.04	PHILIPS:	37.38	0.44
SHAW COMM:	31.67	0.33	RENTRAK:	14.99	0.43
TIME WARNER:	20.18	(0.04)	SEACHANGE:	8.17	(0.26)
WASH POST:	725.51	1.04	SONY:	39.30	0.62
PROGRAMMING					
CBS:	30.05	0.24	SPRINT NEXTEL:	19.55	(0.21)
CROWN:	3.11	(0.18)	THOMAS & BETTS:	51.54	0.40
DISCOVERY:	15.09	(0.14)	TIVO:	6.28	0.02
EW SCRIPPS:	48.26	(0.17)	TOLLGRADE:	8.41	(0.09)
GRUPO TELEVISA:	25.05	0.03	UNIVERSAL ELEC:	20.78	0.28
INTERACTIVE CORP:	35.04	(0.42)	VONAGE:	6.53	0.00
LODGENET:	23.01	0.11	VYYO:	3.93	(0.03)
NEW FRONTIER:	9.03	(0.01)	WEBB SYS:	0.04	0.00
OUTDOOR:	12.79	0.19	WORLDGATE:	1.29	(0.05)
PLAYBOY:	11.46	(0.13)	YAHOO:	27.00	(0.27)
UNIVISION:	35.47	0.03	TELCOS		
VALUEVISION:	13.03	(0.15)	AT&T:	32.82	0.14
VIACOM:	37.70	(0.03)	BELLSOUTH:	42.87	0.37
WWE:	15.93	0.03	QWEST:	7.60	0.04
TECHNOLOGY					
3COM:	4.49	(0.01)	VERIZON:	34.40	0.16
ADC:	13.57	(0.22)	MARKET INDICES		
ADVANTAGE:	3.85	(0.01)	DOW:	12136.45	14.74
AMDOCS:	38.17	0.78	NASDAQ:	2412.61	6.69
AMPHENOL:	66.91	0.59			
ARRIS GROUP:	11.89	(0.04)			

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