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Pennsylvania officials have renewed a push to recapture \$140 million in federal subsidies to improve internet service in rural areas. In a state where about 20 percent of rural Pennsylvanians must suffer with slow internet speeds compared with just 3 percent in urban areas, state lawmakers and agency leaders must invest time and money to resolve this complex, yet vitally important issue.

The federal subsidies for rural broadband could go to another state after Verizon declined the funding for Pennsylvania infrastructure improvements two years ago. The Federal Communications Commission plans to distribute the rejected funds through a nationwide auction, a move that state officials hope to head off through public advocacy and a pending FCC petition. "We are deeply concerned that the loss of this funding will widen the gap between Pennsylvania communities and businesses that have access to higher broadband speeds and those without — not just between rural areas and larger cities, but also, in many cases, between neighbors in the same counties," said Pennsylvania Public Utility Commissioner David Sweet.

Slow internet speeds are a distinct disadvantage to rural businesses trying to compete in today's global electronic marketplace. From 2005 to 2015, electronic commerce, also referred to as online sales, in the United States grew from \$291.08 billion to \$341.8 billion with an average increase of 15.3 percent from 2012 to 2015, according to figures cited just prior to a congressional hearing on this issue in June. The congressional information also noted that there is "significant disparity" between rural and urban areas across the nation, with more than 39 percent of Americans living in rural areas lacking access to high-speed internet (now defined as 25 Mbps download and 3 Mbps upload) compared to 4 percent of Americans living in urban areas.

The FCC has yet to rule on Pennsylvania's petition for the federal subsidies, but in the case of New York, the commission appeared to be convinced to grant subsidies because New York had established its own \$500 million rural broadband program. "No other state has demonstrated

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that they have adopted a similar program that would achieve the same or similar public interest benefits," the FCC wrote in the filing.

Pennsylvania is the only other state to formally request the declined Verizon subsidies, but it has no dedicated funding stream for rural broadband. With the vital interests of residents and businesses in rural areas, Pennsylvania must continue to engage in the fight for rural broadband improvements and remain connected until urban-rural disparities are eliminated. – *Sunbury Daily*

Item editorial

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Latrobe (Westmoreland Co.) Council on Monday approved a franchise agreement with Citizens Fiber of Mammoth, clearing the way for the local company to offer high-speed fiber-optic services in the city. Under the 10-year agreement, Citizens will pay Latrobe a quarterly fee equal to 5 percent of gross revenues the company receives from the TV services it provides in the city. Citizens also agreed to provide for free one internet connection and one standard TV package to city facilities and other community facilities including schools and the local library. The company is required to notify subscribers at least 30 days in advance of any change in rates or TV channel lineup.

Citizens has invested several million dollars in fiber-optic communications technology since 2008 and looks to compete locally with such giant internet service and cable TV providers as Comcast. "We're the only fiber-optic provider that is close to moving into downtown Latrobe," said Citizens operations manager Zach Cutrell. "We're super-excited about it."

Through online surveys, he said, Citizens has identified neighborhoods in Latrobe that are interested in being linked to the company's services and hopes to extend the infrastructure needed to serve about 250 homes in the city by early summer. He said the company simultaneously looks to bring service to about 800 homes in Greensburg, under a previously approved franchise agreement with that city. Citizens already serves customers in Unity and Mt. Pleasant townships, along with a small pocket of residents added recently in Hempfield.

The Hempfield site is close to the company's existing service territory, Cutrell said, noting, "When we're building into Latrobe, it's going to require a lot more infrastructure." According to Cutrell, residents in the targeted service expansion areas are glad to have a new competitor offering TV channels. But, he said,

"What people are really excited about is the high-speed internet."

He said the company can offer upload and download speeds of up to 1,000 megabits per second. Cutrell said the agreement with Latrobe will allow Citizens to roll out its services gradually, in neighborhoods where residents have expressed the most interest. Citizens, which

got its start as a local phone company in 1906, offers phone service bundled with internet and TV services. – *Pittsburgh Tribune-Review*

Mayor Bill de Blasio's administration Tuesday will make a request for information from companies interested in helping it expand broadband internet access, an action that could challenge cable giant Charter Communications Inc.'s market dominance in New York City. The request, which is generally the first step before issuing a formal request for proposal, invites internet service providers and other industry stakeholders to advise the city on how it can reach its goal of having affordable, high-speed internet access citywide by 2025. The request is meant to "maximize the benefits of competition," according to a draft reviewed by The Wall Street Journal.

"We are utilizing every approach to engage with partners that share our vision to expand citywide broadband and constructively inform the process," said Miguel Gamiño, Jr., New York City chief technology officer. "One thing we know for sure is that business as usual won't work, which is why we're keeping the door open to new ideas that will help us achieve success in this critical endeavor." John Bonomo, a spokesman for Charter Communications Inc., said Monday that New York City is "one of the most competitive telecom and Internet markets in the country, with a host of wireline, wireless and other technologies offering services to all customer segments." "Our products and services provide the highest quality at competitive prices," he said.

Critics have said the company, which is known to its customers as Spectrum, operates as a virtual monopoly in New York City. It is embroiled in a labor dispute with its workers, who went on strike in March after the company sought to eliminate its pension plan and restructure medical and retirement plans for employees. The company has said it is offering significant pay raises in exchange for the changes. Mr. de Blasio, a Democrat who was re-elected to a second term this month and who has generally enjoyed strong backing from unions, has sided with the company's workers.

In what some said was a reflection of that support, the city's request for information encourages applicants to consider how they could help the city increase "economic opportunity for all New Yorkers and the protection of workers' rights." A spokesman for the Local 3 International Brotherhood of Electrical Workers said the city's actions would help end what it described as a monopoly over the city's broadband market. "Public control of our public utilities like the internet must not be left solely in the hands of cable giants whose monopoly gives them no incentive to improve their services, keep rates affordable or deliver access to underserved communities," said Austin Shafran, the spokesman.

One in five New Yorkers doesn't have internet access at home, city officials said. Among those living in poverty, that figure is one in three, the officials said. Responses to the request for information are due by Jan. 19. – *Wall Street Journal*

Google is facing a new front in its regulatory battles after Missouri's attorney general launched a broad investigation into whether the internet giant's business practices violate the state's consumer-protection and antitrust laws. Missouri Attorney General Josh Hawley on Monday said he issued an investigative subpoena to probe Google's collection of user data, its use of other sites' content, and its alleged manipulation of search results to favor its own services.

Google, a unit of Alphabet Inc., has so far skirted the scrutiny in the U.S. that it has faced in Europe, where **regulators levied a record \$2.7 billion fine against Google in June** for allegedly favoring its shopping ads in its search results. Mr. Hawley said his investigation was in part prompted by the European fine. "We're concerned they're engaged in a similar pattern of behavior in the United States," he told reporters.

Google said in a statement: "We have not yet received the subpoena, however, we have strong privacy protections in place for our users and continue to operate in a highly competitive and dynamic environment." It has disputed European regulators' charges. The Federal Trade Commission ended a nearly two-year antitrust investigation into Google in early 2013 after the company agreed to make some changes to its business practices for five years—a period that is about to expire. In the U.S., some federal lawmakers such as Sen. Al Franken (D., Minn.) have called for new probes into the company's power. **Congressional committees are also investigating how Russian agents** allegedly used Google, Facebook Inc. and Twitter Inc. to try to influence last year's election.

Mr. Hawley said the FTC went too easy on Google. “That seemed to me to be short even of a slap on the wrist. Now this is why I think there needs to be a fuller inquiry,” he said in an interview. “I don’t see a lot of action coming out of Washington. I don’t see a lot of action coming out of the FTC....So I think that it’s important that some law enforcement agency actually steps forward.” The FTC [pointed to past comments from commissioners](#) that stated its “exhaustive investigation” into Google found the company’s practices weren’t “on balance, demonstrably anticompetitive.”

Mr. Hawley, a 37-year-old Republican lawyer who was elected as Missouri’s attorney general last year, announced last month that he is running for Democratic U.S. Sen. Claire McCaskill’s seat in 2018. Some critics and competitors of Google see state attorneys general as potentially the most likely route to regulatory action in the U.S. Mississippi Attorney General Jim Hood has sued Google several times, including in January [over its collection and use of data on Mississippi public-school students who use its services](#). Mr. Hood is looking closely at other aspects of Google’s business and considering further action, a person familiar with the matter said.

Utah Attorney General Sean Reyes and District of Columbia Attorney General Karl Racine last year called on the FTC to reopen its antitrust investigation into Google. This year, when Mr. Reyes was a candidate for FTC chairman, [Google deployed Republican lobbyists to dissuade Trump administration officials from naming him to the post](#), according to people familiar with the matter.

Mr. Reyes said in an email that the FTC never replied to his call for a new federal probe. “We may have to take matters into our own hands as state attorneys general on those and possibly other issues,” he said. “In many ways, we can be more effective investigating and if necessary, holding companies accountable at the state level.” He declined to say whether his office was investigating Google. States usually team up to prosecute large corporations like Google, with bigger states like New York or California leading the way, said New York University economics professor Nicholas Economides. He predicted Missouri would try to recruit other states if it seeks charges. “Google is going to be a significant case,” he said. “If it’s going to be just Missouri, that would be a very unequal fight.”

States can be effective regulators. In 1998, after years of lawsuits, [46 states agreed to a \\$206 billion settlement with tobacco companies](#) that required the firms to change their marketing practices, among other changes. The federal government’s antitrust case against Microsoft Corp. in 2001 began with an investigation by the Texas attorney general, said Gary Reback, a key attorney who persuaded the Justice Department to sue Microsoft.

European Union officials have been the most aggressive regulators of Google in recent years, [with four separate probes ongoing](#). Google has disputed antitrust allegations and said the internet remains a competitive marketplace. The company says it has several webpages that shows users what data it has on them and enables them to delete data and opt out of future collection.

Mr. Hawley’s examination focuses on allegations that regulators and academics have scrutinized for years. A 2012 staff report that was part of the FTC’s investigation [concluded Google illegally pulled content from other sites and recommended the commission file a lawsuit](#), The Wall Street Journal reported. Three commissioners said they had “strong concerns” about Google’s so-called scraping behavior but opted against filing a suit. The staff report also said Google’s practice of favoring its own services in its search results harmed competitors but would be difficult to prosecute.

In September, reviews site [Yelp Inc. sent a letter to the FTC alleging Google was using Yelp photos for its local-business listings](#), breaking a promise to not scrape content from certain sites that was part of its FTC settlement. Yelp also sent the letter to all the state attorneys general, and Mr. Hawley said Monday that he would be investigating the Yelp example. Mississippi’s Mr. Hood also sent a letter on Oct. 31 asking the FTC to investigate Yelp’s claims, according to a copy of the letter viewed by the Journal. Google said at the time that if Yelp went to Google before regulators “we would have immediately taken steps to look at the issue and update these results—as we’re doing now.” – *Wall Street Journal*



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