

Media Life
Cord cutting may actually slow in 2017

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Fortune
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New York Daily News
Facebook morphing into a futuristic TV network

Philadelphia Inquirer
Facing a wave of calls, Pa. electors

The most expensive U.S. Senate race in American history overwhelmed Northeastern Pennsylvania television screens in the final weeks of the election campaign, found in an analysis by Sunday Times, a Times-Shamrock newspaper.



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In the campaign's last two weeks before the Nov. 8 election, Democratic challenger Katie McGinty and seven political action committees or other groups friendly to her averaged almost \$900,000 a week in spending on campaign commercials at local television stations and Comcast Cable and Service Electric Cable Television, the newspaper found.

Not to be outdone, Republican U.S. Sen. Pat Toomey and three groups backing him averaged more than \$753,000 the last two weeks of campaigning. "It was an insane, astronomical amount of money," said Mark Harris, the chief Toomey campaign strategist.

In all, the Senate race was the costliest in the country. Counting

all spending across the state, not just TV spending, the candidates and the outside groups backing each, or bashing their opponent, dished out more than \$173.8 million, far beyond the almost \$127 million spent on the New Hampshire Senate race, according to the Washington-based Center for Responsive Politics, which tracks spending on federal elections.

"It doesn't surprise me," said G. Terry Madonna, Ph.D., the political analyst from Franklin & Marshall College, of the spending locally. "Look, if you're a Democrat, where do you put your money? You're going to put your money in Philadelphia and Pittsburgh and up in your area, which is still a big Democratic area."

sounding unshakable

Pittsburgh Post-Gazette Pa.'s electors are not easily influenced by anti-Trump lobbying

Overall, the campaign commercials on television this year sounded more like a broken record than breaking a record. A total of 24 candidates and a phalanx of 36 independent political action committees spent almost \$18.4 million this year locally on more than 78,000 commercials, still well behind two previous years, 2008 and 2010, according to the analysis. In 2008, candidates and PACs spent almost \$20.9 million on more than 109,000 commercials. In 2010, it was \$21.3 million and more than 92,000 commercials. The Senate campaign accounted for more than \$11.3 million of the \$18.4 million spent on local TV this year.

Madonna said the huge spending on the Senate race has to do with the costliness of advertising in the two large television markets — Philadelphia and Pittsburgh — and the sense that what happened in the Senate race here would determine which party controls the Senate. Toomey's victory helped Republicans build a 52-48 Senate majority. Toomey's campaign spent an average of \$203,000 on northeast TV the last two weeks before the election, the newspaper found.

McGinty's campaign only averaged \$107,500 a week, meaning the other almost \$800,000 came from seven outside groups — the Democratic Senatorial Campaign Committee, the Senate Majority PAC, the American Federation of Teachers Solidarity Fund, the End Citizens United-Pennsylvania PAC, the Majority Forward PAC, the National Education Advocacy Fund, and the Service Employees International Union Committee on Political Education.

When that happened, three Republican-connected outside groups — the Club for Growth PAC, the Senate Leadership Fund and the U.S. Chamber of Commerce PAC — countered with \$550,000 a week to help Toomey. "We were always going to spend a lot of money there, but I don't control the outside groups," Harris said of the northeast.

If it felt like most of the advertising was negative, it really was. More than \$51.5 million was spent opposing Toomey and more than \$45.5 million was spent opposing McGinty, according to the Center for Responsive Politics.

The Senate race spending contrasted sharply with the presidential race. Normally, presidential campaign spending dominates local TV spending. In 2008, President Barack Obama spent \$3.9 million alone on local TV of the \$20.9 million all candidates and PACs spent that year as he sought the presidency for the first time. Republican president-elect Donald Trump's campaign spent just \$333,593 here for 934 commercials locally. Overall, Trump's campaign and six outside groups — four of them related to the National Rifle Association — bought \$1.45 million worth of commercials (more than 3,600) locally. Democratic nominee Hillary Clinton's campaign spent almost \$2.28 million and an outside group, the Priorities USA Action Fund, spent more than \$1 million for a total of \$3.3 million (more than 17,000 commercials).

The presidential spending on local TV reflected the candidates' fundraising nationwide with Clinton's campaign raising twice as much money (\$497.8 million) as Trump's (\$247.5 million) and outside groups helping her (\$205.9 million) far more than him (\$74.9 million), according to the Center for Responsive Politics. Overall, pro-Clinton/anti-Trump forces raised \$703.7 million compared to the pro-Trump/anti-Clinton forces' \$322.4 million, according to the center. That includes all spending, not just on television.

Locally and nationwide, Trump won the presidency spending less. Trump and his allies spent plenty of money — no calculation is available — on other forms of advertising here — primarily mailed literature — but he won the overall vote in the 10 Northeastern Pennsylvania counties by 59,000 votes by spending less than Clinton on local TV. That's unusual because TV advertising is often the most important factor, especially in larger races.

Madonna tied Trump's success with spending less to win to the billions of dollars in free news coverage and other publicity he received the last two years, demonstrating his

uniqueness as a candidate. "You can't make the argument that the exception is the rule," he said. Lackawanna County Republican Party chairman Lance Stange Jr. didn't dismiss the influence of free publicity, but said Trump ran "much more of a grassroots presidential campaign." "He had the support of the grassroots people and that's where he was able to really close the deal," Stange said.

"Look at his rallies. He was getting 1,000s of people every time he had a rally. Hillary Clinton's campaign decided to run a more conventional campaign. They didn't put the effort into the grassroots that Trump did." – *Hazleton Standard-Speaker*

Although the media has focused on Dodd-Frank and the Patient Protection and Affordable Care Act (aka, Obamacare) as the biggest regulatory rules enacted under President Barack Obama's administration, perhaps the Federal Communications Commission, or FCC, has been the most aggressive agency in terms of its regulatory relationship with the industry it oversees.

Before Chairman Tom Wheeler, the FCC was known as a textbook case of regulatory capture with a virtual revolving door of lobbyists and industry titans filling its ranks. Wheeler was considered no different: As the former head of both the National Cable and Telecommunications Association (NCTA) and Cellular Telecommunications and Internet Association, it was widely expected that Wheeler would continue to represent industry interests and apply light-touch regulation. Instead, Wheeler's FCC has been extremely pro-consumer, to the consternation of the industry. The news that Wheeler is now departing his position could mean a reversal of his pro-consumer legacy and, most notably, his signature net neutrality ruling.

In 2015, Wheeler's FCC cemented its pro-consumer legacy. By classifying Internet-service providers (ISPs) as "common carriers," the legislative rule-making body essentially guaranteed net neutrality by ensuring ISPs act as a neutral gateway to the Internet and banning ISPs from speeding up or slowing down legal content passing through their networks.

While consumer advocates, digital publishers, and streaming video providers like Netflix were elated with the decision, network providers like Verizon, AT&T, and Comcast were enraged with the FCC's Title II designation. Quickly after the ruling, the NCTA (yes, the same organization once led by Chairman Wheeler) and the American Cable Association quickly moved to sue the FCC. AT&T filed a separate lawsuit quickly thereafter. In June, the D.C. Court of Appeals sided with the FCC and upheld their common carrier status.

However, as is customary when a new party wins an election, Wheeler has agreed to step down as FCC chairman on Jan. 20, when Donald Trump is inaugurated. The newly appointed FCC head will most likely be a net-neutrality foe and, along with the new republican FCC majority, will quickly chip away at earlier pro-net neutrality rulings. Net neutrality has become a partisan lawmaker issue, with Democrats in near-unanimous support with Republicans referring to the ruling as "Obamacare of the Internet." **[Recode succinctly described Wheeler's departure](#)** as the "death knell" for net neutrality.

The key point of net neutrality is one of access. Now, websites are delivered with the same speed, in the event net neutrality is repealed, proponents fear a two-tiered Internet delivery experience, where big companies like Facebook and Alphabet's Google could pay for faster delivery speeds, and smaller websites and digital publishers are banished to a slow lane that will choke off their traffic. A good analogy would be a high-speed toll lane versus a traffic-filled highway. The losers would be smaller publishers, bloggers, and the exchange of *free* information.

The obvious winners of a repeal of net neutrality would be the ISPs themselves. The ability to charge sites more for using their network is another monetization method to boost top-line results. However, ISPs could still benefit from net neutrality's demise without charging websites for faster delivery. For example, Verizon could be well

positioned since it has doubled down on a digital-strategy by purchasing AOL (and its host of digital properties like Engadget, The Huffington Post, and TechCrunch) and is in the process of buying Yahoo!

Delivering these websites faster while slowing down others should boost the company's bottom line by making these sites more attractive to users...and by extension, marketers. To be fair, some consumers could be beneficiaries of net neutrality laws as well. As wireless service has become a quite-competitive space, carriers have resorted to creative ways to differentiate themselves and to promote higher-margin products. For example, AT&T has announced that streaming on its DirecTV Now products does not count against wireless data cap limits. Verizon offers the same deal for its NFL Mobile and Go90 streaming-video app.

The FCC had argued these data-free cutouts, also known as zero-metering, were violations of net neutrality since they amounted to unfair treatment of competing services. Consumers may ultimately receive cheaper internet, but at the expense of a more-limited user experience dictated by consumer interest. One thing is for sure: ISPs are elated about Wheeler's pending departure -- whether consumers should be is decidedly less clear. — *Motley Fool*



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