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Some tech policy experts anticipate changes at the federal and state levels this year to aid faster broadband deployment. In some cases, though, that likely will involve spending more taxpayer dollars.

President Donald Trump has indicated he plans to move forward with increased infrastructure spending in 2018. Tom Struble, technology policy manager at R Street Institute, said broadband should be a big part of the package, in addition to repairing roads and bridges. "A lot of that has to include broadband because that is such a needy area," Struble said. Others, such as the Taxpayers Protection Alliance (TPA), caution the inclusion of broadband spending in the infrastructure bill because of the failure of taxpayer-funded networks across the country.

Christopher Yoo, a University of Pennsylvania Law School professor, found in a 2017 study that just two of 20 government-owned networks examined are expected to generate enough revenue to recoup the costs of construction and operation. Eleven of the 20 have a negative cash flow and are expected to never turn a profit. The government broadband network in Powell, Wyoming, should turn a profit in 1,253 years, according to Yoo's research.

An idea has been floated of a federal middle mile, essentially a build-out of fiber along the American interstate system. There were reports that the federal government considered getting involved in creating a national 5G wireless network, but the Trump administration said that wasn't true. Struble said he can't imagine a Republican-majority Congress supporting a federal build-out of broadband infrastructure, but he could see more funds put into a U.S. Department of Agriculture program designed to aid rural broadband growth.

"If the federal government puts public dollars into broadband, I think it will come in the form of the Rural Utilities Service (RUS), which offers block grants to ISPs to build broadband infrastructure in rural areas where there isn't enough demand for the market to deploy on its own," he said. "I think that's a likely place that Republicans would be willing to support spending federal dollars when it goes to rural broadband because the urban-rural broadband divide is much more stark than the rich-poor divide."

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But a Government Accountability Office report in 2014 said RUS's rural broadband loan program was plagued by low uptake and poor program efficiency. TPA is among the groups that have called the program a waste of money for these reasons and have fought against increased funding for it. Brent Skorup, senior research fellow in the technology policy center at the Mercatus Center at George Mason University, said he supports a Federal Communications Commission (FCC) effort to reform the Universal Service Fund's Connect America program, including implementing a reverse-auction procedure that would ensure that low bidders are the ones who get the ratepayer money to complete rural broadband projects. "I think there will be an effort to spend existing funds better," Skorup said.

He also sees a move toward less-stringent regulations in 2018 to better enable broadband growth, pointing out that Trump has noted the lengthy permitting process in his discussions on infrastructure. In January, Trump signed executive orders that declared the executive branch would use all viable tools to accelerate the deployment of rural broadband and help make it more affordable. Those orders require that executive departments work "to reduce barriers to capital investment, remove obstacles to broadband service and more efficiently employ government resources."

Tiffany Moore, vice president of government affairs for the trade group Consumer Technology Association, said regulatory hoops remain a major issue, including the added burden of environmental pushback from the federal government. "That can be increasingly cumbersome, particularly at the federal level," she told USA Today. Skorup said a move toward 5G and its promise of gigabit-capable speeds is on the horizon. "I think wireless is certainly going to be a big part of the future," he said. "With the development of 5G technology, it will become more feasible for people to go wireless-only for phone and broadband."

So it stands that governments should make permitting faster for such necessities as cell-tower upgrades and other equipment. "This is a light-touch way to improve accessibility," Skorup noted. A trickier issue is one-touch, make-ready, a movement toward allowing contractors to rearrange all cables on utility poles to expedite installation. It sounds good in theory, but the policy has the potential to infringe on the rights of incumbent providers whose equipment could be damaged, as well as violate their contracts with unions.

A Nashville policy designed to speed up the installation of Google Fiber was struck down by a federal judge in November after AT&T and Comcast sued the city. A similar policy was allowed to stand by a federal judge in Louisville, who argued the city had the right to control its public rights of way. Skorup, who serves on the FCC's broadband advisory committee, said the issue of one-touch, make-ready, has been discussed in meetings and that the FCC may issue an advisory ruling on the topic. “The FCC is certainly aware of the need for speedier deployment of broadband infrastructure,” he said. “This is a big issue.”

Struble said some cities are charging market-based fees – what he calls “eye-watering prices” – rather than the actual cost of maintenance to providers for access to utility poles, cell towers and the like. He said it’s a sneaky way to capture more revenue without passing a tax. And when the increased costs to providers are passed on to consumers, the public's ire is directed toward those businesses. “We’ve argued the FCC should come in and preempt these localities that are charging broadband providers out the ear to get access to public rights of way, which they need to do to deploy or upgrade infrastructure,” Struble said.

It’s not so cut-and-dried, however, as it’s unclear if the FCC has the power to preempt local regulations. But he noted that states absolutely have that authority. “I think that would be a tremendous help – probably more than anything Congress at the federal level could do – if states could force localities to adopt more favorable deployment regulations and laws,” Struble said.

One issue Congress could certainly help with, he noted, is increasing the depreciation rate for equipment used in internet deployment. He noted that copper is still more common than fiber in many rural areas, as providers are slow to make the costly upgrade to the newer technology. “To get more competition and choice in the short term, what we need is for the telecos to upgrade their networks, supplement their copper with more fiber so they can get faster speeds, and one of the easiest ways to do that would be to allow them to write off all of their copper wiring as depreciating assets.” – ***watchdog.org***

Walt Disney Co.'s aggressive push into video streaming is not designed to hobble a potent rival — Netflix — but rather to capture more consumers as the media industry rapidly changes, according to a top Disney executive. "We are not trying to hurt or kill Netflix," Kevin Mayer, Disney's chief strategy officer, said Tuesday at the Code Media conference in Huntington Beach. "We are trying to serve consumers. … Our success will not come from Netflix's expense."

Disney last summer **announced that it is pulling back** its recently released movies and television shows that currently run on Netflix. Disney will end its distribution agreement with Netflix for new films, beginning with the 2019 theatrical slate. Instead, Disney plans to use its own products to stock its planned Disney-branded streaming service that is expected to launch in late 2019. The move, however, will rob Netflix of a key source of content, giving Netflix another incentive to build its original programming arsenal.

Disney also plans to later this spring launch ESPN-Plus, a $4.99-a-month streaming service for sports fans. The programming available through ESPN-Plus will be different from what viewers find on the various ESPN television channels. That's because Disney does not plan to immediately disrupt its lucrative traditional businesses. The company wants to preserve its relationships with pay-TV providers that carry ESPN, ABC, Disney Channel and other TV networks and the movie theater chains that play and promote Disney's feature films. "The model serves us well. I'm not sure there is an urgent need to disrupt it," Mayer said during a question-and-answer session with Recode's Peter Kafka.

Mayer is more typically a behind-the-scenes guy and one of Disney Chief Executive Robert Iger's key lieutenants. But the 25-year Disney veteran has been extremely influential, helping negotiate the Pixar Animation, Marvel Entertainment and LucasFilm deals — as well as the recently unveiled $52.4-billion takeover of 21st Century Fox's movie and TV production studios, regional sports outlets and other TV channels.

Mayer did not discuss details of the proposed Fox acquisition. But his remarks touched on Disney's strategy, which during the next two to three years will revolve around launching the two streaming services and completing the company's planned acquisition of the Fox assets. Mayer helped negotiate Disney's proposed purchase of much of Rupert Murdoch's Fox. The transaction is expected to take about 18 months to complete because of required regulatory approvals.

The Burbank entertainment giant also plans to consolidate Fox's stake in Hulu, which will give Disney majority control in the decade-old streaming service. Mayer said Disney aims to run more adult-themed programming, including ABC shows and potentially Fox content, on Hulu. But Disney might be in for a fight when it comes to claiming Hulu. Santa Monica-based Hulu is owned by four conglomerates: Disney, Fox, and Comcast Corp.'s NBCUniversal each own 30% of Hulu; Time Warner Inc. owns the remaining 10%. Time Warner could sell its stake, particularly if it gets swallowed by telecommunications giant AT&T. (The Trump administration is trying to block that deal and a federal judge probably will decide the outcome this spring.)

Comcast, however, might become the wild card. The Philadelphia cable giant tried to bid on the Fox assets and has been mulling over whether it makes sense to take another run at them. Such a move could disrupt the Disney-Fox deal, although some analysts think it is unlikely that Comcast could unravel the deal. Disney's pursuit of Fox began when Iger first approached Fox Executive Chairman Rupert Murdoch last summer. Murdoch overlooked Comcast's overtures and made the deal with Disney, in part, because it would give his family and other Fox shareholders valuable stock in Disney.

Comcast offered Murdoch considerably more money — slightly more than $60 billion — for the Fox assets, according to a person familiar with the situation who was not authorized to speak publicly. That is roughly 10% more than Disney's offer, fueling speculation that Comcast might not go away so easily. CNBC first reported Comcast's continued interest in acquiring the Fox assets. – ***Los Angeles Times***

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