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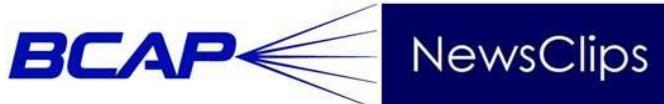


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President Biden aims to spend \$100 billion to close gaps in the nation's broadband network, calling affordable high-speed internet connections critical for modern households but leaving central details of the plan up in the air. The White House's [\\$2.3 trillion infrastructure proposal](#) released Wednesday includes the goal of connecting every U.S. home and business while also cutting prices for internet access, dubbing broadband the "new electricity" in its societal importance.

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Reliable internet service has become more critical over the past year, as many Americans were forced to work, attend school and entertain themselves at home because of the pandemic. "We'll make sure every single American has access to high quality affordable high-speed internet," said Mr. Biden in a speech Wednesday. "We're going to drive down the price for families who have service now and make it easier for families who don't have affordable service to be able to get it now."

Expanding broadband coverage has support in both parties on Capitol Hill, but Republicans say that wrapping it into an infrastructure proposal full of other Democratic priorities is the wrong approach. Some Republicans have also expressed concern about the size of the proposed broadband spending and the broader package, which would be paid for by an increase in corporate taxes. "There is widespread bipartisan support for increasing access to high-speed internet, particularly in rural areas," said a Senate Republican aide familiar with recent bipartisan negotiations. "There is zero bipartisan support for tying this overwhelmingly popular issue to a massive tax increase on American businesses still reeling from a once-in-a-century pandemic."

Democrats could pass an infrastructure bill without Republican votes by drawing on their narrow control of the House and Senate, though some have expressed a desire to get some GOP lawmakers on board. Details about the broadband plan are still to be determined, including decisions on how the money would be spent. A senior administration official told reporters Tuesday that the plan would achieve the goal of universal, affordable broadband by the end of the decade.

White House press secretary Jen Psaki said Tuesday that the president is "very open to hearing ideas and proposals from members of Congress." The White House said Mr. Biden wants to give priority to funding for nonprofits, cooperatives and local governments to build broadband infrastructure. Such emphasis suggests the administration might attempt to steer new funds away from large internet service providers who have received chunks of previous subsidy programs.

Industry reaction to the broadband proposal was mixed. Analysts said telecom companies are hopeful that federal government aid will speed up their rollout of fiber-optic connections that can deliver much faster speeds than traditional copper phone lines. Cable providers have already invested in fiber networks. NCTA, a cable-company trade group that represents Comcast Corp. and others, said the plan suggests "the solution is either to prioritize government-owned networks or micromanage private networks." The group, which also calls itself the Internet & Television Association, pointed specifically to the suggestion of government intervention to bring down prices. USTelecom, which represents companies such as AT&T Inc., said its members share Mr. Biden's goals and are ready to build, while emphasizing that the policy should incentivize private investment.

Big providers have some of the most powerful lobbying operations in Washington and will be at the forefront of discussions with lawmakers, as the legislation is developed. All the major providers either didn't respond to requests for comment or referred requests to the trade groups. Since 2012, the Federal Communications Commission alone has distributed more than \$35 billion toward expanding broadband to rural homes and businesses. The Commerce and Agriculture departments, as well as states such as New York, have collectively spent billions of dollars on the effort. The FCC currently defines broadband as download speeds of at least 25 megabits per second and upload speeds of at least 3 megabits per second at a minimum.

The White House said the president wants to give priority to "building 'future proof' broadband infrastructure," without defining that term. Some in Congress want to change the FCC's broadband definition to a minimum of 100 megabits-per-second download and upload speeds, a move that could vastly expand the areas eligible for funding. Setting a higher bar for broadband speeds might

also benefit companies building speedy fiber-optic cable networks at the expense of competitors, such as satellite providers.

In January, the FCC estimated that about 14 million Americans, or about 4.4% of the country, lacked access to high-speed internet as of the end of 2019. Other estimates of the number of underserved Americans are much larger, and the FCC acknowledges that it relies on data [from internet providers that overestimates coverage](#). Other Americans have access to high-speed internet but can't afford it. Congress sought to address the problem on a short-term basis [with a new \\$3.2 billion broadband benefit program](#) for low-income households in a December Covid-19 relief bill.

That program is set to open for sign-ups later this spring. Assuming a swath of eligible households sign up, the funds would likely run out in about six months, according to John Horrigan, a senior fellow at the Technology Policy Institute think tank who has studied broadband affordability. Some Wall Street analysts pointed to pricing regulation as a possible outcome of the proposal. The plan is "more forward-leaning than we've heard from Biden or congressional Democrats on broadband prices," said Paul Gallant of Cowen & Co. in a research note.

Democrats on Capitol Hill have pushed at least two proposals for closing the so-called digital divide, each proposing nearly \$100 billion. One, the \$94 billion Accessible, Affordable Internet for All Act, has a backer in Rep. James Clyburn (D., S.C.), the House majority whip and a key Biden ally. He said he believed Republicans wanted to expand rural broadband in their own way but weren't willing to work with Democrats. "If the Lord Almighty had a 'D' behind his name, they would not support him, so we aren't worried about that," he said. "Nobody is going to wait for them."

Republicans on the House Energy and Commerce Committee recently made a series of proposals to reduce regulations on broadband deployment, which they said would spur private-sector investment in new networks. In February, 72 House members from both parties wrote to Mr. Biden urging him to invest in broadband connectivity as part of an infrastructure package. "There are a number of bipartisan ideas to bridge the digital divide that would work better than adding to the national debt," said Sen. Marsha Blackburn (R., Tenn.), noting that the Democrats passed a \$1.9 trillion aid bill in early March. "Flooding the country with federal dollars in the name of universal broadband, universal pay, universal stimulus, universal healthcare or any other universal fill-in-the-blank policies" will waste taxpayer funds, she said. – **Wall Street Journal**

Michael Powell, president of NCTA-The Internet & Television Association, is not happy with the Biden infrastructure plan's focus on subsidizing government-built broadband networks or potentially regulating the prices of private ones. He suggested the Biden has misdiagnosed the problem--which is getting broadband to where it isn't--and its remedy would roll back decades of successes.

ISPs have long pushed for limits on government broadband buildouts that can wind up overbuilding existing service or end up with networks that can't support ongoing operations, leaving taxpayers to pick up the slack. President Biden's just-announced, multi-trillion-dollar infrastructure plan includes \$100 billion for universal, high-speed broadband subsidies targeted to cities and nonprofits combined with an effort to reduce the price of "overpriced" service from commercial ISPs, though just how that would happen is not clear.

In responding to the plan, Powell, former chairman of the FCC and a proponent of closing the digital divide as well, said that while the White House has elected to go big with broadband infrastructure, it was risking making a big "wrong turn" by "discarding decades of successful policy," which is subsidizing hard-to-reach and low-income residents so ISPs can continue to make the money that allows them to invest in build-outs and upgrades. He said the

Biden plan suggests that "the government is better suited than private-sector technologists to build and operate the internet."

Part of the problem, he said, is "mistakenly lumping in our successful modern digital networks with our decaying roads, bridges, waterways and electric grids." Powell has pointed out before that while infrastructure spending is mostly about fixing broken things, broadband networks aren't broken, but instead are continually upgraded. "While we have seen repeated examples of traditional infrastructure failures in recent years, America's broadband has been a reliable workhorse as millions of Americans have worked, learned and stayed connected from home during the pandemic," he said in a statement. "Simply put, the high caliber of our broadband networks kept millions of Americans safe and will continue to revolutionize work, healthcare, education and more."

Powell said government is needed get service where it is lacking, but that goal is not served by suggesting, without foundation, that the network is "ailing" or that the solution is to favor government-owned networks, micromanage private ones, or regulate prices, adding: "As every doctor knows, the crucial step to prescribing the right remedy is to make the right diagnosis." — **Next TV**

The Commonwealth of Pennsylvania is getting a fiscal shot in the arm from good old Uncle Sam to the sprightly tune of \$7.3 billion. That's billion with a "B." It's [the state government's share](#) -- there's much more for local governments, school districts, etc. -- of the \$1.9 trillion American Rescue Plan, a pandemic recovery package that your kids, their kids and their kids might never pay off.

Seem like a lot? It is a lot, one-fifth of the state budget. But government runs on money. Ours hasn't run well. Maybe more money makes it run better. In fact, it's not a stretch to suggest a massive cash influx could drag the state from its too often cellar-dweller status. A look at the last few years of [U.S. News & World Report best states/worst states rankings](#) shows Pennsylvania near the bottom overall (currently 40th). And it shows consistent lagging in three of eight broad categories: education, infrastructure, fiscal stability.

So, it's clear we're in need. And there's no mystery where new spending makes sense: schools, roads and bridges. But that "fiscal stability" thing, in which Pa. ranks 47th? That could be a problem. It's the ability to make government spending, taxes and programs work in the short term and the long run. We don't do that so well. The challenge for Gov. Tom Wolf and the legislature is to find agreed-to spending paths, at a time the governor and the legislature agree on almost nothing.

[Wolf has said he'd spend on highways and bridges](#), but added, "I can guarantee the Republicans are going to say, 'Let's continue to kick the can down the road.'" So far, Republicans haven't said much. We'll see. Whatever happens, all this new money will attract all manner of interests -- a feeding frenzy not unlike a hill of ants to a sugar spill.

But maybe it means no annual budget battle, a rarity in Pennsylvania. Maybe it means erasing a budget deficit, projected between \$2.5 billion and \$3.5 billion. All depends. It's unclear how exactly the money can be spent. Congress, you may know, passes laws and *then* writes regulations for them. Those regulations are expected soon. We know the law says states can't use the money for tax cuts (almost certain to lead to litigation) or for public pensions (a big mess in their own right), because the goal is to juice the economy, create jobs and speed pandemic recovery.

Still, given what we know, I sought conservative thinking and liberal thinking on what should happen and what could happen. (Remember, no moderates are in power in Harrisburg or D.C., as seen here constantly, and as seen in the fact the recovery package got no Republican votes.) Both sides agree infrastructure spending makes sense, and both suggest added education

opportunities. The basic ideological rift is warnings from the right against using the money for anything other than one-shot projects, while the left is more open to expanding use to fit state needs. “Creative use of the state’s discretionary money with dedicated pots of other money” can impact more areas, says Stephen Herzenberg, head of the left-leaning Keystone Research Center.

He suggests investment in post-secondary education to increase access to training and apprenticeships in health care, construction and more, “to meet business needs,” as well as improving the state’s standing in higher ed and student debt. ([The State System of Higher Education](#) has financial woes and enrollment decline. And pre-pandemic [Pennsylvania had the nation’s second-most student debt.](#))

Nathan Benefield, of the right-leaning Commonwealth Foundation, says some money should go to K-12 education options. “We give billions to school districts whether their schools are empty or full,” he said. “We should give directly to families so people have options, including private schools and online education.” Marc Stier, director of the liberal PA Budget and Policy Center, thinks lawmakers should use the money for [Wolf’s proposed education-funding reform](#). Wolf’s plan relies on a tax increase (which isn’t happening). Stier says recovery funds can attack “long-term injustices the pandemic has revealed” such as inequitable school funding and low-wage workers’ incomes.

Wolf’s plan relies on a tax increase (which isn’t happening). Stier says recovery funds can attack “long-term injustices the pandemic has revealed” such as inequitable school funding and low-wage workers’ incomes. And Loman Henry, CEO of the conservative Lincoln Institute, says “roads and bridges seem to be a place to use the money,” but wonders if these recovery funds will come with infrastructure restrictions, given President Joe Biden’s separate \$2 trillion infrastructure proposal.

Still, says Henry, the legislature should join Wolf in pushing road and bridge work if for no other reason than lawmakers can get projects in their districts headed into an election year. Politics will play a huge role in where, how and when funding is spent. And knowing Pennsylvania, it’s easy to see this not going well, or wisely. But at least recent history offers guidance. Let’s hope there’s no getting lost. – **John Baer’s column in *Harrisburg Patriot-News***

