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Today's News

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One Task Force About to Report on Online Safety, Another to Start

A little-noticed provision in the Broadband Data Improvement Act is about to yield another group to look into children's online safety. The NTIA has 90 days from the bill's enactment Oct. 10 to appoint representatives from business, public interest groups and federal agencies to form an Online Safety and Technology Working Group. It will look into industry efforts to promote online safety, record retention practices in cases of crimes against children and parental control technology. Whether those appointments will be made this week is unclear: An NTIA spokesman said the agency has been swamped working on the DTV transition.

Candidates for the group can nominate themselves, but some said the announcement -- a *Federal Register* notice -- didn't do much in the way of attracting attention. And at least one person concluded there wasn't much point. Nancy Willard, executive director of the Center for Safe and Responsible Internet Use, said the children most at risk online are those in most danger in the rest of the world, yet officials concerned about online safety generally stress technology, the Internet and technologists rather than human behavior and risk-prevention specialists. "So I figured this NTIA group would just be another damn committee trying to do something that they do not understand," she said.

Those likely to have applied are probably the "typical cast of characters," said Adam Thierer of the Progress & Freedom Foundation. He has applied, and so have Stephen Balkam of the Family Online Safety Institute and Anne Collier of NetFamilyNews and ConnectSafely. The groups are also members of the Internet Safety Technical Task Force at the Berkman Center for Internet & Society. Balkam said he sees a big difference between the Berkman group, due to report Jan. 14, and the NTIA-appointed group. For starters, the NTIA group is congressionally mandated, he said. "That's quite different from a rather ad hoc [group], and I don't want to denigrate the Berkman thing, but it was rather ad hoc," he said. The NTIA group will probably be more similar to the COPA Commission, required by the Child Online Protection Act, which should feed nicely into the new administration, he said.

Collier said she hopes the working group will continue the national discussion about youth online safety begun at Berkman. Balkam, too, is hoping that conversation will continue, and he sees a role for FOSI as a convener. Thierer said one difference between these latest groups is that the NTIA group must include federal agencies. Which federal agencies get picked -- the FTC, FCC, Justice or others -- would change the flavor of the debate, he said.

Willard said the Berkman group has done a good job looking at the research on youth online risk, but she's frustrated that most officials concerned about online safety haven't seemed to catch on to best practices and the children most at risk. "They are violating every single principle of effective risk prevention," she said, by pushing "stranger danger"-type prevention strategies. Unfortunately, she said, technologists typically don't know much about risk prevention, and education and risk prevention professionals usually don't understand the online culture. Thierer agreed that including people with an education or risk prevention background would be a great addition to the conversation. But he added that at conferences and other events, he's never come across anyone with a name tag with "Department of Education" below the name. -- *Leslie Cantu*

E-Health Another Priority

EU to Focus on Telecom Reform, Illegal Web Content, E-Government

Telecommunications issues are high on the agenda of the new EU Presidency, it said Tuesday. In addition to tackling a plethora of economic, trade, security and other issues, the Czech Republic, which took the presidency Jan. 1, also hopes to preside over the completion of sweeping reforms to Europe's e-communications regulations, a briefing paper said. Overcoming barriers through information and communications technologies is a key priority, the Presidency said. That includes a focus on widespread access to e-government services and greater public awareness of illegal and harmful Internet content, it said.

The Czech Presidency said it will try to reach agreement on telecom reform between the Council of Ministers and European Parliament during its six-month tenure. Ministers in November approved compromise language that, while not entirely palatable to the European Commission (EC), European Parliament or key industry players, was said to be a step toward final agreement. The EC proposal for price caps on roaming text and data messages may also be finalized during the first half of 2009, the Presidency said.

The rules revamp also leads the EC's 2009 priority list, a spokeswoman said. Other items include the roaming SMS/data transfer rules proposed in September, recommendations on call termination rates and next generation networks, and "taking concrete steps" to make the most of the digital dividend, she said. The EC also intends to develop a strategy for achieving "broadband for all," she said.

2009 "will be marked by the second phase" of the ongoing telecom review process and the "key challenge of NGN deployment," said European Telecommunications Network Operators' Association Director Michael Bartholomew. The current economic crisis makes it more important than ever to accelerate rollout of high-speed broadband networks, he said. As the EU bodies begin talks on the new telecom rules, ETNO "will continue to insist that NGN remain at the top of the debate," he said.

Achieving a good result on the telecom package is key for the European Competitive Telecommunications Association this year, said Regulatory Affairs Director Ilsa Godlovitch. There's a "gap to be overcome" between the Council's desire to keep regulatory decisions at the national level and the EC and Parliament push for more oversight, she said. ECTA wants more attention paid to consistency and harmonization of e-communications rules, she said.

The beginning of 2009 is "a bit of a hangover after the party of last year," with the same issues to resolve, Godlovitch said. NGN is another of ECTA's chief concerns, as is ensuring that once telecom ground rules are set

they're complied with, she said. ECTA is also closely monitoring developments in Italy and Poland regarding functional separation of incumbent operators, she said.

The government wants to ensure extensive access to electronic government services, the Czech government said. E-health is another priority, and the Presidency wants to boost cooperation between governments on telemedicine and more interoperable information systems in the healthcare sector, it said. It announced an e-health ministerial conference set for February. Forums on safer Internet for children, eradication of cyber-threats, and issues related to legal audiovisual services, piracy and advertising are also planned.

For consumers, the fight against the "so-called 'graduated response'" to online piracy is one of several main priorities, said Legal Officer Emilie Barrau of the European Consumers' Organization (BEUC). Others include data roaming, mobile termination rates and privacy, she said. BEUC will also focus on online "territorial discrimination" in the form of "fake" barriers that segment internal markets, preventing consumers from shopping on Web sites in countries outside their own, she said. Examples are buyers who were refused access to iTunes France because they live in the U.K., or prevented from buying services online because they lack a credit card from the "right" country, she said.

With European parliamentary elections and transition to a new EC this year, 2009 should also be the time for "a more in-depth debate on the place of the telecom sector in Europe in addressing the key challenges our society and economy will face" in coming years, Bartholomew said. -- *Dugie Standeford*

Bonds Get Biggest Bang

Studies Urge Broadband Incentives in Stimulus Bill

Broadband incentives in the stimulus bill should include tax credits, bonds and funding of the mapping law (S-1492) that Congress passed last year, telecom groups told Congress Tuesday. Nearly 200,000 jobs could be created, adding \$100 billion to the economy if Congress approves issuing private tax-credit bonds for broadband buildout, the Fiber-to-the-Home Council said. The council analyzed four tax credit and expensing proposals, concluding that each would "create substantial net benefits to the U.S. economy," a consultant's study said. It estimated a gain of just over 254,000 jobs if all proposals were adopted.

The tax credit bond proposal, advocated by Democratic Rep. Anna Eshoo of California in October, would have the biggest and most immediate effect on the economy, said an analysis by the economic consulting firm Empiris. The proposal would allow issuers to sell bonds at a zero coupon rate. Bondholders would receive tax credits equal to the amount they would have received in interest had the bonds been sold without the tax credit. Private bodies could borrow up to \$10 billion using tax-credit bonds each of the next three years for investments in U.S. services providing 100 Mbps downstream and 20 Mbps upstream, Empiris said.

A separate bond proposal would allow public and private bodies to form investment partnerships. Empiris studied a proposal that would allow public agencies up to \$1 billion in tax credit bonds each of the next three years for service 100 Mbps downstream and 20 Mbps upstream. Because public projects typically take longer than private ones, the study projected that investment wouldn't begin until 2010. The proposal calls for the bonds to be used only to finance projects approved by state governments or utility commissions.

Expensing proposals would allow companies to deduct the full amount of an investment, rather than spreading out the deduction under a depreciation schedule. Under consideration is a plan that would allow 100 percent expensing over the next three years for services providing 100 Mbps downstream and 20 Mbps upstream. A separate proposal would allow a 50 percent expensing of investments providing 5 Mbps downstream and 1 Mbps upstream to rural and underserved areas in the U.S. Empiris estimated that these proposals could produce up to \$6

billion in new investment, adding \$18 billion to the nation's gross domestic product over the next three years and creating 37,000 net new jobs.

"This study provide evidence that promoting" higher-bandwidth networks will "give the maximum boost to employment and immediate economic growth," said FTTH Council President Joe Savage.

The Information Technology and Innovation Foundation also has discussed broadband incentive proposals with the transition team. The group spent a month studying an economic model on the relationship of jobs to investment. It concluded in a report to be released Wednesday that a stimulus package that spurs \$10 billion of investment in broadband network infrastructure will lead to creation of nearly 500,000 jobs.

A separate study estimates a gain of about 200,000 jobs by allowing rural recipients of high-cost universal service funding to get grants to build 25 Mbps networks, said a white paper produced for the Organization for the Promotion and Advancement of Small Telecommunications Companies. Recipients would be required to install fiber lines and network electronics, the paper said. "We believe this can be achieved at a cost of less than \$28 billion," it said. The plan presents a "'shovel ready' approach to job creation and infrastructure development," OPASTCO President John Rose said in letters sent Tuesday to Congress.

The National Association of Regulatory Utility Commissioners urged Congress to provide funding for the broadband mapping law (S-1492) it passed last year. The law that passed included no appropriations. But earlier versions of the bill called for about \$240 million over five years in grant money to develop detailed surveys of where broadband services are offered and how many providers are available.

State commissions "have the expertise and incentive to direct infrastructure funding to communities that need it most," NARUC officials said in letters Wednesday to Congress. Several states have started programs to collect data, the letter said, and if Congress provides money, the number would increase. -- *Anne Veigle*

3G iPhone Downloads

iTunes Dropping DRM, Switches to Tiered Song Pricing

SAN FRANCISCO -- All the more than 10 million songs on Apple's iTunes Store will be DRM-free before April, including 8 million immediately, Phil Schiller, the company's senior vice president of worldwide product marketing, said in the Macworld Expo keynote Tuesday. The change is by agreement with the record labels, he said.

Schiller also said the store will go to tiered pricing April 1 at the request of the large music labels. "The music companies have told us they want more flexibility," he said. Schiller didn't say how the price and DRM changes were related to each other in Apple's dealings with the labels. Some songs will sell for 69 cents and others for \$1.29, in addition to a set at the old fixed price of 99 cents.

More songs will be 69 cents than \$1.29, Schiller said. The new pricing is "going to be a benefit to a lot of customers," he said. Most albums will remain \$9.99, the company said without elaborating. A customer can upgrade a song to the high-bitrate, DRM-free version for 30 cents and an album for 30 percent of the price, it said.

And Schiller said the company is dropping the word "Wi-Fi" from the name of the iPhone Wi-Fi Music Store, because downloads are now available over 3G networks, too. In the U.S., iPhones are sold with service from AT&T. "This is a really big step for wireless music on cellphones that starts today," Schiller said.

The iTunes announcements were among the biggest in Schiller's first center-stage product presentation for the company and Apple's last involvement with Macworld. He replaced Apple CEO Steve Jobs as the

keynoter. The company announced in mid-December that this would be its last Macworld and that Schiller would give the featured speech. On Monday, Jobs, whose weight loss and health have been the subject of intense interest this year, said he suffering a hormone imbalance. He previously was treated for cancer of the pancreas. -- *Louis Trager*

20% of Downloads Said Affected

Risk of Malware Infection High from P2P File-Sharing, MPA Says

LONDON -- PC users who download pirated content from the Internet might be getting more than they expected. About 20 percent of music and movie files on peer-to-peer sharing sites contain malware that can harm PCs, according to a Motion Picture Association study we obtained.

The 90-page report, mentioned in passing at a recent meeting of the Industry Trust for IP Awareness, was sponsored by the MPA in Brussels and studied unauthorized downloading in the Netherlands. The country is considered a haven for download piracy because more than two-thirds of all households there have a broadband connection, and the Amsterdam Internet Exchange is the largest data hub in the world, with online traffic doubling every 12 months, the MPA report said. Under Dutch law, uploading copyright-protected material is prohibited, but downloading for personal use is allowed. About half the Internet traffic in Holland is music, movies and software, much of it illegal, according to the MPA study.

The MPA's report concludes that "file sharing networks are an efficient way of spreading malware," for the simple reason that the user has asked to receive the control software, and has signed away the right to object by clicking "agree" or "accept" to an End User License Agreement.

To quantify the risks, the MPA's researchers signed up to all the major illegal download services available from the Netherlands. All the sites sent cookies, in one case 23 separate varieties, along with pop-up ad-ware. One service installed a virus called Sumom A, which sends the user unwanted messages and crashes Internet access. PCs also got hijacked to unselected Web sites. Innocent searching for cartoon character took the PC to a nude web-cam chat site and a revenue-grabbing quiz. The unwanted Web pages then refused to close in the usual way. From a total of 143 downloaded files, there were 28 different malware infections -- about 20 percent, the MPA said.

Although the MPA's report confirmed some studios' earlier claims of risky file-sharing, the group hasn't publicized its findings -- even for the fright value in deterring unauthorized downloads. The report has been circulated internally since December 2007, but the MPA has taken no action on it, a spokeswoman told us. "The reason that the report has not been used up until now is that we have been trying to get some agreement on a strategy for issues in the Netherlands," she said. "Each time we reach some form of agreement, the situation changes." The study will be updated this year. -- *Barry Fox*

Capitol Hill

The House Democratic Steering Committee Tuesday named Rep. Peter Welch of Vermont to the House Commerce Committee, filling the seat vacated by Rep. Hilda Solis of California. Solis has been nominated to be Labor Secretary in the new administration. Welch was a freshman in the 110th Congress and was on the Oversight Committee under the chairmanship of Rep. Henry Waxman, D-Calif., who is taking over Commerce in the new Congress. Welch's focus has been largely on energy and technology issues, according to a review of legislation he's sponsored. In a statement Welch said health care reform and energy would be top priorities he hopes the committee will address.

Agencies

With the results of its most recent webcasting proceeding still up in the air, the Copyright Royalty Board is getting ready to start a new one. In a *Federal Register* notice, the judges gave a Feb. 4 deadline for petitions to participate in the proceeding to set royalty rates and terms for 2011 through 2015. Internet radio companies and broadcasters who stream have until Feb. 15 under federal law to settle with SoundExchange on rates and terms that cover 2006 through 2010 to replace those set by the board in 2007. The board also announced a new proceeding to determine rates and terms from 2011 through 2015 for “new subscription services,” or those not in existence when the Digital Millennium Copyright Act was made law, including digital music provided through a satellite TV subscription. The deadline for petitions to participate is also Feb. 4 -- more information at crb@loc.gov.

The FCC lashed back after receiving a scathing critique by Jeff Pulver of Chairman Kevin Martin’s VoIP policies. In a blog post this week, Pulver, the VoIP pioneer and Vonage founder said Martin “sucked a lot of the air out of the VoIP revolution” by applying “the most burdensome” wireline rules to VoIP. Rather than looking forward, Martin focused on “backward compliance,” he said. Martin spurned Pulver’s VON conference, Pulver added. “In fact, there was a time when no one from the FCC was permitted to attend VON under the Martin leadership.” The FCC disagrees that Martin imposed damaging rules on the VoIP industry, a commission spokeswoman said. “It was VoIP providers themselves who marketed VoIP as a replacement service, so it is then hard to argue they shouldn’t be subject to the same rules and operate on a level playing field,” she said. “The appropriate approach is to achieve regulatory parity, not have different rules for different technologies.” Providing 911 service isn’t “most burdensome,” the FCC spokeswoman said. “In fact, one could argue that the success of VoIP was dependent on the Commission’s efforts to assure VoIP subscribers had public safety capabilities similar to what is offered to wireline subscribers.” The spokeswoman wouldn’t discuss Martin’s policy on the VON conference. Pulver praised previous chairmen Michael Powell, Bill Kennard and Reed Hundt for their handling of VoIP. In particular, Powell “embraced the nascent VoIP industry and made it a point to come out to the VON conferences and connect directly with our community,” he said. Pulver said he is upbeat on the next administration. Martin’s FCC turned 180 degrees on the innovation-friendly policies of Powell, said VoIP blogger Andy Abramson, in an interview. Martin’s vision was to make consistent rules across multiple communications technologies, he said. As a result, the FCC focused on already widely deployed technology rather than nascent technology for the future. Martin’s VoIP policies weren’t entirely unfavorable to the technology, Jason Talley, CEO of VoIP carrier Nuvo, said in an interview. Martin had a different direction than Powell in that he focused more on bringing the big telephone and cable companies into the 21st century -- but that was important for the VoIP providers that wanted to sell bare-bones wireline replacement service, he said. “Pulver wasn’t front and center in that different focus, so that wasn’t as good for him.” Martin’s FCC didn’t always do exactly what some VoIP providers wanted, but many in the industry support the idea of a level playing field for different technologies, said Sam Shiffman, executive vice president of PointOne, another VoIP provider. When the FCC required VoIP to provide 911 service, for example, the commission didn’t explain at first how to do it, he said. But after legislation in Congress, the commission appropriately “tuned” the order, he said. -- **AB**

As promised, Comcast stopped using the network management tools that the FCC said violated the commission’s network neutrality principles, Comcast said in a letter to the FCC. It replaced them with new tools named in September letter to the commission, it said. Comcast said it “will continue to refine and optimize these congestion management practices.”

Courts

Recipients of e-mail with misleading headers must prove actual harm to recover damages in California, ruled a U.S. district judge in San Francisco. Judge Maxine Chesney said four plaintiffs who sued Reunion.com for sending e-mails that appeared to come from friends could file an amended complaint alleging that they were actually harmed by the e-mails. Reunion.com sent two of the plaintiffs, Michael Blacksbury and Matthew Hall, invitations to join the service after it got permission from their friends -- registered members of the site -- to send the Re-

union.com-written invitations, but the company used the members' Yahoo e-mail addresses in the "From" line. That practice violates California law that prohibits sending commercial e-mail advertisements that include someone else's domain name without permission, the plaintiffs said in *Hoang v. Reunion.com*. Chesney agreed that Reunion.com's practice was a knowing "false representation." But she said the practice fell under the federal CAN-SPAM law, which preempts state e-mail laws except for those prohibiting fraud and deception -- and violating them requires harm to the e-mail recipient. California's law doesn't require harm to be shown. Plaintiffs Violetta Hoang and Livia Hsiao joined Blacksburg and Hall in saying they received e-mails from Reunion.com that had their friends' actual names in the "From" line, and whose subject lines -- such as "Esther wants to connect with you!" -- suggested the e-mails were of a "personal nature." Chesney said these also counted as false representations but again required the plaintiffs to show they were actually harmed in an amended complaint. Amended complaints must be filed by Jan. 16, the judge said.

A child-abuse trial scheduled to take place in Denver will be live-blogged and Twittered from inside the courtroom, according to local reports. Boulder County District Judge Lael Montgomery, who approved the change in venue and jury because of widespread local attention to the case, rejected a joint motion by the prosecution and defense in the trial of Alex Midyette to prevent real-time updates by reporters at the trial. They said it could tip off potential witnesses to what others are saying on the stand and "contaminate" the jury. The *Boulder Daily Camera* kept a running blog from the earlier trial of Midyette's wife Molly, who's serving a 16-year sentence for the death of their infant son and is scheduled to testify in her husband's trial. Montgomery said jurors and witnesses would be told to ignore all media accounts of the trial, which include those on blogs and through text-messaging services like Twitter. "I think there are other manageable options and less restrictive options than shutting down the flow of information during the trial," she said. Montgomery also denied a defense motion to sequester the jury.

States

Clearwire launched commercial WiMAX service Tuesday in Portland, Ore., the company said. Home Internet service plans start at \$20 per month, while mobile Internet plans start at \$30 per month and a day pass will be available at \$10. Additional savings are available for customers that purchase both home and mobile Internet services or that sign up for a two-year service agreement. The \$20-per-month home plan delivers 768 kbps downstream and 128 kbps upstream. As part of a multi-year network build-out plan, Clearwire's 4G network will be available in major metropolitan areas across the U.S. The company will announce roll-out plans for future markets and upgrade plans for existing pre-WiMAX markets early this year. Clear service in Portland is delivered on Motorola's WiMAX infrastructure and with Motorola's USBw 100 adaptor and its CPEi 150. Both devices enable Clear customers to connect from their laptops. Consulting firm ThinkEquity forecast that Clearwire will launch in nine markets this year, suggesting a "lower revenue ramp and lower levels of cash burn than had the original plans gone forward," the firm said. After the Portland launch, the WiMAX provider is expected to launch in another city in late Q2, followed by two more networks in summer and fall, and five markets in Q4, ThinkEquity said. Clearwire is attempting to build a national mobile network without fully committed funding in competition with at least two potential competitors, it said. It projects that Clearwire will have to raise the additional \$3 billion by July 2010, it said.

International

Gambling operators should be required to pay for research and treatment for gambling problems, the U.K. government said Tuesday. It proposed a mandatory levy to raise over 5 million pounds (\$7.3 million) a year for efforts such as help lines and treatment centers, saying the current voluntary arrangements with online and offline companies have left an estimated shortfall for 2008-2009 of more than a million pounds. Under the plan, remote operators would pay a flat fee within certain licensing bands based on gross gaming yield -- amounts bet less winnings, it said. If the industry agrees on a better voluntary funding solution "the door is not closed, but time has almost run out," said Sport Minister Gerry Sutcliffe. Comments are due March 31 -- jane.glastonbury@culture.gsi.gov.uk.

Telcordia Technologies and AT&T want more information on security best practices in an upcoming ITU-T recommendation on security mechanisms and procedures for next generation networks. The recommendation describes mechanisms to fulfill security requirements for NGN and specifies a suite of options, the draft text said. It describes identification, authentication and authorization mechanisms, including transport security for signaling, operations, administration, maintenance and media. The companies proposed best practice security mechanisms that should be used to help secure NGN facilities, citing firewalls, operating system hardening, vulnerability scanning and assessment, and intrusion detection systems, the companies said.

The year ended with Internet-related jailings in Eritrea and an arrest in China, Reporters Without Borders said Tuesday. Three customers of an Internet café in Eritrea were arrested Dec. 26 for visiting “opposition websites” run by the “diaspora” and the café was ordered by authorities to monitor the browsing of its clients, the press freedom group said. Chen Qitang, a Chinese blogger, was sentenced to two and a half years in prison Dec. 31 for posting information about land seizures by local authorities and for helping residents draft legal documents to get back their land, the group said. Reporters Without Borders said 59 bloggers were arrested and one killed in 2008, led by Iran with 18 arrests and 10 convictions, and China with 10 and three. Burma gave the longest prison sentences for blogging, 20- and 59-year sentences to two cyberdissidents, the group said.

Eutelsat hopes to capitalize on the fact that 15 million European homes lack access to terrestrial broadband, by launching next year its all Ka-band satellite, known as Ka-Sat, Antonio Arcidiacono, the company’s director of innovation, told us. “Very soon you will not be able to have a normal life without a broadband connection,” he said. Eutelsat wants to combine TV and broadband by satellite, a spokeswoman said. “Our objective with our all Ka-band satellite is for it occupy our prime Hot Bird slot so we can bolt onto the Hot Bird satellites a broadband capability,” she said. Eutelsat expects Ka-band equipment prices to decrease, the spokeswoman said. Factory prices for consumer equipment will be below \$300 next year, she said. Ka-band is also more efficient, Arcidiacono said. “In every case, you need a trade off ... as far as what you want to do on the ground and the size of the antenna on the satellite,” he said. Going from Ku- to Ka-band in a multispot configuration increases efficiency eight to 10 times, he said. This will allow Eutelsat to sell its broadband service at one-tenth the cost of Ku-band broadband, he said. Ka-band also allows audience-targeting. C- and Ku-band technologies broadcast “one to many” rather than one-to-one. “If you use a broad footprint for one-to-one communication you are intrinsically doing something that isn’t economical,” Arcidiacono said. -- *HFW*

Security

Reports of data breaches increased 47 percent in 2008, the Identity Theft Resource Center said, to 656 reported incidents from 446. The number of records exposed apparently decreased: The center reported 35.7 million records, down from 127 million in 2007. But many reports of data breaches couldn’t estimate how many records were involved. The center said just 2.4 percent of the breaches involved records protected by encryption, and just 8.5 percent were protected with passwords. Pam Dixon, executive director of the World Privacy Forum, said the reported increase in breaches seems high. The increase might have resulted from increased awareness on the part of business and new laws, she said, and it will take a few years to see if the numbers level off. Breached encrypted data probably are understated, she said, because some states don’t require breach reports if the data were encrypted. Still, she said, “to be running around with unencrypted data -- it’s not a best practice at this point.” The most interesting figures, and the hardest to obtain, are on how many people are affected by a breach, she said. Generally one has to follow local media to see if identity theft stories surface in the months after a data breach, she said. The center breaks down data breaches among banking/credit/financial, business, educational, government/military and medical/healthcare categories. Though banking accounted for just 11.9 percent of total breaches, its records were 52.5 percent of the total compromised. Business accounted for 36.6 percent of breaches and 16.5 percent of records; education 20 percent of breaches and 2.3 percent of records; government 16.8 percent of breaches and 8.3 percent of records; and medical 14.8 percent of breaches and 20.5 percent of records. Insider theft accounted for 15.7 percent of breaches. It accounted for 2.4 percent of the breaches in both the medical and banking sectors, the

center said. Dixon said she's seeing increased insider theft and suspects figures on it will be among the fastest growing. -- LC

The governments of Kazakhstan and the U.K. suffered Internet attacks, Websense said Tuesday. Several pages of the Web site for Kazakhstan's consulate in Toronto, which provides some consular functions such as visa applications online, were infected with malicious JavaScript code, the Internet security company said. A new phishing attack tricks U.K. recipients of an e-mail into thinking they're due a tax refund from HM Revenue & Customs, the government's taxation authority, Websense said. It provides a link to a Denmark-hosted site that "uses the same stylesheet and graphics as the real HMRC Web site," asks visitors to fill in their personal information and credit card number, and after the transaction is complete, sends them to the real authority's site. "The sending of the e-mail is very timely with certain HMRC deadlines for online applications of tax returns imminent" -- Jan. 31, Websense said.

Industry Notes

EchoStar's Sling Media said Tuesday it's showing off software programs to bring home TV programming to users' iPhones and to Macintosh notebooks and desktops. The applications are being demonstrated at Macworld this week in San Francisco, the company said. It said it plans to submit SlingPlayer Mobile for iPhone to Apple by March for certification to go onto the iTunes Store. SlingPlayer for Mac HD, in prototype, will be a Web-based program available through Sling.com, the company said. It said the iPhone and other new products also will be shown at CES in Las Vegas this week.

Blaupunkt is teaming with Australia-based Internet radio online portal miRoamer to create "the world's first Internet car radio," miRoamer said. The radio will enable drivers to tune into miRoamer's "tens of thousands of radio stations from around the world," it said. Blaupunkt will distribute the radio globally, "probably" in Q2, miRoamer Head of Global Sales Robert Demian told us. But pricing and specifications weren't immediately available, and Blaupunkt declined to comment. More details are expected to be announced at CES this week. More than one Internet car radio is planned, including after-market and OEM products, Demian said. -- JB



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Macrovision scrapped a \$255 million deal to sell TV Guide Network, replacing it with a new agreement with Lionsgate. Under the agreement, Macrovision will get the same amount of money, but keep control of TVGuide.com's TV listing syndication business and online assets that enhance its interactive program guides, the company said. In return, Macrovision will forego a potential \$45 million earn-out through 2012 that was part of the original sale agreement. The Lionsgate deal is expected to close by Feb. 28. Macrovision doesn't face a penalty for finding a new buyer since the pact it scrapped allowed it to seek other agreements. In retaining control of the online assets, Macrovision gets a "more attractive alternative, both financially and strategically, to the previously announced deal," Kaufman Brothers analyst Todd Mitchell said. The online business also is key to Macrovision's My TV Guide strategy for offering cable operators a cross-platform IPG for mobile video and TV, he said.

Blip.TV agreed to let Active Video Networks distribute some of its online video to Web-connected TVs and other CE devices, they said. The terms weren't disclosed.

Wireless software and services developer Smith Micro Software will integrate its QuickLink Music client application into managed mobile personalization services provider LiveWire Mobile's full-track music service, the companies said. QuickLink Music enables customers to automatically sync music between their computers and mobile devices from manufacturers like Samsung, Motorola, LG, Nokia and Sony Ericsson. The QuickLink Music application manager feature set has been customized to support LiveWire's managed music service, enabling users to transfer music files to their phones as well as organize music libraries and create playlists, using mobile handsets.

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