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Throughout the relatively short history of the Internet, the guiding philosophy of the government has been mostly to keep its hands off. Regulation of Internet service providers has been practically nonexistent, and that's worked pretty well so far.

Some might say spectacularly well, in fact.



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providers could block access to competitors, silence voices that disagree with them and slow access speeds in a way that hampers new businesses trying to make inroads online. But, as Judge Stephen Williams noted in his lengthy dissent in the 2-1 ruling, there's little evidence that the problems net neutrality purports to solve have actually been experienced by anyone.

In fact, the judge warns that enforcing net neutrality could stifle innovations by broadband service providers. Increased regulations could "replace the virtuous cycle with a vicious cycle, in which regulatory overreach reduces the number and quality of services available, reducing demand for broadband, and in turn reducing the content

Then came the Obama administration. The very same people who decided government needed to take control of the nation's health system. Obamacare has been an expensive nightmare for most involved and it's only going to get worse. But we digress. Let's get back to the Obama administration's desire to regulate the Internet under the Orwellian term "net neutrality." If last week's ruling by a federal appeals court stands, the days of the Internet responding to market forces are over. Internet service providers will be regulated like a public utility — like phone companies or power utilities.

This change comes as part of a years-long effort by the Federal Communications Commission to put in place rules enforcing "net neutrality," forcing broadband service providers to grant equal access to customers and content providers regardless of the amount of bandwidth they use. Legitimate concerns animate net neutrality proponents — broadband

sparks debate
over cost

and services available owing to the reduced number of users.”

The point that net neutrality proponents overlook is this: Bandwidth is neither unlimited nor free. If demand by Netflix and its users strain the existing infrastructure, someone must pay to add more capacity. If federal regulators decide broadband providers can't charge Netflix or its users for paid prioritization, then the cost of keeping up with demand is spread unfairly — or the demand won't be increased and everyone's experience will suffer. And although the FCC insists it doesn't intend to institute overall price regulation, the political pressures over time to do so could be irresistible.

The FCC's decision upheld in this case is drastic. It could have plentiful unforeseen consequences that might hamper innovation, degrade service and reduce investment in an industry that has become vital in commerce and other important areas of American life. The FCC has taken this step in the absence of demonstrable need and without a full consideration of the potential costs. If broadband providers are treated and regulated as utilities, they will be far more cautious in how they do business, knowing that a federal agency can second-guess them.

The court's ruling is unfortunate and should be appealed. It would be far better for Congress to look into updating the Telecommunications Act of 1996 to address the legitimate concerns of net neutrality proponents without saddling internet providers with a regulatory scheme designed for an entirely different era. — **Denver Post editorial**

Democrat Hillary Clinton laid out plans aimed at democratizing technology Tuesday, releasing a wide-ranging agenda that calls for connecting every household to high-speed internet, promoting innovation and developing the next generation of entrepreneurs.

The presumptive Democratic presidential nominee set an ambitious goal of bringing broadband to every U.S. home by 2020, saying that the benefits of technology should be widely shared. Mrs. Clinton also called for a range of upgrades to the nation's technology infrastructure, including deploying next-generation wireless systems and connecting more public destinations such as airports and train stations to the internet and clearing the way for them to offer free Wi-Fi.

“I intend to make sure we do what we did with electricity in my grandparents' generation—we connect every home and business in America to high-speed internet, and we do it on as fast a time scale as possible,” Mrs. Clinton said during a campaign stop in Denver. “Every year we waste means we leave people behind and left out in a way that is heartbreaking and wrong.”

After touring a workforce training facility and small-business incubator, Mrs. Clinton sketched her vision for tech and innovation, saying that the U.S. needs to get back into the “future business” while suggesting that Republican Donald Trump is focused on the past. “Saying that you want to make America ‘great again’ is code for saying, ‘We want to go back to the way it used to be,’” Mrs. Clinton said. “Forget about technology, forget about inclusivity, forget about giving everybody an opportunity to have a real shot at the best possible future.’ Well, that is not who we are as Americans. We don't go back—we go forward.”

Mr. Trump has embraced “Make America Great Again” as his campaign slogan, and has called for renegotiating trade deals on more favorable terms and boosting economic independence as ways to improve American fortunes. In a speech Tuesday, Mr. Trump said of the U.S., “We tax and regulate and restrict our companies to death, then we allow foreign countries that cheat to export their goods to us tax-free.” He called for a tougher line with China, repeated his opposition to a pending Asia-Pacific trade pact and said the U.S. should toss out the current North American Free Trade Agreement.

In her remarks, Mrs. Clinton, the presumptive Democratic nominee, also detailed a new

student-loan relief plan aimed at supporting young entrepreneurs and innovators. The former secretary of state would allow many young people starting new ventures to defer payments on their student loans for up to three years, easing a financial burden during the startup phase of their business. "If you get that enterprise up and going, we want to forgive a portion of your debt because you've become a job creator, and we need more job creators," she said.

Her plan also would forgive up to \$17,500 in student loans for many innovators who launch businesses in struggling communities or develop social enterprises that deliver a measurable benefit. "If you get that enterprise up and going, we want to forgive a portion of your debt because you've become a job creator, and we need more job creators," Mrs. Clinton said. The campaign hasn't provided details about how these initiatives would be funded.

Mrs. Clinton's 15-page tech platform touches on a wide range of other issues, including a defense of net neutrality, a call for improving the patent system and a pledge to create a national commission on digital security. Linda Moore, president and CEO of TechNet, a bipartisan network of technology executives, praised Mrs. Clinton for being the first presidential candidate to offer a technology and innovation agenda. "In doing so, Hillary proves that she gets it—that our nation's ability to grow our economy and drive job creation is dependent on our ability to stay ahead of the curve in innovation," Ms. Moore said. She added, though, that Mrs. Clinton's platform is silent on key issues such as modernizing the tax code.

President Barack Obama has made closing the digital divide a priority during his administration. He pledged to connect 99% of American students to high-speed internet in their schools by 2018, and last year he launched a pilot program to bring broadband to low-income households. Mrs. Clinton would go further with a plan to connect every household and to provide all students with access to computer-science education by the time they graduate. Her plan also calls for training 50,000 new computer-science education teachers during the next decade.

Tuesday's rollout is the latest in a long list of policy proposals Mrs. Clinton has unveiled. She has released detailed plans for issues ranging from protecting voting rights to preventing sexual assaults on campuses, contrasting her itemized agenda with Donald Trump's plans. The presumptive Republican presidential nominee has said that voters don't care about his lack of policy specifics. Mrs. Clinton tells supporters that she has an old-fashioned idea that "if you're running for president, you should say what you want to do and how you will get it done." – *Wall Street Journal*; [see related column in USA Today](#)

Verizon Communications Inc. is calling on the bond market to help finance its customers' smartphones. The wireless carrier is planning to sell around \$1.2 billion in bonds backed by the contracts of around 2.5 million people across the country who recently bought new iPhones and other phones to use with Verizon plans. The monthly payments people make on their phones would be used to pay interest and principal to buyers of the securities, most of which are expected to be rated triple-A by Fitch Ratings, which released a presale report on the transaction Tuesday. Verizon has yet to price the new securities, so their interest rate isn't known. The deal is expected to hit the market in the third quarter.

Verizon has previously securitized its handset receivables with banks in private transactions. The current offering marks the first time these types of bonds are being marketed broadly to investors. The company's hope is that the move will raise low-cost financing without hurting Verizon's investment-grade credit rating, because the debt would effectively be off the company's balance sheet. The approach is borrowed from the auto industry, where financing companies for years have bundled auto loans into bonds. The wireless industry's model is shifting in that direction as phones get more expensive and financing plans proliferate. "This is new for the industry," Verizon Chief

Financial Officer Fran Shammo said at a conference last month. “The auto industry has been in this market for years, so this is a pretty steady market.”

In the past, wireless carriers would subsidize the price of the phones for customers who signed two-year service contracts. Now, most cellphone plans have cheaper monthly service, but require customers to cover the full cost of their device, which regularly runs to \$600 or more. Buyers typically pay for them in interest-free installments over 24 months. After the phone is paid off, the monthly bill drops. Verizon is securitizing just the 24-month device payments, not the monthly service charge.

The new securities are backed by contracts that have an outstanding balance of \$1.5 billion, according to data from Fitch. Close to a third of borrowers that took out these installment plans have subprime credit scores, and Fitch projects that in a worst-case scenario, up to 40% of the pool could become subprime. Still, the ratings firm expects defaults to be under 5% of the loans even in a severe scenario. Verizon has more than 110 million subscribers, making it the largest U.S. cellphone company. – *Wall Street Journal*



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