

CableFAX Daily™

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What the Industry Reads First

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TX Tornado: NFL Net Blows Carriage Battle To State Level

The NFL received Mon its 1st official state govt ear concerning the **NFL Net**/big cable carriage fight, and league commish *Roger Goodell* and Dallas Cowboys owner *Jerry Jones* used the forum to, not surprisingly, pillory cable. The **TX Cable Assoc** was there to bite back and present its own case in front of the state's House Cmte on Regulated Industries, and those in attendance and viewing online were inundated by red pro-cable shirts—ironically amid an issue that has left many people seeing the same color. As the attire touted **Time Warner Cable's** NFLBadCall.com Website, the cmte sought above all to determine the state government's jurisdiction over this private-market dispute. No doubt this particular determination will also be critical in WI and IN, where similar hearings are set for Dec 20 and early next year, respectively. "This was not our original plan," said Goodell. "We are not looking for government intervention; we are looking for a negotiated outcome." The cable industry countered with TX Cable Assoc vp *Todd Baxter* and attorney *Howard Symons*. Symons proffered 2 main points: that any state legislature is pre-empted by the Act regarding issues such as this, and that the NFL's state-gearred proposals are not content neutral and therefore unconstitutional. The state avenue taken by NFL Net is a "desperate attempt to have you address their business plan deficiencies," said Baxter. Some cmte members mentioned the numerous responses and/or concerns they have received from their constituencies, although it was unclear which side is more popular. 1 member said he gets a lot of calls despite his area's access to the net's games, while another noted the numerous cable defectors on his block since those games began airing.

Competition: AT&T launched U-verse TV in the **Charter** stronghold of St. Louis. The telco's offerings to new subs include free HD for a year, \$100 cash back, 1 month of free service through certain video packages and a 30-day money-back guarantee and professional installation. -- **Verizon's** FiOS TV added **WealthTV** to its on-demand lineup in markets including Tampa, Pittsburgh and Richmond.

Meetings' Meeting: Sounds like industry groups and **NCTA** are moving closer to a schedule that consolidates the bulk of the industry's events into 2 weeks—one in the spring and one in the fall. "They feel they are close to closing on a schedule that most groups are comfortable with," an NCTA rep said. Still more meetings are needed though, and the plan has to be presented to the CEOs that have been overseeing the process (**Comcast's** *Steve Burke*, **Time Warner Cable's** *Glenn Britt*, **Turner's** *Phil Kent*, **Landmark's** *Decker Anstrom*, **Fox's** *Tony Vinciguerra* and **NCTA's** *Kyle McS-larrow*). Doesn't look like the matter will be resolved until early '08.

Striking Point: Late night talkers are among the most impacted by the writers' strike, which has now snaked past the 30-day mark. But one cable net is sitting pretty—**Turner's Adult Swim**. "It has shown growth compared to last year among most demo groups and has held up well when compared to its audience levels leading into the strike," said **MAGNA**

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Global's Brian Hughes, noting Adult Swim continues to be a late night alternative for young men. Case in point, the net's ratings are actually up 17% YTD and 2% since the strike began among men 18-34. YTD ratings are up 11% for men 18-49 and flat since the strike began. While **Comedy Central's** current events-laden "Daily Show" and "Colbert Report" have both suffered rating declines, there is a silver lining. The shows haven't been hurt much when it comes to men 18-34, something Hughes calls a "good sign" in his analysis. Colbert Report is down 34% for both YTD and since the repeats started, while the men 18-34 demo is down just 8% and 19%, respectively. Daily Show is down 40% year-to-date and 42% since the repeat airings began. Among males 18-34, the declines are 13% and 32%, respectively.

In the Courts: Comcast and Cablevision asked the DC Appeals Court to review the FCC's decision to require cable ops to sell their satellite-delivered nets to video service rivals until '12. The FCC voted in Sept not to let the program access rules sunset this year, extending the rule for another 5 years. -- Back in Sept, NCTA filed a challenge to the FCC's new access to inside wiring rules. The NCTA wants the DC Appeals Court to review the FCC's June ruling that wiring located behind sheetrock in apartment buildings and other MDUs is considered "physically inaccessible." The FCC 1st adopted the rule change in '03, which NCTA promptly challenged. In '04, the same court said the Commission offered "no reasoned basis" for the rule change and remanded the case to the FCC. The wiring ruling means that cable's competitors can join cable's existing plant at a junction box instead of cutting into drywall.

Carriage: Oxygen has only been an official NBCU net for a couple weeks, but it has already picked up 180K subs thanks to its adoptive parent. Comcast, Telecom Cable, Bend Broadband, and Buckeye Cablevision are slated to launch Oxygen in systems, including Comcast Chattanooga, by Jan. Oxygen is available to nearly 74mln HHs.

Research: TV HHs with no connection to a video service provider are least familiar with the DTV transition, with just 31% expressing familiarity in a CTAM Pulse study of 1K consumers. Those with broadband were most familiar (45%), followed by digital cable (40%) and basic cable (39%). CTAM found that 47% don't know when the DTV transition will occur, while 26% think it will occur sometime other than '09. Where are folks learning about the transition? 38% said TV, 26% cited the newspaper and 20% said friends and family. Biggest red flag? 50% of homes that rely exclusively on over-the-air TV said they don't know where to turn for info. -- 1 in 4 online consumers use a DVR, with the majority of the devices furnished by a video service provider, according to ABI Research. Skipping commercials is prevalent, with nearly 4 of 5 TiVo users skipping all or most ads, and 82% of service provider DVR customers saying the same. Nearly half of TiVo users record 2 or more hours/day, while 43% of service provider DVR owners record a similar amount of shows.

Advertising: Products placed in "emotionally engaging" TV programs are recognized on average by 43% more US viewers, Nielsen said. Brand recognition increased 29% for product placements during highly enjoyable shows vs 21% for commercial spots. Products placed during lifestyle programs typically get a 59% boost in brand recognition when the program is deemed highly enjoyable. Highly enjoyable reality shows boost brands by 28% vs a 10% increase for sitcom placements. The findings are based on a survey of about 10K people, 200 consumer brands and 50 TV programs.

VOD: Sundance Channel has created an exclusive Jan VOD package centering on the Sundance Film Festival. "Festival Favorites" features 10 films that bowed at previous fests, 4 of which will be in HD VOD. The titles are incremental to the net's 31 titles that will be shown next month as part of its "31 Days of Sundance" campaign.

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BUSINESS & FINANCE

Programming: Dream Works and Nick have a new 26-ep series, tentatively titled "The Penguins of Madagascar" and slated to premiere in '09.

Ratings: The debut of "Snoop Dogg's Father Hood" on E! Sun got a 1.71 HH rating in metered markets, a 22% uptick from the time period's 4-week avg. Season 4 of "The Girls Next Door," meanwhile, posted a 1.67.

Affiliate Relations: WWE's new pilot program, "WWE Community Champion," honors young people helping their communities by providing a trip to WrestleMania in Mar. **Comcast Bay Area**, Comcast Central CA and **Charter St Louis** will promote the contest. 3 national winners—one from each system—will be chosen in Feb.

On the Circuit: NCTA opened registration for "The Cable Show '08" (May 18-20, New Orleans), with the show returning to a Sun-Tues schedule. (www.thecableshow.com).


Giants' Ball Game: The San Fran Giants will nab what's believed to be a 20%-30% stake in the **Comcast and Fox Sports-owned FSN Bay Area** under a 25-year renewal deal, the *San Francisco Chronicle* reported Sun. Comcast has a 60% stake in the net, which it bought from **Rainbow** in Apr. Fox Sports has a 40% stake. It's not clear where the Giants' interest will come from, the paper said. The net takes Comcast's name in Apr.

People: Lifetime Nets appointed *Stephen Bulka* vp, original movies.

CableFAX Daily Stockwatch

Company	12/10 Close	1-Day Ch	Company	12/10 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
BRITISH SKY:	49.75	1.13	APPLE:	194.21	(0.09)
DISNEY:	32.35	(0.44)	ARRIS GROUP:	10.38	(0.13)
ECHOSTAR:	40.08	(0.19)	AVID TECH:	27.44	0.42
GE:	37.41	0.18	BIGBAND:	5.58	0.09
HEARST-ARGYLE:	21.78	0.48	BLNDER TONGUE:	1.80	0.06
ION MEDIA:	1.32	(0.05)	BROADCOM:	28.97	0.39
NEWS CORP:	21.83	(0.15)	C-COR:	12.48	0.01
TRIBUNE:	31.45	(0.4)	CISCO:	27.66	0.21
MSOS					
CABLEVISION:	25.58	(0.06)	COMMSCOPE:	47.68	0.46
CHARTER:	1.36	(0.05)	CONCURRENT:	0.88	(0.02)
COMCAST:	18.35	0.07	CONVERGYS:	17.78	0.61
COMCAST SPCL:	18.21	(0.01)	CSG SYSTEMS:	16.51	0.16
GCI:	8.67	0.27	GEMSTAR TVG:	4.67	(0.32)
KNOLGY:	12.39	(0.46)	GOOGLE:	718.42	3.55
LIBERTY CAPITAL:	118.42	(0.02)	HARMONIC:	10.56	(0.14)
LIBERTY GLOBAL:	40.99	0.39	JDSU:	13.94	0.00
LIBERTY INTERACTIVE:	20.81	0.34	LEVEL 3:	3.48	(0.09)
MEDIACOM:	4.99	0.15	MICROSOFT:	34.76	0.23
NTL:	28.22	0.00	MOTOROLA:	16.48	0.18
ROGERS COMM:	42.97	0.00	NDS:	61.00	0.54
SHAW COMM:	25.10	0.10	NORTEL:	16.96	0.04
TIME WARNER CABLE:	26.38	0.25	OPENTV:	1.04	(0.07)
WASH POST:	795.05	(4.95)	PHILIPS:	43.46	1.85
PROGRAMMING					
CBS:	27.09	(0.06)	RENTRAK:	14.95	0.03
CROWN:	5.97	0.06	SEACHANGE:	8.11	0.71
DISCOVERY:	26.96	(0.28)	SONY:	54.69	1.46
EW SCRIPPS:	43.78	0.17	SPRINT NEXTEL:	15.69	0.05
GRUPO TELEVISIA:	25.25	0.51	THOMAS & BETTS:	54.26	0.11
INTERACTIVE CORP:	28.51	0.05	TIVO:	8.34	0.14
LODGENET:	19.26	0.17	TOLLGRADE:	8.34	0.58
NEW FRONTIER:	5.03	0.05	UNIVERSAL ELEC:	37.18	(0.52)
OUTDOOR:	6.80	0.00	VONAGE:	2.03	(0.03)
PLAYBOY:	9.65	(0.11)	VYYO:	4.00	0.09
TIME WARNER:	17.23	(0.17)	WEBB SYS:	0.04	(0.01)
UNIVISION:	36.23	0.00	YAHOO:	25.20	(0.43)
VALUEVISION:	6.92	(0.03)	TELCOS		
VIACOM:	43.67	0.44	AT&T:	37.90	(0.57)
WWE:	15.30	0.10	QWEST:	7.15	0.09
TECHNOLOGY					
3COM:	4.49	(0.02)	VERIZON:	45.35	0.05
ADC:	17.20	(0.47)	MARKET INDICES		
ADDVANTAGE:	5.98	(0.12)	DOW:	13727.03	101.45
ALCATEL LUCENT:	8.14	0.06	NASDAQ:	2718.95	12.79
AMDOCS:	34.76	0.49			
AMPHENOL:	46.51	0.35			

CORPORATE LICENSES



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M.C. Antil's CableFolks

Yassini Keeping Cable's Spirit Alive

Over the years Americans seem to have developed a rather pregnant sense of entitlement. It's as though we've taken that Woody Allen adage about just showing up and made it, not so much an observation, but a mantra.

But, frankly, that's a debate for another date and time, and an entirely different arena.

I bring it up today, not because I wish to poke sharp objects into the underbelly of American society, but because of a conversation I had last week with Rouzbeh Yassini. As I was talking to Rouzbeh, I found myself amazed at the man's passion for, and his trust in, Western capitalism, his love of American society and the ideals this county represents, and his overwhelming sense of spirituality.

And I guess my amazement was born out of the fact that Rouzbeh Yassini, the multi-millionaire tech-whiz who, as much as anyone, is responsible for the invention of the cable modem, is a native-born Irani, who came here just months before the Shah got overthrown and the American embassy in Tehran took center stage in the most infamous hostage situation in history.

You cannot help be caught up in the irony that, even as his homeland was burning in effigy our system of free enterprise, Rouzebeh was living in West Virginia, pulling the backs off TV sets and planting seeds for a career that would make him rich beyond his wildest dreams.

Thirty years later, Rouzebeh is concerned that we've lost our entrepreneurial spirit and our willingness to break rules. As the hundreds, and even thousands, of companies that used to challenge and push each other have consolidated into a precious few, our industry, in Rouzbeh's eyes, seems to want to control innovation rather than foster it.

The problem, he says, is three-fold. He blames the short-sightedness of the capital markets, the un-willingness of many MSO CTOs to support start-ups, and, certainly,



M.C. Antil

provincial thinking by the mega-companies, among them Google, Apple and Microsoft—not to mention the major MSOs. He feels each concerns itself more with primary products than the convergence of all of its products. "Nobody has yet focused on creating products that will result from the convergence of computers, gaming, set-top boxes, etc., so consumers won't have to own twenty, thirty boxes."

He also sees broadband as far more than the third leg on cable's triple play. The author of Planet Broadband, a book which details Rouzbeh's vision for how broadband can benefit mankind, told me that "neither market-driven energy nor the capital markets have fully uncovered the other value broadband could have."

That's why this month Rouzbeh launched a series of \$50,000 grants to support graduate-level students seeking to maximize broadband's potential. The grants, operated out of the Yassini Knowledge Center in Boston, will bring students from the world over to Boston for hands-on research and development. He hopes the grants might do something that cable's increasingly parochial mindset has failed to do: tap broadband's potential to change the world and, in his words, "impact humanity for the better."

As a professed lover of America, he also hopes to create thousands of high-paying jobs for his home state. "Massachusetts ranks 49th in the country in jobs created, behind only Michigan," he told me. "In the 1900s we were among the leaders. Why? Because we're not innovating and not doing enough research."

And if Rouzbeh could change one thing about cable, what would it be? "Unless we change our attitude toward start-ups and innovation, the powerful, powerful software—the kind of software that Google brought to the computer industry—will never find its way into the world of broadband."

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