

CableFAX Daily™

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What the Industry Reads First

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Protecting Kids: Lawmakers Talk Online Ads, Violence in Media & Sandy Hook

The timing of Wed's COPPA news conference was coincidental, but the tragedy in Newtown, CT, was referenced several times as politicians talked about **FTC** updates to the law protecting children from online advertising. "What happened in CT showed how vulnerable our children are in the physical world. What happens on the Internet everyday shows how vulnerable our children are in cyber space," said Rep *Joe Barton* (R-TX), who is the father of a first grader, the grade of the youngest victims in Newtown. Keeping kids safe on the Internet is as important as ensuring their safety in schools, homes and cars, Rep *Ed Markey* (D-MA) said, referring to the Internet as the "21st Century playground." At the same time as the COPPA event, President *Obama* was announcing plans for gun control. Hours before the COPPA news conference led by Sen Commerce chmn *Jay Rockefeller* (D-WV) and **FTC** chmn *Jon Leibowitz*, Rockefeller introduced a bill to study the effect of violent video games and video programming on children. He said he will call on the **FTC** and **FCC** to expand their work in the area. "The FTC has reviewed the effectiveness of the video game ratings system. The FCC has looked at the impact of violent programming on children," he said in a statement. "Changes in technology now allow kids to access violent content online with less parental involvement. It is time for these 2 agencies to take a fresh look at these issues." Asked during the press event about the willingness of Congress to pass such legislation, Rockefeller was cautious. "That's always dicey. I think it's a very different atmosphere this week than it was a month ago," he said, recalling how he once tried to show a 5-minute montage of violence and sexually explicit scenes from TV during a hearing, and another committee member asked that it be turned off. "[There was] no particular interest in that." It was Sen *Frank Lautenberg* (D-NJ) who asked that it be turned off in that '07 hearing, while simultaneously agreeing that it was disgusting. And while most members at that hearing agreed that some TV content is disturbing, there was virtually no support for regulating TV. "I think we have to tread a lot softer than you indicate," the late *Ted Stevens* (R-AK) said during that hearing. This time around, Rockefeller's bill seems more focused on video games. It would require the **Natl Academy of Sciences** to conduct a comprehensive study and investigation on the connection between violent video games and violent video programming and harmful effects on children—specifically whether they cause kids to act aggressively or hurt their well-being. NAS would look at whether the interactive nature and "vivid way" violence is portrayed in video games

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has a unique impact on kids. A report must be submitted to Congress as well as the FTC and FCC within 18 months. As for COPPA, the FTC has updated the law so that photos, video and geolocation info can't be collected without parental notice and consent. Many of the changes are reflective of mobile Web usage. COPPA is directed at Websites and online services that are directed at children under 13 or knowingly collect personal info from kids. Other updates include closing a loophole that allowed kid-directed apps and Websites to permit 3rd parties to collect personal info from kids through plug-ins without parental consent. The rules don't apply to app stores. "Under this rule, advertisers and even ad networks can continue to advertise, even on sites directed to children," said FTC chmn Leibowitz. "Business models that depend on advertising will continue to thrive. The only limit we place is on behavioral advertising, and in this regard our rule is simple, effective and straightforward: until and unless you get parental consent, you may not track children to build massive profiles for behavioral advertising purposes. Period." Not everyone is happy. The **App Developers Alliance**, which includes **BlackBerry**, **AT&T** and **Brightcove**, said it is concerned the new regs will be so expensive to implement and create so much risk that developers will abandon the children's app market. The group complains that the changes extend the definition of personally identifiable info to device IDs, treats apps differently than Websites and extends COPPA liability to developers that don't collect personally identifiable info.

Deals: **NBCU** announced a multi-year deal with **Mediacom** that includes TV Everywhere, expansive Olympics rights and retrans consent for **NBC** and **Telemundo** stations as well as continued carriage of NBCU cable nets, including **Bravo**, **USA** and **Comcast SportsNet**. The deal follows recent distribution pacts with **Cablevision**, **Suddenlink** and **Verizon**. -- Accessing **ESPN** during the college football bowl season just got easier for **Cablevision** subs. The op launched WatchESPN, enabling Optimum TV subs to have live access to ESPN nets across platforms via the app or through ESPN on Xbox Live to Gold members. -- **DirectTV** and **Cablevision** customers subscribing to Showtime now have access to **Showtime Anytime**, which allows subs to watch Showtime content across platforms for free.

Rate Hike: **DISH** is getting ready to institute a rate hike for core programming packages, which it says is the first in 2 years. The DBS provider blamed rising programming costs for the increase, which will see monthly fees for most core English programming packages jump \$5/month effective Jan 17. The Hopper and ViP 922 fees will remain at \$10/month, while other VIP DVR fees will increase by \$1/month, taking them to \$7 monthly. "We understand that this modest price increase will be felt by our customers. Programming costs are rising year over year—the industry has seen increases in the double digit percentages—which means consumers are having to pay higher prices for their programming packages. **DISH** works tirelessly on behalf of our customers to keep programming costs as low as possible," a spokesman said. Earlier this month, **Cablevision** announced plans to raise HSD \$5/month in '13. It's the first time the MSO has raised Internet prices in 10 years, and like **DISH**, **Cablevision** did not raise video rates in '12.

At the Portals: Using \$14mln in savings from Lifeline reforms, the **FCC's** Wireline Bureau picked 14 pilot projects to improve broadband adoption through Lifeline. Located in 21 states and Puerto Rico, the pilots will offer broadband for nearly 75k low-income consumers without service. The pilots will run for 18 months starting Feb 1.

Retrans Spat: Two days before **DISH's** contract with **Schurz Communications** is set to expire, the satellite provider's already in a retrans battle with another broadcaster. As a contract extension expired, **DISH** subs on Tues lost access to **KCRG-TV9**, an **ABC** affil that broadcasts in parts of IA. The original carriage agreement expired Nov 30. The core dispute involves rate increases, as usual. Station owner **Cedar Rapids Television** also said **DISH** is refusing to provide **KCRG-TV's** second channel (**KCRG 9.2**) featuring live local sports and **MyNetwork** affiliate programming. The broadcaster claimed **DISH** turned down its offer to provide the channel for free. **DISH** countered that **Cedar Rapids TV** rejected its offer to pay "a sizable rate increase that aligns with the rate our primary competitors pays."

In the Courts: **OpenTV**, a subsidiary of **Kudelski Group**, has filed a patent infringement suit against **Netflix** alleging that the company is willfully infringing on 7 of its patents. The suit was filed in US District Court in DE.

Spectrum Dealings: **Stifel Nicolaus** analysts offered a further look at the **FCC's** recent AWS-4 order that granted **DISH** use of satellite mobile service spectrum for terrestrial service. The agency imposed strict signal limits on **DISH's** planned terrestrial wireless network in its 40 MHz of mobile satellite service spectrum after concluding they were needed to protect the nearby H block and wouldn't materially degrade **DISH's** offering. The Commission

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acknowledged the restrictions would limit DISH wireless operations at 2000-2005 MHz, but noted DISH would still have 15 MHz of uplink spectrum paired with 20 MHz of downlink spectrum, and it suggested there might be “no impact on actual network capacity,” the analysts said. Although DISH could challenge the FCC order in court, the analysts predicted it would face “a steep uphill fight,” and protracted litigation would run counter to DISH’s desire for regulatory certainty. The company appears interested in partnering with another mobile carrier on mobile broadband but could also consider combining with **DirectTV** or selling the spectrum, the analysts said.

Programming: BBC America booked a full season of “The Nerd-ist,” a comedy-variety talk show based on “Doctor Who” evangelist *Chris Hardwick*. The 10x60-min series will premiere Spring ’13. -- **MTV** ordered a 2nd season of “Catfish: The TV Show” set to debut Jan 7. The dating series, which premiered Nov 12, has become the net’s highest rated series premiere at 11pm in network history.

People: AMC Networks named *Kari-Michele Hauge* vp, digital sales and marketing. -- **Showtime Networks** upped *Tom Christie* to the newly created position of pres, distribution, business development and network operations.

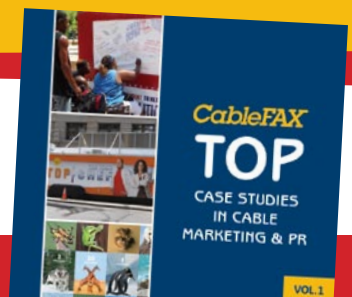
CableFAX Daily Stockwatch

Company	12/19 Close	1-Day Ch	Company	12/19 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DIRECTV:	51.20	(0.64)	CONVERGYS:	16.48	(0.12)
DISH:	35.61	(0.18)	CSG SYSTEMS:	18.94	0.05
DISNEY:	49.94	(0.28)	ECHOSTAR:	34.14	(0.23)
GE:	21.01	(0.68)	GOOGLE:	720.11	(0.96)
NEWS CORP:	25.93	(0.21)	HARMONIC:	5.05	0.07
MSOS					
CABLEVISION:	14.94	(0.12)	INTEL:	21.10	0.14
CHARTER:	74.05	(0.09)	JDSU:	13.21	0.02
COMCAST:	38.01	(0.04)	LEVEL 3:	23.03	0.04
COMCAST SPCL:	36.66	UNCH	MICROSOFT:	27.31	(0.25)
GCI:	9.23	(0.45)	RENTRAK:	21.03	0.03
LIBERTY GLOBAL:	62.97	0.23	SEACHANGE:	9.69	(0.02)
LIBERTY INT:	19.61	(0.05)	SONY:	10.97	(0.15)
SHAW COMM:	23.11	0.19	SPRINT NEXTEL:	5.46	(0.07)
TIME WARNER CABLE:	95.65	(0.62)	TIVO:	12.65	(0.1)
VIRGIN MEDIA:	36.22	(0.26)	UNIVERSAL ELEC:	18.50	(0.08)
WASH POST:	367.35	(5.12)	VONAGE:	2.38	(0.02)
PROGRAMMING					
AMC NETWORKS:	49.70	(0.9)	YAHOO:	19.60	(0.02)
CBS:	36.43	0.03	TELCOS		
CROWN:	1.88	0.01	AT&T:	33.91	(0.43)
DISCOVERY:	62.81	(0.8)	VERIZON:	43.38	(0.49)
GRUPO TELEVISA:	26.52	0.44	MARKET INDICES		
HSN:	54.81	(0.2)	DOW:	13251.97	(98.99)
INTERACTIVE CORP:	47.28	0.58	NASDAQ:	3044.36	(10.17)
LIONSGATE:	15.85	UNCH	S&P 500:	1435.81	(10.98)
LODGENET:	0.10	(0.01)			
OUTDOOR:	7.50	UNCH			
SCRIPPS INT:	58.97	(0.23)			
TIME WARNER:	47.64	(0.51)			
VALUEVISION:	1.76	0.03			
VIACOM:	54.00	(0.33)			
WWE:	8.14	UNCH			
TECHNOLOGY					
ADVANTAGE:	1.92	(0.03)			
ALCATEL LUCENT:	1.45	0.07			
AMDOCS:	34.69	(0.25)			
AMPHENOL:	64.85	0.16			
AOL:	30.74	(0.13)			
APPLE:	526.31	(7.59)			
ARRIS GROUP:	14.54	(0.04)			
AVID TECH:	7.48	0.03			
BLNDER TONGUE:	1.12	(0.03)			
BROADCOM:	33.16	(0.31)			
CISCO:	20.27	(0.11)			
CLEARWIRE:	2.87	UNCH			
CONCURRENT:	5.46	0.01			

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Think about that for a minute...

Slow Down

Commentary by Steve Effros

In many different ways the tragedy in Connecticut this past week reinforced why we should all consider slowing things down. That goes for everything from the weaponry that has become pervasive to the “news,” “views” and other communications that have become so instantaneous that they have now become part of the problems we face rather than a solution.



As to the first point, it should be obvious that if a weapon can shoot over 700 bullets in less than a minute from a high-capacity magazine there's little point in talking about adding “security” or a police presence in places like schools. Speed kills long before anyone can react or adequately respond to it.

In another context, that's why we have speed limits on our highways. At some speed things get out of control, and the results are usually deadly. Clearly they are now out of control. To be sure, we need to more effectively deal with those who would misuse, whether because of illness, or intoxication, but it seems to me there can be little argument that removing the ability to engage in excessive, dangerous speed is also part of the mix.

Speed is also proving to be the root cause of another danger we face; misinformation and miscommunication moving so fast that it becomes “part of the story” if not, in some cases, the story itself. Again, what happened in Newtown needs to be instructive. The news media, as is its wont, instantly responded to the tragic events. Indeed, the competition to “get on the air” as fast as possible with as much “exclusive” or “new” information as was available led to a series of miscues that still reverberate.

Reporters—and it should be noted they were from both cable and broadcast television networks as well as newspaper, Internet and radio—started instantly dis-

seminating misinformation. That was compounded, or in some cases prompted by the instant “Twittering” and Facebook posts that went viral. The results put additional folks in danger. For instance, the wrong person was initially identified as being associated with the shootings. He quickly tried to correct the information as it was flowing out from the media and on the Internet and couldn't keep up with all the erroneous reports.

Information on victims was wrong, numbers were wrong, and the “commentators” were issuing “instant analysis” which turned out to be totally off-base. That, in turn, has resulted in instant reactions by folks who have not caught up with all the “corrections.” Almost all of this misinformation, rumor and unthinking reaction could have been avoided had we all learned that in these situations, and many others, speed is not that important. Accuracy and thoughtful consideration is. This is not an easy reality, particularly for the media. We have built an entire communications structure predicated on speed. It is a difficult challenge for any one of the competitors to forego the “instant” ratings of those who want to dial in to the “latest” information in favor of those who may prefer to wait and gauge whatever the situation is after some careful and accurate reporting and editing.

The Internet, of course, is the most instantaneous and generally the most unreliable vehicle for dissemination of both accurate and often terribly inaccurate accounts of ongoing events. It's not only instantaneous, it's constant. That's why it's essential that we encourage more curated, edited and moderated information flow in the future. Slowing things down in reporting and analyzing situations like the one last week, and most others, will help.

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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