

# CableFAX Daily™


Thursday — August 23, 2012

What the Industry Reads First


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## Privacy Patrol: Groups File Complaints Against Viacom, Turner and 3 others


17 privacy and children's advocacy groups want the **FTC** to investigate **Turner, Viacom, McDonald's, General Mills** and **Subway** owner **Doctor's Associates** for using marketing techniques that they say violate the Children's Online Privacy Protection Act. At issue are "refer-a-friend" campaigns that the groups complain induce children to submit both their personal info as well as friends', without obtaining the verifiable consent of either sets of parents. The groups filing the complaints include **Center for Digital Democracy, Campaign for a Commercial Free Childhood** and the **Rudd Center for Food Policy & Obesity at Yale**. **Turner's Cartoon Net** was still reviewing the complaint Wed. "Cartoon Network takes its compliance with the Children's Online Privacy Protection Act (COPPA) very seriously. We will review any allegations closely," a spokesman said. Nick.com was the target of the Viacom complaint. "We take our compliance with children's privacy rules very seriously, and the allegations made by these groups are absolutely incorrect," **Nick** said. "Nick.com does not retain any personal information as part of our 'Send to a Friend' function, which simply allows kids to share their favorite online games with one another in full compliance with COPPA." In the complaint against Nick.com, the groups site games that have the "share" option. A link pops up asking for the child's first name and that of his or her friend's as well as the friend's email address. The groups said nothing prevents a child from entering full names and that COPPA doesn't allow it to collect children's email addresses from other kids. The Turner complaint for CartoonNetwork.com is similar, though in that case, a full name could only be entered if it was 12 characters or less. While investigating the refer-a-friend campaigns, the groups found other "troubling practices" that they feel highlights the need for revisions to COPPA. For example, many sites place 3rd party cookies that can be used for tracking and behaviorally targeted ads. In the case of McDonalds, kids are asked to upload photos that are only supposed to be retained for 2 weeks. The groups found that at least in some cases they have been retained longer. Privacy Caucus chairmen **Joe Barton (R-TX)** and **Ed Markey (D-MA)** said the complaints underscore the need for passage of their "Do Not Track Kids" legislation. It would update COPPA, requiring consent from parents or users before companies collect info about children or teens, prohibit targeted advertising to kids and ensure that kids 17 and under have an



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**Featuring Special Guest:**



**Michael Powell**  
President & CEO, National Cable & Telecommunications Association (NCTA)

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"eraser" button to delete their personal info online. COPPA, written in '98, applies to operators of Websites aimed at kids 12 and under that collect, use or disclose personal info from kids or operators of general Websites with actual knowledge they collect, use, disclose personal info from kids.

**At the Portals:** The **FCC** is considering whether to review the impact of capping broadband and data usage in next year's broadband report, according to a Notice of Inquiry released Tues. "If we add a data capacity threshold for fixed broadband in the next report, what data capacity threshold or thresholds should we adopt," the agency asked. "What data capacity limits do most fixed broadband providers offer today? How often, and under what circumstances, do consumers exceed these limits?" **Free Press, Consumers Union** and others have been calling on the govt to examine the caps for the past several months. "Arbitrary caps and limits are imposed by multichannel video providers that also provide broadband Internet access, because the providers have a strong incentive and ability to protect their legacy, linear video distribution models from emerging online video competition," the groups wrote in a letter to Sen Commerce leaders in Apr (**Cfax**, 4/24). -- No official word from the **FCC** Wed, but various reports suggested that the agency voted 5-0 to approve **Verizon Wireless'** spectrum deal with cable companies. The agency just missed its informal 180-day shot clock on reviewing mergers.

**Technology:** DTA maker **Evolution Digital** will work with **Rovi** to bring its guides to its Universal Digital Transport Adapters (uDTAs). DTAs enable analog TVs to receive digital broadcast signals, key as operators transition to all-digital networks. -- 24/7 weather news service **WeatherNation TV** has launched to **Sony Ent Network** customers who use select Sony devices, including Internet-connected Bravia TVs and Blu-ray disc players. -- **Motorola Mobility** licensed **Comcast's** Reference Design Kit to improve the set-top box development cycle. The RDK is a pre-integrated software bundle that creates a common framework for powering set-top boxes and video gateway devices. It accelerates the development and deployment of next-generation video services such as cloud-based VOD and improved guide experiences.

**In the States:** **Time Warner Cable** sealed a deal to provide fiber services to the Empire State Building in New York City, offering up to 1 Gbps connection to building tenants.

**Programming:** **DirecTV** has started production of "Rogue," a drama starring *Thandie Newton* and that will debut on its Audience Net next summer.

**On the Circuit:** On Sept 7, the *John Malone* Theater will be dedicated at The Cable Center during a special celebration. The \$1mln personal donation in honor of the **Liberty Media** and **Liberty Global** chmn came from Liberty Global pres/CEO *Mike Fries*, Liberty Media pres/CEO *Greg Maffei* and **Discovery** pres/CEO *David Zaslav*. "The naming of this theater in honor of *John Malone* is a small token of our appreciation for all that he has done for us in our careers, as well as for the industry as a whole. Over 40 years, John has played a leading role in building the infrastructure, programming services and companies that today deliver television and high-speed Internet to the majority of Americans, and an increasing proportion of European consumers," the trio said in a statement. "Without John Malone, there would be no cable industry as we know it, and we are forever in debt to his vision, perseverance and dedication." Malone entered the cable industry in '73 as pres/CEO of TCI. The state-of-the-art John Malone Theater seats 200 and has advanced video capabilities. -- **WICT** added more industry execs to its 2012 WICT Leadership Conference speaker lineup, which takes place at the Hilton NY Sept 10-11. Among those new to the lineup are *Michael Armstrong*, svp/gm, **BET International & Paramount Channel**; *David Cohen*, evp, **Comcast**; and *Charlie Collier*, pres/gm, **AMC**.

**Programming:** **Longhorn Network** will exclusively televise 2 University of TX football games, starting with the team's season opener against WY Sept 1 at 7pmCT. The net will air TX vs NM game the following Sat at the same time. -- **VH1** is giving its drama/comedy series "Single Ladies" a 3rd run. The series averaged 3.2mln total viewers during premieres plus 1st encores, up 10% from season 1. Season 3 is set to premier late '13.

**Honors:** **NAMIC** announced the winners of its Excellence in Multicultural Marketing Awards, which will be honored during its annual conference (Sept 11-12 in NYC). **Time Warner Cable** and **Comcast** garnered top honors in the Cable Distributors division earning 1st place wins in 5 and 4 award categories, respectively. Among

# BUSINESS & FINANCE

networks and industry suppliers, **International Media Distribution** and **Univision** earned 1st place awards in 3 categories, while **BET** and **Philippines** net **GMA** took 2 first place awards. A full list of winners is available at NAMIC.com.

**On the Circuit: The Rocky Mount Cable Assoc** will donate \$2500 of the proceeds from its recent inaugural golf tournament to **The Aurora Shooting Victim Relief Fund**. The fund was established to help with the immediate and long-term needs of victims and their families and, as funds are available, to the broad needs of those affected in the community.

**Business & Finance: Discovery** led the latest funding round for **Lumosity**, an online brain training firm. A total of \$31.5mln in Series D financing will be used for research, user expansion and brand engagement. "As Discovery focuses its digital strategy around strengthening its position as the #1 nonfiction media company across all screens, we also see strategic growth opportunities in select investments in the next generation knowledge space," said *JB Perrette*, chief digital officer, Discovery Communications. -- **Charter** closed on the public sale of \$1.25bln senior notes due '22.

**People: Bravo** upped *Aimee Viles* to svp, emerging media.

## CableFAX Daily Stockwatch

Company	08/22 Close	1-Day Ch	Company	08/22 Close	1-Day Ch
<b>BROADCASTERS/DBS/MMDS</b>					
DIRECTV:	51.79	0.29	CONVERGYS:	15.34	(0.08)
DISH:	31.53	0.45	CSG SYSTEMS:	20.42	(0.01)
DISNEY:	49.66	0.02	ECHOSTAR:	28.03	(0.28)
GE:	20.78	(0.07)	GOOGLE:	677.18	7.67
NEWS CORP:	23.68	0.14	HARMONIC:	4.42	0.01
<b>MSOS</b>					
CABLEVISION:	15.28	(0.14)	INTEL:	25.73	(0.38)
CHARTER:	77.11	(0.17)	JDSU:	11.72	(0.07)
COMCAST:	33.97	(0.07)	LEVEL 3:	22.03	(0.22)
COMCAST SPCL:	33.07	(0.06)	MICROSOFT:	30.54	(0.26)
GCI:	8.97	(0.13)	RENTRAK:	17.92	(0.19)
LIBERTY GLOBAL:	54.87	(0.23)	SEACHANGE:	7.52	(0.07)
LIBERTY INT:	18.11	0.23	SONY:	11.79	(0.16)
SHAW COMM:	20.33	(0.13)	SPRINT NEXTEL:	4.88	(0.2)
TIME WARNER CABLE:	89.30	(0.03)	TIVO:	9.35	0.11
VIRGIN MEDIA:	27.48	(0.08)	UNIVERSAL ELEC:	15.76	(0.22)
WASH POST:	354.72	(0.33)	VONAGE:	2.06	(0.02)
<b>PROGRAMMING</b>					
AMC NETWORKS:	39.40	(0.23)	YAHOO:	14.92	(0.05)
CBS:	36.10	(0.14)	<b>TELCOS</b>		
CROWN:	1.67	(0.05)	AT&T:	36.56	(0.03)
DISCOVERY:	52.83	0.07	VERIZON:	42.62	(0.27)
GRUPO TELEVISA:	23.31	0.10	<b>MARKET INDICES</b>		
HSN:	44.35	(0.11)	DOW:	13172.76	(30.82)
INTERACTIVE CORP:	51.69	(0.21)	NASDAQ:	3073.67	6.41
LIONSGATE:	14.09	(0.18)	S&P 500:	1413.49	0.32
LODGENET:	0.39	0.01			
NEW FRONTIER:	1.55	(0.01)			
OUTDOOR:	6.84	(0.33)			
SCRIPPS INT:	58.63	0.23			
TIME WARNER:	42.19	0.02			
VALUEVISION:	2.05	(0.01)			
VIACOM:	50.99	UNCH			
WWE:	8.20	(0.37)			
<b>TECHNOLOGY</b>					
ADVANTAGE:	2.08	(0.02)			
ALCATEL LUCENT:	1.21	0.02			
AMDOCS:	32.36	(0.07)			
AMPHENOL:	60.96	(0.98)			
AOL:	32.38	(0.08)			
APPLE:	668.87	12.81			
ARRIS GROUP:	13.63	(0.07)			
AVID TECH:	9.09	0.08			
BROADCOM:	35.17	(0.22)			
CISCO:	19.22	0.06			
CLEARWIRE:	1.64	(0.16)			
CONCURRENT:	4.45	(0.01)			

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## Think about that for a minute...

### Comparisons

Commentary by Steve Effros

It's late August. Most folks are either on vacation or trying to figure out how to get there. The national election campaigns are in full swing and for the most part being ignored. The only "winner" there is the advertising (and, I must say, broadcast and cable) industries who are being paid to put on an onslaught of ads that are almost universally "muted" by viewers. The pollsters say it's going to be a very close race. They've said that for over a year. It hasn't changed. It won't. So it's difficult when I know that, like the ads, this commentary is unlikely to be one of my "highest rated" reads?



Of course "highest rated" and "lowest rated" are tricky terms. Rated based on what? We now have total confusion in the "television" business since it's not

really clear any more what "television" means. The "ratings" are being parsed out between "live broadcast" and "delayed" broadcast (DVRs) but for some reason only if the delayed viewing is within the three days after the live broadcast. Then there is viewing on the Internet through a "free" service, a "fee" service on a web site or through an "App." All are considered different measures, because they for the most part relate to different revenue streams based on varied display technologies and business plans.

It's gotten so confusing that even the "experts" acknowledge they don't really have a handle on it any more. The headlines proclaim that television viewing is down, that folks are "cutting the cord," that the younger generation is watching video on a tablet rather than on a television. But isn't that still watching "television?" Of course, but the analysts, bloggers, advertising agencies, etc, characterize it in all sorts of different ways and sometimes even compare them and suggest that one form is "winning" over another form of viewing.

I'm not sure that viewers care. There is more "viewing" now of video (I'll avoid the term "television," just so we don't get confused) than ever before, and there is every indication that the trend toward increased viewing, on whatever screen you want to measure it on, is going to continue to go up regardless of the comparisons.

The problem of making comparisons between technologies, or even the spread of technologies is going to get a lot worse. Again, I have written a lot about the absurdity of "comparing" the development, spread, speed, price or whatever of something like "broadband" in the United States with those same measures in a place like South Korea. The size, density, prior technology and uses are all different. What is the value of a comparison like that?

Well, we have just seen what regulators use those comparisons for, and I suspect it will never change. The latest broadband report from the FCC concludes that broadband is not yet being deployed across America in a "reasonable and timely" fashion. This despite the fact that the same report shows a vast majority of Americans are now getting very good broadband service and that the national infrastructure growth has exceeded any other historical development they can cite; telephone, pipeline, roads, sewers, you name it! The comparison, and the conclusion that the "glass is only half full" is to be expected. If the conclusion was we were doing a good, reasonable job, the Commission wouldn't have justification to continue regulating! Comparisons are often made not because they make sense, but to serve some other purpose. Figure out what that is, before putting too much stock in the comparison.

*Steve*

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*(Steve Effros was President of CATA for 23 years and is now an advisor and consultant to the cable industry)*

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