

Proud members of BCAP...
the nation's first
state cable association!



The name that launched an industry.

Serving homes and businesses

TV Everywhere
1 Gig High-Speed Internet
Digital Phone

Connecting Pennsylvanians since 1948

secv.com



January 26, 2021

Next TV

**After a year of
pandemic-fueled
gains, cable
operators are rolling
out the broadband
carpet by extending
their networks**

AT&T and Verizon are looking to extricate themselves from the messy business of building a bridge across the digital divide. Instead of collecting money themselves for the government's aging Lifeline program – designed to subsidize telecom services for poor Americans – they want Congress to do it instead.

The move is well timed. A pandemic forcing almost everyone to work and school online has helped to elevate Internet connections from nice-to-have to

[deeper into less-populated areas \(Atlantic Broadband, Charter quoted\)](#)

The Hill

[Facebook to grant access to targeting information about political ads](#)

Fierce Video

[NBCUniversal content comes to Twitter through new partnership](#)

Next TV

[Acting FCC Chairwoman Jessica Rosenworcel Stuffs Up](#)

Pittsburgh City Paper

[Sen. Lindsey Williams calls out Pennsylvania's vaccine roll out, wants more direct communication to residents](#)

York Daily Record
[Congressman Scott Perry explains his role in effort to overturn election results](#)

KDKA-TV, Pittsburgh
[Pa. Lt. Gov. John Fetterman Wants To Reach Swing Voters Ahead Of Possible Run For U.S. Senate](#)

Harrisburg Patriot-News
[Special election date set to fill seat left vacant by Pa. Sen. Dave Arnold's death](#)

must-have. And the incoming Biden administration has [pledged support for universal broadband](#). Further, new proposals from AT&T and Verizon to eliminate Lifeline could actually result in dramatically increasing the amount of money they receive from the US government to provide telecom services to poor Americans. At the same time, they will probably be able to reduce their customers' monthly bills.

It's also probably no surprise that Verizon is in the process of [purchasing one of the biggest Lifeline providers in the country](#), the prepaid MVNO TracFone. Thus, killing Lifeline would be a clear win for AT&T and Verizon, and the idea ought to drive plenty of lobbying in Washington this year.

To explain what AT&T and Verizon want to do with Lifeline involves delving deep into the bowels of government bureaucracy. But the core of their idea is actually pretty simple: AT&T and Verizon want to remove the Universal Service Fund (USF) fee from their customers' bills, and instead get that money out of the US Treasury. For those of us who both pay taxes and subscribe to telecom services, the ultimate result won't change: We'll still put our money toward crossing the digital divide, we'll just do it in a different way. And, if AT&T and Verizon are ultimately successful in their lobbying efforts, we'll also probably end up putting more of our money toward crossing the digital divide.

The topic traces its origins to the 1980s, when the Reagan administration created the Lifeline program to provide poor Americans with phone service. The Telecommunications Act of 1996 then created the USF – which was designed to promote universal access to telecommunications services, even in rural areas without phone service – and Lifeline naturally fell into the USF. The FCC oversees the USF and the Universal Service Administrative Company (USAC) handles the logistics.

Money for the USF comes from telecommunications providers themselves. Many, like AT&T, choose to pass this expense on to their customers. For example, my wireless service provider puts this charge onto my monthly bill under the "Federal Universal Service Charge" heading. In December I paid a total of \$70 per month for my cell phone and the USF charge was \$0.54. The USF collects about \$10 billion annually, and it spreads that money out across several programs. Lifeline is one, but others involve funding schools and libraries (E-rate, for example) and the construction of telecom networks in rural areas ([the Rural Digital Opportunity Fund](#), for example).

Lifeline provides recipients with a discount of up to \$9.25 per month for telecom services, either wired or wireless. Americans can get the discount if they meet federal poverty guidelines or participate in programs like the Supplemental Nutrition Assistance Program (SNAP, or food stamps). "The funding mechanism for the Lifeline program is unsustainable as the only program available for low-income recipients," Verizon [argued](#) recently.

Indeed, according to the USAC, only 8.2 million Americans used Lifeline in October out of the 33 million who were eligible for it, amounting to around \$1 billion annually. That's basically just 10% of the USF's total budget; the majority of the money collected by the USF goes toward building networks in rural areas. "Lifeline's funding structure also needs an update," argued AT&T CEO John Stankey [in a Politico essay last year](#). "The existing program is largely paid for by a narrow set of Americans ... it is effectively a regressive tax on consumers, a policy that absurdly hurts those it is intended to help."

As a result of these shortcomings, critics say, Lifeline has not grown nor adapted to meet the needs of the new broadband era. "While modern communications technologies have evolved from voice calls over rotary phones to essential connectivity over the Internet, the Lifeline benefit has increased little over the past 20 years," wrote AT&T's EVP of federal regulatory relations, Joan Marsh, [in a post to the provider's website late last year](#). "At less than \$120/year, the benefit doesn't support 21st century connectivity. For this reason, it is perhaps not surprising that many households eligible for the benefit don't actually accept it."

Verizon fully agrees. "It's time for a new approach," Verizon wrote recently. "Rather than tinker with Lifeline, which can continue as an alternative for low-income customers who prefer it, we should broadly rethink how to address broadband affordability to provide a much more useful option." Verizon on Friday outlined perhaps its clearest proposal yet for subsidized telecom services. In its [new "Accelerating America" proposal](#), the company argued Congress should "create a direct appropriation that recipients can use to pay for the broadband service of their choice." The operator argued the government should administer the program and that the FCC should allow a wide range of providers to participate. And Verizon also suggested Congress should "help pay for a device necessary to access the network, such as a tablet or wireless device," noting that current market prices for devices hover around \$200.

Perhaps most importantly, Verizon argued funding for recipients should be increased. "Congress would set the per-household service benefit amount at a much higher level than the current Lifeline amount, perhaps in the range of \$20-\$50 per month, which would be sufficient to cover all or most of the cost of a home broadband service that supports distance learning and working from home," the operator wrote. "And since the number of people covered and the total cost of the program may vary depending on what Congress ultimately decides, Congress should also explore whether the benefit amount should vary depending on such factors as household size, household income, or school-age children in the household."

AT&T executives [have outlined](#) a similar approach, noting that a \$35 per month subsidy could cost as much as \$12 billion a year – more than the entire USF – if 75% of those currently eligible for Lifeline signed up. And AT&T officials too have also argued that the money for the effort should come directly from Congress, rather than from the fees the operator levies on its customers. "As Congress debates increases to the Lifeline benefit, it should also ensure that funds are directly appropriated to support any benefit increase or otherwise ensure that the USF funding mechanism is significantly reformed," AT&T's Marsh wrote. "Relying on decades old funding approaches will only serve to undermine the goal of providing 21st century broadband connectivity to Lifeline eligible households."

Interestingly, President Biden [recently named](#) FCC Commissioner Jessica Rosenworcel as the FCC's acting chairwoman. Based on her past positions, it's possible that Rosenworcel would consider Lifeline proposals from AT&T and Verizon. "We need a clear plan for broadband for all," Rosenworcel argued [during recent Senate testimony](#).

And in 2019, Rosenworcel dissented to parts of an FCC order aimed at updating Lifeline, [arguing](#) that "instead of taking this four-decade-old program and modernizing it, our approach has been to diminish it – with cruel disregard for those who need it most." Such comments appear to indicate a willingness by the FCC's new chief to tackle Lifeline in some form. To be clear, as an FCC commissioner Rosenworcel would have no part in Congressional action against Lifeline. And that situation helps to shine a new light on the move by AT&T, Verizon and other telecom operators to [halt campaign donations](#) to the GOP lawmakers who voted against Biden's electoral certification. Those election results put Democrats in control of both houses of Congress.

– **LightReading**

Verizon Communications Inc.'s profit and sales slipped in the fourth quarter as higher costs burdened its bottom line, though the company issued a more upbeat view of its prospects in 2021. The largest U.S. cellphone carrier said it expects wireless-service revenue growth to hit at least 3% this year while it continues to invest in upgrades to support fifth-generation wireless technology, [also known as 5G](#). The company said capital spending would fall between \$17.5 billion and \$18.5 billion in 2021.

Verizon ended 2020 with a quarterly net gain of 279,000 postpaid phone connections compared with a gain of 790,000 in the same quarter a year earlier. Telephone companies prize so-called postpaid accounts, which charge customers monthly bills after service is rendered, for their stable revenue. Rival carrier T-Mobile US Inc. this month issued preliminary results that showed an 824,000 postpaid-phone gain over the same span. AT&T Inc. plans to report its fourth-quarter results Wednesday.

Verizon last year [pulled its sales projections](#) and braced for a wave of past-due bills as millions of Americans lost their jobs due to [the coronavirus pandemic](#). As the year wore on, revenue losses were limited by Verizon's more affluent customer base and the must-have nature of cellphone and home-internet service. The company's media business, which includes Yahoo, appeared to turn a corner in the fourth quarter. Its overall sales jumped 11% to \$2.3 billion.

Overall, Verizon's quarterly net income reached \$4.6 billion, down from \$5.1 billion a year earlier. The most recent quarter took a \$523 million hit from severance payments, the sale of [the HuffPost media business](#) and other one-time expenses. Revenue slipped 0.2% to \$34.7 billion. The company said Tuesday it remains on track to meet the cost-cutting goals executives set in late 2017. The company at the time pledged [to slash about \\$10 billion](#) of expenses over four years.

Verizon's past cost-cutting efforts don't account for the tens of billions of dollars that could be due in the coming years for new wireless licenses. The Federal Communications Commission's recent auction of C-band airwaves [collected a record \\$80.9 billion](#). The government hasn't yet identified the winners of the auction, though Wall Street analysts expect Verizon to be a top spender on the radio frequencies, which are considered apt for faster 5G wireless service. – **Wall Street Journal**

[Kim Ward](#) didn't set out to be a politician. She chose to be a respiratory therapist. But when she crossed paths with a young intern-turned AIDS activist, it sparked an interest in government and how she could play a role in it. That was a lesson along with a few others, including ones instilled in her by her 82-year-old mother Joanna Renko, that helped Ward secure her place in Pennsylvania history. The southwestern Pennsylvania native has become the first woman in the state to serve as a majority leader in the General Assembly.

Ward, 64, of Westmoreland County, said breaking glass ceilings was not what drove her to seek that post. It was more about her being from the western part of the state that was her selling point. That's where the state's Republican base has migrated and where most of the House and Senate Republicans reside. Last year's departures of top Republicans – Mike Turzai of Allegheny County as House speaker and Joe Scarnati of Jefferson County as Senate president pro tempore – created a void in the region's representation in leadership.

It didn't really dawn on her that she made history until after the GOP caucus' election. Ward, a married mother of three grown sons and grandmother to three, simply said, "I'm a woman and I'm a senator." It finally sunk in when a reporter asked her about the history she made and then seeing congratulatory notes pour in. "That's when it hit that I have an important position and I have to do a good job," Ward said.

Her colleagues and supporters mentioned her directness, pragmatism and levity as reasons why they saw her as the right person to lead the caucus and advance its policy agenda. "She reflects a mindset or a perspective that I think is what you would think of in a leader that came out of the West in terms of pro-jobs, the dignity of each person and being strong on a lot of issues that are important to those that are from a right of center perspective," said Turzai, who has known Ward for over 20 years through GOP circles.

Sen. Scott Hutchinson, R-Venango County, along with Sen. Joe Pittman, R-Indiana County, had been nudging Ward to run for the leadership post. "She is a really a meat-and-potatoes kind of legislator, not one with highfalutin ideas," Hutchinson said. "She is focused on the basics and doing them well and that policy will carry our state forward." Ward will do that in the Senate chamber, standing a little taller with the help of a stool her fellow Republicans gave the 5-foot-tall lawmaker. It carries a reminder of what she accomplished.

On its side is an engraved plate that reads: "Senate Majority Leader Kim Ward – Shattering Glass Ceilings One Step at a Time." Ward said she has always been an activist, even back when she was in high school. "I was a class officer and never shied away from giving my opinion," she said. "I'd go to school board meetings and my dad would go with me. I'd jump up to say something and he'd whisper, 'Sit down.' But I can't help it. I've always been that way."

When working as a respiratory therapist at Vanderbilt University Hospital a couple years after the discovery of the AIDS virus in the early 80s, her desire to help others kicked in again. She wanted hospital employees to be safe at a time when so little was known about that virus. "Not everybody had access to the charts but we would make sure anybody who drew blood, we would tell to be careful. Be extra cautious here is all I would say," Ward said. "It was a scary time. But it was my little activism."

It was there she met Dr. [Hacib Aoun , an intern who contracted AIDS when a glass tube](#), containing a sample of a patient's blood, shattered and pierced his hand. She saw him take his own situation and launch it into a national crusade. Aoun became known for his efforts of raising awareness of the dangers that the AIDS virus posed to health care workers and pushing for funding to find a cure or treatment for the disease. Ward recalls being home on maternity leave watching Aoun on television testifying before Congress and appearing on talk shows. That made an impression. "He was a fighter for the cause," she said. "He opened my eyes to government in action."

When she returned to southwestern Pennsylvania, she got involved in politics and became county GOP chairman. She went on to serve as chair of the party's southwestern caucus and later statewide secretary for the Pennsylvania Republican Party Committee. She helped to get other candidates elected. Then in 2001, she decided to run for office, after becoming outraged over her township's plan to spend \$5 million on a recreation center. "I was like, who's going to pay for that? I'm going to pay for that? And we can't get a red light here?" she said.

Ward put her name on the ballot for Hempfield Township supervisor, despite knowing the odds were against her. Her township hadn't had a Republican supervisor on its board in 20 to 25 years, let alone a woman. "All I heard was that I was not going to win that," Ward said. "They said they won't elect a woman. They won't elect a Republican." "They" were wrong. She got elected. During her five years on the supervisors' board, the township got its rec center but at a tenth of the original cost, Ward said.

Then some issues arose in Westmoreland County government that piqued her interest and led to her successful run for a county commissioner seat. She was a commissioner for just eight months when the 39th senatorial district seat opened in 2008 and she was recruited to run for it. Ward admits she was unsure about making that move but with the support of Senate Republican leaders and with the Senate Republican Campaign Committee bankrolling her efforts, she won. Since then, she has made her mark through legislation she advanced in the areas of health care, child protection, transportation, among others.

Last year, one of her bills that became law reminded her of her friend Aoun's crusade. The measure allowed first responders to be alerted to confirmed COVID-19 cases at addresses where they were responding to emergencies. "It is in the best interest of all of us for our first responders to know as much as possible about their risk of exposure to a highly communicable novel virus like

COVID-19 when they are responding to a call," Ward said. She also authored a proposed constitutional amendment to give the General Assembly more say in how long disaster declarations last. It would limit them to 21 days, unless the legislature extends the declaration. Ward said that idea was born out of Gov. Tom Wolf's response to the COVID-19 pandemic and his "refusal to work with the General Assembly" in dealing with it.

Despite her effort to clip Wolf's wings through that proposed amendment, Ward described her relationship with the Democratic governor as OK. "He's always treated me politely," she said. "He's always been a gentleman. I don't agree with him on a whole lot of things but that's OK. We can still get along." She is hoping that also holds true with the Democrats in the Senate. But this legislative session got off to a rocky start with them.

The Senate Republican majority refused to seat Democratic Sen. Jim Brewster of Allegheny County at the Jan. 5 Swearing-in Day. Their reason: his narrow win over his GOP opponent Nicole Ziccarelli remained in dispute. That decision sparked chaos in the chamber. Angry words were spoken and the controversy drew national attention. Democrats left there pursuing a lawsuit to compel the Republicans to seat Brewster, who was declared as the winner in that race based on results certified by state and local election offices. Ziccarelli filed an unsuccessful lawsuit to overturn the results, and Brewster was sworn in on Jan. 13.

Ward issued a statement welcoming Brewster back to the Senate and committing to working across the aisle on election reform. "We are all elected to represent our constituents. We are all elected to represent different constituents. There is absolutely no reason we can't disagree and still be respectful and not engage in name calling and making accusations," Ward said, referring to [the maelstrom that erupted on Swearing-in Day](#). "That takes away from the chamber. We represent the people and they don't want to see us up there calling each other names and yelling."

Personally, she said she has no issue with any Senate Democrats, although she admits she doesn't know some of the newer ones very well. "I hope we can work smoothly together, disagree or not," Ward said. "I've always had a collegial relationship with the other party. I hope that's not threatened this year because of the overall kind of feeling left from the election and surrounding issues."

Senate Democratic Leader Jay Costa of Allegheny County, said he has had a longstanding good relationship with Ward, particularly in working in the areas of transportation and community development. He hopes to see that continue. "While we did have a significant disagreement with respect to the start of the Senate session, I do believe we will get back on track and do the people's business," Costa said. "It's imperative that we move forward and do the people's work. We can disagree on some of these issues but we have to be able to have an open and transparent and appropriate debate and discussion on issues that Republicans believe in and issues that Democrats believe in also deserve an opportunity to be aired."

He hopes the new majority leader will allow more Democrat-sponsored bills to get a Senate vote. "We can't continue down a path where 90% of the bills that are coming out of the Senate are Republican bills and less than 10 % are Democratic bills," Costa said "That's not acceptable." Another Democrat who respects Ward for her history-making achievement is Sen. Lisa Boscola of Lehigh County. Boscola said over the years, she and Ward have talked about their personal lives, their positions on issues and how legislation could be modified to win each other's support.

On Jan. 5, when Senate President Pro Tempore Jake Corman, R-Centre County, referred to Ward as "madam leader " and Boscola saw Ward at the majority leader's podium, she said it brought on a feeling of immense pride. "It's incredible," Boscola said. "I do recognize what a huge accomplishment this is and how hard she had to work to get to that leadership

position. It's not easy. So I'm hoping there are many young women out there who are watching this and who are inspired." Boscola was impressed when Ward's male colleagues presented her with that stool. "I was like, wow, for her colleagues to do that was impressive as well," Boscola said. "I actually went over to see it. I took a picture."

After being elected on Nov. 12 as majority caucus leader, Ward thought she would have a slow run up to the 2021-22 legislative session. It proved to be anything but. Ward found herself immersed in the fallout from the general election and challenges of President Joe Biden's victory in Pennsylvania. She attended a Senate Majority Policy Committee meeting where unproven claims of election rigging and voter fraud were aired by former President Donald Trump's lawyers. Federal, state and local officials defended the integrity of the election and courts in Pennsylvania - and around the country - rejected efforts to overturn the results.

Ward signed on to failed efforts led by Trump supporters that would have resulted in tossing out Pennsylvania's election results, including [signing a letter to Congress](#) urging its members to reject the state's electoral votes for Biden. Ward said she did so because of a feeling that the Wolf Administration and the Democratic majority on the Pennsylvania Supreme Court overstepped the bounds of their authority with some of their election guidance and rulings, raising questions for many about the election's integrity. "The temperature had been very high. This election was very emotional for a lot of people and legislators, not just me," she said.

It was that high emotion that spurred Ward to tell a New York Times reporter that given the feelings of GOP party leaders, they expected her to sign that letter to Congress. She was then quoted as saying if she didn't, "I'd get my house bombed tonight." Ward claims her comment was said in jest while having a laugh with that reporter and was disappointed the comment was portrayed in a way that carried a more serious tone. However, she admits she has received death threats from both the left and the right over actions she took related to the election.

The election wasn't the only thing that filled her days after her Republican colleagues chose her as their caucus leader. She called one last hearing in late November as Senate Transportation Committee chairwoman to address [a transportation funding issue](#). It came to light as work on the state budget to fund government through the end of the fiscal year was nearing completion. PennDOT officials requested authority to borrow \$600 million because it had run out of money. Without an infusion of cash, PennDOT officials said work on hundreds of road and bridge projects were at risk of stopping by early December. A [last-minute agreement to move money around to keep those projects on track](#) averted that situation.

During the hearing, Ward asked why PennDOT waited until two weeks before it ran out of money to try to squeeze \$600 million in borrowing authority out of the General Assembly. "It feels like it was intentional to hold us over a barrel knowing that if it didn't get into the budget that thousands and tens of thousands of jobs, folks would be getting laid off. It's just no way to do business," Ward said. Wolf administration officials said they warned of funding problems long before that time Ward's cut-to-the-chase style prompted Hutchinson to urge Ward to seek the leadership post. "She has an ability to look to the crux of a matter very quickly," he said. "She can get right to that immediately and not beat around the bush and figure out how we should deal with it."

Hutchinson looks for Ward to advance issues such as growing the economy, making government live within its means, and addressing the COVID-19 pandemic. Turzai said it is her direct, principled, and common sense nature that had him rooting for her behind the scenes to become the Senate GOP leader. "She's not afraid to move forward and make tough decisions and is just full speed ahead," Turzai said. "But I will also tell you Kim has a great sense of humor. She is very outgoing. She uses levity to keep things in check but she's

not afraid to speak her mind. I just think that's what you want in a leader." Ward says she gets that strength and drive to fight for what she wants from her mother. "My mom just never gave up. She said there's always a way to fix it. There was nothing you can't fix. She's always been really strong," Ward said. "She did this to me." – **Harrisburg Patriot-News**

