



# WARREN'S Washington Internet Daily

Covering Legislative, Regulatory and Judicial News Affecting Internet Business. From the Publishers of **Communications Daily**.

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## Registrars, Registries Urged to Fight Harder against Cyber-Attack Networks

ICANN should do more to combat "fast flux" Domain Name System changes, Generic Names Supporting Organization Council member Mike Rodenbaugh said this week in a motion he wants considered at the panel's March 7 meeting. Fast-flux hosting involves moving a Web, e-mail, DNS or other Internet or distributed service from one or more computers connected to the Internet to others to delay or evade detection. It's seeing more use for phishing and other cybercrimes, said ICANN's Security and Stability Advisory Committee. It's a "serious issue" for which domain registrars and registries should take responsibility, said Gadi Evron, former head of Internet security for the Israeli government.

Fast-flux hosting takes several forms, said a January committee report. The basic version uses fast changes in Internet Protocol addresses associated with a system that hosts a malicious activity to evade detection and take-down efforts. It's used in quick-change shifts of IP addresses of name servers that resolve the domain names of the fluxed malicious hosts, the report said. An especially troubling version fluxes addresses of name servers and malicious Web server hosts, it said.

Fast-flux operators use encrypted communications channels and proxy techniques to run large, distributed networks of compromised systems, the committee said. Of particular concern to the domain-name community is the way they automate domain name service updates to hide locations of Web sites at which crimes such as phishing, hosting of child pornography and identify fraud take place, it said.

The method has a business aspect, the advisory panel said. Some one seeking to run a phishing attack, for example, can buy malware phishing kits, software packages that can be tailored to deliver phishing email to a list of recipients and host the associated illegal Web site to which dupes are sent. Some malware writers farm e-mail addresses and sell lists for spam. Others develop bot software to control unsuspecting users' computers.

Bot-herders design and carry out distributed attacks used to create and exploit networks of compromised third-party computers running bots. They prey on business and residential networks, especially poorly secured computers connected to home broadband connections, the committee said. There are ways to reduce the threat but none is particularly effective or used uniformly, it said. The bots hosting the facilities can be shut down via improved desktop security, deployment by ISPs of anti-malware gateways, and education and awareness training, it said.

Most methods are slow, difficult for residential users to understand, or require more software and standards work, the panel said. ISPs and home broadband providers say they can't afford to manage network access and incoming traffic filtering. Once identified, some fast-flux systems can be closed down by ISPs or, as a last resort, the authorities, it said. In some take-downs, a registry or registrar can be convinced to take the offending domain name out of service. The committee encouraged ICANN, registries and registrars to consider setting best practices to reduce fast-flux hosting, and adding them to future accreditation agreements.

There may be legitimate uses for switching a domain's address, but not every two minutes and always to a new address, Evron said. "There are no legitimate reasons for anyone to constantly or even often change the addresses of the name servers they use," he said.

In fast-flux hosting, the "DNS is no longer an abused infrastructure, it is used as the abuse infrastructure," Evron said. Defending against attacks relying on the DNS isn't straightforward, because a phishing fraud domain or a distributed-denial-of-service botnet command and control server that changes IP addresses constantly is hard to take off-line, he said. The bar to foiling Internet attacks is the domain name, and there's no set process to disable it when needed, Evron said.

The DNS itself has become the weak link in Internet security, not due to attacks on root servers but because managing risks based on domain names relies on registrars' good will, Evron said. There should be policies at the registry and registrar levels for responding to fast-flux hosters, pulling names off-line, and spotting frequent changes of name server addresses, he said.

Rodenbaugh belongs to the Anti-Phishing Working Group Internet Policy Committee, whose members are trademark owners, vendors specializing in phish site take-down, ISPs, domain registration providers, academics and law enforcement agencies. This month the group published draft best practices recommendations for registrars. The document has been circulated to ICANN's Registry Constituency, registrars and others in the ICANN community, he said.

The draft has five key anti-phishing recommendations to prohibit or minimize use of fast-flux domains. Registries and registrars should make it more difficult to make frequent changes in the name server record of a domain registration, the document says. Frequent changes should "trigger immediate red flags" and possible investigation of the domain for illicit activity, it says.

Rodenbaugh wants a formal ICANN investigation of possible mitigation policies, he told us. He wants to create a working group to decide if any or all of the anti-phishing panel's proposals are reasonable and should be required, he said.

The matter is "urgent" as companies and individuals face severe harmed from criminal exploitation of fast flux DNS activity, a trend on the rise, Rodenbaugh said. Private and government efforts have been inadequate and the industry being exploited needs to respond as quickly and reasonably as possible, he said. Unfortunately, he said, the ICANN process will take many months. -- *Dugie Standeford*

## Einstein System Is 'Passive'

## **House Homeland Security Committee Grills Officials on Slack Cybersecurity**

House Homeland Security Committee members skewered agency officials at a Thursday hearing for failing to protect federal networks. The tense event saw members term the agency's latest efforts to combat

computer crime and network intrusions too weak. They also voiced fear that an effort at sharpening cybersecuri-ty will violate Americans' privacy.

Government systems have been "under attack for years" and cybersecurity is "one of the most critical issues" facing the U.S., said Chairman Bennie Thompson, D-Miss. He was "extremely disappointed" that the agency "never mandated any changes" to protect networks, he said. In a 2007 hearing, Scott Charbo, then DHS chief information officer, told the committee he never got intelligence reports on nation-state hacking of DHS networks, though members had gotten them in closed classified briefings (WID July 9 p2). Thompson also criticized the decision to promote Charbo to his current role overseeing cybersecurity as deputy undersecretary for the National Protection and Programs Directorate, "despite an investigation that revealed [Charbo] and his staff failed to protect computers. It's hard to believe that this administration now believes it has the answer" to resolving past failures.

DHS Secretary Michael Chertoff defended Charbo in a letter to Thompson two weeks ago, calling it "misleading to castigate the CIO for all of the department's network vulnerabilities, especially given the size and scope of our networks, the persistent legacy of decentralized network controls, and the fact that our networks are under constant attack."

As CIO at the time of the 2007 hearing, Charbo wasn't privy to classified information regarding cyber-threats, he told Thursday's hearing. Agencies are raising CIOs' clearance levels, moving information on secure networks, conducting training and making other improvements, he said. Robert Jamison, DHS undersecretary, National Protection and Programs Dir, said agencies are doing a better job coordinating intelligence to "get more real time information to CIOs."

DHS officials listed as another improvement Einstein, a network gateway monitoring program that captures IP addresses and records breaches and threats. DHS will use Einstein to monitor visits to .gov Web sites. The agency's budget request includes about \$200 million to expand the system from today's 15 agencies to all. Officials cited DHS's Cyber Initiative as a way to beef up security by minimizing the number of federal connections to the Internet. The project aims to "close gaps in areas of continued weakness," including "non-secure external connections," said Karen Evans, administrator, electronic government and information, Office of Management & Budget. Agencies link to the Internet to deliver public services, but each new connection multiplies vulnerabilities, she said. The DHS project, supported by OMB, aims to reduce these connections and consolidate network resources, she said.

There are "still some big holes" in the DHS pan-agency cybersecurity plan, said Cybersecurity Subcommittee Chairman Jim Langevin, D-R.I. Einstein is "too passive," since it doesn't record or avert cyberthreats in real time, said Rep. Jane Harman, D-Calif. She said the hearing reminded her of "FEMA trailers... you have the government doing something and then two years later deciding it's toxic and taking it away. The fact is, you don't have the threat information... and it is absolutely shocking." She worries her constituents will see Einstein as another "government spy network," she said.

Jamison agreed that "our Einstein capability is passive. We're not looking for malicious activity; we're doing it after the fact. And we want to move that to real time, make sure we lock down" systems. The agency is assessing the plan's impact on privacy, he added. "Our adversaries are very adept at hiding their attacks in normal everyday traffic," he said. "Intrusion detection just isn't consistent in the federal government." Rep. Paul Broun, R-Ga., summarized colleagues' comments, saying, "That's not even close to being good enough." -- *Alexis Fabbri*

## **'Second Half' Worrisome**

### **Businesses Attack ICANN for Registrar, Registry Influence**

Business gets short shrift from ICANN in areas unduly influenced by registrars and registries, representatives of industry said Thursday at an NTIA meeting on the agency's mid-term review of its joint project agreement

(JPA) with ICANN. Speakers generally credited ICANN with much progress in the agreement's first 18 months. Under it, the nonprofit must meet 10 conditions to escape U.S. oversight. But they said the ICANN board's aloofness, lack of contract enforcement and unsavory domain-name practices, and reforms proposed for the Generic Names Supporting Organization (GNSO) Council, are concerns.

The meeting began amid controversy over sales practices and alleged lax oversight by ICANN and domain-name managers and sellers. NeuStar and Afilias proposed limits on their .biz and .info domains for "tasting" -- purchasers testing names' profitability for five days and returning them for a full credit (WID Feb 11 p1). A suit recently accused Network Solutions of "front-running" -- warehousing domain names searched for by users so other registrars can't sell them -- and ICANN of not barring the practice (WID Feb 27 p9). ICANN groups are investigating both practices.

The problem in measuring ICANN's performance in the JPA is that "they're really just getting off the ground," said Steven Metalitz, counsel to the Coalition for Online Accountability, a copyright industry group. ICANN has done little to punish contract violations by its partners, such as registrars, giving the impression that the nonprofit lacks practical authority, he said. Scott Evans, a lawyer for Yahoo who helped draft ICANN's dispute-resolution policy, said only by suing parties it finds out of compliance can ICANN show it's serious. Martin Boyle of .uk registry Nominet warned that the U.S., ICANN's "benign dictator," could be replaced by a "malign oligarchy" of nations with designs for regulating the Internet unless ICANN shows it can defend itself.

A "false sense of security" marks the mid-term review, which is like the first half of a school semester, NetChoice Coalition Executive Director Steve DeIBianco said from the audience. ICANN's fast-track development of internationalized domain names contrasts with the world's view of the project as an "abject failure," and the Internet Governance Forum is "waiting for a failure" at ICANN to strengthen its hand in moving Internet governance to the UN, he said. "The second half of the semester is going to be a rocky one where the private sector support essentially disappears," he said.

"Many in the business community feel that we are marginalized" and that ICANN is becoming a "trade association" for registrars and registries, Evans said with visible restraint. "We take great umbrage" at the suggestion that ICANN naturally would pay more heed to managers and sellers of domain names because they pay dues to ICANN, he said. Yahoo spends millions on services from the groups and has a direct contract with ICANN, and Evans circles the world for ICANN meetings at which he's largely ignored, he said. A footnote in ICANN's report on the agreement's comment period especially incensed businesses, characterizing their 75 comments, about a third of the total, as being from "lobbyists," he said.

Registrars and registries have an "outsized role in the policy development process," and a plan under consideration at the GNSO Council would cut business influence, Metalitz said. Network Solutions Chief Policy Counsel Jonathon Nevett, who chairs ICANN's registrar constituency, objected to registrars and registries being characterized as in cahoots. The role of registrars such as Network Solutions would shrink under the GNSO plan, he said. Registrars under contract are already at a disadvantage because they must follow "consensus policies" finished only after contracts are signed, Nevett said. He assailed the "competitive advantage" of registrars without contracts.

It's unclear if the registrar accreditation agreement even addresses tasting, an issue ICANN needs to resolve, said Beau Brendler, director of Consumer Reports WebWatch and member of ICANN's at-large advisory committee. But he said the Internet user constituency was "beginning to form bonds" with registrars. Nevett said tasting is sensitive to the market -- users always can take their domains to one of 800-plus other registrars if unhappy with a registrar's practices. ICANN's proposed nonrefundable transaction fee for purchased names will "seriously curb" tasting, he said. Metalitz warned ICANN not to make a tasting decision after a "closed discussion" with registrars.

Phil Corwin, counsel to the Internet Commerce Association, said from the audience that the domain-name investor group worries about proposed "national law exceptions" in the new accreditation agreement, which he said could encourage "forum-shopping" by registrars. ICA expected to review a new agreement before ICANN's mid-

February meeting in New Delhi and now fears ICANN will release the proposal just before the meeting in Paris, leaving little time for review before approval, he said.

ICANN's proposed 20 cent fee for purchased domains may have scant effect in .com, despite the success of the 5 cent fee approved by .org, which virtually stopped tasting on that TLD, said a spokesman for the Coalition Against Domain Name Abuse. There was never much tasting in .org anyway, "and you should know that," he said. ICANN seems to be disconnected from average Internet users, as evidenced by low interest in TLDs introduced the past five years, he said. The .org model wouldn't necessarily work for .com, Nevett said, but ICANN can apply its own fee to gTLD names without any action necessary by registries, which should mitigate .com tasting.

The ICANN board will be insulated from accountability until it revises its bylaws, Nevett said. A majority of the board can do just about anything with impunity, he said, recommending that ICANN create a "task force" to come up with independent review procedures. Board decisions should include "analytical components" so that the reasoning is clear, and ICANN should have to make proposed contracts available for public comment before they're finalized, he said.

Steve Goldstein, the only ICANN voting board member at the meeting, defended the board's actions and spoke to correct what he said were misunderstandings. Some registrars have good arguments for the grace period that enables domain tasting, though it remains a matter of dispute, he said. ICANN's "trial" budget and operational plan for the coming year were the first to be open to public comment and will be "refined" after that, Goldstein said. Several board members are enrolled in spring National Association of Corporate Directors classes for training on corporate governance, he said. -- *Greg Piper*

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NTIA Acting Administrator Meredith Baker is leaving the agency overseeing ICANN to pursue other opportunities, she told us Thursday. "I will stay on to ensure a smooth transition" with the White House nominee, Baker said, noting she had been thinking about leaving for several months. The White House is expected to name Neil Patel, assistant to Vice President Dick Cheney, to the job, several Hill and industry sources said. Patel did not return a call for comment. Baker joined NTIA in January 2004, and took over for John Kneuer, who was appointed in 2006, when he left in November. -- *AV*

## Talks Progressing

### **As Funding Withers, OMN Eyes PBS Takeover**

The Open Media Network begun by former Netscape executive Mike Homer as an online repository for public broadcasting and independent programming has financial trouble, an OMN official said. Since Homer became ill last year with Creutzfeldt-Jakob disease (WID July 12 p2), his family has been funding efforts to cure the disease, the official said. "So that meant for OMN we didn't have funding left," the source said. Talks are under way with Public Broadcasting Service and NPR officials about transferring OMN to either or both entities, she said.

OMN officials have talked to PBS President Paula Kerger about a transfer, the official said. Denying knowledge of any formal negotiations between PBS and OMN, PBS Vice President Lea Sloan told us "PBS is very interested in taking a close look at the assets of OMN." PBS plans to "exponentially increase" the amount of video available to station websites and on pbs.org, she said: "Developing an online video solution that meets the needs of stations, producers, and our audience is the first priority of PBS Interactive."

OMN is being run by WNET New York and KQED San Francisco, said early OMN supporter Dennis Haarsager, general manager of Washington public TV stations KWSU Pullman and KTNW Richland: "WNET and KQED are keeping it alive -- they have sort of adopted OMN to keep it going." Haarsager, who for more than a year has been "disengaged" from a direct role in OMN, said Homer's family has assigned rights to OMN to the stations, and VeriSign has assigned them OMN's interest in Kontiki, the engine powering the network.

PBS, NPR and scores of public TV and radio stations have been publishing content on OMN, live since in October 2006. The network got a boost when PBS started offering its premier programming as part of a “download to own” payment system. Short of funds since Homer was stricken, “we basically trimmed down Open Media Network,” the OMN source said. “We have not made any improvements.” Saying OMN was “always designed as a donation to PBS by Homer,” the source cited progress “cutting through some misconceptions” at PBS and elsewhere about OMN: “This has been a painstaking effort.” One mistaken notion was that OMN wouldn’t be popular because users would have to download and install client software, she said. That issue will resolve itself as Kon-tiki, which the BBC uses for its player, becomes a standard feature for computers, she said.

Homer’s metric for OMN’s success was that “PBS would buy into it in some manner,” said Haarsager. “But so far that hasn’t happened.” That’s the wrong standard for gauging success, Haarsager said. OMN is more suited for powering station distribution of their own content than putting “marquee” PBS programming on it, he said. -- *Dinesh Kumar*

## Capitol Hill

An agreement on electronic surveillance legislation is likely in the next week or two, House Speaker Nancy Pelosi, D-Calif., told reporters Thursday. “Today there will be some meetings, bicameral, bipartisan. We asked the president to have the Administration participate in that” and hope that occurs, Pelosi said. In a press briefing Thursday, President Bush again urged Congress to pass legislation that gives phone companies retroactive immunity for alleged cooperation with the administration’s post-Sept. 11 warrantless surveillance program. “Allowing the lawsuits to proceed could aid our enemies, because the litigation process could lead to the disclosure of information about how we conduct surveillance,” Bush said. Sen. Ted Kennedy, D-Mass., criticized Bush for linking the immunity issue with terrorism. “The President’s position has nothing to do with protecting Americans and everything to do with sweeping under the rug illegal activity by his administration and his corporate partners,” Kennedy said. ACLU officials also condemned the president’s statement.

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The system used by the House to post Congressional Research Service reports on members’ Web sites shouldn’t be used in the Senate, Sen. Joseph Lieberman, I-Conn., told Senate Rules Committee Chairman Dianne Feinstein, D-Calif., in a letter made public Thursday. Lieberman was a sponsor of SRES-401, referred to Rules, which requires posting CRS reports on members’ sites. Feinstein recently directed CRS Director Daniel Mulhollan to develop a system to make it easier for senators to post the reports on their sites, but it’s based on the House model, which is “time-consuming and requires that each new report be added individually, instead of by topic,” Lieberman said. That would make it difficult for constituents to search for reports online, he said. Lieberman asked Feinstein to direct CRS to adopt a system like the one available to congressional staff, which includes classification by topic and search tools.

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A lagging bill to legalize and regulate online gambling has found a powerful backer in the chairman of the House Democratic Policy Committee, the Safe and Secure Internet Gambling Initiative said Thursday. Rep. George Miller, D-Calif., signed onto the bill, sponsored by House Financial Services Committee Chairman Barney Frank, D-Mass. It would set up a federal regime for regulating gambling sites and let states and sports leagues opt out of taking part. The bill has drawn little interest among members since its April introduction. But it has been denounced by opponents, lately at a November House Judiciary hearing (WID Nov 15 p4).

## Agencies

FTC Chairman Deborah Majoras is leaving the agency at the end of March and, according to news reports, will become general counsel and antitrust adviser at Procter & Gamble. Majoras joined the agency in August 2004. The FTC didn’t say who would replace her. An appointment requires Senate confirmation.

Don't be "deceived" by claims that bars on network management will result in "unfettered access to all applications," the Progress & Freedom Foundation warned the FCC in comments filed Feb. 28. "Broadband Internet services involve the use of finite resources," PFF said. "Existing networks simply cannot accommodate all applications by all potential users all of the time," so congestion develops, PFF said. "The question really is whether network resources are to be allocated efficiently... to provide the maximum benefit to the maximum number of users, or whether the Internet is to become the private domain of bandwidth bullies." PFF was among many groups filing reply comments in an FCC network management proceeding focusing on petitions by Free Press and Vuze. They want the FCC to define "reasonable network management," bar blocking or degrading applications and rule that network providers can't discriminate against particular applications." Limiting carriers' ability to manage networks "would reduce the performance of Internet services, increase costs for consumers, and divert resources from the expansion of broadband deployment," said Sprint Nextel, which urged the FCC to deny the petitions.

## States

The Berkman Center for Internet & Society at Harvard Law School will coordinate an Internet Safety Technical Task Force to examine technologies to protect children from inappropriate material and contacts on the Internet. The task force is made up of Internet businesses and organizations including AOL, AT&T, Comcast, Facebook, Google, Microsoft, MySpace, Symantec, Verizon, Yahoo and others. It came from an agreement between MySpace.com and 49 state attorneys general (WID Jan 15 p1). The Center for Democracy & Technology said it will take part "with a healthy dose of skepticism." The group must "consider the full legal and policy implications" of the age verification technologies it will study, CDT said.

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The Colorado Senate Judiciary Committee plans a hearing Wednesday on an anti-spam bill that would make violations of federal anti-spam laws violations of state law as well. HB-1178 would define actions barred by the federal Can Spam Act, such as knowingly concealing the point of origin of commercial e-mails, as deceptive trade practices under state law. The bill would let ISPs sue spammers in state court to recover \$10,000 or actual damages, whichever is more.

## International

Greece and the Netherlands violate EU law by barring foreign online gambling operators, the European Commission said Thursday. In "reasoned opinion" letters, the second stage of infringement proceedings, the EC said Greece bars licensed providers from offering sports betting services and other games of chance and from promoting or advertising them there, and the Dutch government bans promoting and taking sports bets. The curbs violate European Treaty guarantees of free movement of goods and services, and the governments must change them or face a European Court of Justice challenge, the EC said. Both countries recently allowed the introduction of new addictive games and more advertising, but haven't moved to prevent addiction -- clear evidence of inconsistent policy on reducing gambling, the EC said. The step drew cheers from the Remote Gambling Association. In concert with similar actions last month against Germany and Sweden, "this should send a strong signal across Europe that protectionism in the gambling sector will not be tolerated," said Chief Executive Clive Hawkswood. -- *DS*

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Secret government searches of computers and other devices are unconstitutional, the German Constitutional Court ruled February 27. Searches of computers, hard drives and other storage media have stirred debate since the German government admitted it had carried out such searches in criminal investigations without legal grounds, said attorney Axel Spies. Journalists and privacy activists asked the court to rule on the constitutionality of a December 2006 state law regarding the state of North Rhine-Westphalia's domestic intelligence service, he said. At the core of the dispute is an amendment to the measure allowing the intelligence service and police agencies to "covertly observe the Internet" and communications devices, and permitting "clandestine access to information technological

systems" such as online terminals, usually without warrants, Spies said. The high court struck down the state law provision, saying a "basic right to the confidentiality and integrity of information technological systems" limits law enforcement searches. They're permitted only when "factual indicators" suggest concrete danger to life, public safety or the government, meaning government agencies can conduct the searches only with court approval, Spies said. Computers and other devices can't be trolled for "normal" criminal investigations or general intelligence work, but only with specific justification, he said. And secret searches must protect individuals' "core area" of privacy, meaning that anything accidentally collected must be deleted immediately, the court said. The decision could affect pending Constitutional Court cases involving Germany's Internet and telecommunications traffic data retention law, Spies said. He predicted the government will introduce measures to clarify that online searches used in the fight against international terrorism are legal. -- DS

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The European Commission should slash mobile termination rates but stay away from network neutrality regulation, WIK-Consult said Thursday. Assessing the best ways to regulate Internet Protocol-based interconnection, WIK said regulators want to ensure that all users benefit from choice, favorable prices and quality of service, that competition distortions are minimized, and that no barriers impede innovation and investment in infrastructure. Network convergence and the shift to user-generated content are altering traffic volumes and patterns, WIK said. IP-based interconnection is done through peering -- ISPs agreeing to exchange traffic solely among respective customers, sometimes at no charge -- and transit, an ISP's carrying a customer's traffic to third parties, usually for a fee. Most telephonic interconnection relies on wholesale payment known as calling party's network pays (CPNP). The U.S., Canada, Singapore, and other nations make dominant operators use CPNP but let lesser players negotiate termination fees subject to interconnection duties and to sides' paying the same per-minute fees, WIK said. They often set fees at zero, a system called Bill and Keep. The "inevitable" issue is whether to base interconnection of future next-generation networks on the Internet, switched network or another model, WIK said. CPNP is problematic, since it tends to create high wholesale termination rates that boost retail prices, so it shouldn't be used for IP-based interconnection, it said. And interconnection fees should be far lower, set not by rule but negotiation. A second issue is quality of service in IP-based networks, the report said. Some experts worry at use of different levels of QoS, part of the net neutrality debate. The correct regulatory response isn't to stop operators from offering such services but to ensure that consumers can make informed decisions and that national regulators use existing tools to address competition problems, it said. Among the report's recommendations: (1) Impose no interconnection obligation concerning IP data traffic generally, but let regulators intervene if interconnection breaks down. (2) No neutrality regulation is needed now. (3) Independent of the move to next-generation networks, society would be better off if the EC cut mobile-termination rates over three to five years to levels set in advance. (4) If call-termination rates are eliminated or greatly reduced, some operators may try to profit other ways, such as by manipulating prices or quality of the IP interconnection that will have become the basis for voice interconnection. National regulators must ensure that doesn't happen, the report said.

## Industry Notes

More than a third of adult TV viewers usually use the Internet while watching TV, online video search site Blinkx said, citing a survey it commissioned from Harris Interactive. Nearly 80 percent of adults said they have used the Web while watching TV. Of those who habitually surf the Web and watch TV simultaneously, 62 percent say they're looking at material online that's unrelated to what's on their TV set; 25 percent are looking for information about the program they're watching.

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Disney introduced Stage 9 Digital Media, a studio that will develop short-term content for new media platforms. Its first original series -- *Squeepees* -- premiered on ABC.com and YouTube Thursday and is sponsored by Toyota.

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Ads are more effective during local TV news programming on TV and online than in any other video content, Hearst-Argyle said, citing a survey of TV viewers it commissioned and presented to the Association

of National Advertisers in New York. "Marketers can seize an advantage and use new digital technologies such as broadband and DTV spectrum to geo- and micro-target their messages and they can do it with video content providers who have exceedingly strong, trusted on-air, online and mobile content brands," said Hearst-Argyle CEO David Barrett.

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Blinkx said it has agreements to distribute premium content from the BBC, CBS and the Weather Channel. Terms weren't disclosed.

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Half the mobile game market "is still up for grabs," Glu Mobile CEO Greg Ballard told a Goldman Sachs symposium in Las Vegas Thursday. Glu will be the only mobile game company with a "substantial presence in China," he said. He predicted that market will grow significantly over the next few years. The North America mobile game market is a "three-horse race," among Electronic Arts, Glu and Gameloft, he said. But smaller mobile game companies are fighting for the remaining 50 percent of the market, and they will be "giving up market share over the next couple of years," Ballard predicted. Glu disclosed late last year it acquired China mobile game company MIG and announced a tender offer in January to buy Superscape, which Glu said ranked among the top five mobile game publishers in the U.S. during Q4 2007, citing Nielsen Mobile data. If the Superscape transaction is consummated, adding of its market share to Glu's existing share "would solidify" Glu's No. 2 position in the U.S. among mobile game companies and bring it closer to No. 1 player Electronic Arts, Ballard said early this month. Glu is "pleased with the progress" of the tender offer so far, he said Thursday. It's "probably going to pause for a little while" on acquiring more companies as it takes time to "digest" the MIG and Superscape deals, Ballard said. -- **JB**

## Internet People

Shop.com promotes **Vince Hunt** to chief technology officer... Verso Technologies promotes **Christina Brazdziunas** to chief technology officer.

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