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Potential" that exists today, and how it can further expand in the near future.

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There are many examples of the Centre Region serving as a trendsetter among other college towns. Unfortunately, the deployment of publicly accessible fiber-optic internet is one movement where State College has fallen behind many peers.

Fiber optic, or gigabit internet, is capable of transmitting one gigabit of data per second. For example, a two-hour HD movie could be downloaded in well under 30 seconds. You've probably heard of the big players, such as Verizon FiOS and Google Fiber. Several years ago, the Centre Region had an opportunity to submit a competitive proposal to become a Google Fiber community; it didn't. Today, we're in a catch-up mode.

To be fair, there are some fiber-optic lines underneath us. Many municipal and educational sites are linked up to larger public fiber networks. Comcast services some of these lines and is happy to connect businesses and households. The catch: you need to be located within a limited distance of existing fiber. This effectively leaves many households and businesses off the grid.

Like many communities, we are quickly approaching capacity limits on our existing broadband infrastructure. As we increase reliance on cloud-based services, demand for more and faster data connections will continue to skyrocket. Think about your own home: how many of your devices connect to the internet in some form or function? The entertainment industry also is in a transition to delivering content — in some cases, entire cable packages — via streaming web devices. This alone could push our local broadband capacity over its limit.

Wiring any community with fiber optics is indeed an investment. While laying fiber is relatively easy on main utility corridors, the challenge lies in what is referred to as "the last mile" — connecting street fiber to homes, apartments and businesses.

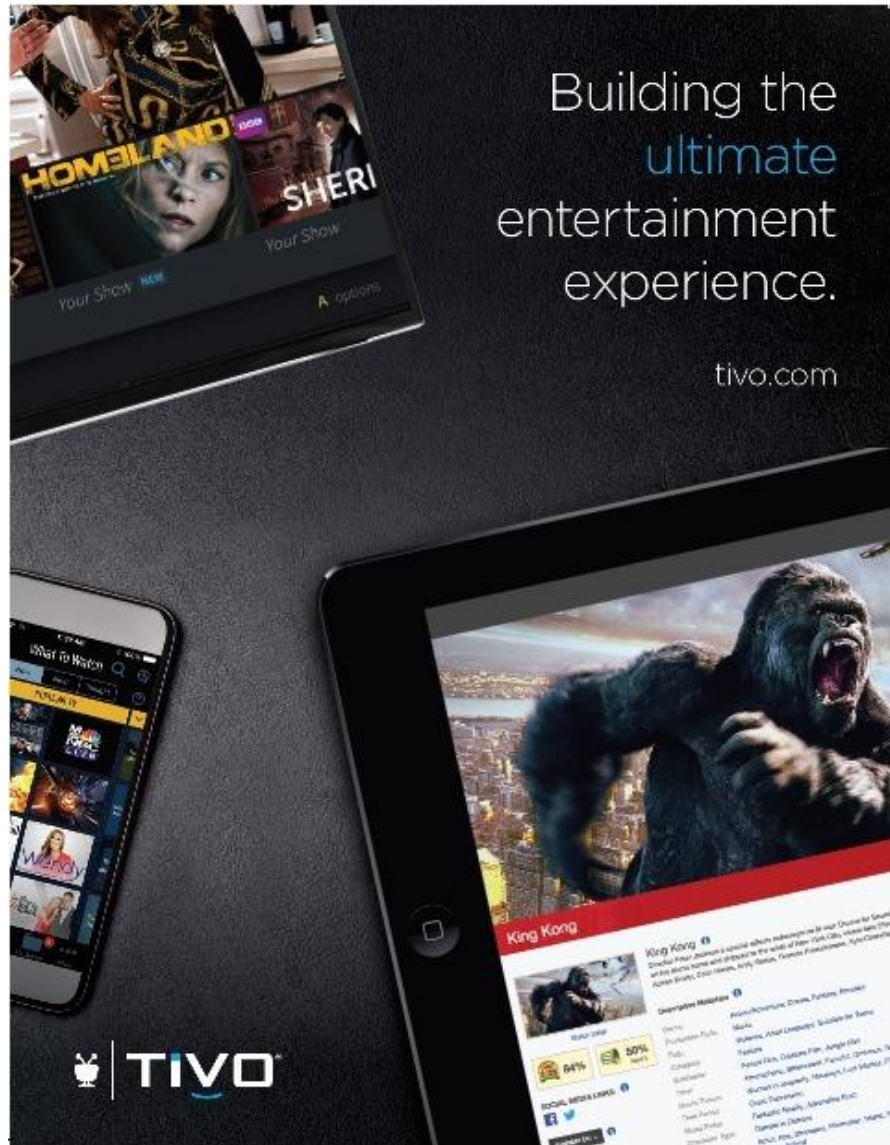
Many deployment costs are absorbed by internet service providers. However, there are also documented community returns on investment. A 2014 study by Broadband Communities magazine discovered that simply having access to gigabit internet can increase home values by 3 percent and rental values by 8 percent. Using Zillow's median State College home value of \$278,000, being located on a fiber grid could mean an instant increase of \$8,300 for homeowners.

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Where we have fallen even further behind is the ability to provide fiber internet as part of a broader economic development strategy. Make no mistake: fiber-optic internet is no longer a luxury in the business world. It is a basic necessity and an absolute “must have” when selling the Centre Region



as a place to do business. After gigabit internet was introduced to Chattanooga, Tenn., the founder of a business incubator told the New York Times that “it created a catalytic moment” and “allowed us to attract capital and talent into this community that never would have been here otherwise.”

Gigabit internet also is essential in addressing Pennsylvania’s ongoing epidemic of brain drain. In a 2014 survey conducted by the American Planning Association, millennials ranked high-speed internet access third in their list of priorities for community preferences, placing it only behind safe streets and affordable housing.

Advances in

wireless technology may someday replace our wired infrastructure entirely. However, even the most advanced wireless services currently can’t offer the speed and capacity of fiber optics. Plus, wireless towers still need to connect to high-speed data lines, or backhaul, to carry internet traffic back to service providers.

The competition to become a fiber community is fierce. Instead of asking fiber suppliers why we need them, we need to proactively communicate why State College is a good contender for a fiber town. For example, Ting, a gigabit internet supplier that recently wired the college community of Charlottesville, Va., won’t spend time convincing towns “why” they should prioritize fiber. Ting’s website argues that communities should “be coming to the discussion with the sense that crazy fast-fiber internet is a thing they need in order to keep pace.”

Now is the time to explore how we can best develop and deploy our own gigabit internet. Centre Region leaders have proven capable of uniting across municipal lines to improve other regional infrastructures. The same can be done with fiber-optic internet. – **Guest column by a Patton Township (Centre Co.) small business owner in Centre Daily Times**

The Trump administration’s determination to roll back regulations protecting the environment, voting rights and financial services consumers has been drawing most of the public’s attention. But a stunningly swift and thorough deregulatory campaign is happening elsewhere in Washington: at the Federal Communications Commission.

Under its new chairman, the Republican former telecommunications industry attorney Ajit Pai, the FCC has cancelled, suspended or stayed a whole checklist of consumer-friendly regulations affecting broadband services, telecommunications, video content and customer privacy rights. Consumer advocates say the consequences may include higher rates for Internet service, less privacy for customers going online and a narrower choice of content.

In what may be his most far-reaching act, Pai announced Feb. 27 that the **FCC would take a hands-off approach** to the AT&T-Time Warner merger, an \$85-billion deal between a content distributor and content producer that could remake both industries. That leaves jurisdiction over the merger to the Department of Justice, which is unlikely to block it. President Trump has said he opposes the merger, but he also held a closed-door meeting with AT&T CEO Randall Stephenson just before the inauguration, so whether he will intervene to block the deal remains unknown.

As an FCC commissioner since 2012, Pai consistently expressed skepticism about FCC initiatives aimed at protecting network neutrality, which prohibits Internet service providers, or ISPs, from favoring particular content, especially video or data from sources able to pay for preferential treatment — or fast lanes — into subscribers' homes. He's the ultimate free-market warrior, arguing that the FCC shouldn't interfere with broadband firms' initiatives to compete by almost any means. Critics say that without regulation, there will be less customer choice, not more, and that big mergers will eventually sap the incentive to provide the fastest and cheapest services. Within days of his appointment as FCC chairman on Jan. 22, Pai "began what I'd characterize as a radical reversal of initiatives going back decades," says Andrew Jay Schwartzman, a veteran telecommunications consumer advocate.

Pai hasn't wasted any time getting started. Since he already was an FCC commissioner, his elevation to the chairmanship didn't require Senate confirmation. Further, many of the initiatives Pai targeted had been implemented fairly recently by former Chairman Tom Wheeler, so under federal administrative procedures they could be rolled back. Other regulatory orders had been launched by Wheeler and his Democratic majority but not completed, so they could simply be withdrawn. Roughly a dozen were set aside on a single day — Friday, Feb. 3 — in what consumer advocates have taken to calling the "Friday night massacre."

Commissioner Mignon Clyburn **issued an immediate howl of protest**. "Today," she stated, "multiple bureaus retract — without a shred of explanation — several items released under the previous administration that focus on competition, consumer protection, cybersecurity and other issues core to the FCC's mission." But since Clyburn is currently the only Democrat on the commission — Wheeler resigned prior to the inauguration and Commissioner Jessica Rosenworcel's reappointment to a second term has been withdrawn by Trump — her objection was unavailing.

"They're taking the vaunted 'weed-whacker'" — **a term Pai himself used** to signify his approach to deregulation — "at whatever targets they can get at now," said Matt Wood, policy director for the **advocacy group Free Press**. Among the initiatives reversed was one designating nine companies as "lifeline" broadband providers to bring high-speed Internet to indigent households at a bargain rate under a newly expanded federal subsidy program. Pai also withdrew the FCC's defense of its own regulation limiting phone charges for prison inmates, which has been challenged in court. That forced consumer advocates, who say phone companies profiteer off inmate calls, to take over the legal defense.

Another major action came March 1, when the FCC suspended a rule giving broadband customers enhanced privacy rights against Internet service providers. Under the rule, ISPs would need customers' express permission to use customers' personal data, including their browsing history, to sell them services or to market their data to other companies. **Nine telecom lobbying groups** argued that the rule would put them in an unfair competitive position and "confuse customers" because it was stricter than a privacy rule applied to Internet companies such as Google and Amazon by the Federal Trade Commission.

The commission **saw things the industry's way**. The stay order reiterated the position of Michael O'Riely, one of two sitting Republicans on the panel, that there is "no benefit to be gained from increased regulations." Once again, Clyburn was the dissenter: "With a stroke of the proverbial pen," she stated, "the same agency that should be the 'cop on the beat' when it comes to ensuring appropriate consumer protections is leaving broadband customers without assurances that their providers will keep their data secure."

Pai didn't respond directly to my request for an interview, but he hasn't been shy about explaining his rationale for deregulation: The FCC's heavy hand has suppressed broadband investment in the U.S. He points the finger at the commission's 2015 reclassification of broadband service as a

utility. That gave the FCC legal authority to prohibit unfair treatment of competing content companies, data throttling and other anti-consumer practices.

“Our new approach injected tremendous uncertainty into the broadband market,” Pai told a mobile industry gathering in Barcelona on Feb. 28. He claimed that “after the FCC embraced utility-style regulation, the United States experienced the first-ever decline in broadband investment outside of a recession. In fact, broadband investment remains lower today than it was when the FCC changed course in 2015.”

This would be interesting, if true. But there’s no hard evidence that the new regulatory regime produced a material decline in broadband investment. Broadband capital investment declined 1.3% in 2015 compared with 2014, according to the [industry lobbying group USTelecom](#) — to \$76 billion in 2015 from \$77 billion in 2014. That seems a meager basis to justify wholesale deregulation.

USTelecom says it doesn’t have capital investment figures yet for 2016. But last year major broadband companies reported stable or increased investment, rather than a pullback. Comcast NBCUniversal, the biggest broadband company, says it spent \$7.6 billion on “cable network infrastructure” last year, up about 8% from \$7 billion spent in 2015. AT&T says it recorded \$21.5 billion in capital expenditures in 2016, compared with \$21.2 billion in 2014 and \$19.2 billion in 2015. Verizon’s capital spending declined about 4% last year compared with 2015, but the company’s spending has been fixed at 13.5% of revenue year after year, so that may have more to do with the reduction than any panic over FCC regulation.

If there’s a reason that broadband providers aren’t investing even more on building out their networks and improving service, it’s because they don’t face a competitive incentive to do so. Cable-based broadband companies such as Comcast and Charter are near-monopolies in their service areas. When Google’s fiber initiative secured the right to bring its hyperspeed Internet service to Atlanta, [AT&T and Comcast leaped into action](#), offering city residents competitive 1-gigabit speeds that they hadn’t bothered to roll out until then. But that sort of rivalry is rare in the U.S., thanks to our permissive merger oversight. So much of the country is saddled with slow, expensive service.

No one knows this better than Wheeler, Pai’s predecessor as FCC chairman. A former telecommunications lobbyist himself, Wheeler saw through the industry argument that regulation harms investment. Since the FCC strengthened its network neutrality rules in 2015, he told telecommunications expert Susan Crawford in a public discussion last month, “broadband investment is up, fiber connections are up, usage of broadband is up, investment in companies that use broadband is up, and revenues in the broadband providers are up, because people are using it more. “Saying, ‘It is going to slow down our incentive to invest’ is everybody’s first line of defense,” he continued. “It’s balderdash.” – *Los Angeles Times*

