

# CableFAX Daily™

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What the Industry Reads First

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## Bot Alert: ISPs Report Very Little Gloom on Internet Doomsday

When the so-called Internet Doomsday dawned Mon, cable operators were ready, having spent months preparing for the **FBI's** July 9 disconnect of Internet servers that kept malware infected computers up and running for 8 months. Many ISPs provided computers that were infected with the malicious software as yet another safety net. **Time Warner Cable** set up its own DNS servers to keep infected customers online. It currently is in the process of reaching out to those it believes are infected to help them remedy the problem. "I can't get into specific numbers, but to date our outreach has been successful and we have seen a decline in infection rates," a spokesman said. **Cox** took a similar approach, working with the FBI last fall and establishing a redirect to Cox DNS servers so that no customers would be impacted by the shuttering of the FBI servers. Less than 1 percent of customers are infected, according to a spokesman. "As with other malicious attacks, Cox's Safety Team will contact each infected customer in the coming months via phone, email and in-browser notification to notify them of the infection and help ensure an optimal user experience long term," he said. Cox expects the notifications to take several months. **Comcast** opted to let those infected computers lose Internet connectivity. It reported receiving a "miniscule" number of calls since midnight Mon. The MSO set up [www.xfinity.com/dnsbot](http://www.xfinity.com/dnsbot) for customers to download a free security patch. Alternatively, they can pay a fee to have a professional help them through Xfinity Signature Support. The malware hijacks computers' DNS settings, redirecting them to fake Websites in order to steal passwords and other info. The FBI discovered the international cyber ring responsible for the malware, known as DNSChanger, last fall and set up clean DNS servers to give people time to clean up their DNS settings. **Verizon** said a "very small" number of its subs are impacted. They are being directed to a soft-walled garden so they're not affected as it continues to instruct customers on how to fix the problem. It's relying on email, phone and postal mail to alert the customers. Others, such as **Suddenlink**, have spent the past several weeks alerting customers to the potential problem. **NCTA** also joined the education effort, with a blog post last week directing customers where to go to check if they are infected and alerting people to the fact that their home router could also possibly be accessed by this malware ([cabletechtalk.com](http://cabletechtalk.com)).

**Spectrum Watch:** A group of 32 House Dems, including *Louise Slaughter* (NY) and *Bob Filner* (CA), urged close

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examination of cable and **Verizon Wireless'** proposed spectrum deal. The lawmakers warned that it appears to turn "formerly energetic competitors into business partners... The commercial agreements between Verizon Wireless and the leading cable companies appear to turn the promise of the 1996 Telecommunications Act on its head." -- The **FCC** denied a request by **Public Knowledge** and the **Rural Telecom Group** for more time to comment on the impact of proposed spectrum swaps between **Verizon** and **T-Mobile**. That means Tues is the deadline for comments, and it will also mark the restarting of the Commission's informal 180-day shot clock on vetting the Verizon and **SpectrumCo** deal. The agency said it was not persuaded that the 2 showed good cause that granting the motion would serve the public interest.

**Retrans:** At our deadline, **Hearst** and **Time Warner Cable** were negotiating. Their retrans consent agreement was extended until midnight on July 9 (**Cfax**, 7/3). It was originally set to expire on July 1.

**At the Portals:** Cable and telco ops flooded the **FCC** with USF comments as contribution and Phase II model design and data inputs comments were both due Mon. Meanwhile, the agency was ordered by the House Commerce members to provide an update on its USF overhaul before Aug 10 as the agency seeks to migrate the phone subsidy to broadband. "With the recent steps taken by the FCC to modernize and reduce waste within the USF high-cost and low-income programs, it's incumbent upon this Committee to have the most up-to-date performance information," according to the letter to FCC chmn **Julius Genachowski** from chairs and ranking members of the committee and subcommittee. **ACA** called on the agency to reduce burdens on small ops imposed by the current USF contribution system. Specifically, the group cited current policy that requires 4 or 5 traffic studies and the safe harbor rate of 64.9% for allocating revenues from VoIP services. **Frontier**, meanwhile, announced that it will expand broadband to an additional 92,876 households in many rural areas covering more than half of the 27 states it serves, using the \$71.9mln from the Connect America Fund. Genachowski praised the move, calling USF overhaul "the most significant effort ever undertaken to connect rural American to broadband." -- The **FCC** Media Bureau ruled that Louisiana-based **Bailey Cable TV** will be fined \$30K for keeping 2 stations on air for more than a month without a carriage contract. Bailey continued to retransmit signals to **Fox** and **NBC** affils **WGMB-TV** and **WVLA-TV** after a 3-year contract expired Dec. 31, '11.

**Hopper Dispute:** A NY federal judge ruled that the legal fight over **DISH's** ad-skipping AutoHop service should be heard in CA instead of NY. The DBS op sued several broadcasters in NY May 24, the same day the broadcasters including **Fox Networks** sued in CA. "Now we move on to the real issue at hand—demonstrating that DISH Network has created and marketed a product with the clear goal of breaching its license with Fox, violating copyrights and destroying the fundamental underpinnings of the broadcast television business—which damages not only Fox and the other major networks, but also the hundreds of local stations around the country," the net said in a statement. DISH, however, cited the Supreme Court's "Betamax" decision. "The Court ruled that 'time-shifting' constituted a fair use of copyrighted television programming," DISH said. "Those Betamax users could permissibly fast-forward through commercials on recorded shows – just as DVR users do today. DISH will stand behind consumers and their right to skip commercials, something they have been doing since the invention of the remote control."

**U-Verse:** **AT&T** is expanding its lineup of premium and TV content available through the U-Verse apps for iPad, iPhone and iPod Touch. That includes **HBO**, **Cinemax**, **Starz**, **Encore**, **MoviePlex** and **Music Choice** videos. Subs can also link their iPad to TV receivers with the U-Verse app to access sports content. Other new features include sharing information about what subs are watching on **Facebook** and **Twitter** and TV control through iPhone or iPod Touch. Live feeds from **Fox News Channel** and **Fox Business Network** have been added to U-Verse.com.

**Ratings:** **TNT's** Coke Zero 400 at Daytona (simulcast on **truTV**) generated a 3.8 HH rating and 6.18mln total viewers, making it the highest-rated and most-viewed Daytona 400 since '08. It was up 12% over last year's coverage. -- According to Nielsen fast nationals, **ESPN** posted a 2.9 coverage rating for Sun's Wimbledon finals, which saw **Roger Federer** triumph over **Andy Murray**. The rating's ESPN's best ever for tennis. Anyone else notice ESPN exec chmn **George Bodenheimer** in the Royal Box behind **Kate Middleton**? -- The **BET** Awards topped cable program ranking during the week of June 25, while **TNT's** crime drama series "Rizzoli & Isles" was the #1 DVRed cable shows during the week of June 11, according to data provided by **Nielsen**. Check out the latest

# BUSINESS & FINANCE

rankings at cablefaxdaily.com

**Programming:** Syfy renewed its competition series "Total Blackout" for 16 new episodes. Season 2 of the 30 min, extreme game show will start Tues, Nov 13 at 9pm. -- **Turner Classic Movies** will remember the life and career of actor *Ernest Borgnine* with a 24-hour marathon of his movies on Thurs, July 26. Borgnine passed away Sun at the age of 95. The 10-film memorial tribute will begin at 6am with "The Catered Affair ('56)"

**Carriage:** Asian American pop culture net **Mnet** scored a launch with **Comcast** in DC as part of the digital preferred package. The net is available in more than 30 DMAs, including 9 of the top 10.

**People:** SeaChange tapped **David McEvoy**, former gen counsel for **The Learning Company/Broderbund** and **ATG**, as gen counsel. -- Starz named finance evp **Scott Macdonald** CFO. -- *Tom Needham* was elevated to vp, digital marketing for **The Inspiration Nets**.

**Editor's Note:** Experts from companies including **Comcast**, **ESPN** and **Univision** will gather on July 17 to offer insights on how sports content fits into the fast-growing Latino market in the next **CableFAX** Webinar. More info: [http://www.cablefax.com/cfp/webinars/2012\\_July17/](http://www.cablefax.com/cfp/webinars/2012_July17/)

## CableFAX Daily Stockwatch

Company	07/09 Close	1-Day Ch	Company	07/09 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	48.99	(0.25)	CLEARWIRE:	1.09	(0.01)
DISH:	28.26	(0.22)	CONCURRENT:	4.07	0.14
DISNEY:	48.00	(0.04)	CONVERGYS:	15.01	0.06
GE:	20.04	0.04	CSG SYSTEMS:	17.81	0.06
NEWS CORP:	22.14	(0.23)	ECHOSTAR:	27.88	(0.48)
<b>MSOS</b>					
CABLEVISION:	13.10	(0.22)	GOOGLE:	586.01	0.03
CHARTER:	72.02	(0.06)	HARMONIC:	4.21	(0.02)
COMCAST:	31.27	(0.09)	INTEL:	26.17	0.01
COMCAST SPCL:	30.76	(0.09)	JDSU:	10.22	(0.36)
GCI:	9.16	0.17	LEVEL 3:	20.68	0.06
KNOLOGY:	19.68	(0.02)	MICROSOFT:	30.00	(0.18)
LIBERTY GLOBAL:	50.81	(0.06)	RENTRAK:	20.06	(0.42)
LIBERTY INT:	17.75	0.01	SEACHANGE:	7.73	(0.09)
SHAW COMM:	19.28	0.08	SONY:	13.45	(0.19)
TIME WARNER CABLE:	81.45	(0.44)	SPRINT NEXTEL:	3.21	(0.08)
VIRGIN MEDIA:	24.31	(0.25)	TIVO:	7.91	(0.42)
WASH POST:	360.69	(7.81)	UNIVERSAL ELEC:	13.60	(0.12)
<b>PROGRAMMING</b>					
AMC NETWORKS:	39.51	0.89	VONAGE:	2.03	(0.01)
CBS:	32.19	(0.37)	YAHOO:	15.75	(0.03)
CROWN:	1.72	(0.04)	<b>TELCOS</b>		
DISCOVERY:	51.46	(1.35)	AT&T:	35.54	0.10
GRUPO TELEVISIA:	21.08	(0.33)	VERIZON:	44.74	0.32
HSN:	41.26	0.38	<b>MARKET INDICES</b>		
INTERACTIVE CORP:	47.32	0.74	DOW:	12736.29	(36.18)
LIONSGATE:	14.31	(0.39)	NASDAQ:	2931.77	(5.55)
LODGENET:	1.34	(0.03)	S&P 500:	1352.46	(2.22)
NEW FRONTIER:	1.61	(0.01)			
OUTDOOR:	7.26	(0.02)			
SCRIPPS INT:	55.07	(0.91)			
TIME WARNER:	38.11	(0.48)			
VALUEVISION:	2.51	0.16			
VIACOM:	51.00	(0.12)			
WWE:	7.78	(0.03)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.10	0.05			
ALCATEL LUCENT:	1.49	(0.02)			
AMDOCS:	29.73	(0.07)			
AMPHENOL:	53.25	(0.27)			
AOL:	28.21	(0.19)			
APPLE:	613.89	8.01			
ARRIS GROUP:	13.98	0.09			
AVID TECH:	8.21	0.02			
BLNDER TONGUE:	1.19	0.03			
BROADCOM:	31.64	(0.93)			
CISCO:	16.65	(0.12)			

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