

Ars Technica
Set-top saga:
Comcast says
it's "not
feasible" to
comply with
FCC cable box
rules

Bloomberg
Barry Diller
says media
industry has
too few
decision
makers

Fierce Cable
Mediacom
begins work
on public Wi-Fi
network, looks
toward
interoperability
with Charter,
Comcast

New York
Times
Détente for
Netflix and
Comcast

Philadelphia
Inquirer
Selling smart:
Xfinity Home
rolls out its
own
connected-
home products

MediaPost
Mobile Video
To Hit \$25B
Globally In 5
Years

Zap2it
Cable Top 25
for Week
Ending July 3

Washington
Times
Americans

Verizon Communications Inc. is raising prices for its wireless service, a sign that aggressive discounting by smaller rivals hasn't dented the ability of the biggest U.S. players to keep customers and lift monthly bills. The nation's largest carrier by subscribers will increase prices by \$5 or \$10 a month, depending on the plan size.

The achievements of an organization are the results of the combined effort of each individual. ~ Vince Lombardi

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an extended wave of competition reshaped the industry.

While Verizon and AT&T Inc. still tower over rivals—the two companies combined have more than two-thirds of the country's connections and pocket the majority of the industry's profit, according to UBS—they were shaken three years ago when T-Mobile US Inc. began an aggressive turnaround. In 2013, T-Mobile began doing away with two-year contracts and overage fees, and by giving free data for tablets and free calling to Mexico. AT&T and Verizon followed—many of Verizon's new features echo T-Mobile's—and a flurry of price cuts consumed the industry.

Last summer, T-Mobile passed Sprint Corp. to become the nation's third-largest carrier. Since then, the market has stabilized. Last November, even T-Mobile raised

The higher prices come with larger data allowances and customers also will be able to carry over unused data to the following month. Verizon is also introducing a feature called Safety Mode, which avoids overage charges by slowing data speeds after an account exceeds its monthly cap. Safety Mode is free for the largest plans and \$5 a month for the rest. Verizon is the latest U.S. carrier to raise prices after

increasingly seeking out media outlets that confirm pre-existing partisan views

prices. Fewer people are canceling monthly service, and more are holding on to their phones for longer, keeping them roughly five months more than the previous average of two years. “There’s very little growth left in the traditional parts of the wireless industry, and as such revenue growth has to come from increased revenue per user,” said Jan Dawson, chief analyst at Jackdaw Research. Craig Moffett, a senior analyst at MoffettNathanson, said the price increase could just be the calm before a heavy switching period in the fall and winter, after the next Apple Inc. iPhone is released.

“Wireless phone buyers have gone into their typical hibernation mode, while they wait for the new iPhone release,” Mr. Moffett said. “Switching activity has slowed to a crawl. It’s the ideal time to raise rates.” Because people are keeping their phones longer—and therefore thinking about switching carriers less often—competitive pressure this fall could be even more intense, Mr. Moffett said. “Carriers are likely to conclude that the window to take market share is a relatively short one, and if Apple’s major product release cycles really are extending to three years instead of two, the pressure of now-or-never will be all the greater,” he said.

Sprint is now alone in pushing aggressive price cuts. The carrier has been offering 50% discounts off rival phone plans. Even though Sprint added more customers than Verizon last quarter, the fact that Verizon is comfortable raising rates is a sign Sprint’s discounts aren’t having much impact. Sprint has only added 388,000 postpaid phone customers the past six months, compared with 1.8 million additions at T-Mobile. T-Mobile ended last quarter with 65.5 million connections, while Sprint had 58.8 million.

Verizon, which has 112.6 million retail connections, last overhauled its plans a year ago. That was when it killed off two-year contracts and dropped a labyrinth of options for a streamlined approach with data plans ranging from small to XXL. In September, after the plan overhaul, Verizon CEO Lowell McAdam said his company had been “a little bit too complicated and a little bit too cute,” which made it an easy target for rivals.

Existing Verizon customers won’t be forced into its new pricing, which will be available July 7. But if they don’t pay up, customers won’t be eligible for rollover data, overage avoidance or free calling to Mexico and Canada. Customers who pay for the largest Verizon data plans, which increase by \$10 a month to \$90 for 16 gigabytes of data and \$110 for 24 gigabytes of data, respectively, will get those features free. The smallest Verizon plan will now cost \$35 a month for 2 gigabytes of data, plus a \$20 per phone-access fee. That is on par with what AT&T charges, but \$5 more than T-Mobile’s or Sprint’s equivalent plans. Both T-Mobile and Sprint include unlimited 2G data with their plans.

Customers will be able to control the new features via an overhauled My Verizon app. The app will allow customers to see how much data apps are consuming, change plan sizes, buy new devices, toggle Safety Mode or chat with customer service. Nancy Clark, Verizon’s senior vice president of marketing, said about 10% of customers were paying overages, or additional charges for going over plan minutes. The company said its average smartphone customer used 2.7 gigabytes a month in April, up from roughly 1 gigabyte, three years earlier.

Michael Rollins, an analyst at Citi Research, said he viewed the offer as a price drop, not an increase. Excluding the smallest sized plan, the average price per gigabyte at Verizon is falling 16%, he wrote in a research note. “Over the last two years, we believe carriers have been unable to increase revenue for the growth of data consumption,” Mr. Rollins wrote. “Verizon’s move seems to be walking on a tightrope as it tries to balance improving the competitiveness of its data pricing and pursuing additional revenue from customers.” – *Wall Street Journal*

The digital divide between developed countries and many emerging economies is increasing because of the high cost of digital access, according to a new report

published Wednesday by the World Economic Forum.

The top-ranked countries—the U.S., Scandinavian nations and Singapore—were mostly unchanged this year from 2015, while many large developing countries such as India and Mexico saw their rankings drop, according to the Global Information Technology Report. The annual study measures countries' readiness to reap the rewards of a digital economy. For the lagging countries, "standing still means they are, in relative terms, falling behind," says Silja Baller, an economist with the World Economic Forum and an author of the report. "Overall, the vast majority of countries are improving their scores."

The report measures a country's ability to use information and communication technology to increase its competitiveness. It takes into account 53 indicators of regulation, tech affordability, infrastructure, technology adoption among the public, and economic impact of this technology. The same countries made the top 10 this year as last. The U.S. and Norway moved up, while the Netherlands and Switzerland edged down.

But big emerging economies landed lower on the list of 139 countries. China moved up three places to 59 and Brazil jumped 12 places to 72, based on increased mobile and internet adoption. Subscriptions for such services in China nearly doubled in the past year, according to the report, but there is a stark divide between urban and rural areas.

Mexico fell seven spots to number 76, and India came in 91st. The declines in these countries were driven in part by the high cost of internet and communications technology, such as for broadband and mobile connectivity. Earlier this year, the Indian telecoms regulator stopped a Facebook Inc. initiative to offer free access to a limited number of websites because it said the service, known as Free Basics, violated the principles of net neutrality.

On Wednesday, Facebook Chief Executive Mark Zuckerberg announced a new initiative to try to bring connectivity to remote areas of the world. Called OpenCellular, the open source wireless access platform consists of hardware the size of a shoebox that anyone can use to build wireless networks. Each unit supports up to 1,500 people up to about 6 miles away. — *Wall Street Journal*

The Lancaster Historical Commission approved the city's plans to build two structures in parks for the **broadband network it's installing.**

The buildings, each about 13 feet long, 13 feet wide and 10 feet high, would be in Farnum and Mayor Janice C. Stork Corridor (formerly Northwest Corridor Linear park) parks. The approvals came after two residents criticized the plans, particularly relating to the corridor park. The commission addresses demolition and construction in the city's Heritage Conservation District; its recommendations will be sent to council, which is expected to vote on the plans at its July 12 meeting. Steve Carlson said while the space is unused for recreation, open space in parks for its own sake is valuable. Plans show the corridor park building two feet back from the sidewalks on West James and North Mulberry streets at the top of a slope.

Charlie Crystle, who lives across the street from the corridor park, described the building as "a suburban oversized utility box" in an area known as a culinary corner of the city for its restaurants. And a brick facade intended to blend in with existing brick buildings was just putting lipstick on a pig, he said. He suggested inviting the public the chance to come up with a better design or perhaps incorporating art walls or chalkboard that people could write on. Charlotte Katzenmoyer, the city's public works director, said that would invite graffiti. The city intends to landscape around the buildings to soften them, she said.

The commission's approval for the corridor park building includes a condition that the city look into whether the building could be set back a foot to accommodate plantings

and a trellis. In Farnum Park, the building would be on a wedge of grass between a parking lot and South Water Street. The area isn't used for recreation, Katzenmoyer said. The buildings are needed to house equipment known as remote switching stations.

The city is building the network to improve city services, such as reading water meters remotely. A benefit of the \$500,000 project includes the ability to offer Wi-Fi to the public and subscription service. Network testing should be finished by the end of summer and the city plans to offer subscription service in the fall. Buildings were also planned for Musser Park and on South Duke Street and Howard Avenue. But engineers decided they could use other technology they had planned to install later, though a switching station will still be needed for another area of the city. Musser Park area residents fought the plan, saying the building didn't belong in the park and was ugly. – **Lancaster Intelligencer-Journal**

Analysts have every right to turn bearish, but sometimes they can get burned by bad timing and a poor thesis. Needham analyst Laura Martin downgraded shares of Netflix on Tuesday. She argues that UK's Brexit referendum vote could weigh on subscription growth for the platform through Europe. Tack on the ramifications of unflattering currency fluctuations and EU requirements for streaming services to offer more homegrown content and Martin sees the stock as "priced for perfection" at current levels.

The stock may have opened lower on the downgrade -- Needham's rating is going from Buy to Hold -- but the negativity didn't last. A few hours into the trading day the stock broke through the \$100 ceiling. It was the first time that Netflix stock traded in the triple digits in nearly a month. Netflix stock moved higher after **Recode confirmed** that the leading premium video service is teaming up with Comcast to offer Comcast cable television subscribers direct access to Netflix later this year through its X1 set-top box platform. – **Motley Fool**



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