



# WARREN'S Washington Internet Daily

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## Data Breach Protection In Demand

Highly publicized attacks on companies like Citigroup, Epsilon, Lockheed Martin and Sony are making 2011 a banner year for data breaches. At the same time, Capitol Hill's increased emphasis on information security is driving a dramatic shift toward outsourced secure data storage. As a result, businesses and federal agencies on the front lines of cyberattacks are increasingly relying on secure data-storage companies to ensure their data remain safe.

In the past seven years the U.S. Secret Service recorded 1,700 data breaches and 900 million compromised records, according to Verizon's 2011 Data Breach Investigations Report. In 2010 alone, the U.S. Secret Service confirmed nearly 700 data compromises, involving 3.8 million compromised records, the report said.

Security specialists say there are three trends driving the recent increase in attacks: (1) Greater prevalence of hacking tools and information to facilitate data breaches, said Oliver Wai, product marketing manager for Barracuda Networks. (2) The down-trending world economy and the increased value of data have made data breaches more profitable for hackers, said Christopher Burgher, principal of availability services consulting at SunGard. (3) Web attacks on U.S. defense contractors and political targets serve strategic purposes for countries like China and Russia, said Wai.

The costs of modern data breaches are too high to ignore, as evidenced by the \$171 million Sony said it spent related to the breach of its PlayStation Network. "On average, the hard costs of a data breach are \$200 per record loss," said Burgher. "So if you lose a million records that's a \$200 million loss. But there is not only the hard costs, there's the cost associated with reputation loss," said Burgher. "And that is the piece people are most worried about."

After repeated attacks on Sony's PlayStation Network, the company said it's updating the software security of its network and

physically moving its network infrastructure to a new and more secure location, though it declined to say exactly where. "That signals to me that this is a bad trend," said Burgher. "Even though it's good job security for me, the trend is that attacks are going to go up."

Physical security is a particular focus for federal agencies who worry about conventional threats to their data. That's why the CIA, the Department of Homeland Security, the Army and the Navy are among the 70 to 80 clients that store their data in Carpathia's Vault, a secure, federally-compliant data center based in Dulles, Va. Located strategically outside the nuclear "blast zone" of Washington D.C., Carpathia's high capacity servers are enclosed within a steel, six-sided "impervious" vault.

"September 11 stressed the need for this type of facility," said Mike Clemson, spokesman for Carpathia Hosting. The Vault is designed to withstand physical penetration, explosions, electromagnetic pulse, flooding and natural disasters. The facility employs armed guards, biometric security features, barbed wire fences and random security audits. "It is a literally impervious vault," said Clemson.

But physically secure data won't prevent data breaches, said Alexey Raevsky, CEO of Zecurion, and it's important to secure data while they're in transition. "Information is not physical material — locking it in some room won't protect it," said Raevsky. Instead Zecurion controls the channels where data leakage can take place, such as peripheral devices, removable media, company email, and social media outlets. The company employs advanced encryption standard (AES) 256-bit security to ensure that whatever data are transmitted across networks can't be deciphered. Raevsky acknowledges his company does not have a robust approach to physically securing its clients' data. "We have a special room in our office for the servers," said Raevsky, but there are no bullet proof walls, or biometric scanners.

Natural disasters are also driving the push for outsourced data storage facilities, security specialists said. "Every time there is a natural disaster there is always a spike in interest in secure data storage," said Will Baccich, CEO of the Global Data Vault. "The events in Japan created quite a bit of business. The recent outbreak of tornadoes did likewise." The Global Data Vault offers two manned data storage centers in North America complete with several levels of physical security. "If your building burns to the ground you have weeks worth of work to rebuild. Nobody can afford to be without their computer systems for days or weeks anymore." — *Bryce Baschuk*

## **Online Video Rules**

### **In Response to Video Competition NQI, Some Raise Questions about Online Video Regulations**

The FCC should start a proceeding to lay out what rules apply to online video distributors (OVDs), Public Knowledge said in comments filed with the commission this week. Its comments and others came in response to the FCC's latest inquiry into the state of video competition. "The statute at no point expressly requires that cable systems be facilities-based," Public Knowledge said. Online video providers that meet certain requirements including signal protection, should be allowed to opt into cable operator status under Title VI of the Communications Act, it said. "Such an opt-in would grant regulatory privileges (such as the right to negotiate for retransmission consent) as well as obligations (perhaps must-carry)," it said.

Most commenters, including Netflix, said OVDs do not compete directly with traditional multichannel video programming distributors (MVPDs). Even if true today, that will certainly change soon,

and the FCC should address what rules apply to new online video distributors, DirecTV said. “At present [OVDs] have not been deemed subject to the Commission’s requirements for closed captioning, children’s television protection, political advertising, emergency broadcasting, public interest programming, most carry, and equal employment opportunities, among other things,” DirecTV said. That gives OVDs distinct regulatory advantages over legacy MVPDs, it said. “The commission should move quickly to provide clarity in this area, in order to ensure a level playing field for all participants,” it said.

The NAB said it’s too soon to make rules covering OVDs. “These are nascent offerings, using diverse technologies and business models that provide different types of consumer experiences and service different markets for online video,” it said. “At this early stage, the FCC risks being over- or under-inclusive, potentially grouping together services that are dissimilar or that transform in unexpected ways,” NAB said. Moreover, the FCC’s jurisdiction over online video is unclear, it said. The NCTA struck a similar tone, saying that it’s clearly a marketplace in transition. “All the stakeholders — content producers, content distributors, and software and hardware industries — need to make their best guesses. But fortunately, regulators and policy makers do not, because with an abundance of choices available ... consumers will decide.”

Still, the FCC needs to keep a close eye on how traditional MVPDs, especially those who are also broadband providers, treat new online video services, Netflix said. “The incentive of network operators who are also MVPDs to discriminate against unaffiliated OVDs defines” the challenges OVDs face, it said. They risk losing access to programming, having to pay broadband providers to terminate traffic on their networks, and usage-based billing plans that could limit consumer demand for online video, Netflix said. Rovi raised similar concerns. “Aside from some rare cases, ISPs have not yet succumbed to this incentive,” Rovi said. “However, network neutrality rules with exceptions for ‘reasonable network management’ may not prevent OVD services from being hindered,” it said. Moreover, the rules aren’t mature yet and may not even stand up in court, it said.

Meanwhile, Comcast suggested the FCC look at whether it needs to keep its legacy cable rules, including many in the 1992 Cable Act. “It is well past time for the Commission to recognize that cable regulations are impeding competition and that justifications no longer exist for treating cable differently from its formidable competitors,” it said. Verizon urged the commission not to add any new obligations, including those outlined in the AllVid NOI, to traditional MVPDs. Such rules would be immediately outdated and moreover, “to the extent that any new requirements along these lines were only to apply to one subset of the video marketplace — such as facilities-based video distributors of programming — such requirements would not only inhibit technological innovation would also introduce new distortions into the marketplace,” Verizon said. “Netflix ... and other online video providers would gain artificial competitive advantages by being free from such regulation.”

CEA and Consumer Electronics Retailers Coalition used its comments to press the FCC for action on the AllVid rulemaking. That would promote competition among navigation devices, distributors and programming, they said. The AllVid Tech Company Alliance also urged the commission to issue a rule-making notice on AllVid.

MVPD competition continues to be fierce and cable, especially Comcast, will likely dominate in the near future, said Dish Network in its filing. Online video products have also emerged, adding a new competitor to the mix, the DBS company said. The effect of online video is bigger for DBS providers because cable can offer its own online video products, said Dish. Retransmission consent rules reform is increasingly necessary as broadcasters increasingly abuse their market power "in an effort to

preserve their existing government-sanctioned monopolies and undermine competition in the MVPD market, said Dish. — *Josh Wein, Tim Warren*

### Loophole Remains

## **Apple Changes Course on 'Drunk Driving' Apps**

Apple partially complied Thursday with senators' requests to remove DUI checkpoint applications from its App Store. Apple updated its App Store review guidelines to prohibit apps that include unpublished DUI checkpoint information and are deemed by some to encourage or enable drunk driving. The decision does not ban existing "drunk driving" apps, as senators termed them, and leaves wiggle room for app developers to use DUI checkpoint information published by law enforcement agencies in future apps.

Apple's decision stems from a letter written in March by Senate Majority Leader Harry Reid, D-Nev., and Sens. Chuck Schumer, D-N.Y., Frank Lautenberg, D-N.J., and Tom Udall, D-N.M., urging Apple, Google and Research In Motion to remove the DUI checkpoint apps from their respective stores (WID March 23 p9). The applications flag the locations of DUI checkpoints based on user-submitted information and data gleaned from law enforcement websites. Research In Motion immediately removed all DUI checkpoint applications from its BlackBerry App World. Apple did not respond until Thursday and Google initially told lawmakers the apps did not violate Android Market content policies. Google did not immediately respond Thursday to our requests for comment.

The four senators commended Apple for changing its policy on the apps and urged the company to remove existing applications that they think facilitate drunk driving. "The new Apple policy is progress and I look forward to their complete removal of the apps," Udall said Thursday. "It's the responsible thing to do." A spokeswoman for Udall said there's a "big difference" between giving real-time information to a drunk driver and posting general notice of DUI checkpoints on a law enforcement website, which is a requirement in some states. Udall encouraged Apple to "do the right thing" and remove all the DUI checkpoint applications that are still available on Apple's app store, the spokeswoman said. Reid agreed and encouraged Apple to "take the next responsible step of removing all applications that allow unsafe drivers to evade police checkpoints," he said.

"Apple has done the right thing in barring new DUI applications but this victory will remain only half-won until the existing apps are removed from the store," said Schumer. "This is about eliminating tools that people currently have to avoid drunk driving checkpoints and leaving these dangerous apps online would be a major and dangerous loophole." — *Bryce Baschuk*

### NSTIC Steering Group

## **Government, Private Sector Begin First Phase of Implementing National Online Trust Strategy**

The federal government and professionals in the technology, legal and other sectors began the collaborative process to implement the National Strategy for Trusted Identities in Cyberspace (NSTIC). Sev-

eral stakeholders participated in a governance workshop Thursday aimed at developing a steering group to develop an identity ecosystem framework. It's the official start of work on NSTIC, said Howard Schmidt, White House cybersecurity coordinator. "NSTIC specifically calls for the development of a system that will be sort of an enabler for us to conduct transactions" with better security, efficiency and privacy, he said at the workshop in Washington.

Using multiple passwords and identity theft are a significant problem, said Jeremy Grant, senior executive advisor for identity management at the National Institute of Standards and Technology. The workshop will focus on "what we can do collectively to fix it," he said. Governance is a key component of the ecosystem and the steering group needs a diverse set of stakeholders, Schmidt said. Finding solutions will be very challenging, he said. But "whatever solutions we come up with ... we need to make sure that all these are interoperable," he added. Grant and Schmidt stressed that the process is private-sector led and it will not lead to a government-linked credential, they said.

Trusted identities can strengthen privacy, Grant said. They can provide a foundation to enhance security, fight cybercrime and improve privacy by giving people control over how data are revealed and "the economic benefits can be substantial," he said. The government plans to have the identity ecosystem in place by Jan. 1, 2016, he said. NIST released a notice of inquiry June 8 that "seeks requirements and models for creation of the steering group." Comments are due July 22.

Some participants assessed the legal side of identity management to inform the development of a steering group and identity framework. An identity management system has a technical and operational specifications component and a legal rules component, said Tom Smedinghoff, co-chair of the American Bar Association's Federated Identity Management Legal Task Force. Specifications like identity proofing, privacy rules and credential insurance must be implemented, he said during a panel. The legal rules will come from existing law and "the law we make up," he said. To avoid legal uncertainty, stakeholders must "create some private law to come up with approaches to these legal issues from a public policy perspective that are appropriate for a particular identity ecosystem." Legal rules will cover liability, termination rights, and other factors, he said.

An enforcement element also is needed, Smedinghoff said. The framework will most likely recommend the use of contracts "where parties all agree to rules and technical specifications," he said. To address privacy and security "maybe we need to look at what is the scope and authority of the steering group," he added.

The ACLU is very wary about the project, said Jay Stanley, senior policy analyst. "Some [at ACLU] are adamantly against it," he said. "When you talk about an Internet identity system, you're talking about the nuclear weapon of tracking and privacy." There's a disconnect between addressing privacy and having a multi-stakeholder process, he said. "Everyone comes in with their own interests" and the outcome is a compromise. The result could be privacy that is incomplete, he said. Transparency also is a huge concern in the process, he added.

The next workshop will focus on the privacy aspects of NSTIC, Grant said. It will be June 27-28 at Massachusetts Institute of Technology. A San Francisco Bay area workshop on standards and frameworks will follow in September, he said. — **Kamala Lane**

## White House

Broadband is among the priorities of the new White House Rural Council established Thursday by President Barack Obama through an executive order. The council, which will include representatives of the FCC and the Agriculture and Commerce departments, will support Obama's plan to expand broadband networks in rural areas, the White House said. Rural telecom companies praised the council's focus on public-private partnerships to spread broadband. The council will provide recommendations for rural investment and increase coordination between government agencies involved with rural issues. It also will coordinate federal with state, local and tribal government efforts, and promote public-private partnerships, the White House said. Agriculture Secretary Tom Vilsack will chair the council. The executive order said the heads of the FCC, Commerce Department and 23 other federal departments and agencies will be on the group. Council members can designate a "senior-level official" as a proxy. Obama established the council as part of his strategy to "out-innovate" the rest of the world, Vilsack said in a conference call. The administration has done much already to help rural areas, including funding 330 broadband projects benefiting 10 million people in rural areas, he said. "It will be beneficial for the White House to get engaged in telecom policy and ensure that sustainable broadband is a national goal," National Telecommunications Cooperative Association CEO Shirley Bloomfield said. "We will be working closely with Secretary Vilsack's office as a primary stakeholder and resource for this initiative." Windstream applauds the council's "commitment to additional public-private partnerships as a means to strengthen rural communities, and we look forward to participating in the ongoing discussion," said Windstream Senior Vice President Mike Rhoda. — *AB, BM*

## Capitol Hill

The Senate Judiciary Committee couldn't vote on an illegal streaming bill because it didn't have a quorum Thursday. A committee spokeswoman said the bill will be listed at Judiciary's next business meeting on June 16 at 10:00 a.m., in Room 226 of the Dirksen Senate Office Building. Sen. Amy Klobuchar, D-Minn., said the bill would fix a copyright loophole by making illegal online streaming a felony. The bill will deter theft of American intellectual property by targeting the "worst of the worst" illegal online streamers, Klobuchar said. The bill, S-978, would amend the criminal penalty for criminal copyright infringement by making it a felony to stream online 10 or more copyrighted works during any 180-day period. Current prosecution of online streaming under the public performance right can only be pursued as a misdemeanor crime. Sen. John Cornyn, R-Texas, a sponsor of the bill, did not attend the markup session for an undisclosed reason and instead submitted a written statement to the committee. "Under current law, a bad actor can be prosecuted for a felony for copying and selling ten digital copies of a copyrighted movie or record totaling at least \$2,500. But if the copyrighted content is distributed over an Internet stream, that same thief can sell a thousand times as many copies totaling millions of dollars and yet only be prosecuted for a misdemeanor," Cornyn wrote. "Our legislation corrects this disparity." Despite calling the bill a "sound piece of legislation," Sen. Christopher Coons, D-Del., a co-sponsor, said it should not move to the Senate floor "unless stakeholders agree that the bill does not have unintended negative consequences." Coons' spokesman told us the bill potentially complicates the cable industry's practice of streaming content to subscribers. Without clarification, the legislation could make cable companies liable to felony prosecution and open up business disputes concerning existing retransmission agreements, he said. A spokesman for NCTA declined to comment. Klobuchar acknowledged the cable industry's concern and said the issues "can and must be worked out." Klobuchar emphasized that the legislation would not target legitimate businesses, bloggers or social network users who link streaming video to their friends. "The criminal would have to willingly and knowingly violate copyrights ... and would

have to profit," she said. Though Sen. Chuck Schumer, D-N.Y., said he agreed with the spirit of the bill, he would not support the legislation until the cable industry's issues were worked out. Judiciary Chairman Patrick Leahy, D-Vt., said he would personally work with members of the committee to resolve any of the problems the stakeholders might have. — **BB**

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The House Appropriations Committee should support a "Cloud First" policy relating to federal IT spending in the FY2012 Financial Services Appropriations bill, the Congressional High Tech Caucus said in a Dear Colleague letter they started circulating Thursday. Co-chairs Michael McCaul, R-Texas, and Doris Matsui, D-Calif., asked colleagues to press Appropriations Chairman Hal Rogers, R-Ky., and Ranking Member Norm Dicks, D-Wash., to support IT programs that root out "overlap, duplication and inefficiencies among government IT operations." They support the Obama administration's plan to end "underperforming" projects, the cloud-first policy, and a reduction in the number of federal data centers. The Office of Management and Budget is aiming to close 800 data centers by 2015. Data center and server consolidation alone could save \$369 million from FY2011 to FY2015, the letter said, citing GAO figures. "Given the size of the federal deficit, it is more critical than ever that we channel our limited financial resources into programs that provide greater efficiency," the letter said.

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The Secretary of Defense would study the cyber personnel needs of the Defense Department under a bill (S-1159) by Sen. Kirsten Gillibrand, D-N.Y. The Cyberspace Warriors Act would have the secretary work with an "independent research organization" to review the number of personnel required for cyber operations, obstacles to recruitment and retention, and ways to improve them, such as using the reserves, "individual ready reserves," "civilian expeditionary workforce," corporate and university partnerships, ROTC and civilian auxiliaries. "Many of the best and brightest in information technology work in the private sector," drawn by financial incentives, entrepreneurship training and flexibility, said Gillibrand, a member of the Armed Services Committee. She credited the Air Force with having the best cyberwarfare training. The Air Force recently graduated its first class of "cyberspace operations officers."

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Citigroup's report of a data breach is "highly concerning," said Congressional Cybersecurity Caucus co-founder, Rep. Jim Langevin, D-R.I., Thursday. Citigroup said data for one percent of its North American credit card accounts were breached. The intrusion accessed customer names, account numbers and contact information but did not access Social Security numbers, dates of birth or bank security codes, the company said. "The recent intrusions into RSA, Google, and Sony show that even the best in the business are susceptible to cyber vulnerabilities," Langevin said. "Citigroup has a large customer base, including many government clients, and the reports of this incident ... are highly concerning."

## Agencies

A U.S. electronics retailer that sold products through .co.uk domain names settled with the Federal Trade Commission over claims that it misled U.K. customers into thinking they were buying from a retailer based there. The commission brought the case under 2006's U.S. SAFE WEB Act, which gave the FTC authority to sue U.S.-based companies that harm consumers abroad. California Internet marketer Jaivin Karnani, his company Balls of Kryptonite and associated companies sold cameras, videogames and other electronics to thousands of U.K. customers through websites such as crazycameras.co.uk, said the FTC's complaint in U.S. District Court in Los Angeles. Consumers learned when they received the products that they had been charged import duties, the product warranties were invalid in the U.K., and consumers would be charged "draconian" cancellation and refund fees if they returned merchandise, the commission said. The defendants didn't meet their promised fast shipping dates and shipped goods "much

later than promised," a violation of the FTC's Mail or Telephone Order Merchandise Rule, the FTC said. The commission alleged Karnani and the companies misled customers about their participation in the EU-U.S. Safe Harbor Framework, which provides for the transfer of data from the EU to the U.S. under EU law protecting personal information. Under the settlement the defendants can't misrepresent their location or characteristics of goods they sell, their compliance with government-sponsored information security programs, exchange or return policies, product warranties, or the total cost of sold products rules. The FTC's \$500,000 penalty, suspended because of the defendants' stated inability to pay, will be applied if it's found the defendants misled the commission, it said. The commission worked with the U.K. Office of Fair Trading, it said. Commissioner Thomas Rosch abstained from the vote approving the settlement. He didn't issue a statement explaining his abstention. An FTC spokeswoman told us commissioners are "under no obligation to explain why they abstained or recused themselves." — **GP**

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The FCC should overhaul how it holds radio and TV stations accountable, with the current system "broken," concluded a report a year-and-a-half in the making and written under the auspices of Chairman Julius Genachowski. Other recommendations that had not leaked out in recent days (WID June 8 p5) are that public TV stations should get the same percentage of proceeds as commercial outlets if they participate in the incentive auction of broadcast spectrum that the commission hopes to get authority from Congress to conduct. Little of the report's recommendations section discussed the Internet, although other parts talked about online media and author Steve Waldman spent some time on the subject during his presentation to commissioners at their monthly meeting. Websites aren't fully replacing the "accountability" journalism that's been waning in recent years, though there's far more coverage of "hyperlocal" news, Waldman said. He and Genachowski had some words of optimism for the news industry, and both said the report wasn't meant as an overreach of the First Amendment. Free speech "infuses a lot of what we talk about — it certainly infuses the way we approach the recommendations," with the First Amendment as "the first parameter of how we approach this," Waldman said. Genachowski said he welcomed the differing opinions from the dais, with Commissioner Michael Copps critical, as expected, and Commissioner Robert McDowell warning about government overreach. "There will be debate for many years in the future — and that is as it should be" on some issues in the study, Genachowski said. Major problems "are really glossed over by this report," Copps said. "Where is the real urgency for the commission to wade in and really grapple with the shortfalls that you document in this report?" McDowell said it's "simply that, a report," written by staffers and not binding on the agency nor setting or formally proposing new rules: "The government should keep its heavy hands off journalism." Commissioner Mignon Clyburn hopes the document "will shine a strong and urgent light on the state of local media," given "we must not stand by and watch the evaporation of our local news outlets," she said. "The diagnosis to simplify this is: Hyperlocal better than ever, local and municipal-level, really struggling" for news, Waldman said. About 21 percent of TV stations air no local news, and another 12 percent carry less than 30 minutes daily, he said. Yet "it is not obvious that we'd be better off if every local station in America did local news," and he also said the overall amount of broadcast TV news has increased 35 percent in seven years, with fewer staffers. That's due to what he called "hamsterization." Hyperlocal news because of online media "has gotten more vibrant than it ever has been" like "a thousand points of journalism sprouting up in communities across the country," Waldman said. The study had been called the Future of Media Report, though in recent days it's been referred to as "The Information Needs of Communities." It's at <http://xrl.us/bkq83f>. — **JM**

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The National Oceanic and Atmospheric Administration will transition to a "cloud-based unified messaging" infrastructure through an \$11.5 million, three-year award to Earth Resources Technologies, the agency said Thursday. The contract will modernize email and calendar infrastructure, add collaborative tools and help synchronize mobile devices, which will better suit NOAA's widely-dispersed workforce, it said. NOAA said it was the largest federal agency to adopt cloud computing to date, and will migrate 25,000 email boxes to the cloud from in-house servers. It will cost the taxpayer 50 percent less in

the cloud, NOAA Chief Information Officer Joseph Klimavicz said. Earth Resources Technologies will deliver Google Apps for Government in partnership with Google, Unisys and Tempus Nova, and the system will be operational by year-end, the agency said.

## Industry Notes

IPv6 downstream traffic and connections on World IPv6 Day "remained relatively low" in comparison to IPv4, which exceeds native IPv6 traffic "by a factor of about 1,000," Sandvine Chief Technology Officer Don Bowman said in a blog post Thursday. It used "test flight data" from North American MSOs using its Policy Traffic Switch and participating in IPv6 Day to analyze early results, he said. Native traffic and connections on IPv6 "increased substantially above typical levels," with Google, Facebook, Yahoo and YouTube recording "large spikes" mostly in peak evening hours of each time zone, Bowman said. IPv6 Day officially began at 8 p.m. Tuesday in each time zone. "Transition protocols" involving a mix of IPv4 and IPv6 showed stronger gains than native IPv6 on one participating network, with so-called 6to4 HTTP connections exceeding 1,000 on IPv6 Day in contrast to fewer than 100 observed on average June 4-7, he said. IPv6 performed as well as IPv4 in terms of "quality delivered to end subscribers," showing IPv6 Day was "a smooth test flight." Bowman said Sandvine will have a "wider range of insights" when it posts its complete Global Internet Phenomena Spotlight next week.

Sprint Nextel added Motorola to its roster of Google Android 4G smartphone suppliers, introducing the Photon as it continues to build its base of WiMAX-compatible products. Sprint's lineup of 4G products now totals nearly 25 models including a half-dozen Android-based smartphones as well as modems and other devices. Also on the horizon is HTC's 4G-based View tablet that is scheduled to launch June 24, featuring a seven-inch LCD with 1,024x600 resolution and a "Scribe" technology that allows user to take notes in their own handwriting with a stylus pen. Sprint also carries Samsung and LG Electronics 4G smartphones. Under its Virgin Mobile prepaid brand, Sprint introduced the 3G Triumph Android 2.3-based smartphone, Virgin Media's third Android-based model. The two new Motorola smartphones are the most recent in a line that's expected to extend up to 10 Motorola models by year-end, including tablets, company officials said. — *MS*

CTIA highlighted in a blog Thursday the rapid growth of the market for smartphone apps. In 2008, Apple's iTunes and Android Market app stores opened and in December 2009 there were already more than 100,000 apps available, said the post by CTIA spokeswoman Amy Storey. As of last month, subscribers could choose from more than 1.186 million apps on more than 11 different operating systems from 27 different non-carrier stores. "By 2016, more than 44 billion apps will have been downloaded," Storey said. "If the global population is roughly 7 billion people, that will mean 6 mobile app downloads for every man, woman and child." The explosion in use shows the need for more spectrum for wireless broadband, she said.

Gamers "are definitely worried" about the impending U.S. Supreme Court decision in the California violent videogame law dispute, Entertainment Consumers Association President Hal Halpin said at the E3 Expo. "And there's only four weeks left" before the court finishes announcing decisions in the cases it has heard since October, he said. Halpin said he believed the decision in *Schwarzenegger v. the Entertainment Merchants Association (EMA) and Entertainment Software Association (ESA)*, now *Brown v. EMA and ESA* due to the change in California's governor, could go either way, based on the judges' comments and questions during oral argument in November. There's "nothing" his game consumer advocacy group can do if the decision goes against the game industry, he conceded, predicting if that happens we "could see 100 bills a year" being introduced governing videogame sales and rentals. But if EMA and


ESA win, there "would be very few efforts" by elected officials to make it illegal to rent or sell M-rated games to minors anymore, he said.

Electronic Arts' Chillingo mobile games division remains focused on titles for Apple's iOS devices, but is gradually expanding to other platforms, Kaiser Hwang, global head of marketing, told us at E3. It recently made a version of *Angry Birds* available on the PlayStation Network that hit No. 1 on the App Store, and a version of *Cut the Rope* is coming soon for DSiWare, he said. Those are its first offerings on those platforms, and "we have a few" titles "coming up that we think will work really well on those platforms," he said. It hasn't released any games for Android devices yet, but he said, "We look at everything." Chillingo also hasn't offered any titles yet for the 3DS, although "we love what Nintendo has done" with the device, he said. There's demand for multiple platforms, and "we don't want to cut anyone out," he said. Decisions are made on "a case by case basis" what platform to release a game on, he said. Chillingo said at E3 that it passed 140 million game downloads across the iPhone, iPod Touch and iPad since the App Store launched in June 2008.

Gameforge is still in development on the massively multiplayer online PC game *Star Trek — Infinite Space*, which will be released this fall, Product Director Holger Zimmermann said at E3. The free-to-play, browser-based game will require no download and is in the "pre-alpha" development stage now, he said. There will be a closed beta test at a yet to be determined time ahead of launch, he said. No subscription is required and the company will be "making our money based on micro transactions" by players, he said. The game will work on any browser that supports the Unity plug-in, including Chrome, Firefox and Safari, he said.

## Internet People

CISAC, International Confederation of Societies of Authors & Composers, names **Olivier Hinnewinkel**, ex-Eurovision Asia-Pacific, director general.

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