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Kentucky's plan to build one of the country's largest publicly owned broadband networks was touted as a cornerstone of the effort to save the Appalachian economy by bringing high-speed internet to some of the poorest counties in America.

It was supposed to take a year to finish, but three years later only a fraction of the 3,000 mile network of fiber optic cables known as Kentucky Wired has been built. Construction has been plagued by delays, forcing the state to pay $7 million in penalties to its private-sector partners with the potential of "tens of millions" more. State officials had been counting on public schools and libraries to help pay some of the bills but that plan has fallen through, and project officials plan to ask state lawmakers for millions of dollars in taxpayer money to make up the difference.

Now, some of the state's most influential lawmakers want to pull the plug, and have asked project leaders how much that would cost. "This is the 21st century version of the big dig in Boston," said Chris McDaniel, chairman of the state Senate's budget-writing committee, referring to a project that took decades to complete and cost twice as much as planned.

Launched with considerable fanfare in August 2015, Kentucky Wired was designed to touch all of Kentucky's 120 counties to ensure even the most remote hollers of the Appalachian mountains would have access to high-speed internet — widely viewed as crucial to jumpstarting economic

Erie Times-News
[Slow internet plagues rural areas of Erie County]

Philadelphia Inquirer
[Signs of a deal nearing on Pa.'s budget]

Philadelphia Daily News
[It's Rep. Rabb, Part III]

development. The undertaking requires a 3,000-mile network of fiber optic cables, 85 percent of them strung from existing telephone poles while the rest run underground.

It was supposed to have been completed by the fall of 2016. Instead, crews have installed only 68 miles of tubing for the cables, nearly 13 miles of glass fiber and 6 miles of aerial fiber cables. "Kentucky Wired is pioneering the use of the public-private partnership model in a new sector, and therefore the model is subject to temporary setbacks," said Nicholas Hann, senior managing director for Macquarie Capital, the Australian venture capital firm that has a contract to build and operate the network. "We have the utmost confidence that we can work through these challenges."

Part of the problem is getting permission to hang cables onto existing telephone poles. In many cases, project leaders have to negotiate with private property owners who are often wary of granting an easement to the government. And they have to woo officials with local governments, some of whom already own and operate their own broadband networks. "You don't expect a new entrant financed by the government to come along and compete with you," said Billy Ray, superintendent of a city-owned utility with a broadband network in Glasgow, a town of about 15,000 people in western Kentucky. "We have some concerns about what is their ultimate goal."

Officials have leased more than 300 miles of existing fiber-optic cables to save money and time. But the project has still encountered 158 "supervening events" that delayed construction. The delays have caused losses for Macquarie Capital and its partners. Kentucky taxpayers are contractually obligated to cover some of those losses. The state has paid $7 million so far, with "tens of millions" more on the horizon, according to Phillip Brown, executive director of the Kentucky Communications Network Authority that is overseeing the project.

While the project was mostly financed by $288 million in public bonds issued by Macquarie Capital, the contract requires Kentucky taxpayers to help companies pay down that debt. State officials had promised that government agencies and public schools would be the network's first customers, using that money to help pay off the debt. But with the network not built, that money is not available. Brown said officials will likely ask the state legislature to cover those costs. McDaniel said he would not support that. "These folks that came in there and participated from the private sector may have to take a haircut," he said.

Republican Rep. Phil Moffett went further, saying "the people that bought those bonds ought to sue us." The network is one of the featured projects between former Democratic Gov. Steve Beshear and longtime Republican U.S. Rep. Hal Rogers. The two joined forces to form SOAR, a nonprofit organization designed to spur growth in Kentucky's Appalachian region that has been devastated by the declining coal industry.

Republicans who criticize the network often blame Beshear, who approved the project before he left office. But Rogers also played a key role, securing a $23 million federal grant and declaring the project crucial to turning Appalachia into "silicon holler." Republican Gov. Matt Bevin, a frequent critic of Beshear's time in office, has promised to complete the network because it "will make a profound difference in the lives of many across the Commonwealth," according to a spokesman.

Beshear declined to comment for this story. Rogers said the state can't afford not to finish the project. "The contract is complicated and costly, but more importantly, our businesses owners are begging for it in Eastern Kentucky to expand operations and new industry recruits often require it before committing to our state," Rogers said. – ***Associated Press***

Cable Services, 2113 Marydale Ave., has been operating based out of the Williamsport area since 1964. The company started under the leadership of John B. Roskowski, who started his career in cable services in 1952 by taking a job at Williamsport Cable until branching out on his own. He handled things at the helm of the company until 1992.

Today, the current owners are John M. Roskowski, his son, Lynnette Michaels, his daughter, and her husband, Kenneth R. Michaels. “He was very charismatic, very driven. He came from a poor family background, and he was a Marine in the service,” Lynnette Michaels said about her father. Jeremy Michaels, grandson and vice president of operations, makes it a three-generational business. “There was a demand at the time for contractors to go out and build a new plant,” Jeremy Michaels said. “There was very little cable T.V. back then … Because he saw a need for it, he decided at one point to go out on his own, start contracting and building these networks.”

The family business is alive and strong today, honoring their father’s memory. “It’s something that my father put his whole self into, he lived and died for it,” Lynnette Michaels said. “It was in the blood.” She said that her son came home from college to say he wanted to be part of the family business. “Jeremy, our son, took an interest in it very young … he came home and said, 'what I really like to do is work with my hands, and I'd really like to be in the cable industry. I'd like to come work for you guys," she said. "He actually started from the bottom up, worked his way to where he is today. He learned everything he could, everything about the business we do."

She said he shares his grandfather's drive and natural passion for the cable industry. "I always liked to work with my hands, and I was always interested in the technical aspect of things. This is a very technical industry," Jeremy Michaels said. "We mainly work in the wireless cable T.V. and telecommunications industry. Overall, we're a communications contractor. We get to build a lot of big networks and maintain a lot of big networks."

The company is based out of Williamsport, but it covers territory across the United States, primarily along the east coast. "It's a traveling industry where we move around a lot," Jeremy Michaels said. "We move from town to town, different areas … It's an exciting thing to be a part of with new technology, things like that." He said they're the people that set up the actual physical groundwork to grant telecommunications services for everyday people. "Basically, it's a big part of what makes society operate," he said. "If it wasn't for the communication industry, people might not realize it because we take it for granted. You pick up your cellphone, you look at Facebook … there's a tremendous amount of infrastructure in the United States that supports that."

Of course, given that they started in the very beginning of the cable industry, it's hard to find another contractor that shares their years of experience. "We've been around longer than most contractors because we're older than 50 years old." Jeremy Michaels said. "A lot of it is our expertise, our years of experience. We have a lot of history because we built it … We haven't been around the block, we built the block." Great service is important to their company. "We have a very good team," he said. "We have a lot of really good employees that are highly skilled in the industry." – ***Williamsport Sun-Gazette* local company profile**

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The public debate over how best to keep the internet open and free – and what exactly that means – has dragged on for more than a decade. The principle that internet service providers should deliver all online content without favoritism carries with it complex **economic**, **technological** and **legal questions**.

In 2015, the Federal Communications Commission issued its **Open Internet Order**, requiring transparency and banning blocking, throttling of content and paid prioritization – that is, offering higher-quality service at a price. Under its current chairman, Ajit Pai, the FCC proposes to **revise and reverse** some or all of these rules. Both in the **run-up to the 2015 order** and since this current proposal for reconsideration, many have **called for Congress to step in** **for the first time**. Without legislating specific net neutrality rules, Congress could take three important steps to clear away irrelevant legal impediments and make the debate more productive for regulators and the public alike.

Some of the problems of devising net neutrality rules come from the fact that Congress defined legislative categories that had more to do with the 1984 breakup of AT&T's telephone monopoly than the still largely nascent internet. In the **Telecommunications Act of 1996**, Congress classified communications businesses as engaged in either "telecommunications" or "information" services – either operating the wires that the data flow through or providing the data. Congress decreed that only the former were subject to regulation of prices, access and services – under **Title II** of the **Communications Act of 1934**.

That congressional decision is why the debate is laced with contentions about whether ISPs should be classified as either telecommunications or information service providers. Those contentions aren't new; 15 years ago a relatively deregulation-minded FCC classified broadband cable service as an **information service, not subject to regulation**. And in 2005, the Supreme Court ruled that **the FCC could determine how to classify** broadband internet. But Justice Antonin Scalia dissented, saying the Telecommunications Act of 1996 was **clear that broadband internet was a telecommunications service** – and that the FCC couldn't decide otherwise.

The FCC's 2015 Order "reclassified" broadband service as a telecommunications service, to give it the legal authority the **D.C. Court of Appeals said the FCC needed** to enact its net neutrality rules. The current FCC proposes, in effect, to "re-reclassify" broadband as an information service. The commission's announcement of that move involves some excruciating legal contortions, not to oppose the economic substance of the FCC's 2015 order but to come up with a convincing argument against Justice Scalia's 2005 dissent.

Congress can fix this mess. The economic case for whether and how a firm should be regulated has nothing to do with what service it provides. Rather, the question should be about economic fundamentals: Is the company a monopoly? Or does competition from alternative suppliers impose reasonable market pressures on price and service quality? And can the regulator get demand, quality and cost information in a sufficiently timely manner to be able to set reasonable prices and terms of service?

Unfortunately, the Telecommunications Act of 1996 ignored economics and relied on service classifications instead, precluding findings that an information service should be regulated – or that a telecommunications service market is sufficiently competitive to render regulation unnecessary. Returning regulatory determinations to their economic foundations is the first order of legislative business.

But is net neutrality really about economic regulation? While thinking clearly about net neutrality rules requires eliminating classification, looking at the issue solely in terms of regulating monopolies may be looking in the wrong place. In recent years, during both Republican and Democratic administrations, the FCC has tended to assess all communications policy issues in terms of whether internet sector practices violate antitrust laws. By and large, the arguments based on competition, or economics more generally, **are not all that compelling**.

Regarding net neutrality, a much better role for the FCC would be to focus on the public interest. One example comes from the observation, by open-internet advocate **Harold Feld** at the communications policy nonprofit **Public Knowledge**, noting how important it was for **Arab Spring protesters** to communicate on social media. While the FCC's jurisdiction does not extend to Egypt, the ability for the public to freely share news and ideas through the internet is no less important in the U.S.

In retrospect, the FCC made a mistake by treating net neutrality as a competition problem rather than as a tool to protect speech. Because speech rights were never central in the FCC's net neutrality review, there is no record of what, if any, policies would be necessary or effective to protect people's rights to communicate. The current regulations might be sufficient or excessive, but until evaluated under a "public interest" standard, we do not know.

Congress should remind the FCC of its obligations to evaluate the public interest consequences – not just the economics – of its regulations. Focusing the FCC on the public interest would be easier if the **Department of Justice's Antitrust Division** or the **Federal Trade Commission** could guard against internet service providers engaging in monopolistic practices. At present, the antitrust agencies may not have that authority. In 2004, the Supreme Court ruled that if a regulator has authority over a practice (in that case, the FCC's authority over how telephone companies open their facilities to competitors, **antitrust laws should not apply**. That decision came despite an explicit clause in the Telecommunications Act of 1996 **preserving an antitrust role** for the FCC.

I do not expect that internet service providers following regulations grounded in the public's rights to speak and be heard would violate antitrust laws. Congress should make it clear to the Supreme Court and the public that antitrust authorities do have the power to review the facts and remedy any competition problems or harm to consumers. If Congress could enact legislation that removed the distinction between "telecommunication" and "information" services, reinforced the importance of the public interest in communications and restored antitrust enforcement power for regulators, the FCC would be better able to develop net neutrality regulations – whatever they may turn out to be – with solid substantive and legal foundations. – ***theconversation.com***

Nearly 2 million people logged onto Amazon.com for the online retailer's first livestream of Thursday Night Football, the U.S. National Football League said on Friday. Some 1.9 million people tuned in to Amazon's kickoff show and game between the Chicago Bears and Green Bay Packers, according to the NFL. That compares to 2.3 million for the first digitally streamed game last year on Twitter Inc., which had the online rights at the time.

But viewers watched the broadcast for longer on average on Amazon. Its average worldwide audience for at least 30 seconds was 372,000 people, compared with 243,000 on Twitter for the first game last year, the NFL said. Streaming live sports is a new, integral part of Amazon's strategy to encourage more people to sign up to its Prime shopping club and spend more on retail goods. – ***Reuters***

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Broadband
Cable Association
of Pennsylvania

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