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Minnesota Star Tribune
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Wall Street Journal
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Philadelphia Inquirer
Editorial: Wolf veto may give him more leverage

Philadelphia Daily News
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David L. Cohen fit right in while delivering luncheon remarks to a crowd of business leaders in an ornate Center City meeting room. It was the subject matter from the Comcast senior executive vice president and chief diversity officer that at first glance might have seemed incongruent to the well-heeled audience. "I've been asked to talk about a topic that is very important to me personally - and to Comcast - but that is not necessarily a topic we often hear discussed here at the Union League," he began.

Cohen, the former chair of one of the nation's largest law firms and former chief of staff to Mayor Ed Rendell, had come to discuss the digital divide - the gap between those connected to high-speed Internet at home and those who are not. He said government data showed that about 30 percent of Americans don't subscribe to high-speed Internet service. Roughly 7 percent live in rural communities that don't have broadband access, and about 23 percent live in areas like Philadelphia, where service is available but they don't subscribe.

The statistics rippled through the Grant Room, where the attendees looked to be part of the 93 percent of U.S. households with incomes above $100,000 who have Internet subscriptions, and not the 47 percent living below the poverty line (disproportionately Hispanic and African American) missing that connectivity. Cohen was on a mission - not to enlarge Comcast's subscription base for business reasons - but to frame the closing of the digital divide while inside a club with the motto *Amor Patriae Ducit* ("Love of Country Leads") as one necessitated by both patriotism and a love of free markets.

"My remarks were shaped toward the importance . . . of information and familiarity with the Internet and Internet-based research for employment in the 21st-century

Allentown Morning Call **Can John Kasich or Ted Cruz beat Donald Trump in Pennsylvania?**	economy," Cohen told me after the speech. "It's not only important for the people who are applying for the jobs," he said. "It's important for business leaders and businesspeople, people trying to build a business and hire people to have a workforce that is digitally literate and that is capable of performing reasonably sophisticated work on the Internet in order to be productive employees in today's economy." According to Cohen, the cause of the digital divide is a "complex web of issues," which include the "bucket of digital relevance and digital literacy skills." "People don't know the relevance of the Internet to them," Cohen told me. "They don't understand what the Internet can do for them. They don't know why they need the Internet. They don't understand the Internet. They might be afraid of the Internet. They don't know how to use a computer. They might be afraid that their kids will be stalked on the Internet by child predators. So that's the number-one barrier to adoption, particularly among low-income families." Not only do these obstacles exacerbate issues of income inequality and basic fairness, but as he argued to a room full of employers, they are also bad for business. Left unaddressed, millions of low-income Americans lack basic digital skills that will make them unqualified for well-paying jobs. Among those jobs, according to Cohen, are dental hygienists, police officers, electricians, paralegals, and registered nurses. Consider that more than 80 percent of Fortune 500 companies require online job applications. "By having a population that does not have those basic digital skills you are depriving them of the opportunity to participate in whatever the job-growth recovery is that we're experiencing post 2008-2009," he told me. A front-page story in the New York Times in February chronicled the disadvantage faced by children raised in Internet-less homes when it comes to doing homework. For Cohen, this is where it gets personal. In the last five years, he has visited roughly 20 cities discussing the digital divide and Internet Essentials, a Comcast initiative that offers low-cost Internet service, computer equipment, and free training to families with at least one child eligible for the National School Lunch Program. An encounter with a woman in Chicago provided Cohen with continued inspiration. "She came up to me with tears, literally tears streaming down her cheeks," he recalled. The mother of two middle-school boys told him that Internet Essentials made a difference in her sons' school lives. "And I said . . . how did they do their homework before you had the Internet at home? And the woman looked at me and she said, 'That in part is why I'm crying.' She said, 'I'm so embarrassed. . . . Every night after dinner I would put my boys in the back of our car and we would drive to the neighborhood McDonald's. And I would park in the parking lot, and I'd hand my smartphone into the backseat, and they would share the smartphone using the free Wi-Fi in McDonald's to do their homework.' " Last week in Miami, standing next to Julian Castro, the secretary of Housing and Urban Development, Cohen announced an expansion of Internet Essentials in Miami, Nashville, Philadelphia, and Seattle to include low-income seniors in public housing and other families. Said Castro: "An Internet connection is no longer a luxury in this 21st-century global economy. It really is a necessity." – ***Philadelphia Inquirer*** ——————————————————————— Atlantic Broadband has announced that HD channel additions now are available in Johnstown and the surrounding service areas, including Conemaugh, Davidsville, Geistown, Hollsopple, Richland, Westmont, Windber and Woodvale. As part of Atlantic Broadband's $6.5 million "FastForward Johnstown" initiative, customers now have access to 56 new HD channels, the company said. With these additions, more than 115 HD channels are available to Atlantic Broadband customers – including the entire "Value" tier and many "Digital" tier and premium networks that are available in HD.

Some of the additional HD channels now available to Atlantic Broadband customers are: AMC HD; Comedy Central HD; C-SPAN HD; Discovery Family Channel HD; Disney Junior HD; Hallmark Movie & Mysteries HD; HLN HD; Investigation Discovery HD; MSNBC HD; Nick Jr. HD; TCM HD; Travel Channel HD; The Weather Channel HD; and TV Land HD. – ***Johnstown Tribune-Democrat***

While certain technologies lead to the demise of others, in most cases the new simply changes or diminishes the old without wiping it out altogether.

Television, for example, may have supplanted radio as being the chief medium for news, sports, and entertainment, but the older medium continued to thrive long after it was no longer cutting edge. The same thing has happened in varying degrees across all sorts of areas. People still send physical mail despite email existing and some folks -- perhaps more than you would think -- cling to landlines when wireless should meet all their needs. We also still have newspapers, CDs, and even, for some reason, vinyl records. That's why it seems likely that cord-cutting, people dropping cable for cheaper streaming options, probably won't result in the utter demise of the pay-television industry.

In fact, while more people did cut the cord in 2015 than in any previous year, the number remains small when put into context. This suggests that despite the media noise about the end of pay television as we know it, that may not happen, and cord-cutting could actually stall out and die. Cord-cutting began in earnest in 2013 when cable providers dropped 100,000 customers and the trend grew slightly in 2014 with a loss of 150,000 customers across the 13 largest pay-TV providers in the United States, which account for about 95% of the market, **according to Leichtman Research Group** (LRG). The number more than doubled to 385,000 net video subscribers lost in 2015, which is still a tiny amount in a 94-million home universe.

In fact, in 2015, only AT&T posted a large loss -- 303,000 customers, according to LRG -- which it somewhat made up by adding 167,000 DirecTV customers. Industry leader Comcast only dropped 36,000 subscribers while No. 2 cable company Time Warner Cable actually added 43,000 paying users. Those were major improvements for both Comcast and Time Warner Cable, which lost 194,000 and 401,000 subscribers in 2014, according to LRG. "2015 marked the third consecutive year for pay-TV industry net losses, yet the total number of subscribers for major pay-TV providers (including DISH's Sling TV) has declined by less than one million since the industry peaked in 1Q 2012," **said LRG President and Cable Academy 2016 speaker Bruce Leichtman.**

Even if this pattern continues and subscriber losses double in 2016, that's still a relative trickle. It's also possible that the major pay-TV providers have found ways to reverse the trend. That is backed up by the fact that going into Q4, the industry was down about 650,000 customers for the year before cutting that almost in half in the last three months of the year.

Just because streaming options are cheaper does not mean that consumers are going to get rid of Comcast, AT&T, Time Warner Cable, and the rest. Spam is cheaper than filet mignon, but some people will pay for the top-tier product while others will split the difference and eat a hamburger. In this case, pay-TV may be able to serve those who want cheaper, but not cheapest, with skinny bundles and other clever packages of channels designed to prevent cord-cutting and even lure in some cord-nevers (people who were not subscribers in the first place).

It seems very possible that even though streaming has its charms, the vast network of choices offered by cable will keep most people subscribing. That does not mean cord-cutting has ended, but it's possible pay-TV companies won't be decimated by it. In fact, it's even possible that with skinny bundles, digital-only packages, and clever offers which bundle in broadband, that the industry could stop its losses or even post slight gains. Some people will cut the cord because they don't watch enough TV to justify paying for cable. That, however, is likely to be a small number because cable may be expensive, but for some (families especially) it's actually a good value. The industry will struggle to extend that value proposition to more people, but it should be able to do that. – ***Motley Fool***

Lebanon Valley College is one of 31 across the country and two in Pennsylvania that are part of a new offering from Comcast Corp. exclusively for colleges. Comcast on Campus is a new service from Comcast included in the room and board cost for students. It gives students access to 150 live cable channels and broadcast networks as well as the system's OnDemand network on their IP-enabled devices like laptops, tablets and smartphones.

Comcast Keystone Region spokesman Robert Grove said the Annville Township school in Lebanon County was chosen as one of the first 31 schools to debut the technology — along with schools like Dartmouth, Yale, MIT, Northeastern, Northwestern and Oregon State — because of the school's enthusiasm for the service.

Grove said Comcast already had contracted services with the school, and this is an extension of its service. "We are in various stages of discussions/trials/implementations with about a dozen other (Pennsylvania) universities, some considerably larger, and also launched at Carnegie Mellon University this week," Grove said. "(Lebanon Valley) simply was one of the first to take a strong interest." Philadelphia-based Comcast has about 2,000 employees in the midstate including call centers in Dauphin, Lebanon and York counties. – ***Central Penn Business Journal***

Netflix now admits that for the past five years, all through the debate on net neutrality, it was deliberately slowing its videos watched by users on AT&T and Verizon's wireless networks. The company did so for good reason—to protect users from overage penalties. But it never told users at a time when Netflix was claiming carriers generally were deliberately slowing its service to protect their own TV businesses—a big lie, it turned out.

All this has brought considerable and well-deserved obloquy on the head of Netflix CEO Reed Hastings for his role in inviting extreme Obama utility regulation of the Internet. Others deserve blame too. Google lobbied the administration privately but was too chicken to speak up publicly against utility regulation. But Netflix appears to have acted out of especially puerile and venal motives. Netflix at the time was trying to use political pressure to cut favorable deals to connect directly to last-mile operators like Comcast and Verizon—a penny-ante consideration worth a few million dollars at best, for which Netflix helped create a major public policy wrong-turn.

Right now, the immediate result is uniformly and surprisingly hot rhetoric from companies and industry analysts who were Netflix opponents in the net-neut debate. The adjectives, since the throttling revelations came out, start with "hypocritical" and quickly descend to the kind of language that Donald Trump uses.

A who's who of serious free-market technology experts have pummeled the company. AT&T's policy chief Jim Cicconi declared Ma Bell "outraged" to learn of Netflix's throttling of video for its customers without their consent. Why the hullabaloo when Netflix has every right to throttle its own traffic? What aggravates the knowledgeable, ironically, is that Netflix's behavior in adapting to AT&T and Verizon's usage-capped pricing is a perfect example of how the Internet *should* operate, how its many users and participants *should* be free to adapt to solve problems. The episode is a perfect rebuke to the rigid utility regulation that Netflix's own lobbying helped the Obama administration impose on the broadband industry through backdoor pressure on the Federal Communications Commission.

Even FCC Chairman Tom Wheeler, while surrendering to activist force majeure from the Obama crowd, still chants that "competition, competition, competition" is the real solution to any problem. Netflix's Mr. Hastings at the time pushed the weirdly 1930s-ish view that the Internet of the future should be a single monopoly wire into each home. Why this would appeal to Netflix is obvious: It would make it easier for the company to lobby against any usage-based pricing experiments by broadband carriers that would require Netflix customers to pay for the disproportionate bandwidth they use. But it was also a pipe dream, even under a highly politicized and archaically backward-looking Obama FCC.

Who knows how attached Mr. Hastings remains to his weird theory a year later. Netflix has finished building out its own delivery network that largely bypasses the public backbone. It has shown no problem adapting to a variety of retail broadband pricing models. It signed up for T-Mobile's "Binge On" plan, limiting its video resolution in return for uncapped usage. It was ready to play "zero-rating" footsie with Australian broadband operators. It adapted its business model for users of AT&T and Verizon's usage-constrained mobile networks.

Mr. Hastings himself is in danger of getting a reputation for small-mindedness in the way he positions his increasingly important company in public-policy debate. After all, not even a servile Obama FCC probably can stir up enough regulatory uncertainty to halt the explosion of bandwidth options that's coming—and the explosion of pricing and usage offers that Netflix will have to adapt to—when 5G wireless arrives and blows up what's left of cable's fixed-line broadband supremacy.

No wonder Netflix has given signs lately of regretting its net-neut positioning, and not just because of its cheesy opportunism. Joining Washington's full-time, left-wing net-neut army in flogging fake fears of Internet "blocking" etc. hasn't paid off in any big way for Netflix—at a cost of bringing down an unpredictable, open-ended regulatory apparatus on the Internet industry and potentially any company that operates any kind of Internet infrastructure.

Just think, as broadband markets mature, trustbusters and regulators will need a new monster to slay. They might well look to a company with more subscribers than any five cable carriers combined—i.e. Netflix—as the next problem to be regulated. – ***Wall Street Journal***

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