

Making A Splash!
30TH ANNUAL CABLE ACADEMY
April 18-19, 2018
Kalahari Poconos Resort & Waterpark

Broadband's New Wave

Cable Academy returns to the Poconos on April 18 & 19, 2018 in the midst of the most challenging and competitive period in our industry's history! This year's program will emphasize that not adapting is not an option. Learn how broadband cable is

embracing today's opportunities, and can ride a "new wave" of customer retention and growth!

CONFIRM YOUR SPONSORSHIP, REGISTRATION AND EXHIBIT

Click here to reserve your room at Kalahari!



**Boston Herald
Massachusetts
Senate bill
aims to protect
net neutrality**

**Pennlive
Pa's effort is
one thing. But
to fix net
neutrality,
start at the top**

**Philadelphia
Inquirer
Free WiFi
kiosks in NYC
coming to
Philly with
cameras,
critics and
lessons
learned**

**nScreenMedia
Live sports
drives one-
quarter of U.S.
online ad
views**

Here is a potential casualty of the U.S. government's escalating fight against Huawei Technologies Co.: rural phone companies and internet providers that depend on the Chinese giant's gear to connect their customers.

Large wireless providers **including AT&T Inc.** have long steered clear of Huawei, which **has been effectively barred from big U.S. business** since a 2012 congressional report alleged the Chinese government could force the company to **exploit knowledge of how its equipment is designed to spy or launch cyberattacks**—a charge Huawei has denied. But many regional American providers of wireless, TV and internet services have flocked to Huawei, attracted by what they say are Huawei's cheaper prices, quality products and attentive customer service.

On Monday, the Federal Communications Commission proposed making it harder for these smaller carriers to pay for future purchases of telecom equipment from Huawei and Chinese peers. The rule would restrict companies from drawing on an \$8.5 billion government-run fund that, among other goals, helps connect rural America to the internet. The agency is now seeking public comment on the proposal. Meanwhile, a congressional bill with some bipartisan support aims to prohibit carriers with any substantial amount of installed Chinese telecom equipment from federal-government contracts.

Huawei, the world's top maker of cellular-tower electronics and a major manufacturer of equipment for cable and internet providers, has been actively courting small-town internet companies that wanted to replace old-fashioned landlines with high-speed internet connections—no small feat in a **country where most rural residents are stuck with dial-up speeds**. The company flew some clients to the company's Shenzhen, China, headquarters, one stop on a nationwide tour that included visits to the Great Wall and ancient Terracotta Army, and delicacies including chocolate-covered duck liver.

"They were hungry to break into the small market, and we like dealing with hungry vendors," said Jim Kail, chief of LHTC Broadband, a mostly rural internet provider in Pennsylvania with 7,000 customers. "They put a concentrated effort into it." Mr. Kail's company in 2014 bought several hundred thousand dollars worth of optical network equipment—gear that can transmit data hundreds of times faster than a copper telephone line. Many of these customers now worry the new heat over Huawei in Washington may rob them of what has so far been an important alternative to Western suppliers.

Pittsburgh Tribune-Review
Lieutenant governor candidates split on whether Gov. Wolf should release Stack report

Philadelphia Inquirer
'I don't know the last time I've been so angry' - Rep. Ryan Costello formally withdraws from primary ballot

Pennlive Pennsylvania
redistricting - the next fight. Reform proposals get aired in Senate committee

Pittsburgh Post-Gazette
Editorial: Redistricting sense - Citizens commission among Wolf's voting reforms

Others worry that if Huawei exits the U.S. completely, it will leave them without the customer and technical support they need to maintain the Huawei hardware they already own.

A Huawei spokesman declined to comment on the FCC proposal. He said the company is employee-owned and that no government has ever asked it to spy on or sabotage another country. Huawei said it poses no greater threat than its competitors, given they all share a global supply chain. Huawei products make up less than 1% of the equipment in American cellular and landline networks today, according to research firm Dell'Oro Group. A senior FCC official said Monday that the government was concerned that it was “not zero.” Huawei’s standoff with the U.S. government has been a boon to Sweden’s Ericsson AB and Finland’s Nokia Corp. , which dominate the \$30-billion-a-year market for wireless equipment in the U.S. It also shields domestic companies like Silicon Valley’s Cisco Systems Inc., which make electronics such as routers for cable and internet providers.

Joe Franell, the chief executive of Eastern Oregon Telecom, said his company added about 1,000 broadband customers after it took over unused cable lines that another provider had abandoned. He estimated that using new Huawei hardware on the previously offline system saved the company at least \$150,000. “Our margins are pretty thin,” Mr. Franell said. “If you start dictating what kind of equipment I can use, it tips the scales.” He said he thinks the new legislation making the rounds in Washington is more likely driven by nationalism and protectionism than by real concerns about hacking and spying. “I’m not going to rework my whole business plan based off a rumor or an unsubstantiated allegation,” he said.

Some politicians have raised more specific national-security issues related to Huawei gear in rural networks. Rep. Liz Cheney, the Wyoming Republican, was the original co-sponsor of a House bill to ban the U.S. government—or any of its contractors—from using equipment from Huawei or China’s ZTE Corp. The bill now has 43 co-sponsors, including four Democrats. Her big concern: Troops at U.S. military bases, which are sprinkled across parts of rural America that are often serviced by small carriers, could be at risk. “We cannot allow the Chinese government to use entities like Huawei to gain access to our communications networks, including on our military bases,” Ms. Cheney said in a statement. It is unclear whether small carriers using Huawei equipment directly provide service to U.S. military bases. ZTE representatives didn’t return requests for comment. — ***Wall Street Journal***

Charlie Ergen’s bravado is doing the Justice Department no favors.

Dish Network’s billionaire chairman boasted during a 2014 carriage dispute with Time Warner that his pay-TV service could do without CNN because the cable news network was no longer must-have programming, according to Tuesday testimony in the **blockbuster trial of the Justice Department’s suit to block AT&T’s \$85 billion purchase of Time Warner.**

Ergen’s words were dusted off by AT&T lawyer Dan Petrocelli, who brought up the Ergen boast in cross-examining Warren Schlichting, Dish’s president, who a day earlier testified that an AT&T-Time Warner hook-up could lead to price increases — and that could make CNN prohibitively expensive. That could lead Dish rival DirecTV, owned by AT&T, to steal away subscribers. CNN, Schlichting told the court, is a necessary bit of programming for Dish’s Sling TV service.

Necessary? What about Ergen’s 2014 comments, Petrocelli asked Schlichting. “I call that negotiating through the press,” Schlichting answered. The exchange happened during Day 4 of trial in federal court here, as President Trump’s legal eagles seek to derail the mega-merger because, they claim, the deal will **lead to higher TV prices** and cost Americans about \$500 million more a year. AT&T counters that the deal could lead to lower pay-TV prices and a faster pace of technological advances.

Dish, with 11 million subscribers, is the country’s No. 2 satellite TV provider behind AT&T’s DirecTV, which has 20 million subscribers. Dish and its Sling TV streaming service are arguably the most at threat in the merger. Subscribers who drop a satellite service are more likely to join a competing satellite provider. Petrocelli also asked Schlichting if Ergen is a wildcat — that is, scrappy, a bit fierce and hard to outmaneuver. The executive agreed that he is. “Will Charlie still be a wildcat after the merger?” Petrocelli said. “Charlie’s Charlie,” Schlichting said.

The pay-TV executive, under questioning from Petrocelli, said that during Dish’s monthlong 2014 carriage dispute with Time Warner, his company lost 30,000 of its then-13 million subscribers — perhaps an insignificant total. The bulldog AT&T lawyer tried to undercut Schlichting’s credibility by rehashing the executive’s slip-up brought to light on Monday. Schlichting told the court he read some of the testimony from Justice’s first witness — a real courtroom no-no.

Judge Richard Leon on Monday gave a stern warning to both sides reminding them not to review prior testimony. After the lunch break , John Martin, the chief executive of Time Warner — whose TBS is

televising the NCAA basketball tourney — startled some in the courtroom by saying that he hasn't paid a great deal of attention to March Madness. "I haven't seen one game" of the tournament, he said as he began his testimony at the trial. Martin will continue on the stand on Wednesday. — *New York Post*

Gov. Tom Wolf and several Senate Democrat allies threw their voices behind a sweeping series of statewide election reform proposals Monday afternoon. The governor said he is looking for action on bills to make Pennsylvania's elections fairer (redistricting and campaign finance reform); and more accessible to all (same-day voter registration, expanded absentee balloting opportunities).

As is sometimes the case in Harrisburg, the immediate reaction to Wolf's message from the other party was more about election-year optics than the merits of the ideas. Some Republicans quickly accused the Democrat incumbent governor - who is seeking re-election to a second term this year - of trying to upstage [a Tuesday state Senate hearing on redistricting issues](#). "This is a campaign stunt. The Governor seems to be using Mondays to say 'look at me' while the Senate is taking action on issues," said Jennifer Kocher, spokeswoman for Senate Majority Leader Jake Corman, R-Centre County. "The Governor knows full well the Senate State Government Committee is having a hearing tomorrow focused on redistricting reform. He has not asked to testify or participate in that process. This illustrates that he has no interest in getting his hands dirty, he just wants to stand at the podium and pontificate.

Wolf, however, said Monday he is simply trying to add new energy to what he believes are non-partisan goals while winds of change are blowing: Just last week, [a pair of court decisions let stand a new Congressional district map](#) for the 2018 election cycle here. "I think it's just the public attention that's being paid to the nature of our democracy now," Wolf said when asked about the impetus for his Monday Capitol press conference. "It's really heartening. It's a good thing. It's what we as citizens are supposed to be doing, and I think we as elected representatives ought to be responding to that."

The reforms he lent his support to Monday are:

- Support for bills that would turn once-a-decade legislative redistricting functions over to an independent, bipartisan commission. Wolf and other proponents say the change is needed to avoid the kind of [extreme partisan gerrymandering that can happen now](#) when one party controls all branches of government.
- Limits on campaign contributions to a single candidate from a single donor or political action committee, and ceiling on the total expenditure those same donors could make in a given campaign cycle.
- Voting rights reforms, including same day voter registration and the creation of new, 'no-excuse' absentee ballot voting rules.

The latter bills have been proposed to break down what some see as barriers to voter participation. "Pennsylvania elections work well for more people. But they don't work well for everybody," said Suzanne Almeida, executive director of the League of Women Voters of Pennsylvania, in part because of registration rules that make it harder for less-educated and lower-income citizens to get in the game.

Sen. Lisa Boscola, D-Northampton County, said her same-day registration proposal is a case in point, opening doors to people who get motivated as a campaign intensifies, but possibly after the current, 30-day pre-election deadline for registration. "You know how elections get more heated up as election time comes about," Boscola said. "There's various ads that are coming into your homes or you see radio, TV, the newspapers focus more in on elections... But a lot of times that (voter registration) deadline has passed, so they can't. "I think same-day registration of course would encourage more people to come out and vote. Especially if they see an election that they're kind of getting excited about, but they never were before."

To this point, Republicans in the state legislature have devoted most of their energy when it comes to election law to making sure the integrity of voting systems in Pennsylvania is strong. Senators will begin to sort through the details of several redistricting reform proposals at Tuesday's hearing, the first time in years the issue is getting that kind of legislative forum. Republicans, who control the legislative calendar at the Capitol, have said they are making good on a promise to dig into the proposals once the litigation over the 2011 Congressional maps was concluded. But that's Tuesday. On Monday, like we said, substance took a back seat to posturing.

In addition to Kocher's criticisms, House Republican spokesman Steve Miskin accused Wolf of being hypocritical in calling for campaign finance reform when [as political action committee funding has continued to mount in his re-election bid](#). Wolf, in the past, has said that while he would like to see

change in campaign funding, he is not going to unilaterally disarm and run his campaign by different rules than those apply to his rivals. Wolf's spokesman, J.J. Abbott, shot back at the Republicans criticisms. "If there are disagreements on the merits of the reforms, we would be glad to hear them," he said. "But just attacking the timing or the process falls short of a credible critique." – ***Pennlive***



**Broadband
Cable Association
of Pennsylvania**

127 State Street, Harrisburg, PA 17101
717-214-2000 (f) 717-214-2020
bcapa.com

First in Broadband.
The Future of Broadband.®