

Top cable, satellite firms asked to curb channels carrying pornography

WASHINGTON - Christian Brothers Investment Services led a group of 220 other institutional investors to ask the United States' largest cable television and satellite TV providers to stop distributing on-demand pay-per-view pornography and to stop carrying adult channels that specialize in pornographic material.

Letters were sent Nov. 3 to Comcast, Time Warner Cable and Cablevision, which are, respectively, the first-, second- and fifth-largest cable companies in the United States and the three biggest publicly traded companies. Similar letters also went to DirecTV and Dish Network, the two principal U.S. satellite TV firms.

If a company cannot completely wean itself from porn, the letter said, then it should alert stockholders to the "potentially significant legal and business risks" that exist from carrying porn by including that information in the company's public disclosures.

Dan Nielsen, director of socially responsible investing for Christian Brothers Investment Services, outlined some of the risks to companies in a Nov. 3 telephone interview with Catholic News Service from his organization's headquarters in Chicago suburb of Oak Brook, Ill.

"There's certainly the reputational risk, which is obviously very controversial in nature," Nielsen said. "There are legal risks if the companies are caught distributing materials that are defined as obscene and therefore illegal," therefore risking alienation of the company's customer base. "If a company has developed a reputation as a family-friendly company" yet distributes porn, "it is a test of the good will of the company," he added.

Calling pornography a \$13 billion industry in the United States, the Christian Brothers letter said, "We feel that as more people become concerned about

pornography and the effects, both direct and indirect, it has on our society, greater scrutiny will be placed on those companies involved in its production and distribution. The costs for remaining involved in pornography will increase.”

Each company was asked to respond to the letter by Nov. 12 indicating its “strategic rationale for either continuing or discontinuing distributing pornography.” The Christian Brothers letter also said the investment firm wants to convene meetings between officials from each company and a small group of stockholders to discuss the issue.

Nielsen laughed when reminded of the art-imitates-life world of the NBC sitcom “30 Rock” in which NBC’s fictional suitor, Kabletown, maintains it can afford the purchase thanks to its profits from on-demand pornography. In real life, Comcast – one of the companies targeted by the Christian Brothers firm – is bidding for a majority stake in NBC Universal.

“I found that quite amusing, actually,” Nielsen said. “At the same time, I thought it was significant that the issue was mentioned in such a high-profile format. Unfortunately, it also touches on a trend of normalizing behavior toward pornography amongst society at large.”

Nielsen said Christian Brothers had been longtime investors in each of the companies targeted, but in terms of stockholder actions had prior dealings only with Time Warner Cable – before it was spun off in early 2009 from the rest of Time Warner.

The letter did not mention any adult channels, but Nielsen mentioned Spice and the Playboy Channel during the CNS interview.

“Early on, we adopted an investment screen against companies that primarily produce pornography,” Nielsen said. And in surveys of members of Christian Brothers Investment Services, he added, “pornography continues to rank as one of the high priority issues for our investors.”

“There remains a very, very large number of organizations that see the pernicious effects of pornography on our society,” according to Nielsen. “Unfortunately, there

aren't that many opportunities for them to take action and effect change."

Among the 220 signatories are leading members of a host of dozens of men's and women's religious orders in the United States and elsewhere, but also representatives from other investment agents and the travel industry.

Earlier in 2010, Christian Brothers Investment Services pressured hotel chains in which it held stock to implement and enforce policies designed to deter sex trafficking, particularly with underage children, most notably in conjunction with the World Cup soccer tournament in South Africa.