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What the Industry Reads First

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IoT Security: House Hearing Seeks Remedies

Despite the uncertainty around tech policy in a Trump Administration and a Republican-controlled Congress, the need for better Internet security might be one issue that both parties can agree on. In light of a cyberattack that took down Internet services such as Netflix and Twitter last month as well as security attacks on connected devices, the **House Communications Subcmte** and **Commerce Subcmte** held a joint hearing Wed to understand the role of IoT devices. Regulatory intervention might be inevitable moving forward, said witness *Bruce Schneier*, adjunct lecturer at the **Kennedy School of Government at Harvard University**. “If we want to secure our increasingly computerized and connected world, we need more government involvement in the security of the Internet of Things and increased regulation of what are now critical and life-threatening technologies. It’s no longer a question of if, it’s a question of when,” he told the lawmakers. He proposed minimum security standards on IoT manufacturers, which would force them to make their devices secure. And “most importantly, the government needs to resist the urge to deliberately weaken the security of any computing devices at the request of the **FBI**. Devices like smart phones are becoming the de facto digital hub where we control many of our Internet of Things devices,” he said. Schneier, also a fellow at **Berkman Klein Center** at Harvard that focuses on cyberspace issues, warned that attempts to weaken encryption will make cyberattacks easier and more damaging. “Invest in FBI cybersecurity expertise, not back doors. Regardless of what you think about regulation vs. market solutions, I believe there is no choice. Governments will get involved in the IoT, because the risks are too great and the stakes are too high,” he said. Private companies are not always fans of government intervention, but *Dale Drew*, svp/chief security officer at **Level 3**, said there may be a role for the government to provide “appropriate guidance” and “it will be imperative for all relevant stakeholders to continue to work collaboratively to address and mitigate IoT security risks.” *Greg Walden* (R-OR), head of the Communications Subcmte, asked how to create a national security framework for connected devices. The best place to start is standards, said Drew, pointing to the lack of any security standards for IoT devices. In particular, IoT makers and vendors should “embrace and abide by additional security practices to prevent harm to users and the Internet,” he said. *Kevin Fu*, CEO at **Virta Labs** and an associate professor at **University of Michigan**, advocated for built-in

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security for connected devices. “If cybersecurity is not part of the early design of an IoT device, it’s too late for effective risk control,” he said. And it will be difficult to ensure security features are built-in unless there are standards and principles set in place, he said. Cybersecurity measures should be included in national legislation, since the Internet is part of our national infrastructure, according to *Anna Eshoo* (D-CA). While Walden cautioned that government mandates could potentially stifle innovation, he said cybersecurity is a bipartisan matter that legislators from both sides of the aisle would want to address.

FCC Update: The **FCC** deleted 4 items from its agenda for Thurs’ Open Commission Meeting. Gone are the Business Data Services item, the video description proposal, the USF Mobility Fund proposal and the VoIP LTE proceeding. The only item remaining is an enforcement action consent agenda. The move came after GOP legislators told chmn *Tom Wheeler* to focus on completing the agency’s current initiatives, instead of ruling on new controversial proposals. “In light of the congressional letters we received, we have revised the meeting agenda,” an FCC spokeswoman said. Hill Democrats weren’t pleased. Sen *Ed Markey* (D-MA) said in a statement Wed that “Republican lawmakers should stop their obstruction and support Commission action on those pro-consumer, pro-accessibility measures without delay.” **Public Knowledge** also is disappointed. “While respecting the tradition that the FCC should generally wait for the new administration before acting on any new initiatives, these items were essentially completed and ready to move. It seems absurd that if Chairman Wheeler had scheduled the meeting on election day, we would have already resolved the decade-old proceeding on legacy business data services pricing,” svp *Harold Feld* said. **ACA**, on the other hand, said it’s “heartened the Wheeler Commission heard our message and was moving in the right direction...” The deletion of the BDS item means ACA members won’t face additional regulatory headwinds, the group said.

Turner’s New Unit: **Turner’s TBS** and **TNT** created a new business strategy unit aimed at accelerating the nets’ “marketplace transformation” under pres *Kevin Reilly*. As part of the arrangement, Turner acquired strategic and investment firm **BRaVe Ventures**’ advisory business. The firm’s co-founding partners *David Beck* and *Jesse Redniss*, along with key members of their team, will join TBS and TNT as the new Network Strategy and Innovation Team. The team will work across both network brands to identify future strategies and build new businesses. Beck and Redniss will be chief strategy and ventures officer and chief innovation officer, respectively, reporting to Reilly.

Senate Commerce’s AR 101: Sure, there was some Pokémon talk at Wed’s first-ever **Senate Commerce** hearing on augmented reality, but members were also very interested in how the technology could help constituents. Take Sen *Steve Daines* (R-MT) who asked how it can improve educational opportunities and reduce the number of vehicle fatalities in a rural state. While **DAQRI** CEO *Brian Mullins* talked up things such as vehicle sensors that could detect elk in the road, another senator had different concerns about vehicle accidents. *Richard Blumenthal* (D-CT) pointed to a **NY Times** article this week that concluded mobile apps are responsible for the biggest spike in traffic deaths in 50 years. The article said even Pokémon Go has drivers searching for virtual creatures on roadways. *John Hanke*, CEO of **Niantic** (maker of Pokémon Go), was among hearing witnesses. Hanke said he wanted to correct the NYT piece, saying the company has adopted what it thinks is an industry leading policy that disables users’ ability to access features in Pokémon Go when the app detects they are traveling at a “speed above what they could walk or ride.” Blumenthal suggested making it so that any movement detected was considered unsafe, but Hanke said he thought that was going too far. If you’ve played Pokémon Go, you also know it would pretty much defeat the purpose of the game. Sen *Cory Booker* (D-NJ) used the hearing to ask about the lack of universal access to broadband in the US. It’s a plight Hanke said he’s familiar with, having grown up in west Texas. When he returns to his hometown next week, he says he won’t be able to use the products he works on. “I’m empathetic to the youth there...A lot of opportunities are now going through that pipe,” he said. The wish list from the augmented reality witnesses was pretty consistent: the government should give the industry room to experiment and innovate. That includes clarifying liability and privacy rules in a way that can let the technology flourish, said *Ryan Calo*, assistant professor of law at the **University of Washington**.

Ratings: **Hallmark Channels**’ “Countdown to Christmas” campaign helped the net to be #1 this past weekend in total day among HH and women 25-54 ratings for the 2nd consecutive weekend. For **Hallmark Channel**, its “Ev-

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ery Christmas Has a Story” averaged a 3.5 HH rating and 4mIn total viewers. The original movie was the highest-rated and most-watched Hallmark Channel telecast of 2016 among HH and total viewers. For **Hallmark Movies & Mysteries**, original movie “Finding Father Christmas” averaged a 1.8 HH rating and 1.6mIn total viewers.

Programming: Nick booked additional season of its 2 *Dan Schneider*-produced series: “Henry Danger” and “Game Shakers.” -- **Freeform** launched short-form original series “Party Girl” co-created by Lisa Schwartz and Lacey Friedman. The 10-ep series is available now on Freeform.com, through the Freeform app and Hulu. -- **E!** announced a Season 2 pick-up of “Total Bellas,” the spin-off of the network’s “Total Divas.” The new season will premiere in 2017. -- **AMC** and **BBC Worldwide North America** have a co-production deal for “McMafia,” an epic drama series set in the international world of organized crime starring *James Norton*. -- **BBC America** greenlit scripted series “Killing Eve,” an 8-ep thriller about a psychopathic assassin and the woman charged with hunting her down (premieres 2018). -- **FX** will debut “Taboo” on Jan 10. The drama is set in 1814 and stars *Tom Hardy*.

People: **Fox Sports** tapped **Terri Hines** as evp of communications, starting Dec 5. She will join Fox from **Nike**.

Cablefax Daily Stockwatch

Company	11/16 Close	1-Day Ch	Company	11/16 Close	1-Day Ch
BROADCASTERS/DBS/MMDS					
DISH:	54.65	(0.15)	INTEL:	34.80	(0.12)
ENTRAVISION:	6.90	UNCH	INTERACTIVE CORP:	66.15	0.22
GRAY TELEVISION:	9.55	0.30	LEVEL 3:	55.07	0.19
MEDIA GENERAL:	18.24	(0.03)	MICROSOFT:	59.60	0.73
NEXSTAR:	59.10	(0.1)	NETFLIX:	115.01	1.42
SINCLAIR:	31.65	0.45	NIELSEN:	44.50	0.92
TEGNA:	22.61	(0.08)	SEACHANGE:	2.61	0.03
MSOS					
CABLE ONE:	577.40	5.02	SONY:	29.34	(0.27)
CHARTER:	261.72	1.52	SPRINT NEXTEL:	7.69	(0.06)
COMCAST:	67.42	0.44	SYNACOR:	2.85	0.05
GCI:	16.87	0.17	UNIVERSAL ELEC:	68.85	(0.6)
LIBERTY BROADBAND:	66.87	0.26	VONAGE:	6.61	0.03
LIBERTY GLOBAL:	31.73	0.86	YAHOO:	40.92	0.71
SHAW COMM:	19.43	0.23	TELCOS		
SHENTEL:	25.80	(0.15)	AT&T:	37.17	0.40
PROGRAMMING					
21ST CENTURY FOX:	27.53	0.08	CENTURYLINK:	24.55	(0.17)
AMC NETWORKS:	53.57	0.30	FRONTIER :	3.42	0.12
CBS:	59.32	0.11	TDS:	25.59	0.03
DISCOVERY:	27.60	(0.2)	VERIZON:	47.92	0.55
DISNEY:	99.04	1.34	MARKET INDICES		
GRUPO TELEVISIA:	22.67	(0.05)	DOW:	8868.14	(54.92)
HSN:	38.90	(0.15)	NASDAQ:	5294.58	18.96
LIONSGATE:	22.97	(0.5)	S&P 500:	2176.94	(3.45)
MSG NETWORKS:	19.80	(0.4)			
SCRIPPS INT:	71.57	0.94			
STARZ:	33.38	(0.45)			
TIME WARNER:	88.97	0.30			
VIACOM:	42.95	(0.5)			
WWE:	18.03	0.22			
TECHNOLOGY					
ADVANTAGE:	1.77	(0.01)			
AMDOCS:	57.00	(0.66)			
AMPHENOL:	67.73	0.60			
APPLE:	109.88	2.77			
ARRIS GROUP:	28.84	(0.21)			
AVID TECH:	4.82	0.11			
BLNDER TONGUE:	0.52	UNCH			
CISCO:	31.57	(0.14)			
COMMSCOPE:	34.99	0.02			
CONCURRENT:	5.90	(0.04)			
CONVERGYS:	24.19	0.21			
CSG SYSTEMS:	41.51	0.12			
EHOSTAR:	49.98	(0.17)			
GOOGLE:	763.55	5.06			
HARMONIC:	4.90	0.30			



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Think about that for a minute...

Now What?

Commentary by Steve Effros

Ok, sure didn't see that coming! But then again, neither did the folks who actually won! So things are going to be a little crazy for a while... at least we can hope it's just for a little while.

The election is finally over, and it's time to move on. But where are we likely to head?

There are obviously lots of answers to that question. For right now let's stick to a focus on telecom policy and see where things may go. First things first. With a solid majority in both the House and the Senate, and a new president, we're going to get a change in leadership at the FCC. Notice I said "change" not necessarily "new." The distinction I am drawing is because while it's clear the reign of Tom Wheeler is over, there is a good chance that one of the current Republican commissioners, Ajit Pai, will become chairman. It's a very good bet he will be the interim Chair when Wheeler leaves, but I, for one, hope he gets the nod to stay as chairman because I think he is one of the brightest and most articulate commissioners I've experienced.

That's not to say there aren't some other good options, like Jeff Eisenach, the economist who is heading the telecom transition team (that's what Wheeler did before he assumed the chair). Jeff has the distinction of having written a whole lot of very good research on various telecom issues, and uniquely, given the recent past, it is all backed up with facts! What a change that would be.

We have lived through a regulatory period laden with policy decisions based on speculation and fear, backed by repeated PR drum beats employing clear misinformation. Unfortunately, we have just endured a winning national campaign run the same way. So there are no heroes here. But we have a shot at the FCC of breaking



out of that mold on both sides of the political divide. At least we can hope!

My other hope is that there may be a small chance of a reasonable effort to finally rewrite the Communications Act. I've been calling for that for a long time. It's badly needed. Technology has totally outstripped the reality of the current law. Just leaving the regulations to the chance of who the agency leaders are at any given time, paired with inevitable legal crap-shoots isn't the way to go. Hopefully we could find some compromise on needed, but not fear-based regulation of our increasingly important industry.

What does all this mean right away? Well, Congressional leaders have already asked chairman Wheeler to ramp down any new major regs, just like the transition eight years ago. We are not likely to see set-top box disaggregation rules or a new business service overhaul. Those will be left, if at all, to the new team.

And the fate of "net neutrality"? Well, I'm sure there will be lots of yelling, screaming and hand wringing, but my guess is that at the end of the day we will still be assuring neutrality in delivery. That's never been the major issue. It's always been about "Title II" common carrier status. That will go away, and very few folks will ever notice the difference.

As with lots of other things, everyone has to take a deep breath and hope that cooler, more modest heads prevail. I think we have a chance at that with the coming FCC. Seeking common ground, on all sides, is the only way to proceed.

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. His views do not necessarily reflect the views of Cablefax.)



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